



Strategic Planning Team  
Planning & Regeneration  
The Council House  
Burcot Lane  
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Worcestershire  
B60 1AA

SENT BY E-MAIL AND POST

11<sup>th</sup> November 2013

Dear Sir / Madam

## **BROMSGROVE DISTRICT PLAN PROPOSED SUBMISSION VERSION CONSULTATION**

### **1. Introduction**

1.1 Thank you for consulting with the Home Builders Federation (HBF) on the above mentioned consultation.

1.2 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.

1.3 We would like to submit the following representations and in due course appear at the Examination in Public (EIP) to debate these matters in greater detail.

### **2. Duty to co-operate**

2.1 Section 33(A) of the Planning & Compulsory Purchase Act 2004 as amended by Section 110 of the Localism Act 2011 provides for a duty on Local Planning Authorities (LPA) to co-operate with each other and other prescribed bodies. This co-operation includes constructive and active engagement as part of an on-going process to maximise effective working on the preparation of Development Plan Documents (DPD) in relation to strategic matters including sustainable development that would have significant wider impacts. At the examination of DPDs LPAs will have to provide evidence that they have fully complied with this duty if their plans are not to be rejected by an examiner.

2.2 The Duty to Co-operate is reinforced by Paragraphs 17, 157 and 178 of the National Planning Policy Framework (NPPF), whereby neighbouring authorities should work jointly together and co-operate to address planning issues which cross administrative boundaries and on matters that are larger than local issues. Moreover in accordance with Paragraph 181 of the NPPF, LPAs are expected to demonstrate evidence of having effectively co-operated to plan for issues with cross boundary impacts when their Local Plans are submitted for examination. This co-operation should be continuous from engagement on initial thinking through to implementation.

2.3 Whilst the Localism Act nor the NPPF do not define co-operation, the Planning Inspector, Andrew Mead, in finding that the Duty to Co-operate on the North London Waste Management Plan had not been satisfied by the respective London Borough Councils involved, referred to the dictionary definition meaning "*to work together, to concur in producing an effect*". The Inspector also noted that the NPPF refers to co-operation rather than consultation, therefore "*it is reasonable to assume that engagement as part of co-operation is more than a process of consultation*" (Paragraphs 22-25 Appendix 1 North London Waste Plan Inspectors Report March 2013).

2.4 Bromsgrove District Council has seven neighbouring LPAs namely Redditch Borough Council, Stratford upon Avon, Wyre Forest and Wychavon District Councils, Dudley and Solihull Metropolitan Borough Councils and Birmingham City Council. Bromsgrove District Council, Redditch Borough Council, Wyre Forest District Council and Wychavon District Council are in the same Worcestershire Housing Market Area (HMA). Whilst Stratford upon Avon District Council, Dudley and Solihull Metropolitan Borough Councils and Birmingham City Council are in different HMAs. Just as LPA administrative areas are not self-contained entities with border controls neither are HMAs. The DCLG Advice Note "*Identifying Sub-Regional Housing Market Areas*" published in March 2007 in Paragraph 6 states that "*sub-regional housing market areas are geographical areas defined by household demand and preferences for housing. They reflect the key functional linkages between places where people live and work*". It is vitally important to consider inter relationships between neighbouring authorities and HMAs when formulating housing and development policies.

2.5 Whilst the HBF commends Bromsgrove District Council for its collaborative working with Redditch Borough Council to meet Redditch's unmet housing needs on strategic sites within Bromsgrove's administrative boundaries, it is essential that other equally important working relationships are demonstrated to comply with the legal requirements of the Duty to Co-operate and to satisfy the four tests of soundness defined in Paragraph 182 of the NPPF.

2.6 Since the revocation of the West Midlands Regional Spatial Strategy (WMRSS) on 20<sup>th</sup> May 2013, it is not business as usual. The WMRSS was informed by an objective of urban renaissance, whereby the Metropolitan Urban Areas (MUA) would absorb large numbers of future projected households from across the region. Unfortunately today, this strategy is

beginning to unravel as MUAs demonstrate an unwillingness in the case of Coventry or an inability by Birmingham to fulfil this role. There has also been a significant drop in the collective level of housing provision envisaged by local authorities across the region, which is estimated to have fallen by -8%. HBF research shows that to date overall adopted and emerging Local Plans / Core Strategies for the West Midlands will only provide for 17,085 homes per year compared to the previous WMRSS target of 19,795 per annum. Moreover there is a significant shortfall between proposed housing requirements in adopted and emerging Local Plans and the objective assessment of housing needs as identified in Strategic Housing Market Area Assessments (SHMAA).

2.7 Such reductions in housing provision are occurring in Bromsgrove's neighbouring authorities, for example, Wychavon District Council is part of a joint South Worcestershire Development Plan together with Worcester City Council and Malvern Hills District Council. The Development Plan submitted for examination proposes 23,200 dwellings over the plan period of 2006 – 2030 representing a housing requirement figure less than the previous WMRSS figure and the objective assessment of housing need of between 26,400 dwellings (population led projection) and 31,200 dwellings (economic growth scenario) identified in the Worcestershire SHMAA by GVA and Edge Analytics dated February 2012. This proposed lower housing requirement figure of 23,200 dwellings has been vigorously challenged at the recent Development Plan examination. In the Inspector's Interim Conclusions published on 28<sup>th</sup> October 2013, the Councils are instructed to re-examine their objective assessment of housing need and it is likely that the housing requirement will be substantially higher than the 23,200 dwellings proposed.

2.8 Likewise Stratford upon Avon District Council in its latest consultation on housing growth proposals for its emerging Local Plan (2008 – 2028) is proposing only 9,500 dwellings compared to a household growth of between 8,000 – 13,000 identified in the SHMA study by G.L.Hearn consultants.

2.9 The Borough of Redditch Local Plan No. 4 Submission Version, which is subject to a concurrent consultation with the Bromsgrove District Plan, in Policy 4 Housing Provision proposes around 6,400 dwellings between 2011-2030 of which 3,000 dwellings will be in Redditch and a minimum of 3,400 dwellings adjacent to Redditch town but located in the administrative area of Bromsgrove District Council. However the updated Worcestershire SHMA Monitoring Report 2011/12 produced on behalf of the Worcestershire District Councils by Worcestershire County Council dated June 2013 identifies a range of higher housing requirement figures of 6,235 dwellings (Sensitivity Scenario 1) and 9,724 dwellings (Sensitivity Scenario 2).

2.10 The Wyre Forest Core Strategy was adopted in December 2010 with a housing figure of 4,000 dwellings between 2006 – 2026, which was aligned to the former WMRSS figure of 3,400 dwellings. However the Worcestershire SHMAA by GVA and Edge Analytics dated February 2012 identifies household growth ranging from 2,893 (natural change only scenario) to 10,203 (employment constrained scenario).

2.11 The Main Modifications consultation (ended on 27<sup>th</sup> August 2013) for the Solihull Local Plan proposes 11,000 dwellings between 2006 – 2028 in alignment with the revoked WMRSS housing requirement figure, which is based on an out of date SHMAA.

2.12 Dudley Metropolitan Borough Council forms part of the Black Country Joint Core Strategy (JCS), which was adopted in February 2011, but is now subject to review. The JCS is focussed on regeneration of its large rundown urban centres with a housing requirement figure based on the former WMRSS.

2.13 Birmingham City Council's most recent objective assessment of housing need indicates a requirement for between 80,000 to 105,000 new homes over its revised plan period 2011-2031 with only sufficient land (including windfalls) within in its own administrative area to accommodate 43,000 new homes. At the minimum housing need of 80,000, there is an unmet need of 37,000 dwellings. Birmingham City Council is concerned that the emerging issue of its unmet housing needs is recognised and dealt with by plans well advanced in the plan making process but without stalling progress of such plans. The Bromsgrove District Plan refers to this issue but without giving any firm commitment as to whether or not any unmet need from Birmingham will be accommodated in Bromsgrove.

2.14 Bromsgrove District Council is also a part of the Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP) together with Birmingham City Council, Solihull Metropolitan Borough Council, Redditch Borough Council, Wyre Forest District Council, Lichfield City Council, Cannock Chase, Tamworth and East Staffordshire District Councils. At this time, the GBSLEP has just published its Draft Spatial Growth Strategy focussing on the scale and distribution of housing and employment across its nine constituent authorities. This report confirms a shortfall of housing provision across the GBSLEP area. Although this Strategy has no legal planning status, it is proposed that a role exists as a mechanism to align the housing policies of its constituent authorities. Moreover under the Duty to Co-operate, Bromsgrove must have regard to the views of the GBSLEP as a prescribed body.

2.15 The "What Homes Where?" toolkit also identifies household growth of 12,340 (2008-2028) in Stratford upon Avon, 6,965 (2006-2026) in Bromsgrove, 9,702 (2006-2030) in Wychavon, 81,540 (2011-2031) in Birmingham, 14,133 (2006-2028) in Solihull and 6,490 (2006-2026) in Wyre Forest. The "What Homes Where?" web based toolkit launched by Lord Taylor in the House of Lords has been developed as a resource to provide independent and publicly available data on the household and population projections for every LPA in England. The aim of the resource is to assist LPAs in understanding the drivers of housing need. The use of this toolkit in determining objectively assessed housing need has been endorsed by Inspectors at examinations into the West Northamptonshire's Joint Core Strategy and the Gravesham Local Plan Core Strategy. It is also recommended in the Local Government Association Planning Advisory Service document "*Ten Key Principles For Owning Your Housing Number – Finding Your Objectively Assessed Needs*" document published in July 2013.

2.16 This potential under-provision of housing against the objective assessment of need for affordable and market housing in neighbouring authorities and across HMAs would put increasing pressures on all authorities. The Worcestershire SHMA by GVA and Edge Analytics dated February 2012 identified strong inflows of families and retired households from Dudley and Solihull to Bromsgrove, high net outflows to Redditch and Wychavon from Bromsgrove and major net inflows (inflows exceeding outflows) with Birmingham. There are also strong commuting links between Birmingham and Bromsgrove with 25% of people living in Bromsgrove working in Birmingham and 13% of people working in Bromsgrove travelling from Birmingham. So any under-provision of housing against an objective assessment of housing need in these neighbouring LPAs could result in increasing numbers of concealed households in Bromsgrove, who are unable to move out to Redditch or Wychavon. Any under-provision of housing would increase constrained demand with residents unable to form households living as concealed households in shared accommodation or young adults living at home with Mum and Dad.

2.17 Conversely under supply in neighbouring LPA areas may increase the number of households moving out to Bromsgrove from Birmingham and Solihull, which would worsen affordability. The Worcestershire SHMA by GVA and Edge Analytics dated February 2012 identified only 10% of existing stock in Bromsgrove is social rented, which is below the County average. In Bromsgrove over 40% of the existing stock is detached with higher than County average house prices. In Linthurst and Uffdown Wards affordability ratios are 9 and 8 times average salaries respectively. There is a net annual need for 219 affordable homes per annum.

2.18 As explained in the Cambridge Centre for Housing & Planning Research (CCHPR) document *Choice of Assumptions in Forecasting Housing Requirements Methodological Notes* published in March 2013 *"it is not open to an authority simply to make whatever assumptions it chooses on flows to and from the rest of the UK and assumptions that imply a departure from recent trends (on which the official projections are based) would need to be carefully justified. The Duty to Co-operate is relevant here as any decision not to plan for a continuation of the flows that have taken place in the past would have an impact on the areas from which people move to the planning authority in question. There could be impacts on the areas that receive people from the authority. Some local authorities may wish to argue that to accommodate the projected net flows would have adverse impacts that outweigh the benefits of providing additional homes – a justification for not planning to meet the objectively assessed needs of an area that is specifically referred to in the NPPF. However, we suggest that in such cases, unless clear evidence can be provided that those not being planned for will be adequately accommodated elsewhere, then the adverse impact of providing housing should be weighed against the adverse impact on those who may as a result have to live in overcrowded or shared accommodation or be prevented from forming a household at all. There may also be broader impacts on other authorities, increasing the housing pressures they face."*

2.19 Paragraph 159 of the NPPF recognises that if migration patterns are ignored, there is likely to be a significant under provision of housing contrary to the Government's stated intention "*to significantly boost the supply of housing*" (NPPF Paragraph 47). An intention emphasised in the Ministerial Statement "*Housing and Growth*" by DCLG Secretary Eric Pickles on 6<sup>th</sup> September 2012 and more recently by the Parliamentary Under Secretary of State for Planning Nick Boles MP in his speech "*Housing the Next Generation*" on 10<sup>th</sup> January 2013.

2.20 Therefore any LPA providing fewer homes than its objective assessment of housing needs must justify its reasons for doing so including an explanation of where the households affected are going to live as agreed with neighbouring authorities under the Duty to Co-operate. If a LPA cannot show where those migrants it does not plan to provide a home for will live, the likelihood is that at the end of the housing chain there will be people prevented from forming their own households, who are forced to share and live as concealed households. Under the Duty to Co-operate Bromsgrove District Council must demonstrate that such discussions have taken place with neighbouring authorities and that the consequences of under-provision of housing measured against objective assessments of housing needs identified in SHMAAs have been thoroughly investigated. There is no evidence in the "Draft Statement of Compliance with the Duty to Co-operate" document dated September 2013 of such discussions and whether or not difficult questions were addressed to each of the respective authorities.

2.21 In conclusion, the Duty to Co-operate comprises of two distinctive parts, which are irrevocably linked. Firstly legal compliance associated with the process and procedures of co-operation and secondly the outcomes from such co-operation associated with NPPF tests of soundness.

2.22 There remain many unresolved issues on overall housing numbers, unmet housing needs and cross boundary migration patterns between Bromsgrove and its neighbouring authorities as discussed in the preceding paragraphs. The potential under-provision of housing against objectively assessed housing needs in neighbouring authorities could have significant implications such as worsening an existing housing affordability crisis and increasing the number of households living in housing stress. Bromsgrove District Council should not assume that just because its neighbouring authorities have not drawn attention to any matters of a strategic nature, such strategic pressures do not exist. If neighbouring authorities are not adequately assessing housing needs, these housing pressures could impinge upon Bromsgrove. Whilst these issues remain unresolved the Duty to Co-operate has not been satisfied in the preparation of the Bromsgrove District Plan.

### 3. Housing Need

3.1 The Bromsgrove District Plan 2011 - 2030 proposes 7,000 dwellings in **Policy BDP3 – Future Housing & Employment Growth** of which 4,600 dwellings in the period 2011 – 2023 are outside the Green Belt and 2,400 dwellings in the period 2023 – 2030 are subject to a proposed Green Belt review. **Policy BDP3** also proposes an additional 3,400 dwellings to meet the

housing needs of Redditch, which cannot be accommodated within the administrative boundary of Redditch Borough Council. **Policy RCBD1 – Redditch Cross Boundary Development** sets out the requirements for these strategic site allocations in greater detail.

3.2 The Worcestershire SHMA by GVA and Edge Analytics dated February 2012 identifies six household change scenarios for the plan period 2006-2030 for Bromsgrove as follows :-

- Scenario 2 (natural change only) – 2,587
- Scenario 5 (development constrained) – 6,244
- Sensitivity Testing 2 (economic rates of older people) – 7,378
- Scenario 3 (migration led) – 7,575
- Scenario 1 (demographic SNPP) – 8,401
- Scenario 4 (employment constrained) – 9,122

3.3 In the Worcestershire SHMA by GVA and Edge Analytics dated February 2012 Appendix 2 Bromsgrove Overview household growth is converted into house numbers by application of 3% vacancy rate and deduction of housing completions between 2006-2011 to give the preferred housing requirement figures of 6,780 dwellings (360 dwellings per annum) from Sensitivity Testing 2 and 6,980 dwellings (370 dwellings per annum) from Scenario 3 on which **Policy BDP3** is based. The Council gives no explanation or justification for its decision to choose a housing requirement figure of 7,000 dwellings rather than a higher figure. The Council should provide further justification for its decision making.

3.4 The Inspector's Interim Conclusions on the South Worcestershire Development Plan published on 28<sup>th</sup> October 2013 is critical of the Worcestershire SHMA by GVA and Edge Analytics dated February 2012 on which the Bromsgrove District Plan's housing requirement is based. The Inspector found three fundamental shortcomings in assumptions contained within Sensitivity Testing 2 meaning the assessment of housing needs is unreliable and not a sound basis for the planning of housing provision. These fundamental shortcomings are :-

- the re-calibration of household representative rates ;
- out of date and unduly pessimistic job growth figures by Cambridge Econometrics dating from 2009 ;
- the lack of convincing evidence to support increases in older people's economic participation rates.

The Inspector concludes "*I consider that the Plan is not justified in relying on the February 2012 SHMA in particular Sensitivity Scenario 2 as a basis for its housing requirement*" (Paragraph 25) and "*I must ask the Councils to undertake some further analysis in order to derive an objective assessment of housing need over the Plan period*".

3.5 The Worcestershire SHMA estimated by using the DCLG Housing Needs Assessment Model a net annual affordable housing need in Bromsgrove of

219 dwellings per year. In Appendix 2 it is stated that “*there is a high level of unmet need for affordable housing, which remains an important priority for the authority to address*”. **Policy BDP8 – Affordable Housing** proposes 40% affordable housing on greenfield sites of 10 – 200 units, 40% affordable housing provision on brownfield sites of developments of more than 200 units and 30% affordable housing on brownfield sites of between 10- 200 units.

3.6 In conclusion, the housing requirement of 7,000 dwellings in the Bromsgrove District Plan is determined from an evidence base found unsound by the Inspector examining the South Worcestershire Development Plan. Therefore the Bromsgrove Plan must also be unsound.

#### **4. Housing Land Supply**

4.1 **Policy BDP2 - Settlement Hierarchy** is confusingly worded. The proposed settlement hierarchy is firstly expansion sites around Bromsgrove, secondly, development sites in or adjacent to specified large settlements and thirdly sites within boundaries of named small settlements, which are subject to existing defined village envelopes until the Green Belt review proposed later in the plan period. **Policy BDP2** is cross referenced to **Policies BDP 5A and 5B** and Table 2. There is a preference for the development of previously developed land or buildings within existing settlement boundaries which are not designated Green Belt. Affordable housing is allowable on exception sites in or on the edge of settlements in the Green Belt.

4.2 The NPPF (Paragraph 47) requires LPAs to provide a 5 year supply of deliverable housing land plus 5% buffer (moved forward from later in the plan period) or in the case of persistent under-delivery of housing an additional 20% buffer. The NPPF does not define “persistent under delivery”. In its calculations the Council has assumed a 5% buffer, which the Council justifies in the “Housing Delivery Performance” paper dated October 2013.

4.3 In the document titled “5 Year Housing Land Supply in Bromsgrove” dated 1<sup>st</sup> April 2013, the Council identifies in excess of a five year land supply of deliverable sites as required by Paragraph 47 of the NPPF.

4.4 However in its calculations on housing land supply, the Council does not appear to have made any deductions for the non-implementation of sites with existing planning consents. It is proposed that a discount of 10% would be most appropriate as a precedent has been set by Inspectors determining planning appeals, for example the Station Road/Dudley Road site in Honeybourne, Worcestershire (APP/H1840/A/12/2171339) and the Secretary of State’s determination of the appeal at Highfield Farm in Tetbury, Gloucestershire (APP/F1610/A/11/2165778) dated 13<sup>th</sup> February 2013.

4.5 Likewise the Council does not take account of any under delivery of housing in 2011-2012. Although the Council provides the number of dwellings completed, there is no indication of a target against which the delivery of housing should be measured. If there is a shortfall, the Sedgfield method should be applied in order to remedy the previous shortfalls as quickly as possible. This approach is advocated in the recently published National



Planning Practice Guidance on the Planning Portal website (ID 3-031-130729). Otherwise the ignoring of past shortfalls will progressively depress the housing requirement, creating a self-fulfilling justification for less housing growth to be planned than is required.

## 5. Green Belt

5.1 91% of Bromsgrove District is designated Green Belt. The Council acknowledges that only 4,600 dwellings out of its housing requirement figure of 7,000 dwellings can be accommodated on land outside the Green Belt. Therefore after a proposed Green Belt review, the remaining 2,400 dwellings will be accommodated on former Green Belt land in the Plan period 2023 – 2030 as set out in **Policy BDP3 – Future Housing & Employment Growth** and **Policy BDP4 – Green Belt**.

5.2 This proposed deferment of the review of the Green Belt until later in the Plan period is inconsistent with the NPPF. The preparation of a Local Plan is the most appropriate time to review the Green Belt as Green Belt boundaries are intended to have permanence in the long term in order to endure beyond the Plan period (Paragraphs 83 and 84).

5.3 In conclusion the Bromsgrove District Plan is unsound because of its deferment of the Green Belt review, which is inconsistent with the NPPF. The Council should undertake a Green Belt review prior to submission of the Plan for examination.

## 6. Viability and deliverability

6.1 If the Bromsgrove District Plan is to be compliant with the NPPF, the Council needs to satisfy the requirements of Paragraphs 173 and 174 whereby development should not be subject to such a scale of obligations and policy burdens that viability is threatened. The Council should be mindful that it is inappropriate to set unachievable policy obligations. Under Paragraph 174 of the NPPF the Council must properly assess viability. It is unrealistic to negotiate every site on a one by one basis because the base-line aspiration of a policy or combination of policies is set too high as this will jeopardise future housing delivery. The Council should refer to the following document:-

- Viability Testing Local Plans Advice for Housing Delivery Practitioners – Local Housing Delivery Group chaired by Sir John Harman (June 2012).

6.2 The Harman Report emphasises that *“If the assessment indicates significant risks to delivery, it may be necessary to review the policy requirements and give priority to those that are deemed critical to development while reducing (or even removing) any requirements that are deemed discretionary. The planning authority may also consider whether allocating a larger quantity of land, or a different geographical and value mix of land, may improve the viability and deliverability of the Local Plan”*.

6.3 The affordable housing provision proposed in **Policy BDP8** was viability tested in the "Affordable Housing Viability Assessment for Bromsgrove District Council" Report by Level Limited dated June 2012. However further clarification is required on a number of the assumptions contained within this report.

6.4 In Paragraph 4.41 an allowance of £600 per unit for the cost of Lifetime Homes standards is included, which is an under-estimation of the actual costs. The Council should refer to the following document:-

- The DCLG Assessing the Cost of Lifetime Homes Standards July 2012 which shows the average additional cost for complying with the 12 criterion relating to internal specification is £1,525. There are also further additional costs associated with the remaining 4 criterion for external specifications.

The Level Report acknowledges that "*costs significantly in excess of £600 per unit may impact on the overall viability of a scheme and its ability to deliver affordable housing*".

6.5 Similarly in Paragraph 4.47 the costs used for the Code for Sustainable Homes from a data source dated March 2010 is out of date. The Council should refer to the following document:-

- DCLG Cost of Building to Code for Sustainable Homes (CfSH) Updated Cost Review 2011. Table 2 of this document shows that the cost of building to Code 5 represents an increase of 28-31% on build costs dependant on the type of site and its location. As the energy efficiency / CO2 emission reduction costs account for 80% of the cost of the CfSH, this report gives a clear indication of the significant cost increases associated with the proposed changes to Building Regulations (Part L).

Moreover the Harman Report states "*the one exception to the use of current costs and current values should be recognition of significant national regulatory changes to be implemented, particularly during the first five years, where these will bring a change to current costs over which the developer or local authority has little or no control. A key example of this is the forthcoming change to Building Regulations arising from the Government's zero carbon agenda*" (page 26).

Again the Level report acknowledges "*the imposition of forecast increase in construction costs has generally had an effect on the viability of schemes during 2013 to 2019 or thereabouts. This is especially clear where schemes are marginally viable*".

6.6 Whilst the viability assessments include an allowance for S106 contribution payments, it is unclear if the substantial cost implications of other policies contained within the Bromsgrove District Plan are fully accounted for. These potential additional costs include:-

- Policy BDP6 – Infrastructure Contributions (CIL) ;
- Policy BDP16 – Sustainable Transport (in particular financial contributions from developers) ;
- Policy BDP19 – High Quality Design (in particular Clauses c, d, h, m, o and s);
- Policy BDP22 – Climate Change ;
- Policy BDP23 – Water Management (in particular Clauses b and g);
- Policy BDP24 – Green Infrastructure ;
- Policy BDP25 – Health & Well Being ;

6.7 In Paragraph 4.26 the site gross to net ratio used may be insufficient with particular reference to Green Infrastructure requirements and Sustainable Urban Drainage systems. As stated in the Harman Report *“one error that has a very large impact on the outcome of viability testing is overlooking the distinction between the gross site area and the net developable area (the revenue-earning proportion of the site that is developed with housing). The net area can account for less than half of the site to be acquired (that is, the size of the site with planning permission) once you take into account on-site requirements such as formal and informal open space, sustainable urban drainage systems, community facilities and strategic on site infrastructure etc. On larger sites, sometimes the net area can be as little as 30%”.*

6.8 The Viability Assessment demonstrates great variation in property prices as well as existing and alternative use land values across the District. The notional 50 unit site provided in the report illustrates that for the majority of scenarios tested the scheme was unviable or only marginally viable. Therefore the Viability Assessment submitted as evidence by the Council is insufficient to justify the policies within the Plan.

6.9 In conclusion the Bromsgrove District Plan is unsound because of an inadequate whole plan viability assessment as required by the NPPF.

## **7. Other Policies**

7.1 Since the preparation of the Bromsgrove District Plan, there has been a Written Ministerial Statement on changes to requirements under Part L of the Building Regulations (conservation of fuel and power) issued on 30<sup>th</sup> July 2013 and in August 2013, the DCLG launched two consultations on *“Housing Standards Review”* and *“Next Steps to Zero Carbon Homes – Allowable Solutions”*. These documents provide an insight into the direction of current Government thinking on streamlining the planning system.

7.2 The Government is critical of locally imposed standards in its latest consultation document “DCLG Housing Standards Review Consultation August 2013”. Paragraph 1 states “The house building process is difficult in itself, but it is not assisted by the large and complex range of local and national standards, rules and Codes that any developer has to wade through before they can start building”. The document continues in Paragraph 5 “it is often unclear which part of an authority is responsible for checking whether standards have been met, and what it is they are checking. The overall effect is that standards can add considerably to development costs, project delay, local bureaucracy, and put a brake on growth”.

7.3 There is a contradiction between **BDP8.5** stating all homes will be Lifetime Homes standards and **BDP10.2** which states Lifetime Homes will be encouraged. The Council should provide further clarification.

7.4 **Policy BDP19 Clause (c)** is repetitive and a duplication of **Clause (a)**. Clause (c) should be deleted.

7.5 **Policy BDP19 Clause (d)** is inappropriate in light of the latest Housing Standards Review, which proposes the phasing out of Code for Sustainable Homes.

7.6 **Policy BDP19 Clause (m)** the reference to a best practise guide is unnecessary.

7.7 **Policy BDP19 Clause (o)** the mandatory imposition of the principles of Secured By Design and Building for Life 12, which are voluntary best practise guidance is inappropriate. Often the objectives of Secure by Design and Building for Life are incompatible. The Council should address this inconsistency.

7.8 **Policy BDP22 – Climate Change Clause (b) and (f)** are non-compliant with the most recent Government consultation on Allowable Solutions. Allowable solutions arise from the obligation for house builders to mitigate the carbon emissions arising from regulated energy. Under Paragraphs 2.4 (a) and (b) of the consultation document, the Government proposes a set of basic design principles for allowable solutions stating that “it is right that house builders decide how they meet that obligation and should not have this dictated to them. Flowing from this, the Government wishes to develop a framework which gives house builders choice and flexibility”. **Clauses (b) and (f)** appear to dictate the solution to developers rather letting developers decide on the most appropriate solution.

7.9 **Policy BDP23 – Water Management Clause (b)** sets a local standard, which should be justified and costed. Currently, the average estimated use of water is 150 litres per person per day. **Clause (b)** proposes an incremental reduction in water usage in line with the Code for Sustainable Homes to 90 litres per person per day (Level 6). The Code for Sustainable Homes is not a mandatory requirement. Under the “Housing Standards Review” consultation, the Government proposes to phase out the Code for Sustainable Homes. If the Code is phased out the Council will have no mechanism by which to

implement the policy. Part G of the Building Regulations 2010 requires water usage of 125 litres per person per day. So by compliance with Part G of the Building Regulations newly built housing is already reducing the use of water resources compared to water used by residents living in the existing housing stock. **Clause (b)** represents the imposition of a local standard. Therefore the Council must justify the reason and necessity for this higher local standard as well as viability testing the extra cost of compliance with this higher local standard under NPPF Paragraphs 173 and 174.

## 8. Conclusions

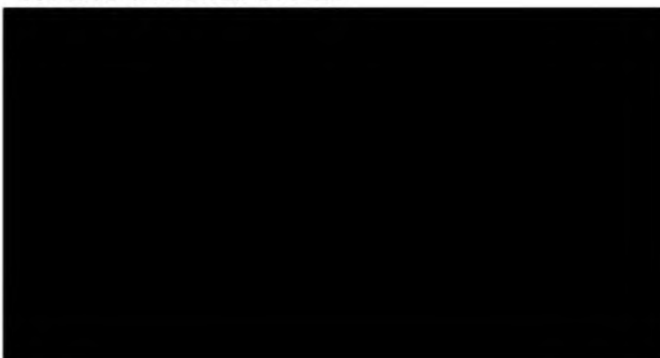
8.1 For the Bromsgrove District Plan to be found sound under the four tests of soundness defined by Paragraph 182 of the NPPF, it must be positively prepared, justified, effective and compliant with national policy.

8.2 The Bromsgrove District Plan is unsound because of :-

- Unresolved issues on strategic housing matters with neighbouring LPAs under the Duty to Co-operate ;
- Under estimation of housing requirement based on an unsound evidence base ;
- Proposed delay to the Green Belt review ;
- Inadequate viability testing of policies.

8.3 It is hoped that these representations will be helpful in informing the next stages of the Bromsgrove District Plan. If you require any further information or assistance please contact the under signed.

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





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### **2. Duty to co-operate**

2.1 Section 33(A) of the Planning & Compulsory Purchase Act 2004 as amended by Section 110 of the Localism Act 2011 provides for a duty on Local Planning Authorities (LPA) to co-operate with each other and other prescribed bodies. This co-operation includes constructive and active engagement as part of an on-going process to maximise effective working on the preparation of Development Plan Documents (DPD) in relation to strategic matters including sustainable development that would have significant wider impacts. At the examination of DPDs LPAs will have to provide evidence that they have fully complied with this duty if their plans are not to be rejected by an examiner.

2.2 The Duty to Co-operate is reinforced by Paragraphs 17, 157 and 178 of the National Planning Policy Framework (NPPF), whereby neighbouring authorities should work jointly together and co-operate to address planning issues which cross administrative boundaries and on matters that are larger than local issues. Moreover in accordance with Paragraph 181 of the NPPF, LPAs are expected to demonstrate evidence of having effectively co-operated to plan for issues with cross boundary impacts when their Local Plans are submitted for examination. This co-operation should be continuous from engagement on initial thinking through to implementation.

2.3 Whilst the Localism Act nor the NPPF do not define co-operation, the Planning Inspector, Andrew Mead, in finding that the Duty to Co-operate on the North London Waste Management Plan had not been satisfied by the respective London Borough Councils involved, referred to the dictionary definition meaning *"to work together, to concur in producing an effect"*. The Inspector also noted that the NPPF refers to co-operation rather than consultation, therefore *"it is reasonable to assume that engagement as part of co-operation is more than a process of consultation"* (Paragraphs 22-25 Appendix 1 North London Waste Plan Inspectors Report March 2013).

2.4 Bromsgrove District Council has seven neighbouring LPAs namely Redditch Borough Council, Stratford upon Avon, Wyre Forest and Wychavon District Councils, Dudley and Solihull Metropolitan Borough Councils and Birmingham City Council. Bromsgrove District Council, Redditch Borough Council, Wyre Forest District Council and Wychavon District Council are in the same Worcestershire Housing Market Area (HMA). Whilst Stratford upon Avon District Council, Dudley and Solihull Metropolitan Borough Councils and Birmingham City Council are in different HMAs. Just as LPA administrative areas are not self-contained entities with border controls neither are HMAs. The DCLG Advice Note *"Identifying Sub-Regional Housing Market Areas"* published in March 2007 in Paragraph 6 states that *"sub-regional housing market areas are geographical areas defined by household demand and preferences for housing. They reflect the key functional linkages between places where people live and work"*. It is vitally important to consider inter relationships between neighbouring authorities and HMAs when formulating housing and development policies.

2.5 Whilst the HBF commends Bromsgrove District Council for its collaborative working with Redditch Borough Council to meet Redditch's unmet housing needs on strategic sites within Bromsgrove's administrative boundaries, it is essential that other equally important working relationships are demonstrated to comply with the legal requirements of the Duty to Co-operate and to satisfy the four tests of soundness defined in Paragraph 182 of the NPPF.

2.6 Since the revocation of the West Midlands Regional Spatial Strategy (WMRSS) on 20<sup>th</sup> May 2013, it is not business as usual. The WMRSS was informed by an objective of urban renaissance, whereby the Metropolitan Urban Areas (MUA) would absorb large numbers of future projected households from across the region. Unfortunately today, this strategy is

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beginning to unravel as MUAs demonstrate an unwillingness in the case of Coventry or an inability by Birmingham to fulfil this role. There has also been a significant drop in the collective level of housing provision envisaged by local authorities across the region, which is estimated to have fallen by -8%. HBF research shows that to date overall adopted and emerging Local Plans / Core Strategies for the West Midlands will only provide for 17,085 homes per year compared to the previous WMRSS target of 19,795 per annum. Moreover there is a significant shortfall between proposed housing requirements in adopted and emerging Local Plans and the objective assessment of housing needs as identified in Strategic Housing Market Area Assessments (SHMAA).

2.7 Such reductions in housing provision are occurring in Bromsgrove's neighbouring authorities, for example, Wychavon District Council is part of a joint South Worcestershire Development Plan together with Worcester City Council and Malvern Hills District Council. The Development Plan submitted for examination proposes 23,200 dwellings over the plan period of 2006 – 2030 representing a housing requirement figure less than the previous WMRSS figure and the objective assessment of housing need of between 26,400 dwellings (population led projection) and 31,200 dwellings (economic growth scenario) identified in the Worcestershire SHMAA by GVA and Edge Analytics dated February 2012. This proposed lower housing requirement figure of 23,200 dwellings has been vigorously challenged at the recent Development Plan examination. In the Inspector's Interim Conclusions published on 28<sup>th</sup> October 2013, the Councils are instructed to re-examine their objective assessment of housing need and it is likely that the housing requirement will be substantially higher than the 23,200 dwellings proposed.

2.8 Likewise Stratford upon Avon District Council in its latest consultation on housing growth proposals for its emerging Local Plan (2008 – 2028) is proposing only 9,500 dwellings compared to a household growth of between 8,000 – 13,000 identified in the SHMA study by G.L.Hearn consultants.

2.9 The Borough of Redditch Local Plan No. 4 Submission Version, which is subject to a concurrent consultation with the Bromsgrove District Plan, in Policy 4 Housing Provision proposes around 6,400 dwellings between 2011-2030 of which 3,000 dwellings will be in Redditch and a minimum of 3,400 dwellings adjacent to Redditch town but located in the administrative area of Bromsgrove District Council. However the updated Worcestershire SHMA Monitoring Report 2011/12 produced on behalf of the Worcestershire District Councils by Worcestershire County Council dated June 2013 identifies a range of higher housing requirement figures of 6,235 dwellings (Sensitivity Scenario 1) and 9,724 dwellings (Sensitivity Scenario 2).

2.10 The Wyre Forest Core Strategy was adopted in December 2010 with a housing figure of 4,000 dwellings between 2006 – 2026, which was aligned to the former WMRSS figure of 3,400 dwellings. However the Worcestershire SHMAA by GVA and Edge Analytics dated February 2012 identifies household growth ranging from 2,893 (natural change only scenario) to 10,203 (employment constrained scenario).



2.11 The Main Modifications consultation (ended on 27<sup>th</sup> August 2013) for the Solihull Local Plan proposes 11,000 dwellings between 2006 – 2028 in alignment with the revoked WMRSS housing requirement figure, which is based on an out of date SHMAA.

2.12 Dudley Metropolitan Borough Council forms part of the Black Country Joint Core Strategy (JCS), which was adopted in February 2011, but is now subject to review. The JCS is focussed on regeneration of its large rundown urban centres with a housing requirement figure based on the former WMRSS.

2.13 Birmingham City Council's most recent objective assessment of housing need indicates a requirement for between 80,000 to 105,000 new homes over its revised plan period 2011-2031 with only sufficient land (including windfalls) within in its own administrative area to accommodate 43,000 new homes. At the minimum housing need of 80,000, there is an unmet need of 37,000 dwellings. Birmingham City Council is concerned that the emerging issue of its unmet housing needs is recognised and dealt with by plans well advanced in the plan making process but without stalling progress of such plans. The Bromsgrove District Plan refers to this issue but without giving any firm commitment as to whether or not any unmet need from Birmingham will be accommodated in Bromsgrove.

2.14 Bromsgrove District Council is also a part of the Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP) together with Birmingham City Council, Solihull Metropolitan Borough Council, Redditch Borough Council, Wyre Forest District Council, Lichfield City Council, Cannock Chase, Tamworth and East Staffordshire District Councils. At this time, the GBSLEP has just published its Draft Spatial Growth Strategy focussing on the scale and distribution of housing and employment across its nine constituent authorities. This report confirms a shortfall of housing provision across the GBSLEP area. Although this Strategy has no legal planning status, it is proposed that a role exists as a mechanism to align the housing policies of its constituent authorities. Moreover under the Duty to Co-operate, Bromsgrove must have regard to the views of the GBSLEP as a prescribed body.

2.15 The "What Homes Where?" toolkit also identifies household growth of 12,340 (2008-2028) in Stratford upon Avon, 6,965 (2006-2026) in Bromsgrove, 9,702 (2006-2030) in Wychavon, 81,540 (2011-2031) in Birmingham, 14,133 (2006-2028) in Solihull and 6,490 (2006-2026) in Wyre Forest. The "What Homes Where?" web based toolkit launched by Lord Taylor in the House of Lords has been developed as a resource to provide independent and publicly available data on the household and population projections for every LPA in England. The aim of the resource is to assist LPAs in understanding the drivers of housing need. The use of this toolkit in determining objectively assessed housing need has been endorsed by Inspectors at examinations into the West Northamptonshire's Joint Core Strategy and the Gravesham Local Plan Core Strategy. It is also recommended in the Local Government Association Planning Advisory Service document "*Ten Key Principles For Owing Your Housing Number – Finding Your Objectively Assessed Needs*" document published in July 2013.

2.16 This potential under-provision of housing against the objective assessment of need for affordable and market housing in neighbouring authorities and across HMAs would put increasing pressures on all authorities. The Worcestershire SHMA by GVA and Edge Analytics dated February 2012 identified strong inflows of families and retired households from Dudley and Solihull to Bromsgrove, high net outflows to Redditch and Wychavon from Bromsgrove and major net inflows (inflows exceeding outflows) with Birmingham. There are also strong commuting links between Birmingham and Bromsgrove with 25% of people living in Bromsgrove working in Birmingham and 13% of people working in Bromsgrove travelling from Birmingham. So any under-provision of housing against an objective assessment of housing need in these neighbouring LPAs could result in increasing numbers of concealed households in Bromsgrove, who are unable to move out to Redditch or Wychavon. Any under-provision of housing would increase constrained demand with residents unable to form households living as concealed households in shared accommodation or young adults living at home with Mum and Dad.

2.17 Conversely under supply in neighbouring LPA areas may increase the number of households moving out to Bromsgrove from Birmingham and Solihull, which would worsen affordability. The Worcestershire SHMA by GVA and Edge Analytics dated February 2012 identified only 10% of existing stock in Bromsgrove is social rented, which is below the County average. In Bromsgrove over 40% of the existing stock is detached with higher than County average house prices. In Linthurst and Uffdown Wards affordability ratios are 9 and 8 times average salaries respectively. There is a net annual need for 219 affordable homes per annum.

2.18 As explained in the Cambridge Centre for Housing & Planning Research (CCHPR) document *Choice of Assumptions in Forecasting Housing Requirements Methodological Notes* published in March 2013 *“it is not open to an authority simply to make whatever assumptions it chooses on flows to and from the rest of the UK and assumptions that imply a departure from recent trends (on which the official projections are based) would need to be carefully justified. The Duty to Co-operate is relevant here as any decision not to plan for a continuation of the flows that have taken place in the past would have an impact on the areas from which people move to the planning authority in question. There could be impacts on the areas that receive people from the authority. Some local authorities may wish to argue that to accommodate the projected net flows would have adverse impacts that outweigh the benefits of providing additional homes – a justification for not planning to meet the objectively assessed needs of an area that is specifically referred to in the NPPF. However, we suggest that in such cases, unless clear evidence can be provided that those not being planned for will be adequately accommodated elsewhere, then the adverse impact of providing housing should be weighed against the adverse impact on those who may as a result have to live in overcrowded or shared accommodation or be prevented from forming a household at all. There may also be broader impacts on other authorities, increasing the housing pressures they face.”*

2.19 Paragraph 159 of the NPPF recognises that if migration patterns are ignored, there is likely to be a significant under provision of housing contrary to the Government's stated intention "to significantly boost the supply of housing" (NPPF Paragraph 47). An intention emphasised in the Ministerial Statement "Housing and Growth" by DCLG Secretary Eric Pickles on 6<sup>th</sup> September 2012 and more recently by the Parliamentary Under Secretary of State for Planning Nick Boles MP in his speech "Housing the Next Generation" on 10<sup>th</sup> January 2013.

2.20 Therefore any LPA providing fewer homes than its objective assessment of housing needs must justify its reasons for doing so including an explanation of where the households affected are going to live as agreed with neighbouring authorities under the Duty to Co-operate. If a LPA cannot show where those migrants it does not plan to provide a home for will live, the likelihood is that at the end of the housing chain there will be people prevented from forming their own households, who are forced to share and live as concealed households. Under the Duty to Co-operate Bromsgrove District Council must demonstrate that such discussions have taken place with neighbouring authorities and that the consequences of under-provision of housing measured against objective assessments of housing needs identified in SHMAAs have been thoroughly investigated. There is no evidence in the "Draft Statement of Compliance with the Duty to Co-operate" document dated September 2013 of such discussions and whether or not difficult questions were addressed to each of the respective authorities.

2.21 In conclusion, the Duty to Co-operate comprises of two distinctive parts, which are irrevocably linked. Firstly legal compliance associated with the process and procedures of co-operation and secondly the outcomes from such co-operation associated with NPPF tests of soundness.

2.22 There remain many unresolved issues on overall housing numbers, unmet housing needs and cross boundary migration patterns between Bromsgrove and its neighbouring authorities as discussed in the preceding paragraphs. The potential under-provision of housing against objectively assessed housing needs in neighbouring authorities could have significant implications such as worsening an existing housing affordability crisis and increasing the number of households living in housing stress. Bromsgrove District Council should not assume that just because its neighbouring authorities have not drawn attention to any matters of a strategic nature, such strategic pressures do not exist. If neighbouring authorities are not adequately assessing housing needs, these housing pressures could impinge upon Bromsgrove. Whilst these issues remain unresolved the Duty to Co-operate has not been satisfied in the preparation of the Bromsgrove District Plan.

### 3. Housing Need

3.1 The Bromsgrove District Plan 2011 - 2030 proposes 7,000 dwellings in **Policy BDP3 – Future Housing & Employment Growth** of which 4,600 dwellings in the period 2011 – 2023 are outside the Green Belt and 2,400 dwellings in the period 2023 – 2030 are subject to a proposed Green Belt review. **Policy BDP3** also proposes an additional 3,400 dwellings to meet the

housing needs of Redditch, which cannot be accommodated within the administrative boundary of Redditch Borough Council. **Policy RCBD1 – Redditch Cross Boundary Development** sets out the requirements for these strategic site allocations in greater detail.

3.2 The Worcestershire SHMA by GVA and Edge Analytics dated February 2012 identifies six household change scenarios for the plan period 2006-2030 for Bromsgrove as follows :-

- Scenario 2 (natural change only) – 2,587
- Scenario 5 (development constrained) – 6,244
- Sensitivity Testing 2 (economic rates of older people) – 7,378
- Scenario 3 (migration led) – 7,575
- Scenario 1 (demographic SNPP) – 8,401
- Scenario 4 (employment constrained) – 9,122

3.3 In the Worcestershire SHMA by GVA and Edge Analytics dated February 2012 Appendix 2 Bromsgrove Overview household growth is converted into house numbers by application of 3% vacancy rate and deduction of housing completions between 2006-2011 to give the preferred housing requirement figures of 6,780 dwellings (360 dwellings per annum) from Sensitivity Testing 2 and 6,980 dwellings (370 dwellings per annum) from Scenario 3 on which **Policy BDP3** is based. The Council gives no explanation or justification for its decision to choose a housing requirement figure of 7,000 dwellings rather than a higher figure. The Council should provide further justification for its decision making.

3.4 The Inspector's Interim Conclusions on the South Worcestershire Development Plan published on 28<sup>th</sup> October 2013 is critical of the Worcestershire SHMA by GVA and Edge Analytics dated February 2012 on which the Bromsgrove District Plan's housing requirement is based. The Inspector found three fundamental shortcomings in assumptions contained within Sensitivity Testing 2 meaning the assessment of housing needs is unreliable and not a sound basis for the planning of housing provision. These fundamental shortcomings are :-

- the re-calibration of household representative rates ;
- out of date and unduly pessimistic job growth figures by Cambridge Econometrics dating from 2009 ;
- the lack of convincing evidence to support increases in older people's economic participation rates.

The Inspector concludes "*I consider that the Plan is not justified in relying on the February 2012 SHMA in particular Sensitivity Scenario 2 as a basis for its housing requirement*" (Paragraph 25) and "*I must ask the Councils to undertake some further analysis in order to derive an objective assessment of housing need over the Plan period*".

3.5 The Worcestershire SHMA estimated by using the DCLG Housing Needs Assessment Model a net annual affordable housing need in Bromsgrove of

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219 dwellings per year. In Appendix 2 it is stated that "there is a high level of unmet need for affordable housing, which remains an important priority for the authority to address". **Policy BDP8 – Affordable Housing** proposes 40% affordable housing on greenfield sites of 10 – 200 units, 40% affordable housing provision on brownfield sites of developments of more than 200 units and 30% affordable housing on brownfield sites of between 10- 200 units.

3.6 In conclusion, the housing requirement of 7,000 dwellings in the Bromsgrove District Plan is determined from an evidence base found unsound by the Inspector examining the South Worcestershire Development Plan. Therefore the Bromsgrove Plan must also be unsound.

#### 4. Housing Land Supply

4.1 **Policy BDP2 - Settlement Hierarchy** is confusingly worded. The proposed settlement hierarchy is firstly expansion sites around Bromsgrove, secondly, development sites in or adjacent to specified large settlements and thirdly sites within boundaries of named small settlements, which are subject to existing defined village envelopes until the Green Belt review proposed later in the plan period. **Policy BDP2** is cross referenced to **Policies BDP 5A** and **5B** and Table 2. There is a preference for the development of previously developed land or buildings within existing settlement boundaries which are not designated Green Belt. Affordable housing is allowable on exception sites in or on the edge of settlements in the Green Belt. } ③

4.2 The NPPF (Paragraph 47) requires LPAs to provide a 5 year supply of deliverable housing land plus 5% buffer (moved forward from later in the plan period) or in the case of persistent under-delivery of housing an additional 20% buffer. The NPPF does not define "persistent under delivery". In its calculations the Council has assumed a 5% buffer, which the Council justifies in the "Housing Delivery Performance" paper dated October 2013.

4.3 In the document titled "5 Year Housing Land Supply in Bromsgrove" dated 1<sup>st</sup> April 2013, the Council identifies in excess of a five year land supply of deliverable sites as required by Paragraph 47 of the NPPF.

4.4 However in its calculations on housing land supply, the Council does not appear to have made any deductions for the non-implementation of sites with existing planning consents. It is proposed that a discount of 10% would be most appropriate as a precedent has been set by Inspectors determining planning appeals, for example the Station Road/Dudley Road site in Honeybourne, Worcestershire (APP/H1840/A/12/2171339) and the Secretary of State's determination of the appeal at Highfield Farm in Tetbury, Gloucestershire (APP/F1610/A/11/2165778) dated 13<sup>th</sup> February 2013.

4.5 Likewise the Council does not take account of any under delivery of housing in 2011-2012. Although the Council provides the number of dwellings completed, there is no indication of a target against which the delivery of housing should be measured. If there is a shortfall, the Sedgefield method should be applied in order to remedy the previous shortfalls as quickly as possible. This approach is advocated in the recently published National

Planning Practice Guidance on the Planning Portal website (ID 3-031-130729). Otherwise the ignoring of past shortfalls will progressively depress the housing requirement, creating a self-fulfilling justification for less housing growth to be planned than is required.

## 5. Green Belt

5.1 91% of Bromsgrove District is designated Green Belt. The Council acknowledges that only 4,600 dwellings out of its housing requirement figure of 7,000 dwellings can be accommodated on land outside the Green Belt. Therefore after a proposed Green Belt review, the remaining 2,400 dwellings will be accommodated on former Green Belt land in the Plan period 2023 – 2030 as set out in **Policy BDP3 – Future Housing & Employment Growth** and **Policy BDP4 – Green Belt**.

5.2 This proposed deferment of the review of the Green Belt until later in the Plan period is inconsistent with the NPPF. The preparation of a Local Plan is the most appropriate time to review the Green Belt as Green Belt boundaries are intended to have permanence in the long term in order to endure beyond the Plan period (Paragraphs 83 and 84).

5.3 In conclusion the Bromsgrove District Plan is unsound because of its deferment of the Green Belt review, which is inconsistent with the NPPF. The Council should undertake a Green Belt review prior to submission of the Plan for examination.

## 6. Viability and deliverability

6.1 If the Bromsgrove District Plan is to be compliant with the NPPF, the Council needs to satisfy the requirements of Paragraphs 173 and 174 whereby development should not be subject to such a scale of obligations and policy burdens that viability is threatened. The Council should be mindful that it is inappropriate to set unachievable policy obligations. Under Paragraph 174 of the NPPF the Council must properly assess viability. It is unrealistic to negotiate every site on a one by one basis because the base-line aspiration of a policy or combination of policies is set too high as this will jeopardise future housing delivery. The Council should refer to the following document:-

- Viability Testing Local Plans Advice for Housing Delivery Practitioners – Local Housing Delivery Group chaired by Sir John Harman (June 2012).

6.2 The Harman Report emphasises that *"If the assessment indicates significant risks to delivery, it may be necessary to review the policy requirements and give priority to those that are deemed critical to development while reducing (or even removing) any requirements that are deemed discretionary. The planning authority may also consider whether allocating a larger quantity of land, or a different geographical and value mix of land, may improve the viability and deliverability of the Local Plan"*.

6.3 The affordable housing provision proposed in **Policy BDP8** was viability tested in the "Affordable Housing Viability Assessment for Bromsgrove District Council" Report by Levvel Limited dated June 2012. However further clarification is required on a number of the assumptions contained within this report.

6.4 In Paragraph 4.41 an allowance of £600 per unit for the cost of Lifetime Homes standards is included, which is an under-estimation of the actual costs. The Council should refer to the following document:-

- The DCLG Assessing the Cost of Lifetime Homes Standards July 2012 which shows the average additional cost for complying with the 12 criterion relating to internal specification is £1,525. There are also further additional costs associated with the remaining 4 criterion for external specifications.

The Levvel Report acknowledges that "*costs significantly in excess of £600 per unit may impact on the overall viability of a scheme and its ability to deliver affordable housing*".

6.5 Similarly in Paragraph 4.47 the costs used for the Code for Sustainable Homes from a data source dated March 2010 is out of date. The Council should refer to the following document:-

- DCLG Cost of Building to Code for Sustainable Homes (CfSH) Updated Cost Review 2011. Table 2 of this document shows that the cost of building to Code 5 represents an increase of 28-31% on build costs dependant on the type of site and its location. As the energy efficiency / CO2 emission reduction costs account for 80% of the cost of the CfSH, this report gives a clear indication of the significant cost increases associated with the proposed changes to Building Regulations (Part L).

Moreover the Harman Report states "*the one exception to the use of current costs and current values should be recognition of significant national regulatory changes to be implemented, particularly during the first five years, where these will bring a change to current costs over which the developer or local authority has little or no control. A key example of this is the forthcoming change to Building Regulations arising from the Government's zero carbon agenda*" (page 26).

Again the Levvel report acknowledges "*the imposition of forecast increase in construction costs has generally had an effect on the viability of schemes during 2013 to 2019 or thereabouts. This is especially clear where schemes are marginally viable*".

6.6 Whilst the viability assessments include an allowance for S106 contribution payments, it is unclear if the substantial cost implications of other policies contained within the Bromsgrove District Plan are fully accounted for. These potential additional costs include:-

- **Policy BDP6 – Infrastructure Contributions (CIL) ;**
- **Policy BDP16 – Sustainable Transport (in particular financial contributions from developers) ;**
- **Policy BDP19 – High Quality Design (in particular Clauses c, d, h, m, o and s);**
- **Policy BDP22 – Climate Change ;**
- **Policy BDP23 – Water Management (in particular Clauses b and g);**
- **Policy BDP24 – Green Infrastructure ;**
- **Policy BDP25 – Health & Well Being ;**

6.7 In Paragraph 4.26 the site gross to net ratio used may be insufficient with particular reference to Green Infrastructure requirements and Sustainable Urban Drainage systems. As stated in the Harman Report *“one error that has a very large impact on the outcome of viability testing is overlooking the distinction between the gross site area and the net developable area (the revenue-earning proportion of the site that is developed with housing). The net area can account for less than half of the site to be acquired (that is, the size of the site with planning permission) once you take into account on-site requirements such as formal and informal open space, sustainable urban drainage systems, community facilities and strategic on site infrastructure etc. On larger sites, sometimes the net area can be as little as 30%”.*

6.8 The Viability Assessment demonstrates great variation in property prices as well as existing and alternative use land values across the District. The notional 50 unit site provided in the report illustrates that for the majority of scenarios tested the scheme was unviable or only marginally viable. Therefore the Viability Assessment submitted as evidence by the Council is insufficient to justify the policies within the Plan.

6.9 In conclusion the Bromsgrove District Plan is unsound because of an inadequate whole plan viability assessment as required by the NPPF.

## **7. Other Policies**

7.1 Since the preparation of the Bromsgrove District Plan, there has been a Written Ministerial Statement on changes to requirements under Part L of the Building Regulations (conservation of fuel and power) issued on 30<sup>th</sup> July 2013 and in August 2013, the DCLG launched two consultations on *“Housing Standards Review”* and *“Next Steps to Zero Carbon Homes – Allowable Solutions”*. These documents provide an insight into the direction of current Government thinking on streamlining the planning system.



7.2 The Government is critical of locally imposed standards in its latest consultation document "*DCLG Housing Standards Review Consultation August 2013*". Paragraph 1 states "*The house building process is difficult in itself, but it is not assisted by the large and complex range of local and national standards, rules and Codes that any developer has to wade through before they can start building*". The document continues in Paragraph 5 "*it is often unclear which part of an authority is responsible for checking whether standards have been met, and what it is they are checking. The overall effect is that standards can add considerably to development costs, project delay, local bureaucracy, and put a brake on growth*".

7.3 There is a contradiction between **BDP8.5** stating all homes will be Lifetime Homes standards and **BDP10.2** which states Lifetime Homes will be encouraged. The Council should provide further clarification. (7)

7.4 **Policy BDP19 Clause (c)** is repetitive and a duplication of **Clause (a)**. Clause (c) should be deleted.

7.5 **Policy BDP19 Clause (d)** is inappropriate in light of the latest Housing Standards Review, which proposes the phasing out of Code for Sustainable Homes.

7.6 **Policy BDP19 Clause (m)** the reference to a best practise guide is unnecessary. (8)

7.7 **Policy BDP19 Clause (o)** the mandatory imposition of the principles of Secured By Design and Building for Life 12, which are voluntary best practise guidance is inappropriate. Often the objectives of Secure by Design and Building for Life are incompatible. The Council should address this inconsistency.

7.8 **Policy BDP22 – Climate Change Clause (b) and (f)** are non-compliant with the most recent Government consultation on Allowable Solutions. Allowable solutions arise from the obligation for house builders to mitigate the carbon emissions arising from regulated energy. Under Paragraphs 2.4 (a) and (b) of the consultation document, the Government proposes a set of basic design principles for allowable solutions stating that "*it is right that house builders decide how they meet that obligation and should not have this dictated to them. Flowing from this, the Government wishes to develop a framework which gives house builders choice and flexibility*". **Clauses (b) and (f)** appear to dictate the solution to developers rather letting developers decide on the most appropriate solution. (9)

7.9 **Policy BDP23 – Water Management Clause (b)** sets a local standard, which should be justified and costed. Currently, the average estimated use of water is 150 litres per person per day. **Clause (b)** proposes an incremental reduction in water usage in line with the Code for Sustainable Homes to 90 litres per person per day (Level 6). The Code for Sustainable Homes is not a mandatory requirement. Under the "*Housing Standards Review*" consultation, the Government proposes to phase out the Code for Sustainable Homes. If the Code is phased out the Council will have no mechanism by which to (10)

implement the policy. Part G of the Building Regulations 2010 requires water usage of 125 litres per person per day. So by compliance with Part G of the Building Regulations newly built housing is already reducing the use of water resources compared to water used by residents living in the existing housing stock. **Clause (b)** represents the imposition of a local standard. Therefore the Council must justify the reason and necessity for this higher local standard as well as viability testing the extra cost of compliance with this higher local standard under NPPF Paragraphs 173 and 174.

## 8. Conclusions

8.1 For the Bromsgrove District Plan to be found sound under the four tests of soundness defined by Paragraph 182 of the NPPF, it must be positively prepared, justified, effective and compliant with national policy.

8.2 The Bromsgrove District Plan is unsound because of :-

- Unresolved issues on strategic housing matters with neighbouring LPAs under the Duty to Co-operate ;
- Under estimation of housing requirement based on an unsound evidence base ;
- Proposed delay to the Green Belt review ;
- Inadequate viability testing of policies.

8.3 It is hoped that these representations will be helpful in informing the next stages of the Bromsgrove District Plan. If you require any further information or assistance please contact the under signed.

Yours faithfully

