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19/10/2022

Dear Sir/ Madam

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

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

**Climate**

2. The Council set out a range of changes they will consider such as requiring the use of PV, moving towards carbon zero homes more quickly and seeking to reduce water consumption. The HBF recognises the need for new homes to become more energy efficiency as we move towards the net zero carbon aspirations set out by Government. As such we support the Government's transitional process through proposed amendments in building regulations to achieve a 27% improvement with the expectation that a further 75% improvement from 2025 with expected introduction of the Future Homes Standard. By delivering carbon reductions through 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.
3. What is evident from the adopted and proposed improvements to building regulations is that the Government is seeking to ensure that these improvements are to be delivered through technical regulations rather than through planning policies. Whilst we appreciate that there is a desire to move more quickly there are wider supply chain issues and skills shortages that need to be addressed to ensure a transition to low carbon homes. This is why a phased approach has been taken by the Government to these improvements. There is a risk that the introduction of net zero requirements will merely slow down the delivery of new homes in the short term, homes that is must be acknowledged are much more energy efficient than the existing stock of housing in Chelmsford. The use of technical standards as opposed to local plans as a means to drive improvement is also reflected in Planning Practice Guidance (PPG) which at paragraph 6-012 refers back to the Written Ministerial Statement of 2015 with regard to limiting the level of improvement in energy requirements above the 2013 Building Regulations



that can be asked for in local plans. Given this limit is exceeded by Building Regulations and no further updates have been made this is a clear indication that Building Regulations are the mechanism through which energy efficiency and carbon emissions as part of a building's use will be addressed.

### **Promoting SMART and connected travel**

4. The principle behind the 10-to-20-minute neighbourhood is one that is a reasonable aspiration to take forward within the local plan, but the Council must remember that this should be seen as an aspiration within appropriate locations rather than a blunt tool for development management or site allocations across the Borough. For example, the Council note the application of this principal in more rural areas is inevitably more difficult as populations are generally too low to meet all the features of a 10-20-minute neighbourhood. However, this should not prevent development from happening in such locations where appropriate.
5. Firstly, there may be clusters of villages that provide a range of services for that area within reasonable travelling of each other. These areas might be able to sustainably support a substantial level of development but may not meet the principles of the 10-to-20-minute neighbourhood and as such development in such areas is not supported in the local plan. Secondly, the Council will need to recognise that settlements that currently do not have the services that are consistent with the 10-to-20-minute neighbourhood could expand to include those services if new development is allocated in those areas. The 10-to-20-minute neighbourhood should not be used as a basis for only locating development close to existing services rather identifying where services could be improved through new development. There is a real danger that the principle could be used negatively and become a way of preventing development in certain communities rather than promoting improved neighbourhoods.
6. Finally, the Council must also recognise that if it seeks to apply this principle there is a need for the Council to provide a strong leadership function for local public services to ensure that these are in place and are retained. The Council must ensure that they and their partners are able and willing to support this concept at larger strategic developments or where the Council is seeking to deliver higher density development. Without this strong co-ordinating role, the Council are unlikely to achieve their aspirations in relation to the 10-to-20-minute neighbourhood.

### **Natural Environment**

7. The Council are considering a requirement that all development delivers at least a 20% Biodiversity Net Gain (BNG). As the Council note all new development is currently required to deliver a 10% net gain in biodiversity. This level of net gain is considered the level necessary to ensure that the loss of any biodiversity on that site is addressed and as we cannot see how an additional 10% meets the test set

out in paragraph 57 of the National Planning Policy Framework (NPPF) and regulation 122 of the CIL Regulations 2010.

8. As the Council will be aware these tests require planning obligations should meet all the following tests:
  - necessary to make the development acceptable in planning terms;
  - directly related to the development; and
  - fairly and reasonably related in scale and kind to the development.
9. The Government note in their response to the consultation on net gain, they considered 10% to deliver the right balance between “*ambition, achieving environmental outcomes, and deliverability and cost to developers*”. The consultation goes on to state that this should not be viewed as a cap on the aspirations of developers who want to go further “*voluntarily*”. This suggests that 10% is what is required to ensure no net loss of biodiversity and as such any level above this is not necessary to make the application acceptable. Paragraph 174d) of the NPPF states that planning policies should “minimise impacts on and provide net gains for biodiversity”. As such a development that meets the 10% minimum requirement set out in the Environment Act 2021 will ensure that paragraphs 174(d) of the NPPF is addressed.
10. Moving on the second test, it is difficult to see how the additional 10% gain over legislative requirements is directly related to the development. As set out above the Government consider 10% sufficient to address the impacts of development on biodiversity relating to any site. As with other form of infrastructure new development is not required to address existing shortfalls in green infrastructure but to ensure that it provides the necessary mitigation in relation to the impacts of that development. Wider declines in biodiversity will have occurred due to, for example changing agricultural practices, and it cannot be sound for new development to address the losses from such activities. Providing a 10% net gain in biodiversity will ensure that the impact of that development on biodiversity is addressed and as such anything beyond 10% is not directly related to the development and unsound.
11. Finally, it must be fairly and reasonably related in scale and kind to the development. Development meeting its requirements set out in legislation will be considered to have addressed its obligations with regard to ensuring the policy requirement and that there is a net gain. As stated above, to go beyond that figure means that the development is addressing historic losses or losses created by other sectors. As such the additional 10% is not fairly or reasonably related to the scale of the development and as such the policy also fails on this final test.
12. In conclusion there would appear to be justification as to why the Council consider the additional 10% on top of the minimum required by the Environment Act 2021 is necessary, directly related to the planning application or fairly and reasonably related in scale and kind to the development being proposed. Without this evidence the Council cannot justify

13. As well as not meeting these key tests there is still considerable uncertainty as to the cost of delivering 10% BNG let alone 20%. A 20% requirement will also 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, roughly, a £20,000 per hectare 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. Given that the cost of delivering BNG will depend wholly on the base level of BNG on each site it must be recognised that costs could be significantly higher than those suggested by these broad averages.
14. 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 hectare.

### **Housing needs**

15. The Council note that using the standard method the level of housing need required to be delivered each year is 946 dwellings per annum an increase each year of 144 homes. The Council also note the need to maintain flexibility in the supply of new homes to ensure needs are met and it is proposed to retain the 20% buffer in supply as was the case in the adopted local plan. The HBF would support this position which recognises the uncertainty regarding the speed and rate at which allocated sites deliver new homes.
16. However, the NPPF states at paragraph 61 that Councils should also take into account any homes that cannot be met in neighbouring areas when establishing the amount of housing they should be planning for. As the Council will be aware there is significant uncertainty with regard to whether Council's in South Essex will be able to meet their housing needs given the recent decision by both Basildon and Castle Point to respectively, with draw or not adopt their local plans that would have enabled them to meet their needs. Both these plans were withdrawn due to concerns about green belt boundary amendments and strongly suggests there will be unmet needs to be addressed elsewhere as a result. As such the Council will therefore need to work closely with its neighbours across South Essex to establish whether needs will be met in full and through the duty to co-operate establish the degree to which Chelmsford could increase delivery to support neighbouring areas. At present the co-operation on these matters appears to be limited and insufficient to address a primary of objective of ensuring housing needs are met.

17. As part of any considerations around the supply of new homes the Council will need to ensure that the supply of housing within Chelmsford continues to support its growth aspirations. However, alongside this it is important to recognise the important role housing development plays in supporting economic growth and infrastructure improvements. Research commissioned by the HBF on the economic footprint of housing<sup>1</sup> indicates that on average every new house built supports the employment of three people both directly and indirectly, brings in over £12,000 in tax revenue and generates over £800 towards education spending. These are significant benefits that need to be recognised when considering potential growth options and in particular when consider growth options beyond the minimum required by national policy.

### **Housing Land Supply**

18. The HBF welcomes the Council's recognition of the requirement to ensure that at least 10% of all new homes should be delivered on sites of no larger than one hectare that have been identified the local plan or the Council's brownfield register. This is of critical importance in order to support small and medium sized house builders who, up until the 1980s, 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. In particular, discussions with our members outlined the lack of allocations of such sites as being a barrier to the sector and that securing an implementable planning permission is extremely difficult if small sites are not allocated. Therefore, in order to support a thriving SME house building sector in Chelmsford, and the benefits it brings to the speed of delivery and variety of homes, we would suggest that the Council goes well beyond the 10% minimum. This will require the Council to actively work with smaller developers to ensure such sites are allocated recognising the importance of this element of the house building industry.

### **Specialist accommodation.**

#### *Older people's housing*

19. The Council note that they are looking to amend current policies in relation of specialist housing in order to make them more flexible. Whilst the HBF consider it important to ensure flexibility in decision making to deliver specialist housing to meet the needs of older people and other groups it is also vital that local plans look to allocate specific sites to meet these needs rather than rely on windfall or larger residential schemes to meet these needs. Only through allocations can the Council seek to ensure the delivery of specialist accommodation to meet needs. We would suggest that the Council engage directly with developers who build such properties to try and identify suitable sites. If no such sites come forward that are

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<sup>1</sup>[https://www.hbf.co.uk/documents/7876/The\\_Economic\\_Footprint\\_of\\_UK\\_House\\_Building\\_July\\_2018LR.pdf](https://www.hbf.co.uk/documents/7876/The_Economic_Footprint_of_UK_House_Building_July_2018LR.pdf)

suitable the Council will need to ensure that the policy is more supportive of such development.

20. At present the need for specialist homes for older people is set out in the supporting text. We would suggest a more positive approach would be to include these in policy with a commitment to meet these needs. 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 ensure it is more effective and likely to meet needs 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. We would also suggest that support and encouragement is provided in policy 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


### **Spatial Strategy**

21. The HBF does not comment directly on the deliverability of proposed site allocations or promote particular spatial strategies. However, we do advocate caution when it comes to considering the speed at which sites will come forward and the rate at which the deliver new homes. Too often Councils include overly ambitious assessments of strategic sites and new settlements in order to limit the number of sites it must allocate to meet development needs. In particular this can often reduce the number of smaller sites allocated that are essential, as we highlight above, to supporting SME house builders. This does not mean that the HBF does not support the delivery of new settlements which are an effective means of ensuring housing supply in the long term but, that the Council should not seek to rely on these in the short to medium term given such allocations are often slow to come forward.

### **Conclusion**

22. 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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