

Sent by email to: planningpolicy@newark-sherwooddc.gov.uk

08/01/2023

Dear Sir/ Madam

Response by the Home Builders Federation to the consultation on the amendments to the Allocations and Development Management DPD

1. Please find below the Home Builders Federation (HBF) response to the consultation on the amendments to the Allocations and Development Management DPD. 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.

Core Policy 1: Affordable housing Provision

The policy is unsound as it has not been fully justified.

2. The Council are proposing to change Core Policy 1 from the Amended Core Strategy DPD. Whilst the HBF welcomes the amendments to ensure the inclusion of First Homes within the policy we would have expect further amendments to reflect the latest viability evidence published by the Council which indicates at paragraph 5.4 that development on brownfield sites in low and medium value areas facing challenging viability. Given that the NPPF outlines at paragraph 58 of the NPPF and paragraph 10-007 of Planning Practice Guidance (PPG) outline that most sites should be deliverable at planning application stage without further viability assessment negotiations we would have expected the requirements of the policy to be reduced to reflect the Council's evidence.
3. The HBF also has concerns regarding the robustness of some of the assumptions made in the viability assessment. As set out above it is important that the level of planning obligations required from development means that viability negotiations occur occasionally rather than routinely. Trade-offs between policy requirements, affordable housing and infrastructure provision should not be necessary. In order to ensure that viability negotiations are limited there must be a robust assessment. The HBF has concerns with the inputs relating to the higher energy efficiency



standards in part L of the 2021 Building Regulations and the 10% Biodiversity Net Gain required by the Environment Act 2021.

Part L of the Building Regulations

4. Part L of the Building Regulations were amended in 2021 to require a higher level of energy efficiency in order to achieve a 31% improvement on the 2013 Building Regulations. The viability assessment considers sustainable construction standards at paragraph 4.18 stating that the cost rates reflect current building standard but makes no mention as to the latest amendments. The impact of these amendments on the cost of building a new should not be ignored with the Government estimating that these could add around £4,850¹ to the cost of building a new detached home compared to current standards. However, the HBF consider that this may be too low with our members estimating that these could add between £5,335 to £5,580 to the cost of a new build home and must be added to the base build costs.
5. Further cost are also likely to be felt by housebuilders and developers as a result of the changes in building regulations is the introduction of the heat metering regulation, as set out in a separate consultation by the Department for Business, Energy, and Industrial Strategy. These new regulations, which go in line with the new Part L regulations, could add an additional £400 - £800 per plot, meaning the total cost per new home for the package of changes to underpin the reformed Part L introduced this year amount to between £5,700 and £6,400 per new home. The viability study must take these into account in order to provide a robust assessment of the viability implications on development in future.

Biodiversity Net Gain

6. The cost of BNG used in the study is set at £500 per dwelling and is stated as being broadly in line with DEFRA estimates. However, as we noted in our response to the Options consultation table 16 of the DEFRA Biodiversity Net Gain & Local Nature Recovery Strategies: Impact Assessment: gives the costs per greenfield development (residential) East Midland at an estimate £1,011 per dwelling based on the central estimate that expects 75% of net gains to be delivered on site. However, it must also be remembered that the degree to which BNG can be delivered onsite is dependent on the baseline level of biodiversity. This can vary significantly between sites and could require far more offsite provision that is allowed for in the Government's central estimate. For example, a site delivering all of its mitigation offsite (scenario C in the impact assessment) would see costs rise to £3,562 and £943 per dwelling on greenfield and brownfield development respectively. Before the plan is submitted the Council will need to sensitivity test the impact of higher BNG costs on development in Newark and Sherwood.

¹ Table 8 Final Stage Impact Assessment 2021 changes to the energy efficiency requirements of the Building Regulations for domestic buildings

First Homes

7. There does not appear to be any consideration as to the impact of First Homes on development viability. Whilst these are defined as being affordable homes they are built and sold by the developer and are a market home. As such the profit margin on these homes will need to reflect those for full cost market housing rather than the lower 6% return on an affordable housing unit.

Conclusions on amendments to Core Policy 1.

8. Viability negotiations at planning application stage cause uncertainty for both the Council and developers, which may result in significant delay to housing delivery or even non-delivery. Without a robust approach to viability assessment, the Amended Allocations & Development Management DPD will be unsound, land could potentially be withheld from the market by land owners and housing delivery targets will not be achieved. Before the Amended Allocations & Development Management DPD is submitted the viability assessment should be updated to reflect the higher development costs outlined above.

DM2: Development on allocated sites

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

9. In Policy DM2, the reference to “in accordance with the Developer Contributions & Planning Obligations Supplementary Planning Document (SPD)” should not be interpreted by the Council’s Development Management Officers as conveying the weight of a DPD onto this SPD, which has not been subject to examination and does not form part of the Amended Allocations & Development Management DPD. The Town and Country Planning (Local Planning) (England) Regulations 2012 are clear that development management policies, which are intended to guide the determination of applications for planning permission should be set out in policy in the Local Plan. To ensure a policy is effective, it should be clearly written and unambiguous so it is evident how a decision maker should react to development proposals. The Council’s requirements should be set out in sufficient detail to determine a planning application without relying on, other criteria or guidelines set out in a separate SPD.

DM3: Developer Contributions and Planning Obligations

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

10. Policy DM3 refers to provision of appropriate contributions being guided by the Council’s Planning Obligations & Developer Contributions SPD. National policy clearly defines the scope and nature of an SPD in the planning process as providing more detailed advice and guidance on adopted Local Plan policies. The NPPG confirms that an SPD cannot introduce new planning policies nor add

unnecessarily to the financial burdens on development (ID: 61-008-20190315). Policy DM2 should be modified to delete the reference "... in accordance with the Developer Contributions & Planning Obligations SPD".

DM5a: The Design Process

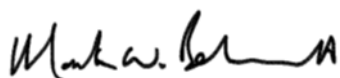
The policy is unsound as it is not consistent with national policy

11. DM5(a) requires new residential development to perform positively against Building for a Healthy Life. The HBF is supportive of the use of Building for a Healthy Life as best practice guidance to assist the Council, local communities and developers assess new housing schemes. The HBF has played a fundamental role in establishing Building for a Healthy Life, but it was never intended to become enshrined as a mandatory policy requirement in Local Plans. The use of Building for a Healthy Life should remain voluntary rather than becoming a requirement of Policy DM5(a), which would oblige developers to use this tool. If the Council wishes to refer to Building for a Healthy Life, it should be in supporting text only. The Council should also clearly set out the definition of performing positively against Building for a Healthy Life. A positive performance should not require achievement of a prescribed number of greens under the Building for a Healthy Life traffic light system of assessment.

Conclusions

12. 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 the following key areas:
 - Affordable housing policy has not been amended to reflect viability evidence in accordance with national policy;
 - Viability study does not reflect full impact of policies on the cost of development
 - Requirements to accord with Planning Obligations and Developer Contributions SPD are unsound
 - Reference to Building for a Healthy Life should be voluntary and not a requirement.
13. We hope these representations are of assistance in taking the plan forward to the next stage of plan preparation and examination. I would also like to express my interest in attending any relevant hearing sessions at the Examination in Public. Should you require any further clarification on the issues raised in this representation please contact me.

Yours faithfully



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