

Sent by email to: responses@dacorum.gov.uk

25/02/2021

Dear Sir/ Madam

Response by the Home Builders Federation to the consultation on the Dacorum Local Plan

1. Thank you for consulting the Home Builders Federation (HBF) on the emerging strategy for the Dacorum 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.

SP4 – Delivering the Housing Strategy

Housing needs

2. The Council recognises in the plan that there was some uncertainty in using the methodology being proposed by the Government in its most recent consultation on the standard method. This concern has been realised and the Council will need to plan for a higher level of housing than is proposed in its emerging strategy. The latest approach that has been adopted by the Government basically retains the original approach, but uplifts housing needs further in the largest urban areas. Given that Dacorum does not face this urban area uplift the Council will need to plan for a minimum of 1,023 new homes per annum between 2020 and 2038 – a total of 18,414. The Council will also need to take account of any changes in the affordability ratio when the latest data on these ratios is due to be published in March 2021.
3. In addition, the Council must recognise that this is the minimum number of homes that they must plan for. Paragraph 60 of the NPPF requires the Council to take account of any unmet needs in neighbouring areas. We note that the Council are working with their neighbours in South West Hertfordshire with regard to development needs across this sub region, but the Council will also need to



consider unmet needs in other areas. One key concern for the wider South East must be London's inability to meet its own housing needs.

4. For some time now the HBF has been raising concerns regarding the ability of London to meet its own housing needs and the capital has consistently failed to meet its targets with regard to housing supply. However, those areas with strong links to London have consistently stated that the capital, through the London Plan, would consume its own smoke. It was expected that the new London Plan would address future needs, and the back log of unmet needs, by delivering over 60,000 homes per annum. What is now clear, following the examination of the London Plan, is that this level of housing supply will not be delivered.
5. The examination report on new London Plan was published in October 2019 and outlines in paragraph 174 that the overestimation of the contribution of small sites reduces the supply of new homes from 65,000 to 52,000 homes per annum. This means that there is a shortfall of some 140,000 homes between 2018 and 2028 in the capital against its own assessment that the capital needs to deliver 66,000 homes each year across the plan period to meet future need and address the current backlog. However, there must also be a concern that the capital will struggle to meet the 52,000 homes identified in the examination report as being deliverable. London has consistently delivered fewer homes than it required with average delivery over the last five years of just under 33,000 additional dwellings with the first year of the new London Plan delivering 36,000 new dwellings. Without a significant increase in delivery, it is almost inevitable that the identified shortfalls will drive increased levels of out-migration from the capital to surrounding areas adding pressure in housing markets where affordability is already poor.
6. As such a lack of supply in the capital will place greater pressure on Dacorum and similar areas that form part of the wider regional housing market focussed on the capital, as households seek to meet their accommodation needs outside of London. As we are sure the Council are aware migration into Dacorum has been increasing over the last ten years. In 2012 migration from London was 1,049 people by 2019 this had increased to 1,420¹. These strong migratory links with the capital indicate that Dacorum should be seeking to meet some of London's unmet needs. This is especially pertinent given the worsening affordability seen in Dacorum over the last ten years that will not be addressed if London's housing needs are ignored. It is therefore essential that any consideration as to the housing needs in Dacorum takes account of the shortfalls in supply in London given the Borough's strong migratory links with the capital.

Overall housing supply and delivery

7. The Council expect this local plan to deliver around 16,900 homes over the plan period which, as we outline above, will not meet the minimum number of homes they are required to plan for as established through paragraph 60 of the NPPF and

¹ Internal migration: detailed estimates by origin and destination local authorities, age and sex (ONS)

its associated guidance. The Council will, self-evidently, need to identify land to deliver a further 1,514 homes. In addition, the Council should ensure that there is sufficient flexibility in their supply to ensure needs are met. The Council has recognised this in paragraph 7.128, and it will be important that this is factored into planned supply. The HBF recommends that a 20% buffer in supply is necessary to ensure that the minimum housing requirement is delivered over the plan period.

8. With regard to how these homes will be delivered the Council will need to try and ensure that any additional supply is not pushed back until much later in the plan period. The Council's assessment of housing land supply indicates that, in their best-case scenario, the Council will have land to deliver 5.1-year housing land supply on adoption in 2022. The Council recognises that this is marginal, and a higher requirement will mean the Council will not have a 5-year housing land supply on adoption.
9. The temptation will be to identify further large strategic sites that push delivery of these homes towards the end of the plan period and use a stepped housing requirement to maintain a five-year land supply. However, we would suggest that this is not consistent with the approach set out in Planning Practice Guidance which states that Councils should not "... *seek to unnecessarily delay meeting identified development needs*". Therefore, in seeking to address the shortfall in supply we would suggest that the Council seeks, in the first instance, to identify a range of small and medium sized sites that will bolster delivery in the early years of the plan and ensure the Council will have strong five-year land supply during this period.
10. Given the limited capacity in the urban areas of Dacorum the additional sites required to meet needs in full will need to be found through further amendments to the Green Belt boundary. The Council already consider there to be exceptional circumstances required for such an approach to be taken and it will be important for the Council to progress quickly with the identification of the sites needed.

DM2 – Affordable housing

11. The Council have not published a viability study as part of the evidence supporting this stage of the consultation. As such we cannot comment on whether the cumulative impact of this and other policies will render development unviable. 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.
12. The reason why we produced this note was the increased focus in the 2019 National Planning Policy Framework (NPPF) on development viability being resolved through the local plan and not at the planning application stage. The aim of the 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. This makes it much more 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.

DM8 – Custom and self-build

13. Whilst the HBF are supportive of the self-build and custom housebuilding sector we remain concerned that policies with regard to the provision of self-build plots seek to place the burden of delivery on to the development industry. It is important 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 the Council should utilise its own land or seek to engage with landowners to identify suitable sites on which to deliver serviced self-build plots.
14. The policy must also provide greater clarity as to the application of this policy. Firstly, the Council will need to set out that this policy will not apply to flatted development given the near impossibility of delivering self-build in a flatted development. This would appear to be the case given that reference is made to the policy only applying to developments of 40 or more new houses, but this must be clarified. Secondly the Council will need to set out in policy when any unsold plots required through this policy will return to the developer. We would suggest that where plots are not sold within six months of being offered to people registered on the Council's self-build register then they should return to the developer to be built out. This will ensure that plots do not sit empty and that the homes needed in Dacorum are delivered in a timely manner.
15. Finally, we have some concerns regarding the evidence supporting this policy. Firstly, it will be important for the Council to set out how many self-build plots this policy expects to deliver to ensure that it is a proportionate response to the evidence regarding the demand for such homes. Secondly the evidence in Demand Assessment Framework is a modelled level of demand based on unpublished survey data collected by the National Custom and Self Build Association (NaCSBA). This has been profiled against existing households and suggests levels of demand which are double that set out in the self-build register. In order to justify such a significant increase in demand, which will place an additional burden on housebuilders in Dacorum, the Council will need to set out this data in full. As the Council acknowledge they are only required to deliver plots based on self-build registers and at present that demand is seemingly being met without the proposed policy. The Council will therefore need a more robust justification for policy DM8.

DM12 – Nationally Described Space Standards

16. As the Council note in the housing topic paper further work is required to justify the adoption of space standards. If the Council can justify this policy, we would suggest that some degree of flexibility is included. The HBF is concerned that the approach taken by the Council could prevent development that will meet the needs of some its residents from coming forward. Whilst the HBF share the Council desires to see good quality homes delivered within Dacorum 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, for example, 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 families on lower incomes to afford a property which has their required number of bedrooms. These concerns are especially pertinent in areas where affordability of housing is so poor. It is therefore important that the Council can provide some flexibility in this policy to allow the development of well-designed homes that may not meet all the space standards if such homes meet a specific need in their community.

DM55 – Parking provision - Residential

Parking standards

17. The policy states that the Council will require compliance adopted standards for car and cycle parking. However, it must be noted that these standards are not set out in the local plan but in supplementary guidance. We are concerned that such standards, which are issues of policy as they can be used to refuse an application if they are not met, being set out in guidance and not the plan itself. Legislation is clear that policy issues must be set out in local plans. This is to ensure that should these standards change then appropriate consultation and public scrutiny of these changes is undertaken. Two options are open to the Council, they can either include the standards as an appendix in the local plan or state in policy that development will need to have regard to the standards.

Electric vehicle charging points.

18. This policy introduces requirements for electric vehicle charging points to be provided on all development. The HBF supports the use of electric and hybrid vehicles and the introduction of the necessary supporting infrastructure via a national standardised approach implemented through the Building Regulations to ensure a consistent approach to future proofing the housing stock. It is the industry's preference for a national approach to the provision of charging points 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

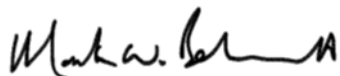
programmes to equip the labour force to meet these new requirements. It is fundamentally inefficient to create a plurality of standards.

19. The Government has recognised in recent consultations the possible impact of any requirement to provide electric vehicle charging points on housing supply, where the requirements are not technically feasible. The same consultation proposed introducing exemptions for such developments. The costs of installing the cables and the charge point hardware 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.
20. Where such costs are high the Government are proposing that any potential negative impact on housing supply should be mitigated with an appropriate exemption from the charge point installation requirement based on the grid connection cost. The consultation proposes that the threshold for the exemption is set at £3,600. In instances where the additional costs are likely to make developments unviable, it is the Government's view that the EVCP requirements should not apply and only the minimum Energy Performance of Buildings Directive requirements should be applied.
21. As such we would suggest that the requirement for EVCPs should not be included in the local plan because the Government's proposed changes to Building Regulations will provide a more effective framework for the delivery of charging points for electric vehicles.

Conclusions

22. 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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