

Sent by email to: SpatialOptions@rochford.gov.uk

20/09/2021

Dear Sir/ Madam

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

1. Thank you for consulting the Home Builders Federation (HBF) on the spatial options for the Rochford 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.

Spatial Strategy options

Q6. Which of the identified strategy options do you consider should be taken forward in the Plan?

2. Before considering what the most appropriate spatial strategy for Rochford might be it is necessary to consider the level of development that the Council will need to deliver over the plan period. The Council correctly note that the minimum number of homes they should be planning for over a 20-year period is the 7,200 homes arrived at using the standard method. However, this is the minimum number of homes that needs to be planned for and the Council will need to carefully consider whether a higher housing requirement is necessary to support economic growth, infrastructure improvements or address the needs elsewhere.
3. In particular it will be important for the Council to work closely with Southend Borough Council (SBC) which has a minimum housing requirement using the standard method of 1,180 new homes per annum. As the Council will be aware SBC set out in their latest consultation that even with Green Belt release, they are only able to deliver around 20,000 new homes to meet their total requirement over the plan period of 23,620 homes. It is clear that SBC will need support from Rochford and other neighbouring boroughs to meet their housing needs in full. The Council should therefore plan for a level of housing growth that meets both their own needs as well as the unmet needs of SBC.
4. The Council have considered this within the third scenario suggesting that a 50% buffer could be planned for in its local plan. Whist the HBF consider the inclusion



of buffers within land supply as an essential requirement if needs are to be met in full the Council must distinguish between homes that it is required to deliver to meet the needs of neighbouring areas or support economic growth and a buffer between minimum needs and supply, which is included to provide greater certainty that housing needs will be met. Meeting the unmet needs of SBC will, in line with paragraph 60 of the NPPF, be added to the number of homes to be planned for in Rochford and as such be an increase in the housing requirement for this local plan rather than part of any buffer in supply over their own housing needs.

5. It is also essential that these are planned for now and not deferred to subsequent plan updates or the proposed South Essex Joint Spatial Plan. Deferring such decisions would be inconsistent with government guidance which states that on examining local plan inspectors will expect to see that strategic policy making authorities have addressed key strategic matters through joint working and not deferred to subsequent plan updates. Deferring decision making to a future local plan for those homes that are needed now is not acceptable as these will be delivered too late to meet the pressing need for new homes over the next 15 years.
6. Given the likelihood that the Council will need to plan for the unmet needs of Southend alongside their own needs the spatial strategy must deliver the higher growth assumptions set out in this local plan and tested in the Integrated Impact Assessment. As such strategy option 1 must be ruled as it fails to meet the needs of Rochford let alone neighbouring areas. Of the three remaining options the HBF would consider the approach offered by option 4 would offer the most suitable approach to meeting not only the needs of Rochford but also any unmet needs arising in neighbouring areas.
7. There are a number of reasons for supporting option 4. Firstly, a balanced approach allocating a variety of sites both in terms of size and location will have far greater potential to deliver a wide mix of housing types and style whilst also ensuring homes come forward consistently across the whole plan period. Too often local plans focus allocations on a small number of large strategic sites that inevitably come forward later in the plan period. Whilst such sites are an important part of housing supply their allocation should not be to the detriment of small and medium sized sites. Such sites are important for a number of reasons. Firstly, they come forward quickly helping the Council in securing a sufficient supply of homes in the first five years of its plan and preventing housing needs being unnecessarily delayed. It is our experience that local plans which rely too heavily on strategic sites and push the majority of delivery toward the end of the plan period can result in plans arriving at examination without a five-year land supply and being unable to meet its housing needs following revisions in the delivery trajectories of strategic sites.
8. The second reason for supporting option 4 is that a wider variety of sites, both in terms of location and size, ensures that the plan increases the opportunities for small and medium sized housebuilders to deliver homes in the Borough. Up until the 1980s, small developers once 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.

9. 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.
10. If the Council are to ensure there is a wide variety of SME house builders operating in its administrative area, and the benefits it brings to the speed of delivery and variety of homes, it must ensure that there is a variety of sites. This is why the Government, through the NPPF, now requires local authorities to allocate sites of varying sizes and why the HBF advocates for the allocation of more small sites in local plans.
11. Finally, there has been significant under delivery in Rochford over recent years. The 2016 and 2017 Strategic Housing Market Assessment assessed that Rochford district needed to build between 331 and 361 dwellings per annum up to 2037. However, from April 2010 to March 2018 only 1,326 new homes were built which averages out to 166 homes per year. With this continued under supply of housing Rochford has become the most unaffordable district out of; Basildon, Thurrock, Southend, and Castle Point. The Rochford Local Plan for 2021 goes as far as to say that the ratio between house prices and local earnings is amongst the least affordable in the country, as the average local house price has increased 70% in the past 15 years.
12. With this continuing divergence between house prices and earnings, housing-related issues such as homelessness and concealed households, where young people have to stay or return home to their parents for longer than they would like to, becomes an increasing problem within the district. It is therefore important for the Council to recognise, and give significant weight to, the fact that the higher level of delivery as proposed in option 4 would have the scale and distribution of growth to address these concerns.

Climate Change and Resilient Environments

Q11. Do you agree we should require development to source a percentage of their energy from low-carbon and renewable sources? Are there other opportunities in the district to supply low carbon or renewable energy?

13. Whilst the Council can set targets as to the percentage of a home's energy use that should be obtained from decentralised energy sources it is important that the Council recognises that this will place an additional financial burden on development and will therefore need to be considered in the viability study.

Q12. Do you agree we should require new development to achieve energy efficiency standards higher than building regulations? What level should these be set at?

14. No. The housebuilding industry, through the HBF, recognises that there is a need to improve the environmental performance of new residential development. In order to achieve this, we established with a wide range of partners the Future Homes Task Force. This task force examined how the house building industry can work toward delivering net zero carbon homes in order to support the Government's target of the country delivering net zero carbon emissions by 2050. The initial outcomes of this work can be found at <https://www.futurehomes.org.uk/> with a summary of the Delivery Plan resulting from this work attached to this response.
15. The delivery plan published by the task force in July outlines the need to operate on a collective basis recognising the need for housebuilders, their supply network and the trades people building homes to successfully transition to the delivery of low carbon homes. In addition, it recognises the need for both national and local government alongside housebuilders to ensure those people buying new homes are confident in the technologies and systems being used.
16. As the Council are aware the proposed amendments to the building regulations will see development up to 2025 deliver a 31% improvement on CO₂ emissions compared to current standards. The Future Homes Standard that will be introduced from 2025 will see new homes emit 75% fewer emissions than current standards. However, to deliver further reductions and achieve the national commitment of net zero emissions by 2050 will require the decarbonisation of energy supply at a national level rather than from the Council setting additional requirements for new homes above those set by Government.
17. Given the improvements that will be made through the amendments to building regulation the HBF do not consider it necessary for additional local standards to be set with regard to energy efficiency and CO₂ emissions. Only through a nationally consistent and phased approach to the introduction of the new standards and technologies will the house building industry be able to maintain housing supply, ensure consumer confidence and deliver the required improvements in emissions.
18. A national and standardised approach to improving the energy efficiency of buildings is the most effective approach to ensuring improvements in energy efficiency whilst also ensuring the continued delivery of housing and infrastructure. The HBF considers a universal standard is necessary to allow the development of supply chains that 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. Importantly, a phased approach to delivering these improvements ensures those people buying new homes are fully aware of the new technologies being used in their homes. It is vital that consumers are confident with the technology being used in their new homes and increase the wider appetite for similar standards to be adopted in the existing stock.

19. The HBF considers it important that Councils recognise that it will take time to ensure that the technology and supply chains required to achieve the significant reductions in emission from new homes required by the Future Homes Standard. There is still considerable work to do to ensure that supply chains are in place to meet demand from the housebuilding industry as well as having a workforce with the technical skills in place to deliver and maintain systems such as ground and air source heat pumps on a much larger scale. It is important that these systems when they are used work to ensure that the public are satisfied with the product and can rely on it to meet their needs.
20. Should the Council seek to go beyond what is required by building regulations then they will need to clearly set out in their viability study the additional costs this will place on development in the Borough. These costs can be significant and in combination with the other costs that are placed on development through the local plan can lead to development becoming unviable.

Place-making and Design

Q14. Do you consider that the plan should include a place-making charter that informs relevant policies? Should the same principles apply everywhere in the district, or should different principles apply to different areas?

21. It is not clear what the charter is supposed to offer with regard to decision making process and whether these will be reflected in the policies set out in the Local Plan. In order to provide an effective steer to applicants and decision makers the Council must set out its expectations in policy and ensure that these are consistent with the approach set out in nationally in the NPPF and its supporting guidance.

Q15. Are the principles set out in the draft place-making charter the right ones? Are there other principles that should be included?

22. The principles set out in the charter are laudable but, as set out above, it is more important that the Council clearly set out in policy any requirements regarding place making in the Borough. These policies should be based on evidence, fully costed in the viability study and be consistent with national policy.

Q16a. Do you consider that new design guides, codes or masterplans should be created alongside the new Local Plan?

23. It is not necessary to create new design guides, codes or master plans alongside the new local plan. Seeking to develop these at the same time can place an additional burden on the Council's resources taking away time best spent on preparing the local plan and extending the timescale for its production. Any required design codes or master plans can be developed subsequently.

Housing for All

Q17. With reference to the options listed above, or your own options, how do you feel we can best plan to meet our need for different types, sizes and tenures of housing?

Housing type

24. As suggested earlier in order to ensure a variety of types of homes both in terms of type and tenure is to allocate a wide variety of sites in terms of size and location. Different sites will lend themselves to different types and density of development that will inevitably ensure a variety of homes will come forward. It is also important to remember that evidence on housing needs with regard to housing type is a snapshot in time for the whole of the Borough. It is important to recognise that the type of housing needed will change over time and will vary between areas. As such it is also important to ensure that there is flexibility within any policy on the size of homes to be provided with the mix of housing to be determined at the point of application having regard to local evidence of needs, the nature of the site and the types of home that have been provided.

Affordable housing

25. With regard to affordable housing tenures, we expect the Council will set out a requirement in policy for the number of affordable homes it requires. In determining this proportion, the Council will need to consider the viability of delivering affordable housing alongside all the other policy costs that are likely to be required in this local plan. In considering all these costs it is important, as set out in paragraph 58 of the NPPF that the Council are confident that decision makers can assume a development meeting all costs is viable given that the Government are seeking to reduce the number of sites on which affordable housing contributions are negotiated. This may require a policy that varies such requirements on the basis of location or type of development reflecting the different costs and values that occur across the Borough. In order to assist local planning authorities in preparing their viability assessments the HBF have prepared a briefing note setting out our members key concerns with regard to viability testing and the approach taken by Councils which is attached to this response. 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.
26. 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 an 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.

27. Whilst the HBF 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.
28. 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.
29. 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 from 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 bio-diversity net gains, electric vehicle charging, sustainable design and construction; and renewable energy. The viability assessment will also need consider the impact of future national policies on viability and whether there is sufficient headroom to ensure these standards can be addressed alongside the policies in the local plan.
30. 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.

Technical standards

31. If the Council wish to apply the optional technical standards for accessible and adaptable homes and the Nationally Described Space Standards, it will need to ensure that it has the necessary evidence to support any proposed policy as required by current national policy and its supporting guidance. There must be robust evidence that these policies are needed and that they will not have an adverse impact on the viability of new development.

Q19. Are there any other forms of housing that you feel we should be planning for? How can we best plan to meet the need for that form of housing?

32. No specific mention is made within this section in relation to housing for older people. The HBF consider it important that local plans look to allocate specific sites to meet the needs of older people. In particular the Council must look, in the first instance, to allocate those sites submitted for older people's accommodation that are in the most sustainable locations close to key services. As well as allocating specific sites for older people's housing we would suggest that the local plan sets out in policy:

- a target for the delivery of homes for older people and maintains a supply of land to meet that target. Whilst we recognise that there is not a requirement in national policy for the Council to maintain a specific supply of accommodation for older people identifying the level of need and monitoring supply would aid decision makers in the application of this policy and ensuring needs are met over the plan period. Such an approach would also ensure effective monitoring in relation meeting the needs of older people and encourage positive decision making if there is a deficiency in supply.
- support and encouragement for older persons accommodation on brownfield and other land in established urban and suburban environments and which is not allocated given the level of need and that older people are most likely to prefer to continue to reside in established areas with which they are familiar.

Biodiversity

Q31. Do you consider net gains for biodiversity are best delivered on-site or off-site? Are there specific locations or projects where net gain projects could be delivered?

33. Whilst some sites might be able to deliver net gains the Council must recognise that it will not be possible for some sites to meet the 10% legal requirement without some form of off-site delivery. We would suggest that how a developer meets this legal requirement is best determined by the developer and not the local authority.

Community infrastructure

Q35. With reference to the options above, or your own options, how can we address the need for sufficient and accessible community infrastructure through the plan?

34. The priority for the Council and its partners should be to protect and maximise existing facilities to deliver the necessary services and wherever possible maximising such services on site. Such an approach will be the most effective approach to meeting changing needs and ensure the long-term sustainability of existing facilities. In many areas' community centres and halls, libraires and other facilities are often under used and to require additional provision from development is unnecessary and inconsistent with the principles set out in paragraph 57 of the NPPF and paragraph 122 of the CIL Regulations 2010. We would suggest that greater levels of co-location would be a more appropriate response than requiring new development to provide or contribute to additional facilities. Where a site is required to provide new infrastructure, this must be at a level to meet the additional needs created by that development. Development should not be required to address existing shortfalls in supply following under investment at the local or county level.

Conclusion

35. 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



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