Gladman Developments Ltd

Matter 4 Hearing Statement

Mansfield District Local Plan

Examination

Housing and Employment Need

GLADMAN

April 2019

Question 1: What evidence justifies the use of the standard method to assess local housing need when the plan has been submitted for examination during the transitional period?

1.1 None, the transitional arrangements of Annex 1 of the 2019 NPPF are clear. Paragraph 214 outlines that policies of the 2012 NPPF **will** (our emphasis) apply for the purpose of examining plans, where those plans are submitted on or before the 24th January 2019.

1.2 The wording used by the Government in Annex 1 is deliberately clear about the examination of plans submitted within the transitional period to provide certainty for plan-makers, the community, stakeholders, and Inspectors alike. The wording indicates the intention of the Government and it is not for plan makers to apply at their own will.

1.3 Whilst the Standard Method now forms the Government's preferred approach for calculating housing need, its implementation through the 2019 NPPF by no means results in an existing Objectively Assessed Needs figure (OAN) becoming instantly obsolete. The transitional period granted by Annex 1 of the 2019 NPPF confirms this by allowing plans prepared in accordance with the the 2012 NPPF to continue to be examined in accordance with policies of this document. The provision made in national planning policy which allows existing plans within 5 years of adoption to remain part of the development plan and form the basis of the five-year requirement confirms this. If the Government considered the OAN to be wholly unsound this would have transpired into national planning policy. This is however not the case.

1.4 Considering that the Local Plan was submitted to the Secretary of State on 19th December 2018, the Local Plan must, as set out by the Inspector's MIQs, be assessed for its soundness under the policies of the NPPF. The tests of soundness are confirmed in Paragraph 182 of the 2012 NPPF.

1.5 A core element of the 2012 NPPF is the need to identify and, where possible, meet the full OAN of the District/Housing Market Area (see Paragraphs 47 and 158 of the 2012 NPPF). For a Local Plan to be found sound under the 2012 NPPF it must, among other things, be positively prepared, '*based on a strategy which seeks to meet objectively assessed development and infrastructure requirements*' (see Paragraph 182). The preparation and review of the OAN is therefore integral to the tests of soundness for plans submitted in accordance with the 2012 NPPF, a failure to prepare an OAN for a Local Plan examined under the 2012 NPPF means that the Local Plan cannot be considered to conform with the tests of soundness.

1.6 An OAN figure is arrived at following a robust and thorough assessment of data which illustrates future development needs of a local authority and/or housing market area (see requirements set out under Paragraph 159). The Standard Method differs from an OAN because it is defined using a pre-determined formula which is set out in PPG. A Local Plan which has been prepared to deliver a Standard Method requirement cannot be said to an OAN required through the 2012 NPPF owing to the substantial differences in the process and evidence use in both methodologies unless (by chance) the Standard Method requirement is consistent with that indicated by the OAN.

1.7 To overcome this potential conflict with the 2012 NPPF and prevent the possibility of significant delay in the adoption of the Mansfield Local Plan (i.e. as experienced if the Local Plan were to be withdrawn), Gladman suggest that the examination is progressed utilising existing OAN evidence as the basis for determining the housing needs of the authority. This OAN evidence, together with other studies relating to constraints, supply and delivery should be used to determine whether the submitted Local Plan in accordance with Paragraph 182 of the 2012 NPPF.

Question 2: How has the plan's housing requirement of 6,500 dwellings (325 dwellings per year) set out in Policy S2 been arrived at having regard to the 'starting point' of 279 dwellings per year set by the standard methodology?

2.1 In broad terms Gladman welcome the decision made by the Council to increase the housing requirement above the level of housing need indicated by the Standard Method. The Standard Method figure generated for the District is set out in PPG to form a minimum housing requirement[1] and by no means applies as a cap on what the Council can plan for through its Local Plan subject to local circumstances[2].

2.2 Notwithstanding this however, Gladman maintains the view that, for the purpose of this examination, existing OAN evidence forms the starting point for determining the soundness of the Local Plan.

2.3 In answer to Question 2, it is unclear how the proposed housing requirement has been derived. It is however clear from available evidence that the housing requirement is insufficient to support the full delivery of the housing needs of the District:

- The proposed housing requirement is lower than the existing OAN for the District (reported at 338 to 376 dwellings per year);
- The proposed housing requirement fails to support in full employment land delivery in the Borough (see Question 5 response);
- The proposed housing requirement fails to respond to market signals; and
- The proposed housing requirement will not support full delivery of assessed affordable housing needs of the District (see Question 6 response).

2.4 The proposed housing requirement of 325 dwellings per year is only 5.5% higher than the average rate of net delivery achieved in the District over the previous 17 years[3], and is only 5 dwellings per year higher than the requirements of the now time expired 1998 Local Plan. The adoption of the Local Plan

[1] See PPG Paragraph 004 Reference ID: 2a-004-20190220

[2] See PPG Paragraphs 007 and 010, Reference ID: 2a-007-20190220 and 2a-010-20190220

[3] At 308 dwellings per year. See Table 1 Examination Document Reference H1 – Mansfield Housing Technical Paper, August 2018.

as submitted will not therefore deliver a significant boost in housing land supply for the District as required by Paragraph 47 of the NPPF but instead seeks to maintain the status quo.

2.5 Whilst acknowledged that adoption of 325 dwellings per year would provide a buffer to the Standard Method requirement, it is clear that the primary purpose of the proposed housing requirement is to guarantee that the Council is able to secure and maintain a five-year land supply. This is confirmed by the Council in the Housing Technical Paper Addendum (December 2018) where it is claimed that adoption of the OAN would not be deliverable [4]. Adopting the proposed housing requirement will provide a 7.1-year supply on adoption based on the housing trajectory.

2.6 Gladman do not consider that the necessary conditions exist within the District to robustly justify the adoption of a housing requirement which is lower than the assessed OAN. The District is not subject to the constraints to development listed under Footnote 9 of the NPPF which, if present, would mean that with a robust evidence base it may be appropriate for an authority not to seek to meet its full development needs.

2.7 Whilst the relative weakness of the local housing market is acknowledged, Gladman do not consider that this necessarily acts as a barrier to the adoption of a higher housing requirement in the District. As set out previously, the 17-year average completion rate is marginally lower than the housing requirement now proposed[5]. This level of supply was achieved in a period where for a large part there was no up-to-date Local Plan and largely driven by windfall. As illustrated in the Housing Technical Paper (August 2018), the preparation of a Local Plan provides the Council with the opportunity to enhance delivery through a greater pool of supply[6]. Indeed, previous iterations of the emerging Local Plan were prepared in the context of a higher housing requirement with supply to match and were at that time considered deliverable by the Council[7].

2.8 As set out in greater detail in our Matter 2 and 6 hearing statements, Gladman consider that the adoption of an increased housing land supply distributed via a broader spatial strategy would increase the deliverability of a higher housing requirement. The adoption of this approach would provide greater geographical spread of development, aiding delivery by increasing market choice and reducing the effect that local competition may have in dampening delivery rates. A broader strategy to development will reduce the reliance on the delivery of and pressure on the use of existing or new infrastructure to be provided in any one area meaning that there are fewer potential barriers to development.

[4] See Examination Document Reference H1 Paragraphs 5.3 to 5.6.

[5] At 17dpa less (325 dpa vs 308 dpa).

[6] On average Housing Delivery in the Sub-Region to Mansfield has been boosted by 46% following the adoption of a Local Plan. See Examination Document Reference H1 Table on Table 15.

[7] See Draft Version of the Mansfield Local Plan (Examination Document Reference PC2) and Paragraphs 6.3.11 to 6.3.31 of the Mansfield Sustainability Appraisal Report (Examination Document Reference S8a).

Question 3: Is the housing requirement of 325 dwellings per year justified when the OAN set out in the Strategic Housing Market Assessment (SHMA) (H4) and Demographic Update Paper (H5) is a different figure?

3.1 The proposed housing requirement will fail to deliver either the level of assessed housing need as set out in either the SHMA or the Demographic Update Paper. The Council is not therefore seeking to deliver its reported OAN in full and has not sufficiently sought to justify this (see Question 2 response). The Local Plan is therefore unsound.

3.2 Notwithstanding this conclusion, Gladman hold further concerns regarding the relevance and robustness of the SHMA and its subsequent studies.

3.3 Whilst the Council has sought to validate the approach of the SHMA through the examination of more recent demographic projections, through the publication of the Demographic Update Study, this review did not seek to update market signals information, affordable housing need, or economic projections. There has therefore been no full review of the SHMA since it was published in 2015.

3.4 The 2016-based household projections form the latest demographic data for the District and were published following the Demographic Update Study. Recent changes made to PPG confirm that the 2016-based household projections should not be used for the calculation of housing need utilising the Standard Method[8]. PPG is silent however on the use of the 2016-based household projections for determining an OAN, with the relevant PPG outlining that the most up-to-date demographic data[9]. As such whilst there may be question marks over the robustness of this data for the consideration of housing need, Gladman nevertheless consider that this data should be assessed for its suitability in response to local circumstances in order to ensure that a thorough assessment has been undertaken in accordance with relevant national planning policy in arriving at the OAN for the District.

3.5 In addition to the matter of demographic need, Gladman also question the approach taken within the SHMA in examining the following issues:

- There is an absence of any scrutiny undertaken regarding the suitability of Experian based job projections for the District as a realistic basis for the future economic picture of the Borough. There is for example, no comparison made to other forecasting houses;
- As set out under Question 5, the SHMA fails to align with the 2015 Nottingham Core HMA and Nottingham Outer HMA Employment Land Study in its application of the baseline projection as the basis for jobs growth in the District; and
- It is unclear what weight has been given to the increasing role of Private Rental Sector housing in hiding accessibility problems to housing by those whom are unable to afford to buy in the

[8] See PPG Paragraph 004 Reference ID: 2a-003-20190220

[9] See PPG Paragraph 016 Reference ID: 2a-016-20150227

District in arriving at the conclusion of a 20-dwelling uplift in supply. Whilst acknowledged that PRS will continue to exist over the plan period, the tenure does not provide for a long-term secure solution for households in need and does not accord with Government objectives to increase the ownership of housing.

3.6 In the context of the above Gladman consider that there is an urgent need for a review of the SHMA.

Question 4: As the plan's housing requirement is based on the standard methodology, are there any implications arising from the revised Planning Practice Guidance (Paragraph 004) which indicates the use of the 2014 based household projections as a baseline for the assessment of need?

4.1 The Council's proposed housing requirement has been derived utilising the 2014-based household projections in common with formula set out in PPG to be used in the calculation of the Standard Method. The Local Plan was however submitted within the transitional period and as a result is being examined against the policies of the 2012 NPPF. As such, it is the archived version of Chapter 2 of PPG applies to the examination of this Local Plan and not the updated version of February 2019[10].

4.2 It is important to note that in PPG the primary justification set out for the preferred use of the 2014-based household projections is because on a national basis the 2014-based household projections considered to be consistent with the Government's objective of significantly boosting the supply of homes[11]. In this case however it is clear that adoption of the 2014-based household projections alone will not achieve this, resulting in a drop-in housing supply below the average rate of delivery achieved over the previous 17 years[12].

4.3 Whilst the Government's position regarding the 2016-based household projections is acknowledged, Gladman nevertheless consider that there is a need for the implications of these projections to be tested in establishing the baseline demographic housing need of the District for the reasons set out in Paragraph 3.4 of this Hearing Statement.

[10] See https://webarchive.nationalarchives.gov.uk/20181220233634tf_/https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments

[11] See PPG Paragraph 005 Reference ID: 2a-005-20190220

[12] 297 dpa vs average delivery of 308 dpa.

Question 5: Is the housing requirement of 325 dwellings per year aligned with the plan's economic strategy and jobs growth? How much of the figure can be attributed to needs arising from demographic change and how much to jobs growth? Does the evidence justify the approach?

5.1 Gladman do not consider that the proposed requirement reflects needs or constraints but has been arrived at in order to secure the Council's short-term housing land supply position (see Question 2).

5.2 The most recent assessment of the number of homes required to support jobs provision in Mansfield is set out in the 2015 SHMA. This concluded that 328 dwellings per year was required in the District to support the delivery of the Experian Baseline Projection. This projection is itself now arguably out-of-date and should be updated as part of a broader review of the SHMA.

5.3 It is however clear that the approach taken through the SHMA towards employment need is inconsistent to that applied by the Council to deriving its employment land supply. As a result, the strategies for employment and housing outlined by the Local Plan are not integrated and as such do not reflect the requirements of Paragraph 158 of the NPPF.

5.4 Table 6.1 of the Local Plan establishes the employment land requirements of the District which forms the basis for allocations made through Policy E2. The Employment Land requirement set out in Table 6.1 reflects the D2N2 Policy On growth scenario (scenario 2) which is set out in the 2015 Nottingham Core HMA and Nottingham Outer HMA Employment Land Study. This provides for a level of employment land supply which is higher than required through the baseline position adopted through the SHMA. The employment land supply position is therefore based on a Policy On scenario whereas the housing requirement is tested against a policy off baseline scenario. This creates clear tensions within the spatial strategy and means that the housing and employment land requirements are not aligned contrary to Paragraph 158 of the NPPF.

Question 6: Does the housing requirement take appropriate account of the need to deliver the identified need for affordable housing?

6.1 Insufficient account has been applied by the Council to affordable housing need and delivery in deriving the proposed housing requirement. As such, Gladman conclude that the proposed housing requirement is inconsistent with Paragraph 47 of the NPPF and is unsound. An increased housing requirement is necessary to boost affordable housing delivery.

6.2 The case for increasing the housing requirement in response to affordable housing need is examined in the 2015 SHMA[13]. The SHMA concludes that no uplift is necessary to in response to affordable housing needs evidence in addition to the increase in housing need already applied to account for market signals.

[13] See Pages 173 to 184 of the 2015 SHMA.

6.3 Whilst the SHMA finds that there is no need for an uplift to be applied on account of affordable housing need, it is clear that the context in which this conclusion is reached is significantly different for the SHMA than for the proposed housing requirement.

6.4 Firstly, the SHMA examines the case for an uplift in the context of a housing requirement of 367 dwellings per year. The level of housing delivery across the District generally expected by the SHMA is therefore significantly different to that which would be provided by the submitted Local Plan with affordable housing completions now much lower than foreseen at the time the SHMA was produced. The SHMA concludes that no uplift in necessary taking into account a higher demographic starting point, and the application of a market signals uplift. The adoption of 325 dwellings per year as the basis of the housing requirement achieves neither, and thus the assessment and conclusions made by the SHMA to affordable housing need cannot be automatically applied to support the adoption of the proposed housing requirement.

6.5 Secondly, affordable housing completions recorded in the six years since the start of the plan period show a shortfall against the affordable housing need identified within the SHMA (at 64 dwellings per year). Over this period, affordable housing delivery has averaged 46 dwellings per year yielding a total of 296 affordable dwellings[14]. This is 92 dwellings short of the affordable housing need identified by the SHMA for this period.

6.6 Thirdly, moving forwards over the remaining plan period, there is evidence of a further future shortfall in affordable housing supply. Policy H4 of the Publication version of the Local Plan sets a zonal based approach to affordable housing requirements varying from 5% to 20% depending on location and type of site. Taking into account the spatial distribution set out by the Local Plan and already committed development it is likely that around 830 affordable dwellings will be delivered over the remaining plan period (at April 2018) through market-led provision[15]. This averages at 55 dwellings per year over the remaining plan period, short of the identified need for 64 dwellings per annum and resulting in an overall shortfall of 227 affordable dwellings for the plan period accounting for completions.

6.7 Fourthly, the Council is planning to fail through its monitoring of affordable housing delivery and as a result will never achieve the affordable housing need identified in the SHMA. The latest AMR illustrates that a monitoring target of just 55 affordable dwellings per year is adopted by the Council for measuring the successful delivery of affordable housing in the District[16]. The target set is inexplicably below the affordable housing need identified through the 2015 SHMA despite its reference in Policy H4. Its adoption means that the Council is able to boost affordable housing delivery to meet the needs identified within the SHMA due to the target being lower than assessed need effectively covering up the accumulated shortfall.

[14] See Examination Document Reference H1, Table 3.

[15] Based on Figures set out in AMR1 and Allocated Sites in the Local Plan applying Policy H4 of the Local Plan.

[16] See AMR4 Authority Monitoring Report and Local Plan Baseline 2018, Page 37.

6.8 Whilst it is acknowledged that the market-led provision does not form the only source of affordable housing supply market provision it does serve as the most prominent and most likely source of supply. An uplift to the housing requirement will deliver a boost in affordable housing delivery, enabling this need to be met in full. Considering the above, Gladman consider that a housing requirement should be increased.