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Central Bedfordshire Council
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16 March 2023

Dear Sir/Madam,

Our Ref: OHB046/RU

**RE: CONSULTATION RESPONSE FOR THE 'HOUSING POLICY
TECHNICAL GUIDANCE SUPPLEMENTARY PLANNING
DOCUMENT (SPD)'**

These representations are made by David Lock Associates ('DLA') on behalf of O&H Strategic Land ('O&H') and in response to the 'Housing Policy Technical Guidance SPD' consultation.

Context

O&H is a landowner and master developer for the strategic allocation within the Central Bedfordshire Local Plan known as the Marston Vale New Villages or 'Marston Valley'. The Marston Valley site includes 565.5 hectares of land. In addition, O&H has wider landholdings within Central Bedfordshire and as such is a key stakeholder in delivering housing across the area.

The Marston Valley site is a strategic allocation for approximately 5,000 homes and 30 hectares of employment uses within the Central Bedfordshire Local Plan 2021 – 2035 (the adopted Local Plan). The delivery of the Marston Valley development presents a major opportunity to make a meaningful and significant contribution to the delivery of new, sustainable and much needed homes in Central Bedfordshire.

It is in this context that we provide our response to this consultation, with a focus on the following key areas;

- General Comments
- Housing Mix (Policy H1)
- Housing Standards (Policy H2)
- Housing for Older People (Policy H3)
- Affordable Housing (Policy H4)
- Self-Build and Custom Housing (Policy H6)
- Minor Report Errors

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GENERAL COMMENTS

O&H welcomes the Council's preparation of an SPD to provide detailed guidance on the interpretation and implementation of housing policies in the adopted Local Plan (2015-2035). The draft SPD follows the adopted Central Bedfordshire Local Plan, specifically covering the six key housing policies (Policies H1 – H6) in the housing chapter of the Local Plan. Therefore, it is anticipated that the SPD, once adopted, will help guide the delivery of quality housing to meet local needs and achieve the Council's key housing priorities.

However, while the document seeks to provide necessary guidance, O&H is concerned that the SPD as currently drafted does not go far enough in its consideration of complex strategic sites and how various policies will be applied to these sites. For example, the draft SPD includes unrealistic guidance in relation to the level of detail which is available at outline planning application stage. The guidance does not acknowledge the stage at which the necessary detail will be available and when and how commitments should be secured through the planning process.

The deliverability of the SPD relies on the provision of balanced, proportionate and relevant guidance that does not add unnecessarily to the financial burdens on development. In this context, it would be unreasonable to implement a 'blanket' approach for all types of development where it could prejudice the deliverability and/or viability of strategic sites. Therefore, O&H suggests that there is an opportunity to provide specific guidance for strategic sites in some areas of the SPD. This is explained further below under specific sections of this response.

(POLICY H1) HOUSING MIX

Alternative Housing Mix Approach

Policy H1 of the adopted Local Plan requires all major residential development to provide a mix of housing types and sizes in accordance with the housing mix set out in the Strategic Housing Market Assessment (SHMA), or other more up-to-date evidence, where appropriate. This approach is largely reflected in Section 3 of the draft SPD, which considers the SHMA to be a starting point for establishing the appropriate housing mix for a scheme.

While O&H supports this approach, it is concerning that the draft SPD does not recognise or support the delivery of strategic sites and the contribution that they can make to the creation of sustainable and balanced communities. Paragraph 3.10.1 provides a set of examples where an alternative housing mix to the SHMA may be considered more appropriate. This includes housing developments in a town centre (where the housing mix is likely to be dominated by flats) and development in more rural locations (where flats may not be conducive to the pattern of development and surrounding character). While these are helpful examples, it is equally important to recognise strategic, multi-phase schemes in the same context.

Strategic sites such as Marston Valley are typically delivered over a long period of time, often spanning 25+ years. It is not uncommon for market needs, requirements, and trends to change over this period of time. While the SHMA is anticipated to be updated every few years, delays in Local Plan preparation could result in a SHMA that does not accurately reflect market conditions.

O&H considers that the SPD could have more flexibility and supportive language around the delivery of strategic sites, acknowledging that recent market evidence may be more appropriate in some instances. This could provide a more realistic picture (e.g., based on actual delivery rates and demand in the local area), and is crucial in the delivery of a balanced community and viable scheme.

Allied to this, Paragraph 3.10.3 requires outline submissions to confirm compliance with the SHMA. This is not consistent with wider guidance which recognises that a SHMA may not always represent the most appropriate or up-to-date mix.

Small Scale Development

Paragraph 3.6.1 states that the housing mix for small scale developments of 9 or fewer dwellings will be considered on a case-by-case basis as these sites will not be conducive to adhering to the SHMA.

The draft SPD acknowledges that the Council receives a significant number of small-scale applications. This has the potential to contribute to a large amount of the Council's housing supply. Firstly, O&H is therefore concerned that this approach could create an imbalance in overall housing mix that could affect the Council's ability to meet its SHMA target. Secondly, in the context of the lack of flexibility for complex strategic sites, this approach is not sufficiently justified.

Viability Assessments

The draft SPD recognises that in some specific circumstances, evidenced viability constraints may impact the deliverability of a scheme. In these scenarios, applicants are required prepare and submit a Financial Viability Assessment (FVA), which is consistent with national guidance. However, Paragraph 3.5.2 states that viability assessments "*will be referred for independent assessment at the cost of the applicant*". O&H suggests that the SPD clarifies that these costs should be reasonable and agreed with the applicant. This should be reflected in each section of the draft SPD which refers to the independent assessment of FVAs.

Bungalow Provision

Paragraph 3.7.1 indicates that the provision of bungalows as part of the market and affordable housing mix is encouraged. O&H supports this language, as a specific requirement for this provision would be too restrictive and would impose higher requirements than the adopted Local Plan. Policy H3 identifies a range of opportunities to meet the housing needs for older people, and bungalows are not always the most appropriate solution (e.g., on higher density schemes).

O&H suggests that the Council could include supportive language within this section to encourage alternative and innovative approaches to delivering housing for older people. For example, O&H has previously advocated for solutions comprising pairs of semi-detached properties where the upper floors serve as apartments, while the ground floors function as bungalows. This approach would be consistent with Paragraph 5.5.2 of the consultation document, which encourages developers to be innovative in identifying alternative approaches to delivering suitable accommodation for older people where this is demonstrated to be more suitable.

(POLICY H2) HOUSING STANDARDS

Policy H2 requires all new residential development to be delivered in accordance with the Nationally Described Space Standards (NDSS), and to deliver at least 35% Cat 2 adaptable homes and at least 5% Cat 3 wheelchair adaptable homes. O&H welcomes the additional guidance provided by the SPD to support this policy. This includes an indication of required information to be submitted with various types of planning applications.

Paragraphs 4.5.3 – 4.5.5 set out the requirements for outline applications. This includes '*an indicative site layout plan which denotes the NDSS and M4(2) and M4(3) dwellings*'. While the importance of this information is recognised, O&H considers outline stage to be too premature, especially for strategic sites. It would be more appropriate for the Council to secure the headline amount and commitment of provision, with further detail to come forward post-consent and prior to the delivery of each phase. Therefore, it is suggested that some flexibility is built into this section to recognise that much of this information may not be available until Reserved Matters stage.

Additionally, the guidance indicates that a commitment to NDSS and the provision of M4(2) and M4(3) dwellings will be secured through s106 agreements. This may not be the most suitable approach. A conditional requirement is likely to be a more appropriate means of

securing these commitments, and the guidance should therefore allow for conditions to be used.

Finally, Paragraph 4.3.7 indicates that the requirement for 35% M4(2) homes and 5% M4(3) homes is based upon evidence gathered by the Council. This is not referenced and therefore its provenance is not clear. There should be clearer cross-referencing to the evidence base relied upon.

(POLICY H3) HOUSING FOR OLDER PEOPLE

Paragraph 5.5.2 encourages developers to be innovative in identifying alternative approaches to delivering suitable accommodation for older people where this is demonstrated to be more suitable. O&H supports this approach, which reflects the opportunities presented by large scale strategic development where market demand and trends may change over time.

Paragraph 5.9.2 indicates that where the Council considers that there is no need for an extra care facility then an alternative approach to delivering the policy on-site must be identified and agreed with officers. However, this guidance is very unclear and does not give the necessary certainty to stakeholders.

Paragraph 5.12.1 indicates that there would be an expectation that the internal dimensions and design for older persons housing would provide for "generous space standards". However, this is not clearly defined and the draft SPD should therefore provide further clarity.

Finally, and as previously highlighted, Policy H3 identifies a range of opportunities to meet the housing needs for older people, and bungalows are not always the most appropriate solution (e.g., on higher density schemes). Therefore, Paragraph 5.4.3 should state that '*bungalow provision for 1,2- and 3- bedroom properties should be provided as part of a suitable housing mix **where appropriate***' (addition in **bold underline**).

(POLICY H4) AFFORDABLE HOUSING

Outline Application Requirements

Policy H4 requires all major residential development to provide 30% affordable housing, of which 72% should be affordable rent and 28% intermediate tenure (or have regard to the latest SHMA). Affordable units should also meet NDSS standards, be tenure blind and be dispersed throughout the site. O&H welcomes the additional guidance provided by the SPD to support this policy, including the indication of required information to be submitted with various types of planning applications.

Paragraphs 6.7.6 – 6.7.8 set out the requirements for outline applications. This includes '*an indicative site layout which denotes the affordable plots*'. For the reasons set out above (Policy H2), provision of this detail at outline stage is considered premature. Guidance should recognise the need for flexibility for affordable housing mix to be established on a phase-by-phase basis as a development progresses, provided that overall targets are established within outline consents. Therefore, it is suggested that some flexibility is built into this section to recognise that this information may not be available until Reserved Matters stage.

Allied to this, paragraph 6.7.7 states that failure to provide the minimum level of information would result in an objection from the Strategic Housing team. This is not considered a positive approach to engagement. The NPPF also requires LPAs to only request supporting information that is relevant, necessary and material to the application.

Registered Providers

Paragraph 6.12.1 requires developers to approach all registered providers active in the area with opportunities to deliver s106 affordable housing. This approach is not consistent with the typical requirement to tender to at least three registered providers, and instead imposes an unnecessarily onerous procedure. Furthermore, the proposed approach may inhibit

opportunities for partnership working and consistency which can develop through the identification of preferred registered providers.

In addition, the draft SPD does not consider the standard approach to utilising a cascade mechanism within the s016 Agreement to identify affordable housing provider partners. This would provide much needed flexibility for strategic sites, ensuring that overall delivery is not unnecessarily delayed by a restrictive approach to securing a registered provider. O&H suggests that there is an opportunity for the draft SPD to be clearer in this regard and include provision for cascade mechanisms, providing more certainty to stakeholders in these circumstances.

Clustering

Paragraph 6.12.1 states that cluster sizes for affordable dwellings '*should be no more than 15 houses or 20 flats in any single parcel or contiguous parcels*', and that phased developments will be treated as a single scheme in terms of clustering. However, this guidance is unclear, particularly as it relates to multi-phase strategic sites.

Phased developments are likely to have multiple parcels which could each reach the clustering thresholds. This is not an issue which can be reasonably considered at a phase-wide scale. It would be more suitable for the issue of clustering to be considered at Reserved Matters stage when consideration can be given to the details of parcels as they come forwards in the context of the preceding Reserved Matters Applications or those which may come forwards at the same time.

Review Mechanism

Section 6.15 recognises that affordable housing provision could be subject to viability review. Paragraph 6.14.7 introduces some tools which could be considered as part of this with the overall aim to achieve policy compliance. This includes flexibility in terms of tenure split, reduced percentage of affordable housing or off-site financial contribution. O&H supports this position but suggests that the draft SPD could recognise the additional measures which the Council could use to support viability review, such as affordable housing holidays for the first phase of multi-phase schemes.

Furthermore, Paragraph 6.15.1 states that the '*review mechanism will consider the scheme's actual sales values achieved and incurred costs*'. O&H objects to this restrictive approach as it does not reflect the fact that, on large strategic sites where there may be multiple developers and phases, this information may not always be available. Therefore, where incurred costs are not available, it is suggested that estimated costs are provided through a cost plan by an independent cost consultant. These costs should be assessed on a whole-scheme basis rather than on a phased basis.

Commuted Sums

The approach to calculating commuted sums for off-site affordable housing is set out in a single paragraph (6.16.1), followed by a worked example. This is set at 50% of open market value. It would be beneficial to provide additional commentary setting out why the proposed approach has been applied.

In addition, it is unclear how this method would be used in parallel with a viability review process which has the potential to deliver a surplus at the end of the review process and may not precisely reflect this calculation. This is typically relevant for large-scale multi-phase developments. O&H therefore suggests that the draft SPD includes a section addressing the suitability and practicality of the proposed approach.

(POLICY H6) SELF-BUILD AND CUSTOM HOUSING

Custom-Build Homes

Paragraph 8.3.1 defines custom-build as homes where an individual or group works with a developer to deliver a customised or bespoke home. The draft SPD indicates that the developer

may work with the individual to tailor the external design and internal layout to match the individual's needs. This suggests a highly customised and individual-led approach, which could be particularly onerous and restrictive.

In contrast, paragraph 8.12.4 indicates that custom-build schemes are expected to provide a range of credible choice and customisation options for customers. This approach is considered more appropriate, and Paragraph 8.3.1 should be updated to reflect this.

Viability

Paragraph 8.7.2 states that a viability assessment must be submitted where the delivery of SBCH would impact the viability of a scheme. This is considered an onerous requirement given that the requirement to deliver SBCH would inevitably impact the viability of any scheme.

Outline Application Requirements

As previously stated, it is strongly suggested that the submission requirements for outline schemes should have more flexibility to reflect the principle of outline applications, where detailed information is only available at later stages. In particular, the requirement for the number and location of SBCH plots; schedule of plot sizes; split between self-build and custom build; development principles and site access to be provided at outline stage is unrealistic and premature.

Marketing

Section 8.14 sets out the marketing strategies and requirements for SBCH development. The draft SPD states that SBCH plots which have been marketed for at least 12 months (or an alternative timescale agreed with the Council) may be reverted to market housing. O&H supports the inclusion and principle of this mechanism.

However, paragraph 8.14.3 states that the 12-month marketing period only begins once *'the serviced plot(s) are first available for purchase, and ideally available for purchasers to view with the plot boundary fenced or demarked'*. This is considered too onerous and may lead to very inefficient processes which would most likely be abortive. It would be more appropriate to enable developers to test the market at an earlier point to ensure that demand exists before the work necessary to define the details of available and serviced plots is progressed.

In addition, O&H suggests that the marketing period could be reduced to reflect the fact that demand for SBCH units is demonstrated through a SBCH Register. Therefore, there is an identified group with a registered interest for SBCH properties, which facilitates a more efficient marketing exercise. Therefore, it is suggested that the marketing period is reduced to four months to enable a more efficient approach.

Design Code

Section 8.15 sets out the requirements for design coding and states that, where residential development is in excess of 300 dwellings and therefore subject to a site-wide design code, SBCH design coding can form part of this wider design code. However, it is unreasonable to expect site-wide design coding for SBCH on strategic sites as this information is only likely to be available as phase-level. Furthermore, this approach is unlikely to yield good design outcomes that positively reflect the context and wider character of the area.

Phased Developments

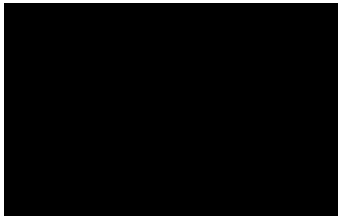
O&H supports the inclusion of a section specifically focused on phased developments. However, it is suggested that some flexibility is built into paragraph 8.20.2 to reflect that specialist developers may not always be the most appropriate party to deliver SBCH on strategic sites. Indeed, a Master Developer may be better placed to provide the necessary expertise to manage and deliver components of a strategic site. However, and as outlined previously, it would be impractical and particularly onerous to require serviced SBCH plots prior to marketing the sites.

Finally, O&H supports the flexibility for lower quantum of SBCH delivery (paragraph 8.20.3) where there is clear market indication of lower demand.

MINOR REPORT ERRORS

- **Errors:** The following typographical errors are highlighted for updating;
 - Paragraph 3.10.1: "There will **be** occasions where..."
 - Paragraph 4.1.6: "This **is** of particular importance..."
 - Paragraph 8.12.1: "...it is required to have all the ~~side~~-**site** wide issues addressed..."
 - Paragraph 8.12.1: "...for self-build housing or multiple plot ~~if~~-**of** custom build housing..."
 - Paragraph 9.2.1: "A number of neighbourhood plans will **be** bound by the same..."

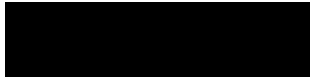
We trust that the comments set out above are helpful and we look forward to continued engagement with the Council to deliver sustainable communities in Central Bedfordshire.



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