

Sent by email to: [policy.consultation@iow.gov.uk](mailto:policy.consultation@iow.gov.uk)

30/09/2021

Dear Sir/ Madam

## **Response by the Home Builders Federation to the consultation on the Draft Island Planning Strategy Local Plan**

1. Thank you for consulting the Home Builders Federation (HBF) on the draft Island Planning Strategy. 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. Our comments are set out below.

### **H1 Planning for housing delivery**

#### *Housing requirement*

2. The Council's position is that the level of housing need identified through the standard method, 668 dwellings per annum, is undeliverable on the Isle of Wight due to the unique nature of their housing market which has never delivered this level of housing over a sustained period. As such the Council have determined that in line with paragraph 60 of the NPPF that there are exceptional circumstances that justify an alternative approach.
3. The principal reason the Council put forward for a lower housing requirement is that the relatively static nature of the housing market and limited range of house builders on the Isle of Wight limits the number of homes that can be delivered annually. The Council highlight in Housing Evidence Paper A that the lack of interest from major housebuilders who can deliver larger sites more quickly alongside a paucity of suitable larger sites. It is concluded that increasing the supply of developable land will not alter these characteristics and without these larger sites, and the major housebuilders operating on the Isle of Wight to deliver them, the Council do not consider it possible to deliver 668 dpa and propose instead a delivery rate of 486 dpa.



4. With regard to basing the housing requirement on past delivery rates it is notable from the housing trajectory in appendix B of the draft Island Strategy that over the first five years of the plan the Council expect delivery to be around 600 dwellings per annum reducing to around 550 dpa in years 6 to 10. This gives a clear indication that with a mix of large, medium, and small sites from recent permissions and new allocations the Council expects delivery to be well in excess of past rates of delivery and its proposed housing requirement of 486 dpa. What the Council has not done is look to allocate sites that will come forward at the end of the plan period to deliver higher rates of housing completions across the whole plan period. This drop off in planned delivery in the last five years of the plan then has a significant impact when total supply is annualised across the plan period. Identifying additional larger sites, that will take longer to come forward and deliver later in the plan period would address this situation.
5. The Council also state in Housing Evidence Paper A that as permissions have increased completions have reduced, with Table 1 providing the evidence for this assumption. However, what is notable about this evidence is that for both the 2013/14 to 2017/18 and 2014/15 to 2018/19 periods 904 of the homes permitted were from an outline permission on just one site<sup>1</sup>. It is also notable that this site was not expected to start delivering homes until well into the plan period. This permission was never going to be converted into new homes 1 or 2 years after its permission and it is disingenuous of the council to suggest this is the case. As with any other part of the Country the delivery of larger schemes takes time and a recent increase in the number of units permitted will see an immediate increase in delivery, especially from larger sites. However, what such permissions will mean, as noted above, is that higher levels of delivery than have been seen in the past will occur over the first half of the new local plan.
6. This situation would appear to be supported in the Council's evidence prepared by Three Dragons which outlines in paragraph 4.4.1 that there is no difference in terms of delivery or lapse rates between the Isle of Wight and other parts of the country, the key issue they highlight is the lack of larger developable sites. The objective for the Council must therefore be to identify larger sites that will come forward later in the plan period and ensure that developing on the Isle of Wight is an attractive proposition to those housebuilders who can bring these forwards.
7. We would also disagree with the Council's assessment that the proposed housing requirement to be an aspirational target on the basis that it is a 34% increase on what has been delivered since the adoption of the Core Strategy. Firstly, the proposed requirement reflects longer term levels of delivery as indicated by the Council in Table 2 of Evidence Paper A and as such is not an aspirational target but one that reflects previous delivery rates. Secondly, it cannot be considered aspirational to seek to deliver a requirement that may well be above what was delivered but is still significantly below government expectations. Finally, the proposed requirement is 50 homes per annum lower than baseline household

---

<sup>1</sup> Application P/01456/14 permitted in September 2017

growth as projected in the alternative 2018-based household projections<sup>2</sup> and only 6 homes per annum higher than those of the 2016-based household projections.

#### *Housing Supply*

8. With regard to whether or not needs could be met in full the HBF does not comment on whether sites included or rejected for allocation are either developable or deliverable. However, given that it is evident that higher rates of delivery are seemingly possible it will be necessary for the Council to reconsider all the sites that have been submitted for allocation to identify further sites for inclusion in the local plan. It will be important for these considerations to be fully documented as we could not find any detailed assessments as to why each site fell into one of the five broad categories of rejected sites as set out in Housing Evidence Paper B. This information is essential if interested parties and the inspector examining the plan to consider its soundness, and in particular whether or not the Council could meet its housing needs in full through allocating more sites. This evidence, as well as detailed delivery expectations for each allocation, must be provided in the evidence supporting the regulation 19 draft of this local plan to show that the Council have clearly considered the developability of all potential sites and whether any identified constraints could be overcome.

#### *Viability and deliverability*

9. Turning to the barriers identified by the Council with regard to developer interest in what the Council describe as its static housing market. It would appear that the additional cost and risks of developing sites due to it being an island alongside the lower values and return on investment from house building on the Isle of Wight are a key factor. In particular we note that when asked by the Council about the barriers to delivery on the Isle of Wight the construction industry noted that developing sites cost 15% to 30% higher on the Island compared to elsewhere. However, we note that the Viability Study does not consider the development costs on the Island to be any higher than on the mainland and concludes that the majority of development typologies to be viable.
10. Though as the Council note in Evidence Paper D “... *modelling shows how a small increase in build cost could have a significant detrimental effect on the viability of an Island based scheme*”. Therefore, if there are additional costs faced by developers delivering homes on the Island, and this is detrimental to overall delivery and the Council meeting its needs in full, it will be essential for the Council to consider how it could ensure that any viability issues caused by higher development costs are addressed. In particular it will need to examine the additional costs it places on development and whether reducing these costs would make the Island a more attractive location for larger house builders to operate.

---

<sup>2</sup> This projection uses a 5-year period for migration rather than the 2-year period in the principal projection and as such provides a more appropriate and consistent assessment when considering future household growth.

11. Aside from the potential for higher build costs we also note that there are two other aspects of the viability study that should be revisited. Firstly, the profit margin on First Homes should be the same as for market homes. At present they are considered to be the same as affordable homes however they are a market house and as such the risk is taken by the developer and this should be reflected in the return. Secondly, the cost of electric vehicle charging does not take into account the additional infrastructure costs that are likely to be necessary to improve the electricity network. This could be significant and should be reflected in a higher S106 cost than is currently included in the viability assessment.

*Housing supply - small sites under 1 ha*

12. As the Council will be aware paragraph 69 of the NPPF requires 10% of the housing requirement to be delivered on sites of less than one hectare identified through the local plan or the Brownfield Register. The Council will need to provide a clear indication in the local plan that 10% of all homes that are required to be delivered over the plan period will be on such sites and if not provide robust justification as to why they cannot address this key aspect of national policy.

*Conclusion on housing need and supply*

13. In summary the evidence presented by the Council shows that in the past the Council has delivered well below its expectations. The Council has examined the reasons for this situation and whilst we recognise that there are barriers to speedier delivery on the Isle of Wight these should not necessarily lead to the Council rolling forward delivery at past rates. The Council should seek to substantially increase these through the allocation of additional sites and adjusting its policy requirements to make the Island a more attractive proposition to a wider range of housebuilders.

**H8 Ensuring the right housing mix**

14. The HBF does not consider the requirement for development to deliver such a prescribed mix as set out in this policy to be sound. When considering future housing mix it is important to remember that evidence on the mix of housing types needed in future is a snap shot in time for the whole of the Borough. The Council must recognise that the type of housing needed will change over time and will be vary between areas. As such it is 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. We would therefore recommend that the final paragraph and table specifying the mix of homes to be provided is deleted.

## **H10 Self and custom build**

15. Whilst the HBF supports the encouragement of self-build housing through the local plan, we do not consider policies such as H10 that requires sites of over 25 units to provide serviced plots for self and custom house building to be justified or consistent with national policy. Such policies merely change the form of delivery and provide no benefit to ensuring there are consequential improvements to supply from the self-build market. Whilst we recognise that Local Planning Authorities now have a duty to promote self-build housing, we do not consider the Council to have looked at sufficient options with regard to how it can provide plots to support self-builders. Paragraph 57-024 of the PPG sets out a variety of approaches that need to be considered – including the use of their 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. There is no evidence as to whether the Council have considered these options which could provide additional supply.
16. With regard to the Council's evidence on the need for self-build plots we note that the Council states in its latest AMR that there are currently 170 individuals and groups on the Self-Build and Custom Housebuilding Register. However, we are concerned that such registers are rarely revisited by local authorities and as such may not provide an accurate assessment of the demand for self-build homes. There is no indication as to whether secondary data sources or double counting between registers in neighbouring authorities has been examined as part of the justification for this policy.
17. The consideration of secondary evidence is important as it is difficult to ascertain whether entries on the self-build register are likely to transfer into plot purchases. We have noted that when Councils have revisited their registers in order to confirm whether individuals wish to remain on the register numbers have fallen significantly. This has been the case at the EIP for both the Hart and Runnymede Local Plans. In Runnymede for example more stringent registration requirements were applied in line with national policy and saw the numbers of interested parties on the register fall from 155 to just 3.
18. Given that there is potential for such fluctuation within self-build registers we are concerned that the Council is looking to require the provision of plots at the level suggested in H10. We consider that the Council needs to take a more proactive approach where they either identify their own land for such schemes or work with landowners, as set out in PPG, to find and then allocate appropriate sites. We therefore do not consider the Council's approach to identifying land for self-build and custom housebuilding to be consistent with national policy.
19. Finally, if the Council continue to require development to provide serviced plots for self-builders it will need to include a mechanism within the policy allowing unsold plots to revert to the developer if they remain unsold. We would recommend that

such a clause would allow plots to be built out by the developer if they remain unsold after a six-month marketing period.

#### **EV2 Ecological assessments and opportunities for enhancement**

20. Point c in the final paragraph requires all development to deliver a minimum 10% net gain for biodiversity. It is the HBF's opinion that the Council should not deviate from the Government's proposals on biodiversity gain as set out in the Environment Bill. This legislation will require development to achieve a 10% net gain for biodiversity and does not specify this as a minimum. The Council should therefore delete word minimum from this part of EV2 as it is inconsistent with the legislation to ensure that decision makers do not seek a higher level of net gain than that required by the proposed legislation.

#### **EV4 Water quality impact on the Solent European sites (Nitrates)**

21. The HBF recognise that the Council is working with its neighbours and statutory partners to develop a strategy to ensure development can continue to come forward across the County's affected areas. In developing this strategy, the HBF considers a key focus must be to secure the necessary improvements to waste water treatment works (WwTW). Only through improvements to WwTWs to prevent or significantly reduce nutrients from entering the Solent will this issue be addressed in the long term. It is our understanding that the water industry has been aware of the need to address the level of nutrients in discharged water for some time. Moreover, under Section 94 of the Water Industry Act 1991 Sewerage Companies have a statutory duty to provide adequate and effective wastewater treatment, including ensuring that levels of phosphates and nitrates meet effluent quality standards set by existing and transposed EU Directives. It should not be the development industry that pays the costs of any failure of the water industry to undertake its statutory duties.

#### **EV7 Local Green Spaces**

22. We would recommend that the Council remove the final sentence in the policy as it has no bearing on decision making with regard to local green spaces. The supporting text recognises that additional sites can be identified through future iteration of this local plan or through neighbourhood plans and this provides sufficient context with regard to how Local Green Space can be designated.

#### **EV13 Managing our water resources**

23. Whilst the HBF recognises the importance of reducing water consumption in water stressed areas the Government considers that this can be achieved through the application of the higher technical standard that limits consumption to 110 litres per person per day. There is no scope in national policy for the Council to set a requirement of 100 litres, per person per day.

24. In addition, it is not clear with regard to part e where it will be relevant to reduce run of rates to at least 20% below the greenfield run off rate. Policies must provide clarity to both the decision maker and applicant and without further detail this policy does not provide the necessary level of clarity. Once the expectations of this policy are clearly articulated the Council will also need to set out its justification for its proposed approach.

### **C1 High quality design**

25. Whilst the HBF shares the Council's desire to see good quality homes delivered across the Isle of Wight 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 on lower incomes can 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.
26. As the Council are aware paragraph 56-020 of PPG establishes the type of evidence required to introduce Nationally Described Space Standard, as indicated in part d of the policy C1. The Council is required to have robust justifiable evidence to introduce any of the optional housing standards, based on the criteria set out in PPG. It is important to recognise that the optional technical standards can, as set out in paragraph 56-002 of PPG, only be introduced where they are needed and where they do not impact on the viability of development. The application of space standards has been considered in the viability assessment; however, we could not find any evidence with regard to the need for such standards nor any assessment of the impact on affordability.
27. The Council should also assess any potential adverse impacts on meeting demand for first-time buyers of open market products and other affordable homeownership products such as First Homes. The delivery rates on many sites will be determined by market affordability at relevant price points of dwellings and maximising absorption rates. An adverse impact on the affordability may translate into reduced or slower delivery rates. If the Council wants to include space standards in the local plan it must provide the necessary evidence to justify their inclusion.

### **C5 Facilitating independent living**

28. Whilst the HBF broadly welcomes the Council's positive approach to supporting people to live as independently as possible we do not consider the current approach set out in C5 will be effective in meeting the development needs of older people.

29. The starting point for an effective strategy for meeting the needs of older people is through the allocation of 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.
30. Secondly, we consider it important that policies in local plans supporting the delivery of accommodation for older people are only effective if the Council are committed to meeting identified needs and that there is a mechanism in the plan that encourages decision makers to take positive action should there be a shortfall. We would therefore recommend that an annual target for the delivery of homes for older people is included within this policy and in the event that the annual benchmark is not achieved in a year, the Council will operate a presumption in favour of proposals for older persons housing in the subsequent year.
31. This presumption would then continue to operate until the benchmark has been achieved. 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, monitoring supply, and having a contingency measure should that supply not come forward are all required in order to make this policy effective.

#### **C11 Lowering carbon and energy consumption in new development**

32. 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 homes 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.
33. 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. As such the HBF therefore supports a national and standardised approach to improving the energy efficiency of buildings to be the most effective approach in that it balances improvements to building performance with the continued delivery of housing and infrastructure which would appear to be the approach broadly being adopted by the Council with regard to the Future Homes Standard.
34. Therefore, we consider part a of the second paragraph requiring developers to implement the highest possible standards of energy efficiency to be unsound.



Firstly, the policy lacks clarity as to the level of performance required. The Government have stated that higher targets can be applied through local plans, but these are limited to a 20% improvement on current building regulations. However, as the Council will be aware changes to Building Regulations will see developed being required to deliver a 31% improvement rendering such an approach unnecessary.

35. Secondly the policy is ineffective in ensuring the transition to low carbon future as stated in paragraph 152 of the NPPF. This transition to low carbon homes has been set out by Government in the Future Homes Standard and delivered through the changes proposed to building regulations. As set out above these proposed changes will see new homes being built to standards that reduce CO<sub>2</sub> emissions by 31% compared to current standards up to 2025 and then by 75% on current standards from 2025 onwards. As such there is no need to require new development to demonstrate how it achieves high standards of energy efficiency as this will be addressed through building regulations.
36. Finally, this policy requires developments of 250 units or more to incorporate community district heating system. Whilst the HBF would agree that such systems are one aspect of the path towards decarbonising heat, they should be aware that this will add a significant cost burden that does not appear to have been specifically costed in the viability study. If the Council continue to consider such an approach necessary, it will be important to ensure that this should be considered on the basis of both the site-specific viability and the feasibility of providing such a system.

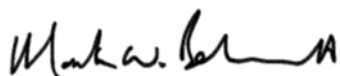
#### **G5 Ensuring planning permission are delivered**

37. There is no justification for requiring a master plan on all major development to demonstrate how the different products on a site can compete in the market. It does not require a master plan to set these issues out and as such to require these on developments as small as 10 units would seem wholly unjustified. Such information could be set out adequately in the planning statement supporting an application.

#### **Conclusion**

38. 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](mailto:mark.behrendt@hbf.co.uk)  
Tel: 07867415547