

Sent by email to: planning.policy@adur-worthing.gov.uk

22/03/2021

Dear Sir/ Madam

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

1. Thank you for consulting the Home Builders Federation (HBF) on the submission draft of the Worthing 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.
2. **We would like to submit the following representations on the Local Plan and we would welcome, in due course, participating in hearings of the Examination in Public.**

Housing needs and supply (policies SS1 and SS2)

These policies are not sound as they are not positively prepared.

3. The Council are taking forward a local plan that does not meet minimum housing needs as calculated using the standard method. Paragraph 3.25 states that the Borough has the capacity to deliver 3,672 new homes over the plan period on the basis of both national and local policies that constrain the supply of land for new development. Using the standard method and most recently published data on affordability would require the Council to deliver 885 dwellings per annum (dpa) a total of 14,160 homes over the plan period. This is a significant shortfall of 10,488 homes.
4. The HBF would agree that the Council faces significant constraints with regard to land supply given its location between the South Downs National Park, the coast, and its tight border to the urban area. As such the Council was always likely struggle to meet its own needs. In such circumstances the Government is clear that it is essential for the Council and their neighbours work together to ensure that any unmet development needs are addressed elsewhere. However, as the



Council note in paragraph 3.28 of the Local Plan, they have not been able to secure additional delivery to address their unmet needs in full. This is disappointing and suggests that co-operation has not been effective in achieving this principle objective and their remains a reluctance amongst authorities in the wider sub-region to support their more constrained neighbours.

5. We recognise that the Council cannot force another authority to address their unmet needs, however it is essential that the Council makes a clear statement in policy as to the level of unmet housing needs in Worthing and that it will expect to have these needs met in other neighbouring housing market areas as Councils in those areas progress with any new local plans. Such a statement in either policy SS1 or SS2 will provide clarity across the sub-region as to the level of unmet needs and ensure the Council can challenge less constrained areas to address Worthing's unmet needs.
6. In addition to working with neighbouring areas the Council must also seek to maximise opportunities for development wherever possible in Worthing. With regard to whether there are further sites in Worthing that could be allocated to meet needs the HBF is not in a position to comment. However, we do have general concerns as to whether the Council has reconsidered its position on rejected sites relative to paragraph 11 of the National Planning Policy Framework (NPPF). The approach taken by the Council in considering sites is based on the methodology set out in paragraphs 3-005 to 3-0026 of Planning Practice Guidance (PPG). However, we are concerned that insufficient consideration has been given to the benefits of allocating rejected sites against the adverse impacts given that there is such a significant gap between housing needs and supply and no other authority is willing to help. The Council must be able to show that it has considered in detail whether any identified constraints on, or negative impacts arising from, development on rejected sites could be mitigated and consequently whether the adverse impacts of development would significantly and demonstrably outweigh the benefits.
7. For example, we would suggest that any sites rejected within identified green gaps should be reconsidered for allocation. This is a locally applied designation and as such should not be a significant factor as to whether a site should be allocated for development. We are concerned that the Council has taken a '*policy on*' position with regard to local green gaps when assessing appropriateness of a site for development and that such sites have been rejected without sufficient consideration as to the benefits of their allocation given the Council's inability to meet needs.
8. In making such considerations the Council must recognise the benefits of residential development at a national level this can be seen in our report Building Communities which was published last in 2020. This research shows, for example, that in 2018/19 the private sector house building industry provided over £7 billion in contributions for affordable housing and over £200 million to improving and expanding educational provision. The local benefits of each new house can also

been seen in the Housing Calculator developed from research commissioned by the HBF on the Economic Footprint of House Building. This research estimates that for every additional house built the benefits for the local community include creation of 3 jobs (direct & indirect employment), average financial contributions of £27,754 towards affordable housing, £806 towards education, £297 towards open space / leisure, £1,129 extra in Council tax and £26,339 spent in local shops.

9. However, rather than considering how such areas could be developed sensitively the Council has instead looked to place further constraints on development in these locations by designating them as Local Green Space (LGS) – a designation, as set out below, we consider to be unsound. Given the constraints faced by the Council it seems contradictory that they should seek to further constrain opportunities for development rather than consider how it can mitigate any negative impacts and recognise the benefits of further housing development.
10. Finally, the Council will need to identify, as required by paragraph 68(a) of the NPPF, sufficient sites of less than one hectare in its allocations or on its brownfield register to meet at least 10% of its housing requirement. We could not find any evidence presented by the Council on this matter. If the Council cannot meet this requirement it will need to provide strong reasons as to why this cannot be achieved.

Recommendation

11. The Council should:
 - amend policy SS1 to include the following: *“The Council’s constrained housing target will leave 10,488 homes to be delivered in neighbouring authorities and housing market areas. The Council will continue to work with and challenge local planning authorities in those areas to ensure needs are met in their local plans as these are progressed.”*;
 - revisit those sites that have been rejected and consider whether any adverse impacts of development on those sites could be mitigated and if these impacts significantly and demonstrably outweigh the benefits of development; and
 - Identify 10% of its housing requirement on sites of less than one hectare or provide strong reason as to why this cannot be achieved.

SS5 – Local Green Gaps

The policy is not sound as it is not positively prepared.

12. As outlined above we are concerned that the Council has identified local green gaps despite the fact that there is a significant shortfall between housing supply and housing needs in Worthing. Whilst we recognise that green gaps can play an important role in local plans this should only be a consideration where development needs are met and not be used in the same manner as a Green Belt

when considering development opportunities. The Council are constraining themselves unnecessarily by this designation and as such it should be deleted.

SS6 - Local Green Space

This policy is unsound as it is inconsistent with national policy and guidance.

13. Given the constrained nature of Worthing and the level of unmet needs in the Borough it seems contradictory that they should then seek to limit potential development opportunities even further by designating the green gaps identified in policy SS5 as Local Green Space (LGS). This designation will mean that those sites will be treated within decision making as Green Belt preventing any future development and as such requiring very special circumstances to be proven if these sites are to be developed in future. However, we do not consider the Council's decision to designate the local green gaps as LGS to be consistent with national policy.
14. In designating LGS, it is important to ensure that they conform the paragraphs 99 and 100 of the NPPF. Firstly, paragraph 99 indicates that the designation of LGS should "...complement *investment in sufficient homes, jobs and other essential services*" and be "... *capable of enduring beyond the plan period*". This position is further emphasised in paragraph 37-007 of PPG which states:

"Designating any Local Green Space will need to be consistent with local planning for sustainable development in the area. In particular, plans must identify sufficient land in suitable locations to meet identified development needs and the Local Green Space designation should not be used in a way that undermines this aim of plan making."

15. Given that the Council is over 10,000 homes short of meeting housing needs we would suggest that the designation of these large areas of land within the Borough as local green space is not complementing the delivery of sufficient homes nor are they capable of enduring beyond the plan period given the other geographical and policy constraints facing the Borough.
16. Secondly, the NPPF is clear in paragraph 100 that any LGS should not be an "*extensive tract of land*". However, each of the areas designated in this policy is circa 30ha and as such must be considered to be extensive tracts of land. LGS should be used to ensure important local spaces are protected rather than create additional designations to limit a Council's ability to meet its housing needs. As the Government note in paragraph 37-015:

"... blanket designation of open countryside adjacent to settlements will not be appropriate. In particular, designation should not be proposed as a 'back door' way to try to achieve what would amount to a new area of Green Belt by another name."

17. The HBF therefore consider the designation of the land identified in SS6 as LGS to be inconsistent with national policy and as such it should be deleted.

DM2 – Density

Part d of DM2 is unsound as it has not been justified.

18. Footnote 46 to paragraph 127 of the NPPF requires the Council to have evidence that the optional standard such as the Nationally Described Space Standards (NDSS) are needed if they are to be adopted in the local plan. The Council therefore need robust justifiable evidence to introduce any of the optional housing standards, based on the criteria set out above. However, we could not find any evidence to support the adoption of these standards in the local plan. The Council refer to evidence in the Housing Implementation Strategy, but this does not provide any further evidence as to why this policy is needed. Therefore, whilst the Council has considered the impact of these standards on viability they cannot be adopted if there is no evidence to suggest that they are needed. Without this evidence the policy must be deleted.

DM15 – Sustainable and Active Travel

Part iv of this policy is not legally compliant and is not sound as it has not been justified.

19. Part iv) of this policy requires development to accord with the levels of parking for cycles, cars and electric vehicles in the guidance published by West Sussex County Council. Firstly, the Council cannot set policy outside of the local plan and as such it cannot require development to accord with guidance. The relevant legislation defining Local Plans and SPDs and their status as policy documents is the Town and Country Planning Regulations (2012). In particular regulation 5(1)(a)(iv) defines a local development document as being one in which includes: *“development management and site allocation policies, which are intended to guide the determination of applications for planning permission”*. We would therefore suggest that if the Council wishes to set a standard with regard to parking, then this must be set out in the local plan to ensure that any changes to these standards are considered through the proper process of consultation and examination. If the Council wishes to refer to the County’s guidance, then it should be clear that development will need to take account of this guidance but not that it must accord with it.
20. Secondly, if the Council requires development to meet the standards set out in the County’s guidance it will be important that full and proper consideration is given in the viability assessment as to the impact of requiring electric vehicle charging points (EVCP).
21. The Council’s policy approach should not compromise the viability of development. However, we note that the cost of EVCPs do not seem to have been

included in the Council's latest viability assessment. The evidence supporting the Government's latest consultation estimated an installation cost of approximately £976 per EVCP. Whilst this in itself is not seem a significant amount it is important that the inclusion of this in the cumulative costs given marginal viability of some development in Worthing. However, the HBF and its Members also have serious concerns about the capacity of the existing electrical network in the UK. The supply from the power grid is already constrained in many areas across the country. 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.

22. 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 Government's current proposal automatically levies a capped figure of £3,600 per charge point on developers for upgrading local electricity networks, therefore this figure should also be included in the Council's viability assessment.

DM16 – Sustainable design

The policy is unsound as it duplicates national policy contrary to paragraph 16 of the NPPF.

23. The HBF supports a clearly defined national approach to improving the energy efficiency of new homes. Such an approach allows not only house builders but those industries supporting it to develop the necessary supply chains that will ensure these standards are met whilst maintaining the delivery of new homes. As such we are broadly supportive of the Government's phased approach to this matter. We also recognise that the Government in their recent feedback on the responses to the consultation on the Future Homes Standard¹ will continue to allow Councils to set higher standards in their local plans. However, this should be seen within the context of the higher standards that the Government are proposing to be introduced from the start of 2022 and the statement in paragraph 2.41 of their response to the consultation on the Future Homes Standard that these standards will mean it is "*less likely that local authorities will need to set local energy efficiency standards*". It is also important to note that Planning Practice Guidance (PPG) states in paragraph 6-012, reflecting guidance in the 2015 Written Ministerial Statement, that energy standards should not be set at a standard above what would be the equivalent of level 4 of the Code for Sustainable Homes – roughly a 20% improvement in emissions on current building regulation.
24. This suggests that the proposed changes to the part L, which will see a 31% improvement in emissions, is the appropriate standard to be applied from 2022

¹http://www.hbf.co.uk/?eID=dam_frontend_push&docID=25453&filename=HBF_SME_Report_2017_Web.pdf

and that further local uplifts are unnecessary. Importantly the approach taken by Government is one that ensures there is sufficient time for the development industry and relevant supply chains to deliver the Future Homes Standard from 2025. The Council must recognise that this not just an issue of viability but also one of deliverability and that, as the Government notes in paragraph 2.53 of their consultation response, the interim part L standards are a key stepping stone to implementing the higher standards from 2025.

25. The HBF considers the most effective approach in achieving net zero commitments alongside delivering the homes needed in any area is through the application of Building Regulations that allow for a transition to higher standards. 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 Worthing Local Plan. We would therefore suggest that reference to the 31% improvement above the 2013 edition of Part L of the Building Regulations is deleted from DM16.

DM17 – Energy

Policy is unsound as it is ineffective.

26. Part c of this policy will require all major development to connect to district heating networks or maximise opportunities for the development of future district heating networks. However, we are concerned that the Council are potentially promoting connection to communal heating networks that are gas combined heat and power plants. To meet the Government's legal commitment on reducing greenhouse gas emissions virtually all heat in buildings will require decarbonising. Heat networks are one aspect of the path towards decarbonising heat, however currently the predominant technology for district-sized communal heating networks is gas combined heat and power (CHP) plants. Over 90% of district networks are gas fired. As 2050 approaches, meeting the Government's climate target of reducing greenhouse gas emissions to net zero will require a transition from gas-fired networks to renewable or low carbon alternatives such as large heat pumps, hydrogen or waste-heat recovery but at the moment one of the major reasons why heat network projects do not install such technologies is because of the up-front capital cost. The Council should be aware that for the foreseeable future it will remain uneconomic for most heat networks to install low-carbon technologies.
27. Furthermore, some heat network consumers do not have comparable levels of satisfaction as consumers on gas and electricity networks, and they pay a higher price. Currently, there are no sector specific protections for heat network consumers, unlike for people on other utilities such as gas, electricity, or water. A consumer living in a building serviced by a heat network does not have the same opportunities to switch supplier as they would for most gas and electricity supplies. All heat network domestic consumers should have ready access to information

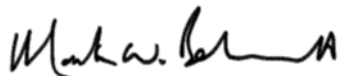
about their heat network, a good quality of service, fair and transparently priced heating and a redress option should things go wrong.

28. Research by the Competition and Markets Authority (CMA) found that a significant proportion of suppliers and managing agents do not provide pre-transaction documents, or what is provided contains limited information, particularly on the on-going costs of heat networks and poor transparency regarding heating bills, including their calculation, limits consumers' ability to challenge their heat suppliers reinforcing a perception that prices are unjustified. The monopolistic nature of heat networks means has led to the CMA concluding that "*a statutory framework should be set up that underpins the regulation of all heat networks.*" They recommended that "*the regulatory framework should be designed to ensure that all heat network customers are adequately protected. At a minimum, they should be given a comparable level of protection to gas and electricity in the regulated energy sector.*" The Government's latest consultation on heating networks proposes a regulatory framework that would give Ofgem oversight and enforcement powers across quality of service but prior to such regulations coming into force the Council should not be seeking to reduce consumer choice with regard to how their homes are heated.

Conclusion

29. At present we do not consider the plan to be sound, as measured against the tests of soundness set out in paragraph 35 of the NPPF, for the following reasons:
- The plan does not specify in policy the level of unmet needs to addressed in neighbouring areas;
 - Failure to reconsider rejected sites and the relative benefits of allocation against adverse impacts;
 - The designation of sites for local green space that is inconsistent with national policy; and
 - Repeating national policy in relation to energy efficiency improvements; and
 - Requiring connection to combined heat a power that would reduce consumer choice.

Yours faithfully



Mark Behrendt MRTPI
Planning Manager – Local Plans
Home Builders Federation
Email: mark.behrendt@hbf.co.uk
Tel: 07867415547