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Dear Sir / Madam

TELFORD & WREKIN LOCAL PLAN REVIEW (LPR) – ISSUES & OPTIONS CONSULTATION

Introduction

Thank you for consulting with the Home Builders Federation (HBF) on the above-mentioned consultation. The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing. We would like to submit the following responses to specific questions in the Council's Issues & Options consultation document.

Housing Need & Requirement

Question 4 : Which of the housing requirements set out above do you think the Council should be adopting? Are there any other evidenced based housing requirement options the Council should be considering?

The minimum local housing need (LHN) for Telford & Wrekin calculated using the standard methodology is 510 dwellings per annum. As clearly stated in the National Planning Practice Guidance (NPPG), this is the minimum starting point in determining the number of homes needed. It does not produce a housing requirement figure (ID 2a-010-20190220). The HBF support the Council in identifying a housing need, which is greater than the minimum LHN.

The NPPG explains that "circumstances" may exist to justify a figure higher than the minimum LHN (ID 2a-010-20190220). The "*circumstances*" for increasing the minimum LHN are listed in the NPPG, but the NPPG emphasises that the listed "*circumstances*" are not exhaustive. The listed "*circumstances*" include, but are not limited to, situations where increases in housing need are likely to exceed past trends because of growth strategies, strategic infrastructure improvements, agreeing to meet unmet need from neighbouring authorities or previous levels of housing delivery / assessments of need, which are significantly greater than the outcome from the standard methodology (ID: 2a-



010-20190220). The Council's economic priorities for the Borough and previous housing delivery (HDT 2018/19 - 1,356 dwellings) against the Council's adopted housing requirement is 864 dwellings per annum provide evidence to justify a housing need figure above the minimum LHN.

As set out in the NPPG, the Government is committed to ensuring that more homes are built and supports ambitious Councils wanting to plan for growth (ID : 2a-010-20190220). The NPPG states that a higher figure "*can be considered sound*" providing it "*adequately reflects current and future demographic trends and market signals*". The Council has demonstrated that "*circumstances*" exist to justify a housing need higher than indicated by the standard methodology.

The NPPG also states that total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments. The NPPG confirms that an increase in the total housing figures may be considered where it could help deliver affordable housing (ID : 2a-024-20190220).

The Council's proposed housing led growth of 14,100 dwellings (705 dwellings per annum) over the plan period 2020 – 2040 will support projected population growth and economic growth. This proposed housing led growth scenario will also deliver more affordable housing due to the higher overall housing requirement.

However, the NPPG does not set any limitations on the uplift above the minimum LHN, which is a matter of judgement. The Government's objective of significantly boosting the supply of homes set out in the 2019 NPPF remains (para 59). The HBF believe that the Council should be more ambitious. A housing requirement higher than 705 dwellings per annum would provide greater flexibility to support economic growth, to increase the potential opportunities for investment in infrastructure via new development, to deliver more affordable housing and to contribute to unmet housing needs arising from the adjacent Greater Birmingham & Black Country Housing Market Area. There is a known identified shortfall in the Black Country of 29,260 dwellings between 2019 – 2038.

Distribution Strategy

Question 5 : Which of the four distribution strategies do you prefer the Council adopted as its preferred strategy?

The HBF's preference is a hybrid / combination of the Council's four distribution strategies (see HBF's answers to Question 6 & 7 below).

Question 6 Question: Are there any other distribution options, supported by appropriate evidence, which the Council should be considering?

The HBF preference is a hybrid of the Council's distribution strategies combining the current distribution strategy (Option 1) with growth in Newport Options 3 & 4) and Rural growth (Options 2 & 4).

There are disadvantages associated with pursuing any one Option in isolation. An overly urban focussed strategy limits the potential number of development sites. If these development sites are large scale, there may be long lead in times for the commencement of on-site development and build up to optimum delivery rates. Such strategic sites should be complimented with smaller non-strategic sites, which will ensure a continuous housing land supply (HLS) in the short to medium term.

A hybrid approach including growth in Newport and Rural growth will support local communities living in smaller settlements. As set out in the 2019 NPPF "*to promote sustainable development in rural areas, housing should be located where it will enhance or maintain the vitality of rural communities. Planning policies should identify opportunities for villages to grow and thrive, especially where this will support local services*" (para 78).

Housing delivery is optimised by the widest possible range of housing site sizes and market locations, which provides suitable land buying opportunities for small, medium and large housebuilding companies. The widest mix of sites provides choice for consumers, allows places to grow in sustainable ways, creates opportunities to diversify the construction sector, responds to changing circumstances, treats the housing requirement as a minimum rather than a maximum and provides competition in the land market. A diversified portfolio of housing sites also offers the widest possible range of products to households to access different types of dwellings to meet their housing needs.

Question 7 : Are there any other options for meeting housing growth in Telford & Newport that the Council should be considering?

The HBF's preference is a hybrid / combination of the Council's four distribution strategies (see HBF's answers to Question 5 & 6 above).

Housing Growth & Delivery (Policy HO2)

Question 16 : Do you agree with the policy proposals? Are there any other proposals the Council should consider?

As set out in the 2019 NPPF at least 10% of the housing requirement should be accommodated on sites no larger than one hectare or else demonstrate strong reasons for not achieving this target (para 68a). The Council should ensure that the LPR is consistent with 2019 NPPF.

There is significant overlap in the Council's policy approaches set out in Bullet Points 2, 3 and 4. The 2019 NPPF confirms that Local Plans should avoid unnecessary duplication (para 16f).

Housing Mix & Quality (Policy HO4)

Question 17 : Do you agree with the policy proposals? Are there any other proposals the Council should consider?

Nationally Described Space Standard (NDSS)

If the Council wishes to apply the optional NDSS to new build dwellings, then this should only be done in accordance with the 2019 NPPF (para 127f & Footnote 46). Footnote 46 states that “*policies may also make use of the NDSS where the need for an internal space standard can be justified*”. As set out in the 2019 NPPF, all policies should be underpinned by relevant and up to date evidence, which should be adequate, proportionate and focussed tightly on supporting and justifying the policies concerned (para 31). The NPPG sets out that “*where a need for internal space standards is identified, the authority should provide justification for requiring internal space policies. Authorities should take account of the following areas need, viability and timing*” (ID: 56-020-20150327). Before adopting the NDSS, the Council should provide a local assessment evidencing the case for Telford & Wrekin.

The NDSS should only be introduced on a “need to have” rather than a “nice to have” basis. Need is generally defined as “*requiring something because it is essential or very important rather than just desirable*”. The identification of a need for the NDSS should identify the harm caused or may be caused in the future. If it had been the Government’s intention that generic statements simply stating in some cases the NDSS had not been met justified adoption of the NDSS then the standard would have been incorporated as mandatory in Building Regulations, which is not the case.

There is a direct relationship between unit size, cost per square metre, selling price per metre and affordability. The Council should recognise that customers have different budgets and aspirations. The introduction of the NDSS for all dwellings may lead to customers purchasing larger homes in floorspace but with bedrooms less suited to their housing needs. This may lead to the unintended consequences of potentially increasing overcrowding and reducing the quality of their living environment. Non-NDSS compliant dwellings may be required to ensure that those on lower incomes can afford a property, which meets their bedroom requirements. An inflexible policy approach to NDSS for all new dwellings will impact on affordability and effect customer choice for affordable homeownership products such as First Homes.

The Council should assess any potential adverse impacts on meeting demand for First Homes and other affordable homeownership products, which may affect delivery rates of sites included in the housing trajectory. The delivery rates on many sites will be determined by market affordability at relevant price points of dwellings and maximising absorption rates. An adverse impact on the affordability may translate into reduced or slower delivery rates.

If the proposed requirement for NDSS is carried forward, then the Council should put forward proposals for transitional arrangements. The land deals underpinning residential sites may have been secured prior to any proposed introduction of the NDSS. These sites should be allowed to move through the planning system before any proposed policy requirements are enforced. The NDSS should not be applied to any reserved matters applications or any outline or detailed approval prior to a specified date.

Housing Mix (size, type & tenure)

As set out in 2019 NPPF, the housing needs for different groups should be assessed to justify any policies on the size, type and tenure of housing including a need for affordable housing (paras 61 & 62). All policies should be underpinned by relevant and up to date evidence which should be adequate, proportionate and focussed tightly on supporting and justifying the policies concerned (para 31). All households should have access to different types of dwellings to meet their housing needs. Market signals are important in determining the size and type of homes needed. The Council's policy approach should acknowledge that not all sites will be able to meet an overly prescribed housing mix requirement because of site size, proposed development typology, site specific circumstances and viability. The Council's policy approach to housing mix (size, type & tenure) should be flexible and not overly prescriptive.

The Regulations are clear that development management policies, which are intended to guide the determination of applications for planning permission should be set out in policy in the Local Plan. The Council's approach should not convey Development Plan Document (DPD) status onto a Supplementary Planning Document (SPD), which is not part of the Local Plan and will not have been subject to the same process of preparation, consultation and examination.

For a policy to be effective, it should be clearly written and unambiguous so it is evident how a decision maker should react to development proposals. The Council's requirements should be set out in sufficient detail to determine a planning application without relying on, other criteria or guidelines set out in a separate SPD. National policy clearly defines the scope and nature of an SPD in the planning process as providing more detailed advice and guidance on adopted Local Plan policies. The NPPG confirms that an SPD cannot introduce new planning policies nor add unnecessarily to the financial burdens on development (ID: 61-008-20190315).

Energy Efficiency

It is commendable for the Council to seek to adapt to climate change, however the Council's policy approach to energy efficiency should not conflict or go beyond the Government's proposals for Building Regulations. As set out in The Future Homes Standard consultation (ended on 7th February 2020), the Government intends to future proof new homes with low carbon heating and world-leading levels of energy efficiency by uplifting standards for Part L (Conservation of Fuel & Power) and changing Part F (Ventilation) of the Building Regulations.

The HBF recognise and support the need to move to The Future Homes Standard but there are difficulties and risks to housing delivery given the immaturity of the supply chain for the production / installation of heat pumps and the additional load that would be placed on local electricity networks in combination with Government proposals for the installation of electric vehicle charging points in new homes. The HBF and its Members favour adoption of a stepped and incremental approach to achieving the Government's ambitions because of the need for supply chain and infrastructure investment and skills training. The consensus of HBF Members is that Option 1 (20% reduction in emissions from higher fabric efficiency standards) should be implemented first, with Option 2 (31% reduction in carbon emissions compared to the current Part L 2013 requirements) being implemented two to three years later.

If the Council's policy approach introduced any requirements for energy efficiency, a flexible approach should be adopted, which recognizes that requirements may not be physically appropriate or practical on all sites. Furthermore, the policy approach should not compromise the viability of development. The Council's viability assessment should incorporate the Government's estimated the cost of £4,847 per dwelling for Future Homes Standard Option 2.

Water Efficiency

With regards to the optional water efficiency standard, the Council is referred to the HBF's answer to Question 54 below.

Accessible & Adaptable Homes

If the Council wishes to adopt the optional standards for accessible & adaptable dwellings, then this should only be done in accordance with the 2019 NPPF (para 127f & Footnote 46). Footnote 46 states "*that planning policies for housing should make use of the Government's optional technical standards for accessible and adaptable housing where this would address an identified need for such properties*". As set out in the 2019 NPPF, all policies should be underpinned by relevant and up to date evidence, which should be adequate, proportionate and focussed tightly on supporting and justifying the policies concerned (para 31). Therefore, a policy requirement for M4(2) and M4(3) dwellings must be justified by credible and robust evidence. The NPPG sets out the evidence necessary to justify a policy requirement for optional standards. The Council should apply the criteria set out in the NPPG (ID 56-005-20150327 to 56-011-20150327) to ensure that an appropriate evidence base is available to support any proposed policy requirements. The NPPG sets out that evidence should include identification of :-

- the likely future need ;
- the size, location, type and quality of dwellings needed ;
- the accessibility and adaptability of the existing stock ;
- variations in needs across different housing tenures : and

- viability.

The HBF acknowledge that the population of Telford & Wrekin is going to “age” in the future and for older people care needs become more significant but it is important to note that not all health problems affect a household’s housing needs therefore not all health problems require adaptations to homes. An ageing population affects the whole country and is not an issue specific to Telford & Wrekin. It is likely that other parts of the UK will be impacted by an ageing population to a greater extent. If the Government had intended that evidence of an ageing population alone justified adoption of optional standards then such standards would have been incorporated as mandatory in the Building Regulations, which is not the case.

Many older households already live in Telford & Wrekin. Many will not move from their current home but will make adaptations as required to meet their needs, some will choose to move to another dwelling in the existing stock rather than a new build property and some will want to live in specialist older person housing. Recent research by Savills “Delivering New Homes Resiliently” published in October 2020 shows that over 60’s households “*are less inclined to buy a new home than a second-hand one, with only 7% doing so*”. The existing housing stock (76,763 dwellings in 2019) is considerably larger than the new build sector (1,356 new build completions in 2018/19) so adapting the existing stock is likely to form part of the solution.

The optional standards should only be introduced on a “need to have” rather than a “nice to have” basis. Need is generally defined as “*requiring something because it is essential or very important rather than just desirable*”. Evidence of an ageing population alone does not justify adoption of optional standards. All new homes are built to Building Regulation Part M Category 1 (M4(1)) standards, which include level approach routes, accessible front door thresholds, wider internal doorway and corridor widths, switches and sockets at accessible heights and downstairs toilet facilities usable by wheelchair users. These standards are not usually available in the older existing housing stock and benefit less able-bodied occupants. M4(1) standards are likely to be suitable for most residents.

The Council’s policy approach should distinguish between a wheelchair adaptable home (M4(3)(2a)), which includes features to make a home easy to convert to be fully wheelchair accessible and a wheelchair accessible home (M(3)(2b)), which includes the most common features required by wheelchair users. The Council is also reminded that the requirement for M4(3) should only be required for dwellings over which the Council has housing nomination rights as set out in the NPPG (ID 56-008-20150327).

The Council’s policy approach should be flexible and take account of site specific factors such as vulnerability to flooding, site topography and other circumstances, which make a site unsuitable for M4(2) and M4(3) compliant dwellings (NPPG ID : 56-008-20150327).

The Council's viability assessment should include additional costs for M4(2) and M4(3) standards. The Government's Housing Standards Review included cost estimates prepared by EC Harris, however these are 2014-based costs so inflationary cost increases should be added. The MHCLG consultation "Raising Accessibility Standards for New Homes" dated September 2020 estimates the additional cost per new dwelling not already meeting M4(2) is approximately £1,400 per dwelling.

Affordable Housing (Policies HO5 & HO6)

Question 18 : Do you agree with the proposed affordable housing needs proposals? Are there any other proposals the Council should consider?

In plan-making, viability is inseparable from the deliverability of development. As set out in the 2019 NPPF, the contributions expected from development including the required level & types of affordable housing provision and other infrastructure for education, health, transport, flood & water management, open space, digital communication, etc. should be set out in the Local Plan (para 34). As stated in the 2019 NPPF, development should not be subject to such a scale of obligations that the deliverability of the Local Plan is threatened (para 34). The viability of individual developments and plan policies should be tested at the plan making stage.

Viability will be a key issue in determining the soundness of the LPR at Examination. Without a robust approach to viability assessment, land will be withheld from the market and housing delivery will be threatened, leading to an unsound LPR and housing delivery targets not being met. Viability assessment should not be conducted on the margins of viability. This will be particularly important in the aftermath of uncertainties caused by the Covid-19 pandemic and Brexit. If the resultant Benchmark Land Value (BLV) is lower than the market value at which land will trade, then the delivery of housing targets will not be met. Viability will be a significant factor in determining if affordable housing requirements are set on a Borough-wide or differentiated basis.

Policy HO6 : Delivery of Affordable Housing

Question 19 : Do you agree with the proposed affordable housing delivery proposals? Are there any other proposals the Council should consider?

The 2019 NPPF promotes affordable home ownership by requiring at least 10% of new dwellings built to be available for this tenure leaving only the remainder for other affordable housing tenures (para 64). The Council's policy approach to affordable housing tenure should be consistent with national policy. Furthermore, the Government's recent consultation on Changes to the Current Planning System (ended on 1st October 2020) proposes further changes to facilitate delivery of First Homes, which should also be reflected in the Council's policy approach.

With regards to setting out guidance in an SDP, the Council is referred to the HBF answer to Question 17 above.

Policy HO7 : Specialist & Supported Housing

Question 20 : Do you agree with the proposed specialist housing policy proposals? Are there any other proposals the Council should consider?

The Council should continue to support specialist and supported housing subject to need, location and design criteria. The HBF recognise that all households should have access to different types of dwellings to meet their housing needs. The Council should ensure that there are appropriate sites allocated to meet the housing needs of older households rather than seeking provision as a proportion of the housing mix on individual sites above a specified threshold size.

Proposed Policy : Self-build & Custom House Building

Question 26 : Do you agree with the policy proposals set out above? Are there any other policy options the Council should consider?

The HBF agrees that the Council's policy approach should support self-build & custom house building via a criteria-based policy for self-build & custom housing and / or the allocation of sites for self-build & custom house building. However, the HBF is not supportive of any policy requirement for the inclusion of self-build & custom build plots as a proportion of the housing mix on residential development sites.

Policy NE1 : Biodiversity & Geodiversity

Question 28 : Do you agree with the proposals for Policy NE1: Biodiversity and geodiversity? Are there any other changes you would like the Council to consider?

The Council is referred to the HBF's answer to Question 33 below.

New Policy : Biodiversity Net Gain Proposals

Question 33 : Do you agree with the Council's response to the proposals to mandate Biodiversity Net Gain through the Environment Bill? Are there any other proposals to delivering Biodiversity Net Gain that the Council should consider?

The Council's policy approach should not deviate from the Government's proposals on biodiversity gain as set out in the Environment Bill. This legislation will require development to achieve a 10% net gain for biodiversity. It is the Government's opinion that 10% strikes the right balance between the ambition for development and reversing environmental decline. 10% gain provides certainty in achieving environmental outcomes, deliverability of development and costs for developers. 10% will be a mandatory national requirement, but it is not a cap on the aspirations of developers who want to voluntarily go further. The Government will use the DEFRA Biodiversity Metric to measure changes to biodiversity under net gain requirements established in the Environment Bill.

The mandatory requirement offers developers a level playing field nationally and reduced risks of unexpected costs and delays.

The Environment Bill will make provision for local decision makers to agree biodiversity net gain plans with developers. Where offsite compensation is required, Councils will be able to review developers plans to deliver compensation through local habitat creation projects. Where suitable local projects are not available, there will be the option for investment in nationally strategic habitats. The Government will make provision for statutory biodiversity units in the Environment Bill, which will be purchasable at a set standard cost. This approach will allow Councils, landowners and organisations to set up habitat compensation schemes locally, where they wish to do so, where this is not the case, the Government will provide a last resort supply of biodiversity units. The Government's proposals for statutory biodiversity units will provide a recourse for developers and Councils, where local habitat compensation schemes are not available, therefore preventing delays to development.

There are significant additional costs associated with biodiversity gain, which should be fully accounted for in the Council's viability assessment. The Government has confirmed that more work needs to be undertaken to address viability concerns raised by the housebuilding industry in order that net gain does not prevent, delay or reduce housing delivery. The DEFRA Biodiversity Net Gain & Local Nature Recovery Strategies : Impact Assessment Table 14 : Net Gain Delivery Costs (Residential) sets out regional costs (based on 2017 prices) in West Midlands of £18,527 per hectare of development based on a central estimate but there are significant increases in costs to £63,725 per hectare for off-site delivery under Scenario C. There may also be an impact on gross / net site acreage ratio, which should also be considered in the Council's viability assessment.

In the Environment Bill, the Government will make provision to set a transition period of two years. The Government will work with stakeholders on the specifics of this transition period, including accounting for sites with outline planning permission, and will provide clear and timely guidance on understanding what will be required and when.

Policy C4 : Design of Roads & Streets and Policy C5 : Design of Parking

Questions 40 and 41 : Do you agree with the policy proposals set out above? Are there any other proposals the Council should consider?

The HBF recognise that electric vehicles will be part of the solution to transitioning to a low carbon future. The Department of Transport consultation on Electric Vehicle Charging in Residential & Non-Residential Buildings (ended on 7th October 2019) set out the Government's preferred option to introduce a new requirement for Electric Vehicle Charging Points (EVCPs) under Part S of the Building Regulations. The inclusion of EVCP requirements within the Building Regulations will introduce a standardised consistent approach to EVCPs in new buildings across the country. The Council's proposed policy

approach is unnecessary given the Government's proposals for Part S of the Building Regulations.

The supply from the power grid is already constrained in many areas across the country. The HBF and its Members have serious concerns about the capacity of the existing electrical network in the UK. Major network reinforcement will be required across the power network to facilitate the introduction of EVCPs and the move from gas to electric heating as proposed under the Future Homes Standard. These costs can be substantial and can drastically affect the viability of developments. If developers are funding the potential future reinforcement of the National Grid network at significant cost, this will have a significant impact on their businesses and potentially jeopardise future housing delivery. The Council's viability assessment should include a cost for EVCPs and any necessary upgrades to the local electricity network. The Department for Transport - Electric Vehicle Charging in Residential & Non-Residential Buildings consultation estimated an installation cost of approximately £976 per space. The Government's proposal also automatically levies a capped figure of £3,600 for network upgrades, which should also be included as a cost in the Council's viability impact assessment.

The HBF consider that the physical installation of fixed EVCPs is unnecessary. The evolution of this automotive technology is moving quickly therefore a cable and duct approach is a more sensible and future proofed solution, which negates the potential for obsolete technology being experienced by householders. A cable and duct only approach means that the householder can later arrange and install a physical EVCP suitable for their vehicle and in line with the latest technologies.

Policy C7 : Enhancing Communications Network

Question 42 : Do you agree with the policy proposals set out above? Are there any other proposals the Council should consider?

The Council's policy approach should not impose new electronic communications requirements beyond the provision of infrastructure as set out in the Building Regulations, which are mandatory standards. In the Budget (11th March 2020), the Government confirmed future legislation to ensure that new build homes are built with gigabit-capable broadband. The Government will amend Part R "Physical Infrastructure for High-Speed Electronic Communications Networks" of the Building Regulations to place obligations on housing developers to work with network operators to install gigabit broadband, where this can be done within a commercial cost cap. The Department for Culture, Media and Sport (DCMS) has outlined its intentions on the practical workings of this policy, which will apply to all to new builds. Any type of technology may be used, which is able to provide speeds of over 1000 Mbps. All new build developments will be equipped with the physical infrastructure to support gigabit-capable connections from more than one network operator.

Policy BE1: Design

Question 44 : Do you agree with the policy proposals set out above? Are there any other proposals that should be considered in the design criteria?

With regards to contributes towards climate neutrality, the Council is referred to the HBF's answer to Question 17 above.

Policy ER1 : Renewable Energy

Question 53 : Should the Council continue with the current criteria-based policy ; allocate sites for specific renewable energy development or identify broad areas which we consider suitable?

With regards to provision of a minimum percentage requirement for renewable energy usage on sites over a certain size threshold, the Council is referred to the HBF's answer to Question 17 above.

Policy ER10: Water Conservation & Efficiency

Question 54 : Do you agree with the policy proposals set out above? Are there any other proposals the Council should consider?

Under Building Regulations, all new dwellings must achieve a mandatory level of water efficiency of 125 litres per day per person, which is a higher standard than that achieved by much of the existing housing stock. If the Council wishes to adopt the optional standard for water efficiency of 110 litres per person per day, then the Council should justify doing so by applying the criteria set out in the NPPG. The NPPG states that where there is a "*clear local need, Local Planning Authorities (LPA) can set out Local Plan Policies requiring new dwellings to meet tighter Building Regulations optional requirement of 110 litres per person per day*" (ID : 56-014-20150327). The NPPG also states the "*it will be for a LPA to establish a clear need based on existing sources of evidence, consultations with the local water and sewerage company, the Environment Agency and catchment partnerships and consideration of the impact on viability and housing supply of such a requirement*" (ID : 56-015-20150327).

Conclusion

It is hoped that these responses will assist the Council in informing the next stages of the Telford & Wrekin LPR. If any further information or assistance is required, please contact the undersigned.

Yours faithfully
for and on behalf of **HBF**



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