

Sent by email to: Lpcomments@swale.gov.uk

29/11/2021

Dear Sir/ Madam

Response by the Home Builders Federation to the consultation on the Swale Local Plan Review

1. Thank you for consulting the Home Builders Federation (HBF) on the latest consultation on the Local Plan Review. 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.

Question 1: How do you think the Local Plan should be amended to address the NPPF requirement for Local Plans to set larger scale developments within a 30-year vision?

2. As the Council will be aware the Government have provided further clarification in Planning Practice Guidance (PPG) as to how Council's should approach paragraph 22 of the NPPF. This guidance states that such a vision is only required where a strategic allocation delivers most of its development well beyond the plan period and where they extend 30 year or longer from the start of the plan period. If this is the case PPG is clear that the Government do not anticipate additional evidence to be required and only that the vision for the area, as set out by the Council in section 4.1, reflects the longer-term nature of the Council's strategy beyond the minimum 15-year plan period.

Question 6: Do you think that the council should attempt to justify not complying with the Government's Standard Method for calculating the borough's housing need figure (due to the constraints of Swale, such as the natural environment, flood risk, infrastructure), which means that the council would not fully meet the housing target? Please explain why and say what you believe the "exceptional circumstances" would be for Swale not to meet the figure.

3. It is important that the Council recognises the difference between housing needs and the housing requirement. Paragraph 60 of the NPPF requires Council's to use the standard method for assessing housing needs unless there are exceptional circumstances for using an alternative methodology. Whilst the supporting text indicates the Council are aware of this distinction, the question being asked by the



Council refers to constraints and asks what the exceptional circumstances might be for Swale not meet its minimum housing requirements. However, this question appears to confuse the tests for using an alternative methodology for assessing housing needs with those for not meeting minimum needs in full due to constraints, which are set out in paragraph 11 of the NPPF. We consider both issues below.

4. Firstly, the HBF do not consider there to be the exceptional circumstances required to adopt an alternative methodology for assessing minimum housing needs in Swale. The standard method provides an appropriate starting point from which to plan for housing needs in the Borough. However, the Council will need to consider whether it might be appropriate to plan for a higher housing need figure. Paragraph 2a-010 of PPG outlines that there may be circumstances where housing needs exceed minimum needs due to growth strategies, strategic infrastructure improvements or where there is an agreement to meet the needs of a neighbouring area. The Council outline that they will meet affordable housing needs will be met in full and that there are no unmet needs from neighbouring areas. However, no reference is made to economic growth aspirations or infrastructure, both of which will need to be considered as part of the local plan review.
5. Secondly, in considering the constraints on development it is necessary to recognise that paragraph 11 of PPG requires Councils through their local plan to meet the development needs of their area in full. However, it is recognised in PPG that there may be circumstances where development needs may not be met in full either due to the application of policies in the NPPF that protect areas or assets of particular importance provide strong reasons for restricting growth or the adverse impacts of development significantly and demonstrably outweigh the benefits. As the Council note in paragraph 5.1.7 the evidence on constraints does not conclude that housing needs cannot be met and there is no evidence provided to suggest that the adverse impacts of meeting housing needs in full significantly and demonstrably outweigh the benefits. On this basis the Council should ensure that housing needs are met in full through the new local plan.

Question 7: Do you believe that if we do not fully meet our target, we should consider asking our neighbours to provide for our unmet development needs? If so, what reasons would the council give, who would we ask and why would they be well placed to help? Likewise, if asked by a neighbouring council to consider meeting their unmet development needs, what should be our response and why?

6. The Council must in the first instance seek to meet their own needs in full. Only if it can be demonstrated that the adverse impacts would severely outweigh the benefits should the Council seek to have any unmet needs addressed elsewhere. If this were to be the case, then the Council should look not only to neighbouring Councils. We would argue that Paragraph 60 of the NPPF advocates for a more sub regional approach to unmet needs given that it requires Council to consider the unmet needs of neighbouring areas. This, we suggest, indicates that as

minimum the Council would need to ask all authorities in neighbouring housing market areas not just those that directly border the Council.

Question 8: Do you agree that the allocations listed in Appendix 2 should be rolled forward into the reviewed Local Plan? If not, please explain why you think this, supporting your response with reference to any evidence.

7. The HBF does not comment on individual sites to be allocated through the local plan. However, if the Council has evidence to show that these sites are deliverable and developable at the point envisaged in the plan period then there should be no reason not to roll them forward into the new local plan.

Question 9 Do you agree with the proposed windfall allowance rate of 250 dwellings per annum? If not, what evidence do you have to support a different windfall allowance rate.

8. The Council state that they have evidence to include a windfall allowance of 250 dwellings per annum. However, the Council do not appear to have published their most recent assessment of past windfall delivery in their evidence base and as such it is impossible to comment on whether this proposed level of windfall is justified. As the Council note, there must be compelling evidence that this level of windfall will continue throughout the plan period. As such the Council will need to consider whether past delivery is skewed by peaks in delivery that are unlikely to be repeated and that it is sustainable across the entire plan period. Given that there will always be a degree of uncertainty with regard to windfall development the Council should apply discount to ensure that delivery from windfall is not overestimated.

Question 10: Do you agree that the strategy for allocating future development needs in the borough should include small scale development at thriving villages? If not, please explain why you think this?

9. The HBF agrees that the local plan should allocate development in villages. However, we are concerned that the Council refers to only to small scale development. Some thriving rural villages may be able to accommodate significant more development than others depending on, for example, the level of services, proximity to other settlements and their relative accessibility by public transport. Therefore, whilst we agree that development should be located in villages, we disagree that this should only be small in scale.

Development options

Question 24: Do you think the Preferred Development Option (option 3) for meeting our housing target is the most suitable and meets our vision, objectives and the principles of sustainable development? If not please identify how the preferred option could be changed or if you believe one of, or a mixture of the other options, are more

suitable. please say why.

10. The HBF does not comment on either the broad locations for development or specific sites proposed to be allocated in local plans. As such we will not provide comments on each of the questions related to the spatial planning options proposed by the Council. However, the broad principle with regard to any spatial strategy we consider to be essential in ensuring a sustainable supply of homes across the plan period as that it should allocate a wide variety of sites both in terms of size and location. A balanced approach allocating a variety of sites 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.
11. 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.
12. A wider variety of sites also 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.
13. 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. 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.

14. In addition, the spatial strategy should ensure that the sites allocated for development will ensure that needs are met in full and provides sufficient flexibility in its supply to be considered deliverable. As the Council will be aware the process of gaining a planning consent and delivering new homes on site can take far longer than expected, even when that site is allocated. This uncertainty must be recognised in the Council's overall level of housing supply with the spatial strategy identifying sufficient land to provide for at least a 20% buffer between housing needs and supply. Such a buffer ensures that any delays in delivery of those sites allocated for development will not prevent needs from being met in full and for significant revisions across the plan period.

Question 25: Do you think that any of the areas identified for potential development should be progressed as 'Areas of Opportunity' to enable a more comprehensive approach to master planning for their development and infrastructure needs? If not, please say why.

15. The use of broad locations increases uncertainty to both the local community, infrastructure providers and the development industry as to when such sites will come forward and the infrastructure required to support this development. Therefore, whilst we recognise that in the later years of the plan the NPPF allows for such broad locations for development to be identified the HBF considers it to be preferable for sites to be allocated in order to meet development needs in full rather than identifying broad locations for development.

Climate change

Question 26: Do you agree with this view? What evidence do you have to support your answer?

16. The Council note at paragraph 5.2.1 of the consultation document that many developers argued Swale's targets were too ambitious, inconsistent with national policy and may lead to deliverability issues. The HBF recognises the need for new homes to be more energy efficient and designed in way that mitigates against the impact of climate change and seeks to change the way we travel by moving away from carbon-based modes of transport. However, whilst the HBF, in common with the Council, recognises the need for such improvements we consider that in terms of the journey to zero carbon homes the most effective approach is through consistent national standards and not local planning policy.
17. To help house builders move toward higher standards, the HBF have established, alongside a wide range of partners the Future Homes Task Force, which has now become the Future Homes Hub. 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.

18. The delivery plan outlines the importance of moving forward on a collective basis recognising that housebuilders, their supply networks, and the trades people building homes must work together to successfully transition to the delivery of low carbon homes. What is made clear in the delivery plan is that at present there is not the capacity to deliver zero carbon homes with the supply chains and workforce not being sufficiently progressed to support this ambition. As such to require the early adoption of such standards may impact the deliverability of the Council's local plan. In proposing a transition to the Future Homes Standard in 2025 the Government has recognised these concerns and as such we would encourage local planning authorities to adopt a similar approach.
19. 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. As such all new homes built over the plan period will be significantly more energy efficient than the existing stock. When these measures are considered alongside the long-term ambitions for the decarbonisation of energy supply at a national level the amount of CO₂ from new homes will be substantially reduced.
20. Therefore, 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.

Question 27: Do you think the council should accept this view or seek to be more ambitious and continue to aim to embed sustainable/active travel measures across new developments? What are the reasons for your answer?

21. Whilst we appreciate the Council's desire to be ambitious in seeking to embed more sustainable and active travel measures with the Borough it is also important to consider the cost of such measures and how these are to be funded. As set out paragraph 34 the NPPF the Council must ensure that cumulative costs placed on development by the local plan do not undermine its deliverability. If the expectation is that such measures are to be funded wholly by developer contributions the Council will need to ensure that the costs of implementation do not make development unviable and consequently make the local plan undeliverable. Where such costs do make development unviable or take it to the margins of viability it will be necessary for the Council to prioritise and ensure that requirements are reduced or removed to ensure the local plan remains deliverable and can be found sound.

Question 28 Do you think the policies on design (as contained in the Pre-Submission Local Plan, February 2021) should be updated to reflect the changes in the NPPF? If you answered yes, what changes do you think need to be made to the policies?

22. The Government have placed significant importance on design within the changes to the NPPF and PPG. The Council's current policy references the National Design Guide and where local design guides have not been produced the Government has been clear that these national guides will form the basis for considering design on planning applications. As such the policy is not inconsistent with national policy. However, the NPPF and PPG also places the emphasis on local plans setting out clear design visions and expectations alongside the preparation of local design codes. If the Council are considering the preparation of design codes across the Borough or on particular sites it is essential that the Council engages with the development industry on such matters. The housebuilding industry have considerable experience in developing, and most importantly, delivering well designed schemes within the policy framework set by local planning authorities. However, the experience of our members' is that well designed schemes are often compromised in seeking to deliver other requirements such as those relating to highways and the Council must ensure that all stakeholders are considerate of such matters in order to ensure new schemes meet the expectations of the local community.

Question 29 Do you think the policies on trees (as contained in the Pre-Submission Local Plan, February 2021) should be updated to reflect the changes in the NPPF? If yes, what changes do you think need to be made to the policies?

23. The HBF recognises that the latest iteration of the NPPF encourages the delivery of trees within new development. However, a detailed and prescriptive policy on how trees are provided in new development can be a barrier to both new development and the most effective approach the delivery of trees on a site. Prescription as to what must be provided and where will add to costs and prevent the flexible delivery of trees within a development whether this be on streets, in public open space or in front and rear gardens. Other requirements regarding lighting, parking, signage, vehicle charging will also impact on a sites ability to deliver trees, in particular street trees.
24. It is therefore essential that policy relating to trees in new development allow the developer to tailor its approach to delivering trees and should consider the whole site. Flexibility is needed to enable developers to meet the requirement to provide trees without compromising other aspects of the scheme, including viability. The Council will be aware that the costs of maintaining and managing street trees in future will place an additional financial burden on development and in combination with other policy costs, could make some development unviable.

Question 30 Do you agree that the council should be ambitious in its requirement for biodiversity net gain on new developments and that 20% is justified even though the emerging Environment Bill 10% is "a minimum"?

25. The requirement for a 20% net gain in biodiversity is not sound. No justification has been provided as to why Swale is any different to the rest of the country and should set a higher requirement for net biodiversity gains. If Government considers 10% sufficient to mitigate the impact of new development in future, then this should also be an appropriate level of net gain for Swale. It is important to recognise that the Environment Bill does not set this as a minimum and at present there is no suggestion that policy allows for a higher requirement to be set in local plans.
26. It must also be remembered that a 20% requirement will have a significant additional cost to development. The costs set out by Government in its impact assessment indicates that overall, a 20% net gain requirement would lead to a 19% increase in the direct costs to developers. Whilst this evidence is a helpful broad assumption as to the cost of delivering net biodiversity gains it is important to recognise that this assessment was based on estimates at a national and regional averages and so is not directly comparable to local delivery where costs could be higher. As such headroom must be available in the plan wide viability assessment to take account of higher local costs.
27. It is also important to note that the Government's impact assessment for a 20% net gain requirement is based on scenario B where the majority of the net gain is delivered on site. An additional 10% of net gain would not necessarily follow this scenario with more offsite delivery being required. A higher degree of offsite mitigation is likely to be required in order to deliver a 20% net gain which will mean a far higher cost to the developer. If scenario C of the Government's impact assessment is taken as a broad assumption as to costs facing a developer, the proposed 20% net gain requirements could see costs rise significantly per hectare¹. If all of the additional 10% net gain above the proposed legislation being suggested by the Council had to be delivered offsite that could see costs rise by over £60,000 per hectare, a considerable additional burden and one that could impact on the viability and deliverability of some sites. Even if delivery could be achieved on site a higher net gain requirement would require more land reducing the developable area of a site, reducing the gross development value and site viability.

Question 31 Do you agree that the Local Plan should be clearer on how the needs of older people will be met?

28. 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, in the first instance, seek to allocate those sites submitted for older people's accommodation that are in the most sustainable locations close to key services. However, we would also suggest that any policy with regard to older people's accommodation takes a positive approach in how it seeks to determine applications for older people's

¹ Table 14 of Defra Biodiversity net gain and local nature recovery strategies Impact Assessment indicates scenario C would cost developers in the South East of England £63,841 per hectare to deliver 10% net gains off site.

housing and how it should address shortfalls should they arise. We would suggest that the Council set 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 (i.e. windfall sites) 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.

Question 32 Do you agree with the view that new dwellings should be built to the Nationally Described Space Standards? What evidence do you have to support your answer?

29. As required by national policy it is for the Council to provide the evidence that there is a need for the space standard to be applied and for them to consider the impact of such standards on viability of development and on the provision of starter homes. Whilst the HBF shares the Council's desire to see good quality homes delivered across Swale 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 families on lower incomes to afford a property which has their required number of bedrooms. The Council must ensure that in seeking to adopt these standards that such unintended consequences of applying spaces standards are considered and even if there is justification for their application that some flexibility is provided for within policy for the delivery of well-designed homes that are below space standards.

Question 33 Do you agree that the current Local Plan approach is the most appropriate or should we have a specific policy for self-build homes? If we were to have a specific policy, should we allocate sites and/or require a percentage of self-build plots on development allocations, for people wanting to build their own homes? If you think we should allocate sites, can you suggest any sites suitable for self-build we should consider allocating? If submitting a site, please provide a location plan and brief details about the site.

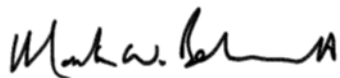
30. The Council's current approach broadly leaves the delivery of self-build plots to the market through windfall development and the Council will need to consider

whether this has been effective in addressing the demand for self-build housing as identified through the Self Build Register. If, following such considerations, a more proactive approach is considered to be necessary we would suggest that in the first instance the Council looks to its own land and assess whether any of its own sites would offer a suitable source of self-build plots. Such an approach is clearly advocated in part (iii) of paragraph 57-014 of PPG which notes that such an approach can be particularly valuable in ensuring sufficient sites for self-build and custom housebuilding. If such sites are not available, then the Council should work with willing land owners to identify sites for self-build and custom housebuilding. The allocation of appropriate sites put forward by a willing landowner is likely to deliver the type of plot required by self-builders and must be the first consideration rather than requiring a percentage of self-build plots on allocated sites. If allocations are not forthcoming, we would suggest that the Council seek to include a positive policy that actively supports the delivery of small self-build plots on edge of settlements.

Conclusion

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

Yours faithfully



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