

Sent by email to: planning policy@wealden.gov.uk

18/01/2021

Dear Sir/ Madam

Response by the Home Builders Federation to the consultation on the direction of travel for the Wealden Local Plan

1. Thank you for consulting the Home Builders Federation (HBF) on the direction of travel for the Wealden Local Plan. The HBF is the principal representative body of the housebuilding industry in England and Wales and our representations reflect the views of discussions with our membership of national and multinational corporations through to regional developers and small local housebuilders. Our members account for over 80% of all new housing built in England and Wales in any one year.

Tackling climate change, achieving carbon zero outputs, and improving air quality

2. The housebuilding industry, through the HBF, recognises that there is a need to move towards stronger measures to improve the environmental performance of new residential development. This is in terms of reducing carbon emissions in new homes, providing gains in biodiversity on all developments, green infrastructure and improving the environment around new developments.
3. However, the HBF, and our members, consider a national and standardised approach to improving such issues as the energy efficiency of buildings, the provision of renewable energy and the delivery of electric vehicle charging points to be the most effective approach that balances improvements with the continued delivery of housing and infrastructure. It is the industry's preference for a national approach to improving the environmental performance of residential developments, rather than local authorities setting their own standards. We consider this is necessary to allow research and development and supply chains to focus upon responding to agreed national targets, and for training providers to plan their programmes to equip the labour force to meet these new requirements. It is fundamentally inefficient to create a plurality of standards.
4. The industry will clearly need to take into account the Government's measures on the Future Homes Standard which will likely become mandatory for new residential developments in 2021. In terms of these new regulatory targets applying to new development from 2025 onwards – to deliver the objectives of



the Future Homes Standard – the industry, with the leadership of the HBF, will be commissioning work to consider what the industry can do, taking into account developments in research and product development within that timeframe, and what new standards can feasibly be adopted and implemented by the industry.

5. Therefore, when considering their approach to such matters the councils should ensure that they are working within the current policy and legislative framework and not seeking to deliver a different range of standards that will work against the collective drive on this matter. The importance of a collective approach will also balance the cost of delivering the energy efficiency improvements required alongside other planning obligations and development aspirations that the Council are seeking to deliver through the Wealden Local Plan, such as meeting housing needs in full and improving the affordability of homes in this area. The Council will therefore need to consider the consequences of introducing planning policy burdens on new development recognising that the costs of these will ultimately be passed onto the consumer or leave some sites undeliverable.
6. For example, the costs of installing the cables and the charge point hardware for electric vehicles will vary considerably based on site-specific conditions in relation to the local grid. The introduction of Electric Vehicle Charging Points (EVCP) in new buildings will impact on the electricity demand from these buildings especially for multi-dwelling buildings. A requirement for large numbers of EVCPs will require a larger connection to the development and will introduce a power supply requirement, which may otherwise not be needed. The level of upgrade needed is dependent on the capacity available in the local network resulting in additional costs in relation to charge point instalment. Whilst we recognise there is a growing demand for electric vehicles it is important that all costs associated with the provision of charging points are identified by the Council and their impact on viability carefully considered.

Infrastructure delivery

7. The Council outline that they may need to review the CIL charging schedule as part of the process of preparing this local plan and assessing the overall impact of viability of its policies on new development. In preparing the viability study to take on board changes in national policy with regard to whole plan viability and the increasing number of additional costs being placed on development.
8. The 2019 National Planning Policy Framework (NPPF) requires development viability to be resolved through the local plan and not at the planning application stage. The aim of this approach is to ensure that, as outlined in paragraph 57 of the NPPF, decision makers can assume that development which is in conformity with the local plan is viable and to, ultimately, reduce the amount of site-by-site negotiation that takes place. As such it will be important that the Council's approach to its viability assessment and the costs it places on development are cautious to take account of the variability in delivering the range of sites that will come forward through the local plan. To support local planning authorities in

preparing their viability evidence the HBF has prepared a briefing note, attached to this response, which sets out some common concerns with viability testing of local plans under the latest guidance and how these should be addressed. Whilst this note focuses on all aspects of the viability testing of the residential development and should be taken into account, we would like to highlight four particular issues with whole plan viability assessments.

9. The first issue is with regard to the approach taken to abnormal infrastructure costs. These are the costs above base construction and external costs that are required to ensure the site is deliverable. Prior to the 2019 NPPF viability assessments have taken the approach that these cannot be quantified and were addressed through the site-by-site negotiation. However, this option is now significantly restricted by paragraph 57 of the 2019 NPPF. As such these abnormal costs must be factored into whole plan viability assessments. We recognise that the very nature of abnormal costs is difficult to quantify, but it is a fact that they are often substantial and can have a significant impact on viability. Where and how these costs arise is also variable. They can occur in site preparation but can also arise with regard to the increasing costs of delivering infrastructure, such as upgrades to increase the capacity of utilities. It is also the case that abnormal costs are higher on brownfield sites where there can be a higher degree of uncertainty as to the nature of the site and the work required to make it developable.
10. The HBF undertook some work with its members in the North East and whilst this is a different context to that found in Wealden it provides an indication as to the abnormal costs that can occur. This study, which was prepared to support our comments on the Durham Local Plan, indicated that abnormal costs on the four PDL sites was £711,000 per net developable hectare and an average of £459,000 per hectare on the 10 greenfield sites. Whilst we recognise that abnormal costs are expected to come off the land value, we are concerned that if abnormal costs are high then it will result in sites not being developed as the land value will be insufficient to incentivise the landowner to sell. It is therefore important that a significant buffer is included within the viability assessment to take account of these costs if the Council are to state with certainty that those sites allocated in the plan will come forward without negotiation.
11. Secondly, we would encourage the Council to use the upper end of any of the ranges suggested with regards to fees and profit margins. Again, these will vary from developer to developer but given that the Government want to minimise negotiation on planning obligations it would make sense to use the highest point of any range. The changing landscape with regard to viability assessment could lead to development slowing significantly if the correct variables are not taken into account.
12. Thirdly, the council must ensure that all the policy costs associated with the local plan are included within the viability assessment. Whilst affordable housing and infrastructure contributions for the majority of the additional costs that are placed

on developers by the Council it is important that the cumulative impact of all policies are tested. With regard to the local plan review the Council will need to consider the impact of its proposed policies on self-build, open space, bio-diversity net gains, electric vehicle charging, sustainable design and construction; and renewable energy.

13. Finally, the approach to land values needs to be a balanced approach and one that recognises that there will be a point at which land will just not come forward if values are too low to take account of policy and infrastructure costs. There are a variety of reasons why a landowner is looking to sell their land and it cannot be assumed that they will absorb significant reductions in land values to meet policy costs. Land is a long-term investment and the returns being offered must take account of this.

Housing Needs and delivery

Overall Housing needs and supply

14. The Government have recently confirmed that it intends to continue to use the 2014-based household projections as the baseline level of housing growth used in the standard method. As such we would agree that the current assessment of the minimum number of homes that must be delivered by Wealden at present is 1,225 dwellings per annum. However, this figure will need to be amended to take account of any changes in the median affordability ratio prior to the submission of the local plan for examination. It must also be remembered that this is a minimum and that in addition they will also need to consider, in line with paragraph 60 of the NPPF, whether there are any unmet needs arising in neighbouring areas.
15. The Council notes in paragraph 2.10 that there is strong migration between Wealden and the neighbouring authorities of Eastbourne, Rother and Tunbridge Wells and it should be noted that each of these authorities are currently preparing local plans and as such it will be important for Wealden to work with these authorities to ensure needs are met in full. In particular it will be important for Wealden to work closely with Eastbourne Borough Council (EBC) given the recent consultation by that borough indicated that even their most ambitious options would deliver 358 dpa – around 300 homes fewer than their minimum requirement. As border between EBC and Wealden District Council is close to the urban edge of Eastbourne it will be necessary for the Council to work closely with EBC to ensure that any unmet needs are addressed in Wealden's new local plan.
16. We comment on the options for meeting development needs later on in this response, however, it is important that the Council in seeking to meet needs ensures there is a buffer between needs and the overall supply of homes that will be delivered through the new local plan. It is common practice for local plans to set out to deliver more homes than are required in order to provide flexibility

in their supply and ensure needs are met in full. We would suggest that such an approach is necessary part of any local plan and accords with paragraph 11 of the NPPF. This paragraph requires local plans to be sufficiently flexible to adapt to rapid change and is therefore important that the supply of land ensures that should some sites not deliver as expected then there is sufficient capacity to ensure needs are met in full. It stands to reason that in order for a minimum number of homes to be delivered then the Council needs to allocate land to deliver beyond its minimum requirement. To ensure sufficient flexibility to take account of any changes that may occur during the plan period we would recommend a 20% buffer in supply over the stated requirement.

17. It is also essential that the Council, as required by paragraph 68 of the NPPF, ensures that 10% of all housing need is delivered on sites of one hectare or less. Up until the 1980s, small developers accounted for the construction of half of all homes built in this country, resulting in greater variety of product, more competition, and faster build-out rates. Since then, the number of small companies has fallen by 80% following the introduction of the plan-led system in 1990.
18. The HBF has undertaken extensive consultation with its small developer members. One of the chief obstacles for small developers is that funding is extremely difficult to secure with a full, detailed, and implementable planning permission. Securing an implementable planning permission is extremely difficult if small sites are not allocated. Without implementable consents lenders are uneasy about making finance available or else the repayment fees and interest rates they set will be very high. Small developers, consequently, need to invest a lot of money and time up-front in the risky business of trying to secure an allocation and a planning permission, and this is money that many small developers do not have. This is why the Government, through the NPPF, now requires local authorities to allocate more sites of varying sizes.

Types and tenure

19. Whilst we agree that the Council should be encouraging a mix of homes to be provided across the District, we would caution against prescriptive policies that require development to deliver a mix of housing that reflects the recommendations of the Strategic Housing Market Assessment (SHMA). Such assessments provide a snapshot in time and cannot take account of changing trends within the market for different types of housing. The HBF considers the most effective approach to ensuring a mix of housing types is to allocate a large range of sites both in terms of size and location. This encourages a range of developers from SMEs to national house builders all of whom provide a different type and style of home to meet the needs of the market in that location. We therefore welcome the Council's acknowledgement on page 47 of the consultation document that there is a need for a wide variety of sites to be allocated in the local plan. This will support both a diversity of developers

delivering new homes and consequently the homes being provided, we hope to see this taken forward into the allocation of sites.

Needs of older people

20. The HBF supports the Council's ambitions to address the needs of older people. It will be important that the Council includes a specific policy in the local plan to support such development alongside allocations in the appropriate locations close to town centres and the services they provide. We would recommend that any policy supporting the provision of accommodation for older people includes a target as to how many homes for older people will be delivered in the District. Whilst we recognise that this is not a requirement of national policy such an approach would ensure transparency and support effective monitoring and review of the Council's approach to older peoples housing. In particular this will ensure a more effective implementation of the presumption in favour of sustainable development as set out in paragraph 11 of the NPPF if the Council has insufficient supply to meet future needs. Such transparency is key in ensuring that the Council to work proactively with developers of older people's accommodation in order to address any shortfalls should they arise during the plan period.

Technical standards

21. The Government are currently reviewing their approach to technical standards for housing including whether to make both the optional standards for space and accessibility mandatory. If the Government decides this to be the case, then the Council should not seek to amend these standards as is suggested on page 127 in relation to minimum space standards. Consistent standards allow the industry to operate effectively knowing that there is a single standard across the Country against which to operate. As such we would advise against creating local standards that diverge from building regulations. Should the Government decide to maintain the current optional approach to these standards it will be important that the Council has the necessary evidence to support their adoption and takes into account their impact on new residential development as set out below.
22. *Space standards:* Whilst the HBF shares the Council's desire to see good quality homes delivered across Wealden we also consider that space standards can, in some instances, have a negative impact upon affordability issues and reduce customer choice. In terms of choice some developers will provide entry level two, three and four-bedroom properties which may not meet the optional nationally described space standards, but which would allow people on lower incomes to afford a property which has their required number of bedrooms. Given the poor affordability of property in the area and the tight constraints on development it is therefore important that the Council can provide robust evidence that there is a need to introduce the optional space standards – that these standards are a must have rather than a nice to have policy.

23. As the Council are aware paragraph 56-020 of PPG establishes the type of evidence required to introduce space standard through the local plan. The Council must have a robust justifiable evidence to introduce any of the optional housing standards, based on the criteria set out in PPG. If the Council can provide the necessary evidence to support the introduction of space standards, we would suggest that the Council provides some flexibility within policy to allow well designed homes that are smaller than the space standards to be provided to meet a specific and identified needs for such homes. This will ensure that those sites that are not deliverable whilst also meeting space standards in full can still be developed.
24. *Accessibility standards:* As outlined above the HBF recognise that the Government are currently considering its position with regard to part m of the building regulations and whether it should make part M4(2) mandatory. The current approach is needs-based and as such the number of homes built to part M4(2) should be proportional to identified needs. With regard to the provision of more accessible homes the HBF recognises that there is a need for some homes to be built to higher accessibility standards it is not necessarily the case that all new homes will need to be built to this standard. The Council will clearly need to consider the numbers of people that will actually require a new adaptable home in future.
25. In seeking to identify the need for such homes we would suggest the Council consider national evidence provided in the English Homes Survey. Whilst we recognise that this is a national study it provides an indication as to the proportion of more adaptable homes that are required. The study examined the need for adaptations in 2014/15 and noted that just 9% of all households in England had one or more people with a long-term limiting illness or disability that required adaptations to their home and that this had not changed since 2011-12. So, despite an increasing proportion of older people in the general populace the proportion of the population requiring adaptations had not changed. The survey also found that in 2014-15, 81% of households that required adaptations in their home, due to their long-term limiting disability, felt their current home was suitable for their needs and that 10% of those households whose home required an adaptation were trying to move somewhere more suitable.

Self and custom build housing

26. Whilst the HBF support the encouragement of self-build housing through the local plan it is important that the proposed policy is based on robust evidence of both the demand for self-build plots and a consideration as to the impact on viability of this policy. With regard to the evidence on needs the Council state that 94 individuals on their self-build register, however, a cautious approach should be given to this evidence. Data on self-build registers is often flawed in that it does not consider whether individuals on such registers are on other registers in neighbouring areas and whether those on the list are still seeking a

self-build plot. If the register has not been reviewed in this manner, we would suggest this is undertaken prior to the next consultation on the local plan.

27. Secondly, it is important when preparing policies on supporting self-build housing to recognise that paragraphs 57-024 and 57-025 of the PPG sets out a variety of approaches that need to be considered – including the use of the Council's own land. This is reiterated in para 57-14 of the PPG which sets out the need for Council's to consider how they can support the delivery of self-build plots through their housing strategy, land disposal and regeneration functions. We would suggest that in the first instance rather than place additional burdens on house builders for the provision of self-build plots it should utilise its own land and seek to engage with willing landowners to identify suitable sites on which to deliver serviced self-build plots.

Affordable housing

28. Firstly, as the Council note they will need to show that the level of provision for affordable housing is viable in combination with all the other policy and infrastructure costs being imposed on development by the Council. Without this evidence it is not possible to comment on whether the current 35% requirement remains appropriate. As mentioned earlier the HBF has produced a brief note on development viability to assist councils in understanding viability from the housebuilder perspective which we hope will be helpful.
29. Secondly, the affordable housing threshold should not be treated as a minimum. It is important that the Council provide certainty to developers that the Council will not seek a higher level of provision or that an application that meets the requirement will be refused. The term minimum can confuse this situation and should not be used.
30. Finally, we would suggest that the policy on affordable housing includes a statement that affordable housing contributions will be reduced, or the tenure mix of the affordable housing provision be altered where it is shown that they make a development unviable. This would be consistent with paragraph 57 of the NPPF.

Natural Environment

Net gain

31. We do not agree that the Council should take forward a policy to require developers to provide more than the 10% net gain in biodiversity than is currently being proposed by the Government in the Environment Bill. Should this position remain the case when the bill is enacted it will be important that all Councils ensure a consistent approach across the country that does not lead to confusion, delay, and additional costs being placed on development. If the Government considers a net gain of 10% to be sufficient to offset the negative impacts of

development on biodiversity, then Councils should not seek to require a higher standard locally. The Council should implement the legislation as it is enacted.

32. The Council will also need to clarify its intentions with regard to the establishment of strategic areas to offset bio-diversity net gains. We would support measures that offered solutions to developers offsetting net gains where these cannot be delivered on site. But the provision of such strategic areas should not be a general burden placed where these can be met in full on site. Also, any approach should not preclude developers from using alternative offsite offsetting measures.

Buffers

33. We have some concerns regarding the use of buffer zones around all sites with importance for nature conservation. Firstly, it is important to recognise that to some extent they are already in place around statutory designated sites, such as impact zones for SSSIs in terms of SSSI impact risk zones, which identify developments which would be considered as having likely impacts on the designated site and would therefore require consultation with the Local Authority. Natural England standing advice also provides guidance on a minimum 15m buffer around areas of ancient woodland and the Environment Agency provides guidance on implementing buffer zones along waterways. As such we do not consider buffer zones to be necessary and that existing policy allows for sufficient consideration of the impacts.
34. It is also important to remember that existing buffers as outlined above are not zones where no development can take place. Therefore, if buffer zones are to be introduced around sites with importance for nature conservation, then the extent of these buffers would need to be carefully considered in relation to the protected site. It will also be necessary to consider the nature and extent of developments (if any) permitted within them and whether any minimal incursion into buffer zones may be able to be mitigated, for example through implementation of a Construction Environmental Management Plan (CEMP).
35. Further to this, it will be important to qualify the sites deemed to have importance for nature conservation, whether these would be limited to statutory and/or non-statutory designated sites or whether plots of land with certain qualifying features, such as presence of protected species, notable plants etc. would also be considered.

Trees and hedgerows

36. With regard to policies that protect trees and hedgerows the Council must note the existing protections and the need to not unnecessarily duplicate national policy and guidance. Veteran trees and trees covered by TPOs already receive protection. Furthermore, trees set within woodland, including lowland deciduous woodland and ancient woodland, are described within the woodland block and

therefore consideration of priority habitats or ancient woodland habitats will be made. Hedgerows are protected under The Hedgerow Regulations 1997 and are also considered a priority habitat and therefore come under the auspices of the NERC 2006 where Section 40 extends to all public bodies “to have regard to biodiversity as far as is consistent with the proper exercise of their functions”.

37. Priority habitats, such as hedgerows and woodlands, are therefore subject to the mitigation hierarchy and due regard in the planning process. Also, these features are covered by the BNG metric, so considerations within the pre/post development would already have been made.
38. Overall, we are concerned that as drafted the direction of travel document is potentially placing an additional burden on development over and above that established in the NPPF/ PPG, which could actively hamper the council's ability to meet its housing requirements, and that this and the points raised above need to be address before the Reg 18 plan is published
39. There is in addition the issue of the mechanism for a wider off setting policy, which should be open to consultation & the fact that the development of the criteria must be transparent. should include biodiversity base line, biodiversity values of the site, alongside other development factors such as a sites sustainability and development boundaries / settlement boundaries. There also needs to be a clear gauge of how enhancements are to be measured, so that there can be no ambiguity

Growth Options

40. Without an indication as to where the development opportunities are likely to be located it is not possible to say whether any of these options will deliver sufficient homes to meet the needs of the District and, potentially, some of the unmet need for housing arising in neighbouring areas. In order to meet its development needs in full it is likely that the Council will have to consider elements of each of these options – it cannot be considered as an either-or situation. As such, the most important element of any decision as to where needs are met will be ensuring that there is consistent supply across the plan period.
41. The reason why the Council must focus on ensuring a consistent supply of homes is to ensure that the under supply of new homes in Wealden that currently plays a significant part in the poor affordability seen in the District are addressed. The Council acknowledge that there are severe affordability concerns across the area and any delay in meeting needs will only succeed in neutering the reason for, and benefits of, the affordability uplift applied through the standard method. The Government is clear in PPG that Council's should not seek to unnecessarily delay meeting housing needs and as such the starting point for any spatial strategy must be meeting, in full, annual housing needs from the start of the plan period.

42. In order to achieve this goal, the Council will need to ensure that it allocates a range of sites, both in terms of size and location, that will address needs in the short, medium, and long term. Too often local plans seek to rely on new settlements or strategic urban extension to meet needs at the end of the plan period ignoring smaller sites that can be delivered earlier. By creating a better balance between the type and location of site allocated the Council will be able to sustain delivery across the plan period and reduce the risk of not meeting needs in full should there be a delay in delivering strategic sites. Indeed, this concern is acknowledged by the Council in its commentary on Option 4 in relation to new settlements.
43. This is not to say that a new settlement, or the strategic expansion of an existing settlement, should not be considered within Wealden. However, the Council will need to take a cautious approach as to the complexity of delivering such development and the point at which they will start delivering new homes. Too often Councils are overly optimistic about the delivery of new settlements in the early stages of plan preparation ultimately leading to trajectories being pushed back later on in plan preparation once the strategy has been decided upon in order to maintain a five-year land supply. In some cases, this can lead to plans being found unsound.
44. Uttlesford for example relied heavily on three new towns which delivered the vast majority of their need at the end of the plan period. This meant they could not show a five-year land supply at all points across the plan period which was further exacerbated once the overly optimistic delivery expectations as set out in the submitted plan were amended. As the inspectors concluded in paragraph 27 of their post hearing letter:

“Overall, we strongly believe that the Garden Communities will not deliver the quantum of housing in the plan period that the Council’s housing trajectory shows. Consequently, the housing requirement for the plan period would not be met.”

The inspectors also noted in their overall conclusions that the strategy would lead to a stepped trajectory that unreasonably delayed addressing the issue of housing affordability and failed to test options with fewer homes in new settlements with more homes in other settlements. In considering the allocation of new settlements these are all issues that Wealden will need to consider.

45. Despite the concerns identified above, and by Wealden in this consultation, the HBF does not oppose the allocation of new settlements which can provide significant opportunities for development in the long term. However, it is important to recognise these concerns and plan effectively to address them. Firstly, as outlined above, it is important to have realistic expectations as to the time frame for delivering a new settlement. Secondly, including a buffer in overall supply and having stronger supply through the allocation of a wide range of other

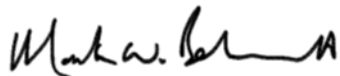
sites, for example, ensures the Council does not push back delivery of much needed housing.

46. Smaller sites deliver homes relatively quickly and provide the flexibility in supply in the early years while medium to large sites can ensure consistent supply prior to strategic development coming forward. This should ensure a five-year land supply at all points in the local plan period, a key requirement of national policy, and provides time to ensure the delivery of strategic developments. Such an approach to the local plan would provide both the development industry and Planning Inspectorate with the certainty of delivery in the short and medium term and places less reliance on strategic schemes to come forward quickly, insuring against any potential delays to such schemes.

Conclusions

47. We hope these representations are of assistance in taking the plan forward. Should you require any further clarification on the issues raised in this representation please contact me.

Yours faithfully



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