

Herefordshire Council Plough Lane Hereford HR1 OLE

16 May 2022

Dear Sir / Madam

# HEREFORDSHIRE LOCAL PLAN – POLICY OPTIONS CONSULTATION

## Introduction

Thank you for consulting with the Home Builders Federation (HBF) on the above-mentioned consultation. The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing. The following representations have been submitted via the Council's online portal.

# **Climate Change**

In the HBF's opinion only **Option CC1 – Retain an overarching strategic climate change policy** should be taken forward.

If either Option CC2 - New cross-policy approach or Option CC3 - A combination of Options 1 & 2 are taken forward, the Council should not set its own local energy efficiency standards for new development. It is the Government's intention to set standards for energy efficiency through the Building Regulations. The key to success is standardisation and avoidance of individual Council's specifying their own policy approach to energy efficiency, which undermines economies of scale for product manufacturers, suppliers and developers. The Council does not need to set local energy efficiency standards to achieve the shared goal of net zero emissions because of the higher levels of energy efficiency standards for new homes set out in the 2021 Part L Interim Uplift, which are effective from June 2022, and proposals for the 2025 Future Homes Standard. The 2021 Interim Uplift to Part L (Conservation of fuel and power) Regulations will deliver homes that are expected to produce 31% less CO2 emissions compared to current standards. From 2025, the Future Homes Standard will ensure that new homes will produce at least 75% lower CO2 emissions than one built to current energy efficiency requirements. By delivering carbon reductions through the fabric and building services in a home rather than relying on wider carbon offsetting, the Future Homes Standard will ensure new homes have a smaller carbon footprint than any previous Government policy. In addition, this footprint will continue to reduce over time as the electricity grid decarbonises. The HBF recognise the need to move

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towards greater energy efficiency via a nationally consistent set of standards and timetable, which is universally understood and technically implementable. The HBF support the Government's approach for a nationally consistent set of standards via the Building Regulations but there are difficulties and risks to housing delivery, which include the immaturity of the supply chain for the production / installation of heat pumps and the additional load that would be placed on local electricity networks in combination with Government changes to Part S of the Building Regulations for the installation of Electric Vehicle Charging Points (EVCPs) in new homes. In autumn 2020, the HBF established a Future Homes Task Force to develop workable solutions for the delivery of the home building industry's contribution to meeting national environmental targets and objectives on Net Zero. In September 2021, the Future Homes Delivery Hub supported by involvement from Government was launched.

## **Biodiversity & Geodiversity**

In the HBF's opinion only **Option BD1 - Maintain existing policy with update** on implication and adoption of a Biodiversity Net Gain (BNG) in line with national planning policy should be taken forward.

If either Option BD2 - Establish new approach to biodiversity & geodiversity policy or Option BD3 - Devolve policy for local biodiversity and geodiversity to Neighbourhood Development Plans and/or design codes are taken forward, the Council should not set a BNG requirement above 10%. The 2021 Environment Act requires development to achieve a mandatory 10% BNG. It is the Government's opinion that 10% strikes the right balance between the ambition for development and reversing environmental decline. 10% provides certainty in achieving environmental outcomes, deliverability of development and costs for developers. The mandatory requirement provides a level playing field across England for developers and reduces the risks of unexpected costs and delays. 10% is not a cap on the aspirations of developers who want to voluntarily go further but a requirement for more than 10% should not be sought by the Council. Locally derived variations cause uncertainty and undermine the level playing field. Furthermore, there are significant costs associated with biodiversity net gain, which should be included and tested in an updated Viability Assessment.

# Design

In the HBF's opinion only **Option D2 - A strategic policy supported by local parish level Design Codes** should be taken forward.

If Option D4 - Additional policy criteria specifically focussing on environmental building standards, transport and active travel and open space standards is taken forward, the Council should not set its own local energy efficiency standards for new development (see HBF representations to Climate Change Policy Options). Furthermore, if the Council wishes to apply the optional Nationally Described Space Standards (NDSS) to all dwellings, this should only be done in accordance with the 2021 NPPF (para 130f & Footnote 49). Footnote 49 states that "policies may also make use of the NDSS where the need for an internal space standard can be justified". As set out in the 2021 NPPF, all policies should be underpinned by relevant and up to date evidence, which should be adequate, proportionate and focussed tightly on supporting and justifying the policies concerned (para 31). The NPPG sets out that "where a need for internal space standards is identified, the authority should provide justification for requiring internal space policies. Authorities should take account of the following areas need, viability and timing" (ID: 56-020-20150327). The Council should provide a local assessment evidencing their case.

The NDSS sets out technical requirements for the gross internal floor area, built in storage, bedroom floor areas & minimum width dimensions and minimum floor to ceiling heights of dwellings. The impact of NDSS should be fully accounted for in the Council's Viability Assessment testing including recognition that if site coverage (square meterage per acre) is at the site's capacity, an increase in the size of dwellings will reduce dwelling numbers.

The Council should also assess the impact of NDSS on affordability. There is a direct relationship between unit size, cost per square metre (sqm), selling price per sqm and affordability. The Council's policy approach should recognise that customers have different budgets and aspirations. An inflexible policy approach to NDSS for all new dwellings will impact on affordability and effect customer choice. Well-designed dwellings below NDSS can provided a good, functional home. Smaller dwellings play a valuable role in meeting specific needs for both open market and affordable home ownership housing. An inflexible policy approach imposing NDSS on all new housing removes the most affordable homes and denies lower income households from being able to afford homeownership. The introduction of the NDSS for all dwellings may mean customers purchasing larger homes in floorspace but with bedrooms less suited to their housing needs with the unintended consequences of potentially increasing overcrowding and reducing the quality of their living environment. The Council should focus on good design and usable space to ensure that dwellings are fit for purpose rather than focusing on NDSS. Furthermore, housing delivery rates are 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. Any potential adverse impacts on meeting demand for first-time buyer open market products and other affordable homeownership products such as First Homes may affect delivery rates of sites, which should be reflected in the Council's housing trajectory.

If the proposed requirement for NDSS is carried forward, the Council should put forward proposals for transitional arrangements. The land deals underpinning Sustainable Urban Extensions and non-strategic sites may have been secured prior to any proposed introduction of the NDSS. These sites should be allowed to move through the planning system before any proposed policy requirements are enforced. Prior to a specified date, the NDSS should not be applied to any reserved matters applications or any outline or detailed approval.

#### Water Management

In the HBF's opinion both Option WM1 - Continue with existing policy approach, but update to reflect current situation and Option WM2 - Include a separate policy dealing with nutrient neutrality issue should be taken forward.

## Transport

In the HBF's opinion Option TR1 - Continue with existing policy, but update to reference new government organisations & updated transport priorities, Option TR2 - Add additional policy to specifically address the climate emergency through transport and Option TR3 - Greater emphasis on design guidance in relation to transport should be taken forward.

Under **Policy Option TR2**, the requirement for electric vehicle charging points (EVCPs) is unnecessary because from June 2022, Part S of the Building Regulations will require EVCPs in residential developments.

The HBF and its Members 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. These costs can be substantial and can drastically affect the viability of developments. The Department for Transport - Electric Vehicle Charging in Residential & Non-Residential Buildings consultation estimated an installation cost of approximately £976 per EVCP plus any costs for upgrading local electricity networks, which under the Government's proposal automatically levies a capped figure of £3,600 on developers. These costs should be incorporated into the Council's viability testing.

#### Housing Affordability & Balanced Communities

# Affordable Housing

In the HBF's opinion only **Option AHS1 - Basic Update of existing policy approach** should be taken forward.

#### Housing Range & Mix

In the HBF's opinion only **Option MHS1 – Retain existing policy approach** should be taken forward.

If **Option MHS2 - A more prescriptive mix/range of housing** is taken forward, any policy requirements for NDSS (see HBF representations under Design

Policy Options), accessible & adaptable standards and self & custom build plots are fully justified by supporting evidence.

If the Government implements proposed changes to Part M of the Building Regulations as set out in the "Raising Accessibility Standards for New Homes" consultation, which closed on 1 December 2020, a policy requirement for accessible & adaptable homes will be unnecessary. In the meantime, if the Council wishes to adopt the optional standards for accessible & adaptable dwellings, this should only be done in accordance with the 2021 NPPF (para 130f & Footnote 49) and the latest NPPG. Footnote 49 states "that planning policies for housing should make use of the Government's optional technical standards for accessible and adaptable housing where this would address an identified need for such properties". As set out in the 2021 NPPF, all policies should be underpinned by relevant and up to date evidence which should be adequate, proportionate and focussed tightly on supporting and justifying the policies concerned (para 31). A policy requirement for M4(2) & M4(3) dwellings must be justified by credible and robust evidence. The NPPG sets out the evidence necessary to justify a policy requirement for optional standards. The Council should apply the criteria set out in the NPPG (ID 56-005-20150327 to 56-011-20150327).

All new homes are built to M4(1) "visitable dwelling" standards. These standards include level approach routes, accessible front door thresholds, wider internal doorway and corridor widths, switches and sockets at accessible heights and downstairs toilet facilities usable by wheelchair users. M4(1) standards are not usually available in the older existing housing stock. These standards benefit less able-bodied occupants and are likely to be suitable for most residents.

The Council's policy requirements for M4(2) and M4(3) should not compromise the viability of development. All additional costs associated with M4(2) and M4(3) compliant dwellings should be included in the Council's Viability Assessment. The Government's consultation "Raising Accessibility Standards for New Homes" estimates the additional cost per new dwelling is approximately £1,400 for dwellings, which would not already meet M4(2). The extra-over costs for M4(3) are much higher. In September 2014 during the Government's Housing Standards Review, EC Harris estimated the cost impact of M4(3) per dwelling as £15,691 for apartments and £26,816 for houses. These costs should be applied plus inflationary cost increases since 2014. M4(2) and M4(3) compliant dwellings are also larger than NDSS (see DCLG Housing Standards Review Illustrative Technical Standards Developed by the Working Groups August 2013), therefore larger sizes should be used when calculating additional build costs for M4(2) and M4(3) and any other input based on square meterage except sales values because enlarged sizes are unlikely to generate additional value. An increase in the size of dwellings to comply with M4(2) & M4(3) requirements will also impact on site coverage.

The NPPG also specifics that "Local Plan policies should also take into account site specific factors such as vulnerability to flooding, site topography, and other

circumstances which may make a specific site less suitable for M4(2) and M4(3) compliant dwellings, particularly where step free access cannot be achieved or is not viable. Where step-free access is not viable, neither of the Optional Requirements in Part M should be applied." (ID 56-008-20160519). The Council is reminded that the requirement for M4(3) should only be required for dwellings over which the Council has housing nomination rights as set out in the NPPG (ID 56-008-20150327).

There is no legislative or national policy basis for imposing an obligation on landowners or developers of sites of more than 50 dwellings to set aside plots for self & custom build housing. Under the Self Build & Custom Housebuilding Act 2015 and 2021 NPPF (para 62), it is the responsibility of the Council, not landowners or developers, to ensure that sufficient permissions are given to meet demand. The Council are not empowered to restrict the use of land to deliver self & custom build housing. The NPPG sets out ways in which the Council should consider supporting self & custom build by "engaging" with developers and landowners and "encouraging" them to consider self & custom build "where they are interested" (ID 57-025-201760728).

As set out in the NPPG, the Council should use their Self Build Register and additional data from secondary sources to understand and consider future need for this type of housing (ID 57-011-20210208). However, a simple reference to the headline number of entries on the Council's Register may over-estimate actual demand. The Register may indicate a level of expression of interest in self & custom build but cannot be reliably translated into actual demand should plots be made available because entries may have insufficient financial resources to undertake a project, be registered in more than one LPA area and have specific preferences. The Council should ensure that the Local Plan will result in a wide range of different self & custom build housing opportunities. It is unlikely that self & custom build serviced plots on larger residential sites will appeal to those wishing to build their own home.

The Council should provide supporting evidence to justify the qualifying site threshold of 50 or more dwellings. The provision of self & custom build plots adds to the complexity and logistics of development. It is difficult to co-ordinate the provision of self & custom build plots with the development of the wider site. Often there are multiple contractors and large machinery operating on-site, the development of single plots by individuals operating alongside this construction activity raises both practical and health & safety concerns. Any differential between the lead-in times / build out rates of self & custom build plots and the wider site may lead to construction work outside of specified working hours, building materials stored outside of designated compound areas and unfinished plots next to completed / occupied dwellings, which results in consumer dissatisfaction.

It is critical that unsold plots are not left empty to the detriment of neighbouring dwellings or the whole development. The timescale for reversion of these plots to the original housebuilder should be as short as possible because the consequential delay in developing those plots presents further practical difficulties in terms of co-ordinating their development with construction activity on the wider site.

As well as on-site impracticalities, impacts on viability should be tested. The HBF consider that the provision of serviced self & custom build plots will have a bearing on the development economics of the scheme. It is unlikely that up front site promotion costs (including planning & acquisition costs) and fixed site externals, site overheads and enabling infrastructure costs will be recouped because the plot price a self & custom builder is able to pay may be constrained by much higher build costs for self-builders. There are also impacts of not recouping profit otherwise obtainable if the dwelling was built and sold on the open market by the site developer, disruption caused by building unsold plots out of sequence from the build programme of the wider site and a worst-case scenario of unsold plots remaining undeveloped. These impacts should be included in the Council's viability testing.

# **Specialist Housing**

In the HBF's opinion, **Option SH1 - Additional Policy for specialist housing types** should be taken forward.

All households should have access to different types of dwellings to meet their housing needs. Specialist housing for older people including retirement living or sheltered housing, extra care housing or housing-with-care and residential care / nursing homes should be provided. To provide homes for older people, the Council should allocate sites for older persons housing subject to criteria such as the proximity of sites to public transport, local amenities, health services and town centres.

#### **Gypsy & Travellers**

In the HBF's opinion, Option GT3 - Provide pitches or plots within strategic urban extensions/ strategic development to be identified in the Local Plan, to meet the demand in the forthcoming revised GTAA should not be taken forward.

#### Conclusion

It is hoped that these representations are of assistance. The HBF look forward to participating in future Herefordshire Local Plan consultations. In the meantime, if the Council requires any further assistance or information, please contact the undersigned.

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Yours faithfully for and on behalf of **HBF** 

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