

Home Builders Federation

Matter 4c

Matter 4c: Housing

Issue: Is the proposed approach to housing development positively prepared, justified, effective, and consistent with national policy?

Local Housing Need

Q.60 Is there any substantive evidence to demonstrate that it would be appropriate to plan for a higher housing need figure than the standard method indicates in this case as per advice set out in the PPG (Paragraph: 010 Reference ID: 2a-010-20201216)?

No comment.

Unmet needs of neighbouring areas

Q.61 Is there any substantive evidence that the Plan should be accommodating unmet need from neighbours, and if so, would it be sound to do so?

There is evidence to show that there are unmet needs arising from a number of neighbouring areas. Horsham the recently sub mitted local plan sets out a shortfall of 2,275 homes over the plan period and Havant, to the west of Chichester, have also stated that it is unlikely that will be to meet their own housing needs with a shortfall in the region of 4,000 homes – a situation that is unlikely to be rectified if the proposed changes to the standard methods are adopted which increase Havant’s housing needs from 508 dpa to 874 dpa. While not adjacent it is also important to note that authorises such as Worthing and Portsmouth have, or are likely to have signifcansnt shortfalls. Worthing’s adopted local plan sets out a shortfall of over 10,000 homes and Portsmouth’s recent regulation 19 consultation on their local plan noted a 3,500 home



shortfall. Some of the constraints, such as water neutrality in Horsham, can be addressed but others such as Havant, Portsmouth and Worthing are a result of high needs and highly constrained boundaries – issues that cannot be addressed overtime.

Therefore, if there is capacity in Chichester to meet some of those needs then it would be sound for it to do so. As for whether it is sound to accommodate these depends on whether the constraints highlighted by the Council with regard to transport are considered to be robust. If through the examination, it is found that there is capacity over and above the minimum Chichester are required to deliver then the Council would need to consider the allocation of additional sites to address some of these needs.

Affordable Housing need

Q.62 Is there any substantive evidence to demonstrate that there should be an adjustment to the minimum housing requirement to help deliver affordable housing with regard to the PPG (Paragraph: 024 Reference ID: 2a-024-20190220), and if so, would that be effective?

Where affordable housing needs are not being met in full an adjustment to the housing requirement would be appropriate. Again, in the case of Chichester this will very much depend on whether the constraints presented that is limiting growth in the district are considered to be sound.

Housing needs of different groups in the community

Q.63 Is the Plan positively prepared in assessing and reflecting in its policies the size, type and tenure of housing needed for different groups in the community as per NPPF 62?

No comment

Policy H1 Meeting Housing Needs

The housing requirement

Q.64 Policy H1 Meeting Housing Needs sets a housing requirement for the full plan period 2021 – 2039 of at least 10,350 dwellings. This is below the local housing need for the area as determined by the standard method. The justification for the proposed provision of 535 dpa in the southern area has been considered under Matter 4A Transport. Is the proposed figure of 40 dpa in the northern part of the plan area justified?

If transport evidence in southern part of the borough is constraining development, then it is imperative that the Council examine all potential opportunities in the northern part of the plan area. HBF does not promote sites but if there is potential to deliver sustainable development in this area that will increase housing supply then this should be considered.

Policy H1 is also likely to require modification to set out an immediate review of the plan to take account of proposed changes to the NPPF that are currently being consulted on. While these changes are still out for consultation should they remain as currently presented consideration will need to be given to paragraph 227 of the amended NPPF which states:

“Where paragraph 226 c) applies, local plans that reach adoption with an annual housing requirement⁸⁴ that is more than 200 dwellings lower than the relevant published Local Housing Need figure⁸⁶ will be expected to commence plan-making in the new plan-making system at the earliest opportunity to address the shortfall in housing need.”

The proposed standard method would see Chichester’s housing needs, across the whole of the Borough, increase from 760 dpa to 1,206 dpa and will require the council to prepare a new plan immediately. However, it is the HBF’s experience that without an incentive to review a recently adopted plan these are rarely undertaken at rapidly. Therefore, a strong review policy is required that set out clear dates as to when a new plan will be submitted, and the consequences should that plan not come forward in the agreed timescale. HBF would recommend a policy is included in H1 or separately along the lines of that adopted in the Bedford Local plan 2030 (reproduced in appendix 1). This policy was included in the Bedford Local Plan in similar circumstances when the 2019 NPPF was adopted introducing the Standard Method.

Q.65 Would the adverse impacts of the Plan not providing for objectively assessed housing needs significantly and demonstrably outweigh the benefits of doing so when assessed against the policies in the NPPF taken as a whole? That is to say is the overall housing requirement justified?

The sole reason given by the Council for not meeting housing need is the impact of new development on traffic and the increased congestion it would cause. As set out above HBF consider further testing is required with regard to trip rates which are considered to be too high. Small adjustments to these rates can have a significant impact on the outcomes of transport assessment reducing the impact of housing growth on the highway network in Chichester.

This is particularly important in areas such as Chichester, and indeed the south east in general, given the shortfalls in housing and increasing unaffordability of accommodation for many households. There is a growing demand for new homes across this sub region with many of those areas with highest needs being too constrained to meet these in full, as we set out in our response to Q61. This inevitably places significant pressure on the housing market increasing the cost of housing and reducing the overall affordability of an area to many who live and work in the area. The Council not meeting its own needs, or seeking to contribute to addressing the needs of other areas, adds to that pressure. In Chichester the average housing price rose from £271,000 in 2013 to 430,000 in 2023 with the affordability ratio increasing from 11.13 to 13.51. A failure to meet its housing needs will only add to this

The poor affordability in Chichester and its neighbouring areas also means that there is significant need for more affordable housing. Table 6.3 of the HEDNA notes that the need for social and affordable rent in the borough is 278 dpa and in paragraph 6.152 it noted that the need for affordable home ownership products is 301 dpa. This is a high level of need and one that will be made worse by the decision not to meet housing needs in full.

The Government have given high priority on ensuring housing needs are met and it is important that a similar priority is given to this issue in this local plan. While there will be some negative consequences on highways as a result of new development HBF consider these have potentially been overstated due to the trip rates used. Therefore,

we consider it essential that the Council revisit its TA to include lower trip rates that are more reflective of current and future travel patterns.

Q.66 Paragraph 5.2 of the Plan sets out that the housing requirement would be made up of 535 dpa in the southern area and 40 dpa in the northern area. These figures are not included in Policy H1. Is this effective?

HBF did not comment on this but would recommend a single housing requirement for the plan area and it is not split between the two locations. The housing requirement is for the borough as a whole and should be treated as such in policy.

Q.67 Are the suggested MMs necessary for soundness?

HBF would suggest that a modification is required to include in the policy a commitment to an early review. This

Housing land supply

Policy H1 Meeting Housing Needs sets out the broad sources of supply to meet the housing requirement. Housing land supply will be provided by the Plan, the existing site allocation DPD, a new DPD and Neighbourhood Plans. The Plan therefore is not singly providing for all the supply in the plan period, though it is setting the overall housing requirement.

Q.68 Are the components of the overall housing land supply set out in Policy H1 (as updated in BP07 Housing supply background paper) justified?

Specially:

- Is footnote 29 as set out in the submitted Plan regarding Site Allocation DPD allocations correct given that policies of that plan are not to be superseded by this Plan?
- What is the compelling evidence that windfall sites will make the anticipated contribution to housing land supply over the plan period?

No comment.

Q.69 Will there be a five-year supply of deliverable housing sites on adoption of the Plan?

HBF did not comment on the five-year land supply as at that time it appeared as if the Council had a five-year land supply. Having reviewed the updated BP07 HBF are concerned that the Council may not have a five-year housing land supply on adoption. In calculating its five-year housing land supply, the Council have included the surplus from the preceding years wholly within the following five years. This approach is then included in the plan through the proposed modification to paragraph 5.5. As the inspector's will be aware PPG is silent on how over supply with inspector's taking different views on whether it should be included in the calculation of the five-year land supply, most notable in Tewkesbury and the appeal Land South of Oakridge, Highnam, Gloucester (Reference: APP/G1630/W/17/3184272) where the inspector considered it inappropriate to bank over supply the five-year land supply assessment. This appeal resulted in a judicial review ([2021] EWHC 2782 (Admin)) in which Justice Dove outlined that the NPPF was silent on this matter and as such it was a matter of planning judgement for the decision maker.

If it is accepted by the inspectors that surplus can be taken account when assessing five-year housing land supply, the HBF would expect this to spread across the remaining plan period. The council have instead considered surplus in the same manner as it is required to consider any shortfalls. However, the reason for considering shortfalls in the first five years is to ensure that these are delivered sooner and not pushed back to the end of the plan period. It is a mechanism to ensure poor performance is addressed sooner rather than later and as such is not applicable to a surplus which is generated as a result of the council seeking to meet needs across the plan period as a whole. It is therefore not considered by HBF to be sound for any surplus to be spread across only one five-year period of the plan. If the surplus generated between the start of the plan period and its adoption in 2025 is spread across the whole of the remaining plan period, our conclusion is that the Council will have a land supply of just 4.64 years. Whilst this increases to 5.02 years in 25/26 it is still marginal, and we are concerned that without additional supply in the first five years after adoption the plan will be considered out of date on the basis that it does not have a five-year land supply. Our assessment of the Council's five-year land supply with the surplus each year spread across the remaining plan period is included in Appendix 2.

Q.70 Would at least 10% of the housing requirement be accommodated on sites no larger than one hectare to be consistent with NPPF 69?

Table 15 of the Housing Supply Background paper shows that the Council expect to 1,179 homes to be delivered on sites of less than one hectare. This is 230 homes short of the required 10% which the Council state will be met through small site allocations in neighbourhood plans. Firstly, it is in no way certain that the neighbourhood plans will deliver the additional 230 homes. They may allocate some homes on small, but no evidence is provided to show that they will. This would appear to be an assumption, and clear evidence will be required to show that such allocations will be made in neighbourhood plans.

However, HBF have further concerns with the likely supply of small sites from windfall is included in its supply of small sites. We do not consider this to be a sound approach as it is inconsistent with the expectations of national policy. The NPPF is clear that the 10% should be on land identified in the plan yet the Council include likely supply from windfalls which are not sites identified in either the local plan or brownfield register. Removing these from the Council's expectations for small sites means that the Council can only show a supply of 531 homes on identified sites of less than one hectare and leaves a shortfall of nearly 819 homes to be delivered on sites of less than one hectare rather than the surplus identified by the Council.

It is important to recognise that the intention of this policy stems from the Government's desire to support small house builders by ensuring that they benefit from the having their sites identified for development either through the local plan or brownfield register. The effect of an allocation is to take some of the risk out of that development and provide greater certainty that those sites come forward. This in turn will allow the SME sector to grow, deliver homes that will increase the diversity of the new homes that are available as well as bring those homes forward earlier in the plan period.

The Council is failing to recognise that by not allocating more small sites it is contributing to the decline in small and medium sized house builders. Recent research by the HBF has found that there are 85% fewer small house builders today than there was 20 years ago and that of a survey of 202 SME house builders 87% said they were considering winding up their residential activities in the next three years. Whilst this decline is due to a range of factors more allocations of small would ease the burden

on many SME developers and provide more certainty that their scheme will be permitted allowing them to secure the necessary finance that is often unavailable to SMEs until permission is granted.

In order for the plan to be found sound the Council must identify additional small sites for allocation in the local plan or identified in the Brownfield Register in order to ensure that 10% of the housing requirement is on small sites that have actually been identified.

Policy H6 Custom and/or Self Build Homes

Q.79 Are the 200-unit threshold and the % of market units requirements justified?

Table 1.1 in the Self and Custom Build Note (H13) indicates that since 2016 190 people have asked to be put on the that Council's Self and Custom Build Register. The note goes on to say that the local eligibility test has only applied since 2018 and as such this figure likely overestimates demand. The paper therefore notes that there are currently 66 applications on the self-build register, which is an average of 12 people registering per annum. This would in itself would suggest that there is limited demand for self-build in the borough. It is also notable that the part 2 register, those who the council consider having met other eligibility criteria is just 9 people.

The Council correctly state that they should take account of the part 1 and part 2 register but even considering both parts the evidence does not indicate that there is substantial demand for self-build. The HEDNA points to broader evidence from the NaCSBA but this is based on the Right to Build Register. While this provides further evidence it may have shortcomings in that there is potential for double counting of demand across an area as an individual can express an interest in numerous locations. It is not clear from the evidence whether the Council have removed any double counting from the evidence where individuals have expressed an interest in all three of the postal districts highlighted. It is also not clear whether the Council have examined whether these individual have expressed an interest in areas outside of Chichester. If not, there is a risk of numerous LPAs seeking to deliver plots for the same individual.

It is also not clear from the evidence provided is whether those on the Right to Build register want a plot on major development site. The register allows for those signing up to register to state a preference as to the type of plot they want. Such information

would have been helpful in determining the approach the council should take rather than assuming many of those want to self-build will want a plot on a strategic house building site.

The note goes on to consider the supply of sites in the borough stating in paragraph 1.27 that 211 self-build dwellings have been granted permission and that the market is by and large meeting the needs of self-builders within Chichester as identified by the self-build register. While the council note there is a 20 unit back log in the last three years the evidence would suggest that over a plan period the delivery of self-build plots through windfall will meet needs.

In addition, HBF could not find any evidence as to how many homes will be delivered through this policy, alongside windfall delivery, and whether this is reflective of the demand for self-build that is indicated by the register. It is essential that should a percentage be required this is reasonable and does not result in an over supply of homes and the need for developers to go back to the council to amend planning conditions relating to self-build provision.

Finally, as mentioned in our representations the Council will need to show that they have considered other approaches to meeting the demand for self-build homes that are set out in paragraph 57-025 of PPG. In particular the Council should have examined whether there are opportunities to meet the demand for self-build plots through the disposal of its own sites or by working with landowners to bring forward specific sites that will be able to provide plots.

Q.80 Should the definition of self-build plots be set out in the Plan for effectiveness?

No comment.

Q.81 Are the suggested MMs necessary for soundness?

HBF do not support the proposed modification in particular the increase in the requirement on strategic sites from 2% to 5%.

Policy H8 Specialist accommodation for older people and those with specialised needs

Q.84 What is the justification for the 200 unit threshold in Policy H8 and would it be effective?

For Council.

Q.85 Would the Policy/Plan be effective in addressing the housing needs of different groups given that no indication is given of assessed need?

No. While there is no direct requirement to do so in national policy the HBF would argue that in order for the policy to be effective it needs to be clear as to what is required and how a decision maker should react to ensure those needs are met. By including the level of need in the policy or supporting text, as it has in relation to student accommodation, greater weight will be given to this in decision making, leading to the more positive approach that is required to meet housing the needs of older people.

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Appendix 1: Review Policy from Bedford Local Plan 2030.

Policy 1 - Reviewing the Local Plan 2030

The Council will undertake a review of the Local Plan 2030, which will commence no later than one year after the adoption of the plan. An updated or replacement plan will be submitted for examination no later than three years after the date of adoption of the plan. In the event that this submission date is not adhered to, the policies in the Local Plan 2030 which are most important for determining planning applications for new dwellings will be deemed to be 'out of date' in accordance with paragraph 11 d) of the National Planning Policy Framework 2019.

The plan review will secure levels of growth that accord with government policy and any growth deals that have been agreed. The planning and delivery of strategic growth will be aligned with the delivery of planned infrastructure schemes including the A421 expressway, Black Cat junction, East West Rail link and potentially the A1 realignment.

The review will also serve to build stronger working relationships with adjoining and nearby authorities and may result in the preparation of a joint strategic plan based on a wider geography.

Appendix 2. Five-year land supply – surplus averaged across remain land plan period.

Year	2021/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37	37/38	38/39
Requirement	575	575	575	575	575	575	575	575	575	575	575	575	575	575	575	575	575	575
Cumulative	575	1150	1725	2300	2875	3450	4025	4600	5175	5750	6325	6900	7475	8050	8625	9200	9775	10350
Delivery	712	904	607	574	649	522	446	451	774	790	839	663	485	467	478	497	485	409
Cumulative	712	1616	2223	2797	3446	3968	4414	4865	5639	6429	7268	7931	8416	8883	9361	9858	10343	10752
Surplus/deficit	137	466	498	497	571	518	389	265	464	679	943	1031	941	833	736	658	568	402
5-year requirement	2875	2875	2875	2875	2875	2875	2875	2875	2875	2875	2875	2875	2875	2875				
Add deficit/remove surplus	2875	2835	2729	2709	2698	2655	2659	2698	2743	2617	2451	2201	2016	1934				
Buffer	144	142	136	135	135	133	133	135	137	131	123	110	101	97				
Total req	3019	2976	2866	2844	2832	2788	2792	2833	2880	2748	2573	2312	2117	2031				
5-year supply	3446	3256	2798	2642	2842	2983	3300	3517	3551	3244	2932	2590	2412	2336				
Surplus/deficit	427	280	-68	-202	10	195	508	684	671	496	359	279	295	305				
5YHLS	5.71	5.47	4.88	4.64	5.02	5.35	5.91	6.21	6.17	5.90	5.70	5.60	5.70	5.75				

