

Sent by email to: [planning.policy](mailto:planning.policy@hbf.co.uk) [REDACTED]

03/12/2021

Dear Sir/ Madam

Response by the Home Builders Federation to the consultation on the Gosport Local Plan

1. Thank you for consulting the Home Builders Federation (HBF) on the draft Local Plan. The HBF is the principal representative body of the housebuilding industry in England and Wales and our representations reflect the views of discussions with our membership of national and multinational corporations through to regional developers and small local housebuilders. Our members account for over 80% of all new housing built in England and Wales in any one year.

Policy D2: Development Strategy

2. This policy establishes that the Council will deliver 3,500 new homes between 2021 and 2038, a shortfall of over 2,000 homes based on the outcomes of the standard method. However, whilst we recognise that, given the physical constraints to land supply, meeting needs in full in Gosport may not be possible, it is important for the Council to show that it has:
 - fully considered whether the adverse impacts substantially and demonstrable outweigh the benefits of those development sites submitted for allocation but not included in the local plan;
 - done all that it can in ensuring any unmet development needs will be met elsewhere.
3. Given that the Council does not expect to meet its development needs in full it must when considering sites submitted for allocation as part of the plan preparation process ensure that, in line with paragraph 11 of the National Planning Policy Framework (NPPF), it has assessed whether the adverse impacts significantly and demonstrably outweigh the benefits. We would expect such a process to be clearly set out within the Strategic Housing Land Availability Assessment, yet we could not find any such considerations in this document. It will therefore be necessary for the Council to ensure that such an assessment is undertaken and clearly set out in the relevant evidence base documents.
4. The Council state in this consultation document that whilst it has outlined the degree of shortfall to the Partnership for South Hampshire (PfSH) it has not requested any single authority to meet its unmet needs. Such an approach is not



consistent with the effective and ongoing co-operation required as part of the preparation of a local plan. As the Council will be aware local plans have been prepared and submitted across south Hampshire recently and given the constraints faced by Gosport the Council should have been actively seeking opportunities for such a considerable level of unmet needs to be met in these local plans.

5. Moving forward with this local plan the Council must seek to ensure that these needs are met in full. Firstly, the Council must consider how these needs are addressed within this plan period and do not delay their consideration to future plans as is being proposed. The Government makes it clear in paragraph 61-022 of Planning Practice Guidance (PPG) that Inspectors examining local plan will expect to strategic matters to have been addressed and not deferred. Secondly, the Council must ensure that its co-operation activities are not merely tick box exercises that ask whether they can help the authority meet their development needs. The legal requirements of the duty to co-operate are that the Council should maximise the effectiveness its plan making through the constructive, active and on-going engagement. In addition, paragraph 61-022 of PPG also states outlines that an LPA should ensure that it has done all that it can to secure co-operation before submitting the plan for examination.
6. As such the Council must seek to actively engage in the plan making in other areas and challenge relevant local planning authorities about any assumptions with regard to the levels of development being proposed in those areas and whether further sites could be allocated in those areas to address some of their unmet needs. If the Council do not seek to take an active approach in securing the delivery of homes elsewhere to address their unmet needs the approach taken by the Council cannot be considered to have been sufficiently robust to be considered effective. The measures taken by the Council in seeking to secure co-operation with regard to the delivery of their unmet needs should be clearly set out in any Statements of Common Ground prepared by the Council.

Policy H1: Sustainable residential neighbourhoods

7. Part 2 of this policy states that development should contribute towards meeting the need for a mix of housing as set out in table 4, subject to other relevant evidence. It is important that there is sufficient flexibility with regard to housing mix to recognise that the evidence reflects the needs across the Borough and at a specific point in time. In particular it is important to recognise that the location and topography of a site will also dictate the ability of that site to deliver a specific mix of housing types. As such the HBF is broadly supportive of the approach taken by the policy but we would suggest that the third bullet point is removed. Whilst changing demographics will have an impact on the type of house needed to reference all such potential studies is too broad and as such is ineffective. Changes in population and household projections may impact on mix but these should be considered through the basis of the Strategic Housing Market Assessment, which is covered by the first bullet point.

8. At present the justification for the Council's self-build policy as set out in paragraph 5.3.13 is confusing and makes no reference to how many homes it expects to deliver in relation to demand for such homes. The HBF considers that further justification is needed to support the Council's approach.
9. Firstly, the Council need to review its self-build register. When registers have been reviewed in other areas Councils have seen numbers fall dramatically. For example, when Runnymede Borough Council reviewed their register and introduced an entry fee of £65 for the register, and a £60 annual fee for each year after has led to the numbers of interested parties on the register fall from 155 to just 3. Similarly, when Fareham Borough Council introduced an annual registration fee from 1st August 2017 and as a result (as set out at paragraph 4.25 of their 2017-18 AMR), the Council's Self Build Register recorded those 35 individuals initially signed up in the first base period, which ran from 21st March 2016 (the date the register was created) to 30th October 2016. Following the introduction of the fee, the number who wished to remain on the register dropped to 12, a reduction of 65%. Whilst we recognise that requiring a fee will have an impact, it also suggests that many on registers may no longer be interested in self-build, and it is important to review the register regularly. Secondly the Council needs to consider how many self-build plots will be delivered through its policy. At present no indication has been provided as to how many self-build plots it expects to deliver. It is essential that the policy does not seek to over deliver against what is clearly a low-level demand for self-build plots.
10. Should the policy be justified, it should also include provision as to when unsold self-build plots should be returned to the developer to be built out as market homes. The provision of self & custom build plots on sites of more than 40 dwellings adds to the complexity and logistics of developing these sites. It is difficult to co-ordinate the provision of self & custom build plots with the development of the wider site and as such the timescale for plots reverting to the developer to be built out should be relatively short and avoid them being left empty to the detriment of neighbouring dwellings or the whole development. Any differential between the lead-in times/build out rates of self & custom build plots and the wider site may lead to construction work outside of specified working hours, building materials stored outside of designated compound areas and unfinished plots next to completed/occupied dwellings resulting in customer dissatisfaction. As such we would recommend a 6-month timescale after which unsold plots revert to the developer. This time period should be sufficient if the demand for self-build plots is in line with the Council's expectations.

Policy H2: Affordable Housing

11. This policy would require development of 10 or more units to provide 40% of those units to be affordable homes. The Council have not published a viability assessment as part of this consultation, so it is not possible to say whether this

policy is justified, and that development will be deliverable when all the costs placed on it by the local plan are taken in to account. In considering the impact of these costs and the approach taken with this policy it is important, as set out in paragraph 58 of the NPPF, that the Council are confident that decision makers can assume a development meeting all costs placed on it by the Local Plan is viable. This may require a policy that varies such requirements on the basis of location or type of development reflecting the different costs and values that occur across the Borough. In order to assist local planning authorities in preparing their viability assessments the HBF have prepared a briefing note setting out our members key concerns with regard to viability testing and the approach taken by Councils which is attached to this response. Whilst this note focuses on all aspects of the viability testing of the residential development and should be taken into account, we would like to highlight four particular issues with whole plan viability assessments.

12. The first issue is with regard to the approach taken to abnormal infrastructure costs. These are the costs above base construction and external costs that are required to ensure the site is deliverable. Prior to the 2019 NPPF viability assessments have taken the approach that these cannot be quantified and were addressed through the site-by-site negotiation. However, this option is now significantly restricted by paragraph 57 of the 2019 NPPF. As such these abnormal costs must be factored into whole plan viability assessments. We recognise that the very nature of an abnormal costs is difficult to quantify, but it is a fact that they are often substantial and can have a significant impact on viability. Where and how these costs arise is also variable. They can occur in site preparation but can also arise with regard to the increasing costs of delivering infrastructure, such as upgrades to increase the capacity of utilities. It is also the case that abnormal costs are higher on brownfield sites where there can be a higher degree of uncertainty as to the nature of the site and the work required to make it developable.
13. Whilst the HBF recognise that abnormal costs are expected to come off the land value, we are concerned that if abnormal costs are high then it will result in sites not being developed as the land value will be insufficient to incentivise the landowner to sell. It is therefore important that a significant buffer is included within the viability assessment to take account of these costs if the Council are to state with certainty that those sites allocated in the plan will come forward without negotiation.
14. Secondly, we would encourage the Council to use the upper end of any of the ranges suggested with regards to fees and profit margins. Again, these will vary from developer to developer but given that the Government want to minimise negotiation on planning obligations it would make sense to use the highest point of any range. The changing landscape with regard to viability assessment could lead to development slowing significantly if the correct variables are not taken into account.

15. Thirdly, the council must ensure that all the policy costs associated with the local plan are included within the viability assessment. Whilst affordable housing and infrastructure contributions from the majority of the additional costs that are placed on developers by the Council it is important that the cumulative impact of all policies are tested. With regard to the local plan review the Council will need to consider the impact of its proposed policies on bio-diversity net gains, electric vehicle charging, sustainable design and construction; and renewable energy. The viability assessment will also need consider the impact of future national policies on viability and whether there is sufficient headroom to ensure these standards can be addressed alongside the policies in the local plan.
16. Finally, the approach to land values needs to be a balanced approach and one that recognises that there will be a point at which land will just not come forward if values are too low to take account of policy and infrastructure costs. There are a variety of reasons why a landowner is looking to sell their land and it cannot be assumed that they will absorb significant reductions in land values to meet policy costs. Land is a long-term investment and the returns being offered must take account of this.

Policy H3: Housing for Older and Vulnerable People

17. The HBF welcomes the commitment in policy to not only support but make provision to deliver an identified number of homes for older people. Where possible this should be identified through allocations in the local plan. However, to improve the effectiveness of this policy we would suggest including a presumption in favour of such development if there is an identified shortfall in delivery.

Policy E2: Skills

18. Whilst the HBF understands that the Council wishes to improve opportunities for the residents of Gosport to enter the construction industry it is not clear how this is considered to be justified against the tests set out in paragraph 57 of the NPPF and regulation 122 of the CIL Regulations. Planning obligations must be necessary to make the development acceptable in planning terms and the Council will need to provide the necessary evidence supporting this policy. Should the Council provide sufficient justification it will also be necessary to ensure that the costs of such an approach are included within the viability study.

Policy DE1: Sustainable construction

19. The HBF has a number of concerns relating to policy DE1. Firstly, the HBF acknowledge that development should be designed to maximise the use of insulation, natural sunlight solar gain, and natural ventilation, however it is not necessary to mention Passivhaus principles. The mention of a particular standard such as Passivhaus inevitable creates uncertainty for decision takers as to whether they should be applying elements of that standard to development. We

would therefore suggest that reference to Passivhaus standards in the policy and supporting text are removed.

20. Secondly, the requirement in part c to achieved a water efficiency standard of at least 10 units per person per day is not consistent with national policy. Paragraph 56-014 PPG states that where there is a clear local need local planning authorities can set an optional requirement of 110 litres per person per day. The Government have been clear that LPAs only have the option to amend technical standards for housing in the manner set out in PPG and as such it is not sound to set lower standards and the policy should be amended accordingly.
21. Finally, part 3 makes reference to multi residential development. To ensure clarity for the decision maker it will be necessary to include a full definition of a multi-residential development to ensure that it is correctly applied with regard to this policy. At present the truncated definition in paragraph 5.5.14 is considered to be insufficient.

Policy DE2: Residential Design

22. The requirement set out in part c(iii) of this policy which requires 2% of private housing to be wheelchair accessible is inconsistent with paragraph 56-009 of PPG states that "*Local Plan policies for wheelchair accessible homes should be applied only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling*". If the Council has sufficient evidence to support higher standards on new private housing, then it can only require delivery of wheelchair adaptable housing as set out in part M of the building regulations.
23. The Council should be clear in part 3 of this policy that development should only have regard to any standard set out in supplementary Planning Documents. Should the council seek to require development to meet parking standards, as is suggested in paragraph 5.16.11 of the consultation document, they must be included in the local plan as they are policies against which an application could be refused, they are legally considered to provide more than just guidance to the applicant. The issue of what is policy is explored in detail in the High Court Judgement between William Davis Ltd, Bloor Homes Ltd, Jelson Homes Ltd, Davidson Homes Ltd & Barwood Homes Ltd and Charnwood Borough Council. In this case Justice Gilbart quashed the SPD on the grounds that it contained policies that should have been contained in the local plan because they could be considered to fall under regulation 5(1)(a)(i) and 5(1)(a)(iv) of the Town and Country Planning Regulations (2012).
24. As such the policy cannot defer in future to subsequent revisions of any parking standards within the SPD. Such changes would need to be made through a focussed review of the local plan in order to allow the proper scrutiny of any changes being made.

Policy LE8: Securing measurable biodiversity net gain

25. The Council state in paragraph 5.34.5 that they will require a net gain of 10% as set out in the Government's emerging Environment Bill. This Bill is now an Act and before implementing the requirement for all development to deliver a 10% net gain in biodiversity there will be a two-year transitional period from the date from which the Act achieve royal ascent. Given the Council are unlikely to adopt prior the transition period ending this may well be a moot point but to ensure consistency with the Act we would suggest that the Council delete part 2 of the policy be deleted and part 1 be amended to:

"All developments are expected to provide a net gain in on-site biodiversity in line with the Environment Act 2021 and where possible contribute towards the wider Local Ecological Network."

Conclusion

26. We hope these representations are of assistance in taking the plan forward. Should you require any further clarification on the issues raised in our comments please contact me.

Yours faithfully



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