

Sent by email to: localplan@fenland.gov.uk

17/10/2022

Dear Sir/ Madam

Response by the Home Builders Federation to the consultation on the Fenland Local Plan 2021-2040

1. Thank you for consulting the Home Builders Federation (HBF) on the Draft Fenland 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.

Duty to co-operate

2. Paragraph 33A of the Town and Country Planning Act 2004 requires plan making authorities to engage constructively, actively and on an ongoing basis as part of the preparation of the local plan in relation to strategic matters. In order to show how the Council has co-operated in the preparation of the local plan, and will co-operate in its implementation, they are required by the National Planning Policy Framework to prepare statements of common ground (SoCG) with the relevant authorities identify the key issues where co-operation is required and what has been agreed and where there is disagreement in relation to those strategic matters.
3. However, we could find no evidence setting out the strategic cross border issues facing Fenland nor any SoCG with neighbouring authorities. Given that the Duty to Cooperate is a legal requirement and one which if not satisfied cannot be addressed after submission this evidence should have been provided in order for interested parties to be assured that co-operation had been effective. Evidence of co-operation alongside SoCGs with relevant parties will need to be provided on submission and as such the HBF will make comments as part of the examination in public.



LP2 – Spatial Strategy for the location of residential development

Policy is unsound as it is not fully justified

Housing needs

4. Paragraph 5.4 of the supporting text notes that the housing needs for Fenland using the standard method is 556 dwellings per annum (dpa) and a total need over the plan period of 10,525 homes. Whilst the HBF concurs with this assessment it is important that the Council recognise that this a minimum figure within the policy and provide an annualised figure alongside the total requirement for the plan period. This is necessary to ensure the policy provides the necessary clarity as to the annual housing requirement and that the Council are not using a stepped trajectory.
5. It is also necessary to recognise that there will be circumstances where Councils will need to plan for a higher number of new homes than established using the standard method. Paragraph 61 indicates that one such circumstance is where neighbouring authorities cannot meet their own needs in full. Whilst we are not aware of an unmet housing need in neighbouring areas it will be important for the Council to provide the necessary evidence that this is the case. As set out above we could find no evidence relating to the duty to co-operate and the cross-border issues relevant to Fenland and this matter should, be addressed in that evidence.
6. Another concern that indicates that the Council should be seeking to deliver more new homes than the standard method suggests is the need for more affordable homes with paragraph 2a-024 of Planning Practice Guidance (PPG) stating 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. The Council note at paragraph 13.5 of the local plan that the need for affordable housing is around 289 dwellings per annum, over 50% of the total housing need in Fenland. However, as the Council note the viability evidence concludes that residential development is not able to deliver affordable housing above 20% in the southern part of the district and 10% in north. As such there will be a significant shortfall between the delivery and need for affordable housing.
7. However, in preparing the local plan it is notable that the Council did not consider options for delivering more growth than that established through the standard method. The Issues and Options consultation and the Sustainability Appraisal look solely look at the distribution of housing across the borough but not whether a higher housing requirement is necessary in relation to the delivery of more affordable housing. Such an approach would be consistent with national policy and as such is a reasonable alternative that the Council should have considered given the gap between affordable housing needs and expected delivery. This is clear failing of the SA on this issue and the Council should consider such an option before submitting the local plan for examination.

8. Given the shortfalls in affordable housing delivery the Council should consider allocating additional sites in the local plan in order to increase the supply of affordable housing. Not only will this boost the supply of affordable housing but also potential ensure more housing supply in the second half of the plan period.

Housing supply

9. The Council expect to deliver 10,828 new homes over the plan period, around a 3% buffer in its housing supply. Whilst this is a low overall buffer it would appear that a significant proportion of this supply will be delivered in the first half of the plan period. This should ensure that needs are met in full in the short and medium term. However, as can be seen in appendix 1 of these representations, from 2029/30 onwards the Council will not be able to show a five-year land supply. Whilst the Council are required to review the local plan in five years' time, we would suggest that this is too late given the supply position faced by the Council in the second half of this plan. Ideally the Council should seek to identify sites that would deliver more homes from 2028/29 but at the very least we would suggest that the Council commit in this local plan to preparing a new local plan for adoption by 2028/29.

Supply from sites of less than one hectare

10. What is not clear from the local plan and its supporting evidence is whether the Council will address the requirement in paragraph 69 of the NPPF that 10% of all homes come forward on sites of less than one hectare. In considering this key requirement the Council should also note that these should be on sites identified in the local plan or the brownfield register. As such the Council cannot meet this requirement through windfall sites which do not provide any of the benefits of being specifically identified for development.
11. The HBF has undertaken extensive consultation with its small developer members and 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.
12. 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 as a minimum 10% of homes come forward on small sites. We would suggest that the Council actively works with smaller developers to ensure such sites are allocated recognising the importance of this element of the house building industry.

Deliverability and viability

13. In order for a plan to be found sound the plan must be deliverable. A key part of this test as set out in paragraph 34 of the NPPF is that the policies in the plan should not set burdens on development that undermine the deliverability of the plan. What is evident from the Council's Viability Assessment (VA) is that viability across Fenland is challenging. The Council have recognised this, and we welcome the approach taken in LP12 that varies policy requirements for affordable housing based on the location of a development.
14. However, we are concerned that some of the costs included in the viability assessment may under estimate the cost to the developer. In particular we are concerned that the cost attached to the requirement to deliver a 10% net gain is too low. The VA uses the average cost from the Government's Impact Assessment published in 2019 on the central assessment that would see 75% of net gain delivered on site. Our concern with this assessment is that it is an average assessment. Whilst some sites might be much lower, such as those in an urban area with very little existing biodiversity but equally they could be significantly higher on green field sites where a 10% gain is much harder to achieve.
15. In some cases, this could lead to a reduction in the developable area of a site or the need to deliver net gains off site. The Government's evidence indicates that for those sites delivering more offsite (scenario C in the Impact Assessment) the cost is likely to be in the region of £60,000 per hectare. In addition, credits for offsite delivery in the Impact Assessment were valued at £11,000 per unit but the Impact Assessment does indicate that these could be in the range of between £15,000 and £25,000 per unit. A recent study by the Land Trust funded by the HBF and Land Promoters and Developers Federation (LPDF) found that majority of sites will require more than 50% of BNG to be delivered off-site. As such the costs are likely to be higher for most sites than that indicated in the impact assessment. It therefore cannot be assumed as the latest Viability Note suggests at paragraph 33 that provision will be on site for green field sites.
16. We would therefore suggest that further consideration is given to the impact of biodiversity net gain on the deliverability and viability of sites in Fenland. We would suggest that further sensitivity testing is required with regard to BNG and the higher costs that may face some development than is currently considered in the VA.
17. We note that the Council has undertaken a brief assessment with regard to First Homes and concluded that this will be unlikely to impact on viability. However, this assessment is based on such homes being treated as other affordable homes that would be built for a housing association. In reality these will be built and sold by the developer as a market unit and as such should be considered as such in the viability assessment with the same costs and profit assumptions.

18. Finally, the cost of Electric Vehicle Charging Points (EVCPs) has been considered in the viability note (PE02-4). Whilst we would agree with the costs relating to the installation of charging points no consideration has been given to the potential costs to upgrade substations and other infrastructure to support the increased demand for electricity. This will be required alongside the growth in charging points to ensure that there is sufficient supply as ownership of electric vehicles grows.
19. The Regulations do, however, include a cost cap of £3,600 for the average cost of installation and allow for other exceptions. The costs of installing the cables and the charge point hardware will vary considerably based on site-specific conditions in relation to the local grid. The introduction of EVCPs in new buildings will impact on the electricity demand from these buildings especially for multi-dwelling buildings. A requirement for large numbers of EVCPs will require a larger connection to the development and will introduce a power supply requirement, which may otherwise not be needed. The level of upgrade needed is dependent on the capacity available in the local network resulting in additional costs in relation to charge point installation. The Government recognises that the cost of installing charge points will be higher in areas where significant electrical capacity reinforcements are needed. In certain cases, the need to install charge points could necessitate significant grid upgrades, which will be costly for the developer. Some costs would also fall on the distribution network operator.
20. Whilst on their own we recognise that these adjustments may not impact on viability and deliverability, in combination with others costs it may have an impact and should be fully assessed.

Recommendations

21. In order to ensure the policy is sound the Council should:
 - Amend the first paragraph of LP2 to include an annual housing requirement and state that the requirement is a minimum;
 - Provide evidence as to discussions on housing need with neighbouring areas and whether there are unmet housing needs to be considered should be provided by the Council;
 - Consider increasing the supply of housing in order to better meet the needs for affordable housing in Fenland;
 - Submit evidence as to whether the local plan addresses paragraph 69 of the NPPF and if not allocate sufficient sites to ensure at least 10% of homes will be delivered on identified sites of less than one hectare.
 - Consider the allocation of further sites to support delivery in the second half of the plan period.
 - Include a review policy looking to adopt a new plan within five years of the adoption of this plan should it be found sound.
 - Amend the viability evidence to include the higher costs identified.

LP12: Meeting housing needs

Part D of the policy is unsound because it is not effective

22. The Council recognise that an increasingly elderly population will require the delivery more specialist accommodation in future. As such, the priority should be for the Council to allocate sites promoted for such accommodation in the local plan. Only through site allocations can the Council be certain that the needs of older people be met.
23. However, the HBF recognise that it may not be possible to allocate sufficient sites for specialist accommodation to meet the needs of older people. As such it is important that the policy provides an effective mechanism through which decisions on accommodation can be made on the basis of the need for and supply of such development.

Recommendation

24. The policy is amended to set out how many specialist homes for older people are required in Fenland and a commitment is made to monitoring supply against this level of need across the plan period.

LP13: Custom and Self Build

Part C of the policy is unsound as it is not justified.

25. Whilst the HBF support the encouragement of self-build housing through local plans, we do not consider the requirement for all development of 100 or more dwellings to set aside 5% dwellings to be delivered through serviced plots for self-build and custom housebuilding to be justified or consistent with national policy.
26. As the Council will be aware the proposed policy must be based on robust evidence of both the demand for self-build plots and a consideration as to the impact on viability of this policy. In paragraph 13.59 of the supporting text to this policy the Council notes that permissions granted for self-build homes comfortably meet the demand or self-build plots. The evidence from the self-build register also suggests that whilst there are households looking to build their own homes there are few barriers to finding plots. Table 122 of the Housing Needs for Specific Group paper indicates a net need per annum of just 1 self-build plot and suggests that there is a sufficient supply of self-build plots in Fenland.
27. This has been achieved without the need to require large developments to provide these plots and through the implementation of policy such as those in LP1 that allow for self-build plots to come forward more frequently than in other areas. Given that there seems to be sufficient opportunities for self-builders to acquire sites across Fenland it cannot be justified for the Council to require sites of 100 or more units to provide at least 5% of the homes on site as self-build plots

Recommendation

28. That Part C of LP13 is deleted.

LP25: Biodiversity Net Gain

The policy is unsound as it is not consistent with national policy or effective

29. The requirement to follow the mitigation hierarchy with regard to net gain is not disputed but the Council's assertion that there will be few instances where developers will be able to invest in in the Government's biodiversity credit scheme is not warranted. This makes an unnecessary judgement within the policy as to the number of schemes that will be able to invest in national credits. Without an assessment as to the ability of each site to viably deliver the 10% BNG on site or elsewhere in Fenland the Council cannot know how prevalent the need for national credits may be. This is an allowable solution and if schemes cannot address their needs on site or through local mitigation must be allowed and to suggest its use should be limited is unnecessary and could lead to unnecessary delays to decision making. The policy should be amended accordingly.
30. The final sentence of LP25 should be removed as it is not necessary. The opening paragraph clearly sets out the 10% is a minimum with the Government confirming that it is for the developer to decide whether it wants to go beyond that figure. If the Council is willing to support some developers to go beyond 10% then it would be more appropriate to set this out in the supporting text.

Recommendation

31. The council should:
- Delete "In a very few instances" and replace with "Where it is not feasible or viable to mitigate the impacts using these methods ..."
 - Delete the final paragraph of LP25

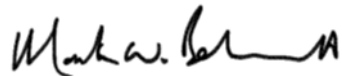
Conclusion

32. At present we do not consider the plan to be sound, as measured against the tests of soundness set out in paragraph 35 of the NPPF. In particular we consider it necessary for the Council to identify further development sites in order to ensure that it can meet its own needs in full over an extended plan period that is consistent with national policy. As part of this process the Council will also need to revisit its Sustainability Appraisal and consider alternative strategies and sites that could deliver in excess of what is being proposed in this plan.
33. Finally, the Council will need to ensure prior to submitting the plan that it has sufficient evidence to support its assertion that it has met its duty to co-operate. At present the Council lacks the necessary statements of common ground that show how it has considered the strategic issues of unmet housing needs in neighbouring

areas and without these the Council will find it difficult to show how the plan has been prepared in line with the relevant legislation.

34. I can also confirm that the HBF would like to attend participate in the public hearings in order to put forward the concerns of our members with regard to the Fenland Local Plan.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Mark Behrendt', with a stylized flourish at the end.

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Appendix A: Rolling Five Year Land Supply estimates

	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37	37/38	38/39	39/40
Req	556	556	556	556	556	556	556	556	556	556	556	556	556	556	556	556	556	556	556
Cumulative	556	1,112	1,668	2,224	2,780	3,336	3,892	4,448	5,004	5,560	6,116	6,672	7,228	7,784	8,340	8,896	9,452	10,008	10,564
Delivery	249	1,044	889	539	917	1,484	1,213	1,044	678	573	377	256	220	295	350	325	245	75	55
Cumulative	249	1,293	2,182	2,721	3,638	5,122	6,335	7,379	8,057	8,630	9,007	9,263	9,483	9,778	10,128	10,453	10,698	10,773	10,828
Surplus/ deficit	- 307	181	514	497	858	1,786	2,443	2,931	3,053	3,070	2,891	2,591	2,255	1,994	1,788	1,557	1,246	765	264
5-year req	2,780	2,780	2,780	2,780	2,780	2,780	2,780	2,780	2,780	2,780	2,780	2,780	2,780	2,780	2,780	2,224			
add deficit/ surplus	2,780	2,797	2,769	2,748	2,747	2,719	2,643	2,576	2,514	2,475	2,439	2,419	2,410	2,404	2,381	1,777			
Buffer	139	140	138	137	137	136	132	129	126	124	122	121	120	120	119	89			
Total req	2,919	2,937	2,908	2,885	2,884	2,855	2,775	2,705	2,639	2,598	2,561	2,540	2,530	2,524	2,500	1,866			
5-year supply	3,638	4,873	5,042	5,197	5,336	4,992	3,885	2,928	2,104	1,721	1,498	1,446	1,435	1,290	1,050	700			
Surplus/ deficit	719	1,936	2,134	2,312	2,452	2,137	1,110	223	-535	-877	-1063	-1094	-1095	-1234	-1450	-1166			
5YHLS	6.23	8.30	8.67	9.01	9.25	8.74	7.00	5.41	3.99	3.31	2.92	2.85	2.84	2.56	2.10	1.88			

