

Sent by email to: planning.policy@westsuffolk.gov.uk

25/07/2022

Dear Sir/ Madam

Response by the Home Builders Federation to the consultation on the West Suffolk Local Plan Review.

1. Thank you for consulting the Home Builders Federation (HBF) on the preferred options for the West Suffolk 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.

Strategic policies

Housing needs SP7

2. The Council state that the housing need for West Suffolk is 800 dwellings per annum (dpa) - a total of 15,200 homes over the plan period of 2021 and 2040. This level of need was calculated using the standard method as required by national policy but uses the incorrect affordability ratio. Planning Practice Guidance states that the most up to date evidence should be used which is the affordability ratios for 2021 published by ONS in March 2022. For West Suffolk, this is 9.5 and when inputted into the standard method results in an affordability uplift of 1.34 and a housing need for West Suffolk of 815 dpa. Over the proposed plan period this would require the Council to deliver a minimum of 15,523 homes.
3. It is also important to note that this is the minimum of number of homes that should be delivered and that there will be circumstances where need might be higher. Firstly paragraph 61 of the NPPF requires Council's to take account of any unmet needs in neighbouring areas. At present there would not appear to any unmet needs arising in neighbouring areas. However, it will be important that the Council works with those Council's in neighbouring HMAs, as part of its Duty to Co-operate, to understand their needs and whether these can be met in future. Where these needs cannot be met the Council should consider how it can ensure housing needs are met in full.



4. The Council should also take account of paragraph 2a-010 of PPG which sets out that there may be other circumstances such as infrastructure improvements of growth strategies that indicate actual need is higher than the standard method indicates. It will be important for the Council to carefully consider whether there are circumstances which will require the Council to set a housing requirement above the minimum established using the standard method.
5. Finally, the Council will need to consider paragraph 2a-024 of PPG which states that:

“An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.”

6. The Council’s most recent assessment of housing needs indicates that affordable housing need in West Suffolk is 409 dpa, circa 50% of its housing needs. On the basis of the Council’s affordable housing policy NSP29 the Council will not be able to meet this level of need and should consider whether it is necessary to increase the housing requirement to ensure these needs are met in full.

SP8 Overall Housing Distribution

7. In order to meet needs the Council state that they need to identify a further 6,600 homes in addition to the 8,600 homes already with a planning permission. In line with our comments above regarding the assessment of local housing needs we would suggest that the Council in fact needs to find an additional 6,923 new homes in order to meet needs in full. Whilst the Council states that it has identified sites with the potential to deliver a total of 7,134, enough to meet the higher level of needs, we are concerned that this provides a buffer of just 211 homes. Should there be delay in the delivery of any of the allocations in this plan and in particular the larger strategic allocations then there is the significant risk that needs will not be met in full. To ensure that the plan is deliverable across the plan period the Council must ensure that there is sufficient supply to take account of the risks of delay in the delivery of housing on key strategic sites allocated in this local plan.
8. However, without a delivery trajectory for each site and the plan as a whole it is not possible to comment on the scale of the potential risk of such a small buffer. Given that some of the strategic sites proposed for allocation are being re-allocated from previous plans and have extant planning permissions the risk may be lower. Therefore, it will be important that the Council set out in the local plan and its supporting evidence not only a housing trajectory for the delivery of all housing across the plan period, as required by paragraph 74 of the NPPF, but also a delivery trajectory for each site identified as contributing to the Council’s supply over the plan period.
9. When considering its housing trajectory and the sites required to meet needs, the Council should also be looking to ensure that it seeks to meet needs consistently

across the plan period and not, as stated in paragraph 68-021 of PPG, unnecessarily push back housing delivery through the use of a stepped trajectory. The use of a stepped trajectory should be a last resort where there are no other sustainable options to meet needs more consistently across plan period. As such it must not be used solely as a means to secure a five-year land supply on adoption.

10. It will therefore be important that the Council tests options through the Sustainability Appraisal (SA) that deliver a more substantial buffer between the minimum housing requirement and the number of homes allocated in the local plan with a delivery trajectory which meets needs consistently across the plan period. We note that the Council have considered an option of housing needs plus 5% but as outlined above the updated local housing needs assessment leaves a buffer of just 211 homes and as such the Council should consider as a reasonable alternative an option that delivers a more substantial buffer against the updated requirement in the next iteration of SA with a view to including such an approach in the submitted local plan.

Small sites

11. The Council will also need to ensure that at least 10% of delivery will come from sites of less than one hectare as required by paragraph 68 of the NPPF. The Government is clear in its desire to support small and medium sized developers through the allocation of smaller sites in local plans. Such allocations are vital in ensuring that not only that this sector is supported but that there is variety in the land supply that deliver a variety and choice of homes. Such sites will also come forward early in the plan period and provide much needed homes at the start of the plan period.

SP14 – Biodiversity Net Gain

12. The Council should not seek to set a high level of Biodiversity Net Gain (BNG) to that established in the Environment Act 2021. Whilst we recognise that BNG is a minimum we would suggest that there is no justification to go beyond the 10% BNG that the government consider necessary to ensure the loss of biodiversity from development is effectively mitigated. The Council state that there is anecdotal evidence that 10% will be insufficient buffer to ensure no net loss however it provides no actual evidence that this is the case. The HBF consider it important that such policies are applied consistently across the country to support the deliverability of new development alongside net gains in biodiversity. If the Government consider that 10% BNG, on balance, strikes "*the right balance between ambition, certainty in achieving environmental outcomes, and deliverability and costs for developers*"¹. If the Government are confident that a 10% requirement will deliver genuine net gain, offset the impacts of development,

¹ Page 15 Consultation on Biodiversity Net Gain Regulations and Implementation (January 2022)

and ensure development continues to come forward the Council should not seek to require additional improvements.

13. The latest consultation on the regulations supporting the 10% requirement also reiterates the Government's view that whilst the 10% requirement is not a cap going beyond that figure should be the choice of developer to "*voluntarily go further*"². Therefore, whilst the NPPF and PPG do not specifically prohibit setting standards over and above those in the Environment Act it is clear that the intention of the Government is to a set minimum requirement but encourage, where possible, developers to go further. Such an approach also recognises that until an assessment of the biodiversity on a site is undertaken it is very difficult to assess what is required to deliver the minimum level of net gain either on- or off-site. Some sites may be able to deliver significant improvements more easily without a significant reduction in the developable area, whilst other sites may well have their capacity significantly reduced in order to achieve the minimum requirements set by Government. This uncertainty is clearly why the Government set its expectation at 10% recognising that it was a balance between delivering net gains and increasing the supply of new homes.
14. The HBF also has concerns that BNG above 10% could impact far more significantly on the viability of development given the larger amount of offsite delivery that would be required. The Government's Impact Assessment is based on a model that assumes 75% is delivered on site. However, a 20% BNG requirement would likely require all of the additional 10% to be delivery through offsite mitigation and as result be a much higher cost to the developer. The cost of offsite credits was also underestimated in this Impact Assessment at £11,000 per biodiversity unit. The evidence from the Governments market analysis supporting the current consultation on the implementation of Biodiversity Net Gain indicates that the average price of delivering net gain offsite of between £15,000 and £25,000 per offsite unit in order to attract sufficient providers to deliver the necessary units to meet demand.
15. Therefore, we would suggest that the Council should support the mandatory 10% BNG as established in the Environment Act 2021 in this policy and seek to encourage developers to deliver a higher level of BNG where possible

Non-strategic policies

NSP04 – Development Briefs

16. Whilst the HBF recognises that development briefs are helpful for a wide range of schemes we would suggest that the policy could see these being required on even the smallest of schemes. We would suggest that a clear threshold is provided in the policy as to when briefs will not be required, such as schemes not considered

² Ibid (Paragraph 12)

to be major development, with consideration given to their use on other scheme depending on their size, location etc.

NSP06 Meeting the challenge of climate change

17. Part d of NSP06 is not consistent with national policy and should be amended. The HBF recognises and supports the Government's approach to reducing the carbon emissions from new homes. This has already resulted in new homes meeting improved standards in energy efficiency from June of this year with further improvements from 2025 as part of the future homes standard. This standard will include the need to provide space and water heating from sources that do not rely directly on fossil fuels – such as ground and air source heat pumps.
18. Whilst the HBF understands the Council's desire to implement such measures the Government has been clear that it seeks to deliver such improvements through building regulations. Whilst some housebuilders will seek to bring in such measures sooner it is important to recognise that the markets and skilled labour supply to deliver these technologies is still relatively immature in the UK and the transitional period adopted by the Government will allow these markets to grow sufficiently that by 2025 the Future Homes Standard can be implemented effectively without impacting negatively on the supply of much need new housing.
19. It would appear that in part f of this policy the Council are looking to set a timeframe within which they will expect new development to become net zero. As stated above the HBF supports the Government's approach to reducing carbon emissions through national standards set out in Building Regulations. This will see significant improvements in carbon emissions from new buildings. The inclusion of such policies will therefore either repeat national policy or be inconsistent with the approach being advocated by Government.
20. With regard to the requirements for Electric Vehicle Charging Points set out in part g the HBF would recommend that the Council delete the requirement in this policy and defer to the standards that are to be set out in Building Regulations. Such an approach would avoid any conflict between the local policy and the national standard and any unnecessary repetition.
21. Part h requires major development to submit a whole life carbon assessment. Whilst recognise that the Council is looking to reduce the emissions across the development of homes and not just their energy use it is also necessary that policies are effective. The proposal for all major development to provide a whole life carbon assessments will not see improvements and merely places a further burden on housebuilders, especially smaller builders who will find it more difficult and costly to source all the relevant information for such assessments. It is not the role of the planning authority or the local plan to police such matters and we would question the Council's ability to actually consider such matters effectively through the planning process.

NSP13 Parking Standards

22. This policy requires development to meet the parking standards in the SPD Parking Standards for New Development which are replicated in appendix 2. In order for the Council to require compliance with parking standards they must be included in the local plan as they are policies against which an application could be refused, they are legally considered to provide more than just guidance to the applicant. The issue of what is policy is explored in detail in the High Court Judgement between William Davis Ltd, Bloor Homes Ltd, Jelson Homes Ltd, Davidson Homes Ltd & Barwood Homes Ltd and Charnwood Borough Council. In this case Justice Gilbart quashed the SPD on the grounds that it contained policies that should have been contained in the local plan because they could be considered to fall under regulation 5(1)(a)(i) and 5(1)(a)(iv) of the Town and Country Planning Regulations (2012).
23. As such the policy cannot require developers to meet the parking standards set out in the Suffolk Guidance for Parking or any subsequent revisions this would be setting policy outside of the local plan that could change without the required level of scrutiny. The standards should either be included in the local plan, or the policy changed to state that development proposals should have regard to any guidance. Such changes would need to be made through a focussed review of the local plan in order to allow the proper scrutiny of any changes being made.
24. Finally, part c of this policy should be deleted as the requirements for electric vehicle charging points, as we set out above, on new development are now set out in Building Regulations.

NSP21 – Water quality and resources.

25. The Government have set out in paragraph 56-014 PPG the optional technical standard with regard to water efficiency the Council can include in their local plan subject to the necessary evidence being provided. This allows Councils to require homes to be designed to deliver water usage of 110 litres per person per day (lpppd). As such this policy which seeks to limit water consumption to 80 lpppd is not consistent with national policy and unjustified. The Council should amend this policy accordingly.

NSP29 – Affordable housing

26. Without the Council's evidence on development viability, it is not possible to state whether the requirements set out in this policy are justified. However, in considering the impact of these costs and the approach taken with this policy 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.

27. 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 that must be taken on board when preparing whole plan viability assessments to ensure they are robust.
28. 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.
29. 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.
30. 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.
31. 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 biodiversity net gains, 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.

32. Finally, on viability, 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 will look 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.
33. With regard to other aspects of this policy part g will need to be amended. As set out in our comments to policy NSP13 the Council cannot require developers to accord with SPD as stated in part g of this policy. The Council should amend this part to state that applicants should have regard to the West Suffolk Affordable Housing SPD. The Council will also need to provide the necessary evidence, as required by PPG, to justify why all affordable homes should be built to National Described Space Standards.

NP30 – Mix and Type of Housing

34. The Council will require 10% of new market homes and 25% of affordable homes to be built to wheelchair user standard. Firstly, the Council will need to provide clarity as to the relevant standard it is applying. The optional standards, see paragraph 56-009 of PPG, are for a wheelchair adaptable housing that can be applied to either market or affordable housing and a wheelchair accessible home that can only be applied to dwellings where the local authority is responsible for allocating or nominating the person to live in that dwelling.
35. Secondly, requirement for 10% of market homes and 25% of affordable homes to be wheelchair adaptable or accessible is high and is made on relatively broad assumptions using national evidence. The evidence, for example, does not seem to take into account the fact that a significant proportion of wheelchair users are over 85 and likely to be in care homes or other assisted living environments specifically designed to meet their needs. The evidence also does not take into account of the fact that many of those needing a more accessible home will live in the Borough already and may well be able to adapt their home to meet their needs. The HBF therefore consider the requirements set out in this policy not to be justified on the basis of the evidence provided.

NSP31 Custom and Self Build

36. The Council have based this policy on the demand for self-build plots indicated through their self-build register which shows on average 30 registrations per

annum. This would mean the Council delivering 570 plots over the plan period. However, what is not clear from the Council's evidence is whether those on the register are still in need of a self-build plot or of their housing needs have been met through the market in another location. In order to be a robust evidence, base the Council cannot blindly rely on its contents it must review the register regularly to ascertain a more accurate picture of demand.

37. The Council will also need to consider how many homes the policy is likely to deliver and whether this is consistent with both the level of demand for self-build plots and the type and location of plots required. In particular the Council will need to include the number of plots it expects to deliver on its own land in line with part e of this policy. It is important to remember that the Government sees the promotion of self-build plots as a mechanism for bring forward additional land for development, in particular publicly owned land, not just changing the way a plot on an allocated site will be delivered, and it will be important that delivery is maximised from such sites.
38. Finally, a 20-unit threshold is relatively low for such a policy which in general tend to be applied to much larger sites in other areas. One key concern with having such a low threshold is that it is impossible to separate the self-build plots from the rest of the site which creates difficulties with regard to health and safety on a site with self-builders working alongside the main contractors delivering the rest of the development. There are also concerns that the self-build sites will take much longer to complete or could be left undeveloped to the detriment on the other residents. In particular there is a risk that a small site could be largely built out before any unsold plots would return to the developer given the requirement to market for 12 months which would be further delayed by the need to obtain the amendments to the planning application and S106 agreements. To return to the site to complete those units creates additional cost to the developer, leaves undeveloped plots on such sites, and could potentially delay the completion and of units on unsold plots and their eventual occupancy.

NSP33 Special housing needs

39. It is clear from the Council's evidence on the housing needs of specific groups that there is a significant need for special accommodation for older people across the plan period. As such 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 such we would agree with the Council's preferred option. However, we would suggest that the local plan goes further and looks to 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.

Conclusion

40. 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



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