

Swindon Borough Local Plan 2011-2026

Examination

April-May 2014

Statement by Swindon Borough Council

**Theme 1 – Overall strategy, housing provision
and distribution, and sustainability**

Issue 6: Deliverability of Housing

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- 6.1. **Deliverability of Housing: Is the overall level of housing provision deliverable, especially in relation to viability? In particular, is there adequate justification for the supply that is expected from existing commitments, identified opportunity sites and small windfalls?**

Overall Housing Supply

- 6.1.1. The Local Plan seeks to deliver an ambitious growth agenda (approximately 22,000 dwellings over the plan period), in parallel with a regeneration agenda, and is seeking to deliver this in a way that is both high quality and sustainable.
- 6.1.2. The Housing Requirement Update Report **[CD11.5]** provides the methodology for how the housing requirement, based on the high economic growth scenario, has been assessed. Economic growth is seen as the principal driving force for the housing requirements. The high growth scenario has been used as the basis for the Economic Strategy for Swindon 2026 **[CD6.3]**, and therefore the Local Plan was developed in tandem with it.
- 6.1.3. Council Statement 2 (CS2): Deliverable and Developable Housing (2013) **[CD25.15]** provides details on housing delivery; particularly the contribution of the strategic allocations and sites identified within the SHLAA (2013) **[CD11.19]** over the plan period and provides a breakdown of supply over the three time periods: 0-5 years, 6-10 years and 11-13 years.
- 6.1.4. As highlighted in Council Statement 2 (CS2), considerable joint working has been undertaken with landowners and developers on the strategic allocations to ensure that they can be delivered in a timely manner and that they collectively contribute to the overall delivery of the housing requirement. The Inspector attention is also drawn to the Statements of Common Ground with the relevant developers which further demonstrated this commitment to continue joint working and delivery in line with the Housing Trajectory in the submitted Local Plan.
- 6.1.5. The SHLAA update 2013 **[CD11.19]** demonstrates there is sufficient deliverable land within the Borough to help meet the Local Plan target, in particular over the next five years. Table 3 of the SHLAA sets out the cumulative total of dwellings on deliverable sites originating in the SHLAA.
- 6.1.6. The evidence shows that the plan is sound in this respect because there is sufficient deliverable housing land in the Borough to meet the overall provision of 22,000 dwellings over the plan period. The strategic allocations

are progressing positively in delivering housing and the updated SHLAA provides a robust evidence study demonstrating there is sufficient deliverable housing land throughout the Borough in addition to the strategic allocations to meet the overall provision.

Housing Viability Evidence Base

6.1.7. The 3 primary evidence base assessments prepared by (or on behalf of) the Council to ensure that the overall housing provision is deliverable comprises:

- the GVA viability assessment work that has been undertaken to inform the Swindon CIL **[CD 4.1]**;
- the viability assessment work undertaken as part of the Swindon SHLAA **[CD11.19]**; and
- the GVA Affordable Housing Viability Assessment **[CD11.2]**.

6.1.8. These Borough-wide assessments have been supplemented by more focussed “1st Stage Viability Testing” assessments for Kingsdown **[CD9.16]** and the New Eastern Villages (NEVs) **[CD9.17]**.

Swindon Community Infrastructure Levy (CIL) Viability Work

6.1.9. The Council commissioned consultants GVA to assess whether the Borough is capable of supporting a CIL **[CD4.1]** and which rates would affect overall viability of development in the Borough. Whilst the primary purpose of this work was to inform the Borough’s approach to CIL, this work also provides an invaluable, in-depth and up-to-date account of the viability of new housing development in the Borough.

6.1.10. With regards to residential development generally, GVA state in para 5.11 of their June 2012 report;

We accept that a CIL charge of £70 per sq m for sq m of private residential development represents a charge at the maximum point of viability. We would therefore advise that the Council adopts a CIL allowing for some headroom”. We would recommend a CIL Charge of £55 per sq m on private residential development, which takes into account a viability headroom.

6.1.11. The Council is proposing to take forward a £55 per sq m charge rate on private residential development within the Swindon CIL Charging Schedule **[CD4.2]**. The GVA viability assessment work demonstrates that taken as a whole, the housing development proposed in the Draft Local Plan outside the New Communities is viable taking into consideration the anticipated

development costs associated with infrastructure provision, and in light of the Council's policy requirements in respect of such, including the framework of the Borough's approach to CIL rate setting.

Swindon's New Communities

6.1.12. The bulk of Swindon's housing requirements will be delivered in the form of strategic allocations on the edge of the Swindon urban area (Swindon's New Communities). This Section provides an overview of the on the viability of the Borough's New Communities. A detailed explanation as to why each of them will be viable is provided within the Council's Statements for these areas.

6.1.13. With respect to the New Communities, GVA state in para 5.14 of their June 2012 report GVA that:

Historically the bulk of the infrastructure funded by strategic sites has been on site infrastructure, or infrastructure in direct vicinity of the site. This allows the unique circumstances of each scheme to be recognised in the bespoke planning agreements and conditions that are agreed between the parties in each case. It has been concluded elsewhere that the best answer in such circumstances when considering the issue of CIL is probably to continue with use of S.106 Agreements to provide much of the necessary infrastructure for the particular scheme and to reduce the contribution to be made through CIL...

6.1.14. Also with respect to Swindon's New Communities, at recommendation 4 of their June 2012 report GVA state;

Regarding the Strategic Sites, the Council remains aware and flexible around the fact that these sites are more likely to have viability issues than small development sites across the Borough, particularly bearing in mind the cost of works likely to be necessary to bring them forwards). As well as carefully considering the role of CIL and S.106 for these sites the Council could consider other mechanisms to assist with bringing these sites forward if necessary (such as reducing the affordable housing requirement in the initial phases with future viability reviews, and strategically examining the need for infrastructure).

6.1.15. The GVA viability work concluded that the viability of residential development within the new Communities would be threatened by the application of a CIL charge, taking into consideration wider policy and s106 requirements. In response to GVA's recommendations the Council is proposing to set 'nil' CIL charge rates in its emerging CIL charging schedule for new residential development within the New Communities.

- 6.1.16. This approach will assist to ensure that the known scale of the site specific infrastructure impact can be mitigated so that flexibility can be maintained to enable the bulk of supporting infrastructure to continue to be delivered by way of S106 planning obligation. This can be achieved in the context of compliance with the CIL Regulation 122 Tests for planning obligations.
- 6.1.17. As explained later in this Statement, whilst the overall housing provision has been assessed as being deliverable and viable, there will still be a need for flexibility.

Areas of Market Failure

- 6.1.18. New housing development within Central Swindon poses particular viability challenges, given the development market failure that has been present in Central Swindon over the past 20 years. The Central Area Action Plan (CAAP) **[CD3.1]** is accompanied by a detailed implementation plan which has already been tested at examination in public (EIP). The CAAP has since been further amplified recently by the Swindon Central Area Master Plan (2012) **[CD3.2]**.
- 6.1.19. The Council has created an arms-length company (Forward Swindon Ltd) to help deliver regeneration envisaged in the CAAP. On-the-ground regeneration is starting to take shape, with a number of major regeneration schemes being progressed, despite the economic downturn. As the economy improves the momentum towards delivering the regeneration of (and new housing in) Central Swindon will increase. However, flexibility in approach will still be required to support housing delivery in Central Swindon

A Flexible Approach

- 6.1.20. It cannot be assumed that all sites will be viable irrespective of the findings of the evidence base. Some sites will suffer from poor locations or instances where the existing use value exceeds the residual land value. The Local Plan therefore incorporates mechanisms to provide flexibility where viability is an issue, for example in the provision of affordable housing.

5-Year Housing Supply

- 6.1.21. In accordance with paragraph 47 of the NPPF, the Council has identified a supply of deliverable sites to provide 5-years' worth of housing against the targets in the Plan with an additional buffer of 5% moved forward from the later part of the plan period.
- 6.1.22. The supply of deliverable housing land comprises of sites that have;

- planning permission (existing commitments);
- those subject to the signing of a S106 agreement to release the permission;
- proposed allocations;
- sites identified through the SHLAA,
- windfall allowance, and,
- consideration of the office-to-residential prior approvals.

These are shown within the Housing Supply Position Statement **[CD11.10]** and Addendum (August 2013) **[CD11.15]** and further addendum (March 2014) **[CD11.21]** and the Council's Statement CS2.

6.1.23. In relation to existing commitments, whilst it is reasonable to assume all commitments will be delivered, it is more pragmatic particular to reflect the current economic situation. Therefore, as can be seen in Appendix 1 of Housing Supply Position Statement, only those existing commitments where it is known there is a realistic prospect of delivery count towards housing supply totals.

6.1.24. The contribution of the strategic allocations to the 5-year supply reflects expected delivery as identified within the Housing Trajectory in Appendix 5 of the Plan. Council Statement CS2 demonstrates the strategic allocations are progressing positively in broad accordance with the Trajectory. Furthermore, remaining allocations within the Adopted Local Plan 2011 **[CD16.1]** have been assessed and those considered likely to be delivered within 5 years based on known interest have also been identified as contributing to the 5-year supply equates to one site.

6.1.25. The SHLAA provides a comprehensive assessment of the suitability, availability and likely economic viability of potential housing sites and outlines the overall deliverability of the sites during, and potentially beyond, the Plan period. Those sites that are assessed as being deliverable within 0-5 years are considered to contribute to the 5-year supply, however, to demonstrate transparency, three SHLAA options have been considered that could contribute differently to the 5-year supply. These options are fully explained in Council's Statement CS2 and reflect the following:

- Option 1: Proportionate approach to contributions from SHLAA 2008;
- Option 2: Sites from the SHLAA 2013 within defined settlement boundaries; and
- Option 3: All sites within SHLAA 2013

6.1.26. The housing supply includes an allowance for windfall sites, in accordance with paragraph 48 of the NPPF. Annual monitoring of housing completions, as illustrated through the Housing Monitoring Report **[CD11.16]**,

demonstrates windfall sites have consistently provided a reliable source of supply, justifying its inclusion. The allowance has been based on historic windfall delivery of previously developed sites has adopted restrained approach to its contribution; therefore it has been calculated as approximately 244 dwellings over 5 years.

6.1.27. The contribution of supply from the recently introduced prior approval process has also been accounted for. Part of this process enables the change of use of properties during a temporary three-year period from Use Class B1 to C3. Its contribution has been calculated using a similar approach to that of calculating windfall allowance, that is, based on the number of houses arising in this way over the first 6 months of this legislation being in place (approximately 65 dwellings) and adopting a cautious approach for the future. As a result, account is made for approximately 87 dwellings per annum for the three years this legislation is currently in place for, totalling 262 dwellings.

6.1.28. To provide further clarity, those sites contributing towards the five-year housing supply have also been mapped **(CD25.22)**.

Conclusion

6.1.29. The plan is sound in this respect because the Council considers that the evidence clearly demonstrates that the strategy is deliverable and justified.

6.1.30. The 5-year supply as explained and demonstrated within the Housing Supply Position Statement provides robust evidence and justification to the components that contribute to the supply.

6.1.31. In the Conclusions and Recommendations section (para 5.7) of their June 2012 report GVA note;

“the long term demographic fundamentals of an increasing population and acute affordable housing need, coupled with the need to create modern, high quality business floorspace and retail facilities, supports the character and scale of growth envisaged. In turn this supports underlying long term land value expectations and helps to demonstrate that the policy environment is conducive to the delivery of new development that meets fundamental market demands.”

6.1.32. This conclusion is reassuring as the data that has informed the GVA viability assessment has been collated at a time of significant economic difficulty. Swindon’s housing market has picked up since this work was undertaken,

providing even greater confidence that Swindon housing needs can be delivered.

- 6.1.33. The Council's "development positive" approach to setting CIL rates, with only modest rates being proposed, along with its proposed instalment policy and review of its approach to S106, will also ensure that delivering the infrastructure required to support new development will not render the development unviable.
- 6.1.34. The Local Plan presents a positive, pro-development policy framework and seeks to help unlock the barriers to delivering development. Whilst viability issues remain at a localised level, new housing in the Borough is fundamentally viable and deliverable.

6.2. Are the Plan assumptions/policies on garden developments, housing densities and sustainable construction/use of energy justified?

Garden Development

- 6.2.1. The Local Plan policies provide an appropriate strategy for the consideration of garden developments in conjunction with the NPPF and at present the Backland and Infill Development SPD which will be superseded by the Swindon Borough Design Toolkit as a suite of Supplementary Planning Documents.
- 6.2.2. The NPPF at paragraph 53 states '*Local planning authorities should consider the case for setting out policies to resist in appropriate development of residential gardens, for example where development would cause harm to the local area*'. Residential gardens are constituted as greenfield land as defined in Annex 2 of NPPF.
- 6.2.3. Policy DE1: High Quality Design will be the principal policy applied to proposed garden developments. This policy sets out the design principles in which proposals will be assessed against to ensure high quality design is achieved. Of particular relevance to garden developments is the potential impact of the proposal on character and context in particular to the existing built form; the form of development in terms of siting, orientation, scale, proportion, shape and massing; and impact on amenity in terms of light, privacy, visual intrusion. It includes ensuring there are acceptable levels of internal and external amenity for all types of dwellings.
- 6.2.4. The design principles set out in DE1, including those considerations highlighted above, supported by the Backland and Infill Development SPD **[CD17.7]** which provides additional guidance in applying these principles to

backland and infill sites. The SPD explicitly provides guidance on how garden developments will be considered at paragraphs 2.6 - 2.12; in particular it states '*... the Council will seek to ensure that reasonable garden sizes, appropriate to size of house and surrounding area are maintained*'. The SPD is a well-used guidance and has proven effective tool in applying the current adopted Swindon Borough Local Plan 2011 **[CD10.1]** design policy (DS6).

- 6.2.5. To further ensure the effective consideration of garden developments, the Backland and Infill Development SPD will be superseded by the Design Toolkit which will update and incorporate the necessary guidance. This will provide further clarity on the design principles to ensure they are easy to understand and simple to assess delivery against. Further detail is provided within the Council's Statement on Issue 20.
- 6.2.6. The following suggested minor modification is proposed to the supporting text of policy DE1.

Proposed Post-Submission Minor Modification

Page 58, Paragraph 4.27

Add additional bullet point:

- Backland and Infill Development SPD
(until superseded by the Design Toolkit)

Housing Density

- 6.2.7. The Local Plan Policy HA1: Mix, Types and Density provides an appropriate strategy for the consideration of housing densities. The new community policies NC1 to NC5 also provide appropriate guidance for densities at the strategic allocations.
- 6.2.8. The NPPF, at paragraph 47, states that '*to boost significantly the supply of housing local planning authorities should: ...set out their own approach to housing density to reflect local circumstances.*'
- 6.2.9. Policy HA1 is in accordance with the NPPF as it guides densities to be design led and reflect the character of the local area. The policy enables a flexible approach to the delivery of housing density providing a responsive framework to allow an appropriate density depending on the development's proposed location. In particular, it focusses higher densities within the

Central Area to capitalise on the good accessibility and opportunity to reuse previously developed land and lower densities to provide larger homes, potentially in the rural areas, to provide for the higher value end of the market.

6.2.10. Specific densities are provided within the relevant New Community Policies to further enhance the design-led approach and the delivery of sustainable communities. This supported by the Sustainability Appraisal (SA) process, as demonstrated within the Submission **[CD21.10]**, as this will ensure the efficient use of the land and produce housing in character with that specific area.

6.2.11. The effective implementation of this policy will be further supported by masterplans, design codes, management plans and through the development management process.

Sustainable construction/use of energy

6.2.12. The approach taken by Policy DE2 (Sustainable Construction) is based on the energy hierarchy of firstly ensuring any development is of optimal energy efficiency before then considering the role of renewable or low carbon sources of energy. The policy is designed to be flexible enough so as not to constrain the delivery of new development whilst securing the benefits of sustainable design through a robust approach to construction standards for new development in Swindon.

6.2.13. The first element of the policy relates to securing solar passive benefits in new development, which can be achieved at the design stage at little or no cost. Sat alongside other urban design criteria within Policy DE 1 (High Quality Design), such an approach is an effective means of securing carbon efficiency at minimal cost.

6.2.14. The sustainable construction element of the policy is pragmatic in aligning the incremental improvements in CO₂ emissions reduction brought in through Building Regulations, with the corresponding range of sustainability standards within the Code for Sustainable Homes (CSH). The aim of the policy is to secure a more holistic design approach that responds directly to local circumstances.

6.2.15. The Costs of Building to the Code for Sustainable Homes **[CD 11.17]** was commissioned to update the Department for Communities and Local Government's 2011 report. The findings indicate that since 2011 the cost of building to the CSH has fallen by around 10% for code 4 and 55% for code 5

due to reduced costs of renewable technology and tightening of Part L of the Building Regulations.

- 6.2.16. The evidence demonstrates that the sustainable construction measures set out in Policy DE2 would not lead to significant increase in construction costs. As explained in this Statement, the overall policy framework within the Local Plan is flexibility and to be pragmatic, focussing on supporting sustainable growth. Also of note is the approach being taken in setting the charge rate in the Draft Swindon CIL Charging Schedule. The Council is committed to ensuring that substantial 'headroom' exists in the charge being proposed. On this issue, Swindon Community Infrastructure Levy Viability Assessment Report (2012) **[CD4.1]**, at para 5.11, notes that a CIL charge of £70 could be sustained on residential development. The Council is proposing to take forward a £55 per sq m charge rate on residential development within the emerging Swindon CIL Charging Schedule. In addition to setting a modest CIL charge rate in its emerging CIL charging schedule, the Council is proposing to identify a range of areas where a "nil CIL charge rate would be applied.
- 6.2.17. Moreover, the policy is directed at major developments as they are considered most able to attain higher sustainable construction standards. The proportion of dwellings coming forward on strategic sites (circa 74%) adds weight to the viability of code standards given the economies of scale and strategic measures which can be brought to bear.
- 6.2.18. The study also demonstrates that there is an on-going trend towards increasing affordability for higher sustainable buildings standards. It is reasonable to assume that this trend will continue through the life of the Local Plan. It is therefore considered that requiring CSH5 after 2016 is considered both reasonable and deliverable.
- 6.2.19. It is proposed to build flexibility into policy DE2, to ensure development is delivered in the short to medium term (whilst costs remain higher) by allowing evidence to be provided on viability and feasibility of the CSH/BREEAM and for alternative lower cost mitigation measures. This flexible and necessarily aspirational approach is considered appropriate for the Local Plan and meets the requirements of the NPPF.
- 6.2.20. Whilst the details of how the allowable solutions mechanism will function have not yet been released, the policy makes reference to this emerging opportunity in anticipation of its introduction.
- 6.2.21. The Council notes that, notwithstanding the above, the Government has recently announced its intention to progress a Building Regulations only

approach for new dwellings, and limit the ability of local authorities to introduce higher standards through mechanisms such as the CSH.

6.2.22. Should this intention progress, this may require a substantial revision of Policy DE2. Given the relative status of the Government's announcement and the Local Plan, the Council is reluctant to propose a modification of the plan at this stage, however guidance is sought from the Inspector on this matter.

6.3. **In all other respects, are there reasonable prospects that an appropriate range of housing by size and type will be delivered through the implementation of the Local Plan?**

6.3.1. Many of these matters are dealt with in other statements as follows:

- Housing type with respect to tenure is discussed within the Statement covering Issue 4 "Spatial Strategy and Housing Need".
- Specialist Housing is discussed within the Statement for Issue 9 "Specialist Housing",
- Housing in the countryside is covered by the Issue 10 Statement.

6.3.2. The following paragraphs explain the Council's position with respect to the other aspects of housing size and type.

6.3.3. Plan Policy HA1 (Mix, Types and Density) provides the primary policy steer with regards to the size and type of housing. The policy notes that housing development should be design-led and requires that *'house types and sizes should respect the character of the surrounding area'* and that *'there should be a variety of densities, house types and sizes to meet local needs as identified within the Swindon Strategic Housing Market Assessment and in line with the Swindon Borough Housing Strategy'*

6.3.4. Inclusivity and Adaptability are key criteria within Policy DE1 (High Quality Design). These criteria provide a further mechanism for ensuring that an appropriate range of housing is delivered.

6.3.5. The supporting text to Policy DE1 provides further amplification, and that the Borough Council will issue supplementary guidance in respect of space standards applicable to residential development. Such guidance will be in the context of sustainable development as it relates to the efficient use of land, and will provide equitable minimum standards to ensure new housing is of a high quality that maintains long-term social benefits to the wider community. Furthermore it sets out, how DE1 will be implemented, advising that *"High quality design will be delivered through the application of this*

policy and through...the Swindon Design Toolkit, which will provide further detail on..." inter alia, "Urban Design Principles & Policy; Context and Character; Residential Layouts; Residential Space Standards; and Access for All".

- 6.3.6. The supporting text also states that *"All applications for significant development will be deemed premature until a Design Brief or Masterplan has been prepared, that has been subject to public consultation undertaken broadly in line with the Statement of Community Involvement."*
- 6.3.7. The Council's approach to deliver high quality design is also covered within the Statement covering Issue 20: Development Management.
- 6.3.8. The Plan is considered to be sound in this respect because it seeks to positively manage housing delivery in a way that promotes an appropriate range of housing by size and type, and sets out a clear implementation mechanism to ensure successful policy delivery.

Representations

A number of representations were made relating to the evidence of supply of housing. The Council has addressed these through the updated SHLAA **[CD11.19]** and the Housing Supply Position Statement **[CD11.10]** and Addendum (August 2013) **[CD11.15]** and further addendum (March 2014) **[CD11.21]** and the Council's Statement CS2 **[CD25.15]**.