

Sent by EMAIL ONLY to Localplan@Rutland.gov.uk

8/1/2024

Dear Sir/ Madam

Response by the Home Builders Federation to the Rutland Reg 18 Local Plan Consultation.

- 1. Please find below the Home Builders Federation (HBF) response to the Rutland Reg 18 Local Plan consultation. 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.
- 2. HBF have only responded to the consultation question which raise relevant issues for our members.
- 3. It will also be important for the Council to consider if the recent (Dec 2023) changes to the NPPF have any impact on this emerging Local Plan. Once the Council has come to view on this matter, HBF would strongly welcome further consultation on this issue.

Chapter 3- Vision and Objectives

- 4. HBF agree that the Vision for Rutland should include reference to the need to meet the current and future housing needs of the whole community, including for market and affordable housing. We agree that new housing is needed in towns, larger villages and smaller settlements. HBF also agree that it is important for the Local Plan Objectives to recognise the connection between housing and the future aspirations for the local economy.
- 5. HBF support the intention of Strategic Objective 3 to meeting Rutland's identified current and future diverse housing needs.
- 6. HBF are pleased that the Council have recognised the need for the Plan to cover a period of 15 years from adoption. We would highlight that plan-making can take time and would encourage the Council to consider whether the Plan period should be extended to 2042 or 2043 to ensure that this will still be the case even if there is an unexpected delay during the plan-making and Examination process. It will be essential that the evidence base covers the full plan period and as such HBF suggest there is merit in considering this issue now.

Chapter 4- Climate Change

Policy CC2 - Design Principles for Energy Efficient Buildings

- 7. HBF supports the Government's intention to set standards for energy efficiency through the Building Regulations. The key to success is standardisation and the 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 Councils do not need to set local energy efficiency standards, or a requirement for zero carbon homes, in a Local Plan policy because of the higher levels of energy efficiency standards for new homes set out in the 2021 Part L Interim Uplift and proposals for the 2025 Future Homes Standard, which are currently out for consultation. This started on Dec 13th 2023 and closes in 6 March 2024. The consultation documents can be found online at https://www.gov.uk/government/consultations/the-future-homes-and-buildings-standards-2023-consultation
- 8. HBF would caution against policies that seek to go further and faster than national policy changes as this would lead to a patchwork of local policies which could undermine the delivery of these wider environmental objectives and create unnecessary delays to much needed new housing.
- 9. If a policy were to remain, HBF would question if the requirement for all new development to be net zero carbon in terms of heat supply is realistic in all cases, and suggest some flexibility is needed within the policy.

Policy CC4 - Net zero carbon (operational)

10. HBF would question what this policy is seeking to achieve and what it adds to Building Regulations. What will the Council do with the information of the 'as built' calculations when they receive it? What action could or would be taken once the homes have been completed? HBF note that Plan explains that consideration is being given to the viability of this approach and agree that energy efficiency requirements (and other policies) need to be subject to robust viability testing. However, this policy seems unnecessary and should be deleted.

Policy CC5 - Embodied Carbon

11. HBF are unclear how a developer would show compliance with this policy, and whether the Council has the skills and expertise to undertake or critique embodied carbon assessments, especially as be qualified to make judgements on accepting or rejecting carbon assessments as the baseline and measures therein have not been established. HBF therefore view this policy as unnecessary, and it should be deleted.

Policy CC6 - Water Efficiency and Sustainable Water Management

12. HBF note that the current Part G Building Regulations requires developments to compliance with a limit of 125 litres per day. House builders are frequently delivering 115-110 litres per day which means the house building industry is already improving upon the regulations. HBF would caution against policies that seek to go further and faster than national policy changes that result in patchwork of differing local standards. Because. There is therefore no need for a policy on this matter in a Local Plan.

Chapter 5- Spatial Strategy

Policy SS1 - Spatial strategy for new development

- 13. Although HBF does not comment on individual sites or allocations, we believe that the Plan should provide for a wide range of deliverable and developable sites across the Borough in order to provide competition and choice to ensure that housing needs are met in full. HBF would wish to see the Plan set out a logical settlement hierarchy which meets all the housing needs and addresses all areas of the housing market, with a range of sites proposed for allocation.
- 14. The NPPF requires Local Plans to identify land to accommodate at least 10% of the housing requirement on sites no larger than one hectare, unless there are strong reasons why this cannot be achieved. The HBF has undertaken extensive consultation with its small developer members. One of the chief obstacles for small developers is that funding is extremely difficult to secure without 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 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.
- 15. HBF would therefore wish to see the 10% small sites allowance delivered through allocations (and not windfall). Such sites are important for encouraging the growth in SME housebuilders who will tend to develop these sites but rarely see the benefits that arise from the allocation of sites in a local plan. Up until the 1980s, small developers 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%.
- 16. HBF also note that support for small and medium builders need not be limited to only small sites of less than 1Ha. SMEs also deliver on other types of non-strategic sites (for example up to 100 units). The inclusion of additional non-strategic allocations would expand the range of choice in the market, and (possibly most importantly), be of a scale that can come forward and making a contribution to housing numbers earlier in the plan period.
- 17. Although a policy that sets criteria to enable housing is smaller settlements is welcomed, HBF would support a Local Plan that included sites allocated sites in rural areas. HBF supports this being done through plan-making process in the Local Plan which provides certainty in meeting rural housing needs.
- 18. The Plan needs to set out how and when monitoring will be undertaken, and more is needed on what action(s) will be taken when if monitoring shows under delivery of housing.

Chapter 6 - Housing

Policy H1 – Sites proposed for residential development

- 19. HBF does not comment on individual sites or allocations. HBF support the need for a contingency buffer to provide for a range of market choice. However, the standard method LHN should be the minimum starting point for establishing the housing requirement and the Council should then considers if there are issues that result in the need for a higher housing requirement, including the need to provide a range and choice of sites, the need for flexibility, viability considerations and whether higher levels of open-market housing are required in order to secure increased delivery of affordable housing. HBF suggests that Council should consider if these factors, individually and/or cumulatively result in the need for a higher housing requirement for Rutland, and a subsequent need for additional allocations.
- 20. It is important that housing delivery is effectively monitored so that if housing monitoring shows delays to housing delivery across Rutland action is taken to address this as soon as possible. HBF note that the consultation acknowledges that "some or all of the reserve sites may still need to be allocated in the final version of the plan if the minimum housing need increases or if any of the preferred sites become unavailable or undeliverable. HBF suggest reserve sites should be allocated so they that can be easily and quickly brought forward to address any under-delivery of housing supply.
- 21. HBF believe that the Plan should provide for a wide range of deliverable and developable sites, including a buffer and small site allocations across Rutland in order to provide competition and choice to ensure that housing needs are met in full. As mentioned above we would also recommend the Council consider whether an extension to the plan period is needed.

Policy H2 – Cross-boundary development opportunity – Stamford North

22. HBF have no comments on this policy other than to note that cross-boundary strategic sites can be complex to deliver, which further underlines the need for flexibility in the plan through additional allocations, and robust monitoring to ensure effective housing delivery is achieved over the Plan period.

Policy H4 – Meeting all housing needs

23. HBF support the requirement for the Plan to deliver a mix of house types and sizes and are pleased that the Council has taken on board feedback from developers and agents was to support Option A- to maintain the current flexibility on the different house types/sizes that should be provided by developers and encourage the mix to reflect local needs; rather than introducing more perspective policies whilst taking account of up-to-date evidence.

Policy H5 - Accessibility standards

24. HBF note that the policy seeks to require all dwellings on sites totalling 100 or more dwellings, a to meet M4(2) except in exceptional circumstances and for a minimum of 1% of all dwellings to meet part M4(3) of the Building Regulations on sites of 100 or more dwellings. The requirements to meet Part M4(2) will be superseded by changes to residential Building Regulations. The Government response to 'Raising accessibility standards for new homes' states that the Government proposes to mandate the current M4(2) requirement in Building Regulations as a minimum for all new homes, with M4(1) applying in exceptional circumstances. This will be subject to a further consultation on the technical details and will be implemented in due course

- through the Building Regulations. There is therefore no need for a policy on this issue within the Rutland Local Plan.
- 25. There is also a need to differentiate between Part a) and part b) of M4(3) technical standards. M4(3)a sets out standards for wheelchair adaptable housing, where M4(3)b relates to wheelchair accessible housing which can only be required on affordable housing where the Council has nomination rights. Any policy, if it remained, would need to recognise this distinction. This issue should also be factored into the whole plan viability assessment as both M4(3)a and M4(3)b impact on viability, with M4(3)b being considerably more expensive.

Policy H6 - Self-build and custom housebuilding

- 26. HBF does not consider that requiring major developments to provide for self-builders is appropriate. Instead, the HBF advocates for self and custom-build policies that encourage self and custom-build development by setting out where it will be supported in principle. The HBF considers that Councils can play a key role in facilitating the provision of land as set in the PPG. This could be done, for example, by using the Councils' own land for such purposes and/or allocating sites specifically for self and custom-build home builders- although this would need to be done through discussion and negotiation with landowners.
- 27. It is considered unlikely that the provision of self and custom build plots on new housing developments can be co-ordinated with the development of the wider site. At any one time, there are often multiple contractors and large machinery operating onsite from both a practical and health and safety perspective, it is difficult to envisage the development of single plots by individuals operating alongside this construction activity.
- 28. However, if a self-build policy is be pursued, then HBF agree that if demand for plots is not realised, it is important that plots should not be left empty to the detriment of neighbouring properties or the whole development. The timescale for reversion of these plots to the original housebuilder should be as short as possible from the commencement of development 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. There are even greater logistical problems created if the original housebuilder has completed the development and is forced to return to site to build out plots which have not been sold to self and custom builders. HBF would therefore suggest that any unsold plots should revert to the original developer after a six-month, not twelve-month marketing period.

Policy H7 - Affordable housing

29. Viability is an important consideration when setting affordable housing policies. HBF have reviewed the HDH Whole Plan Viability Assessment, dated August 2023 and offer the following comments. Para 8.74 of the report explains that the Council is "seeking % Biodiversity Net Gain has been so this is tested, however the base assumption is for 10%. The Council has not undertaken specific research into the costs in this regard and there are no published England wide data in this regard. Research by Kent County Council61 has indicated that the additional cost of providing 15% or 20% BNG is relatively modest where it can be delivered on-site." However, the Table quoted from Kent lists both a £ cost and a requirement for additional land. Clearly this need for additional land will have a significant cost implications.

- 30. HBF would argue that the costs of mandatory BNG are still emerging as the off-site market is yet to be established. Although the initial price of statutory credits is now known this national fallback option has been deliberately highly priced to discourage their use. Whilst this intention is understandable, at present the lack of functioning local markets for off-site credits causes viability problems because HBF members experience to date suggests that any scheme that needed to rely on statutory credits would become unviable. HBF therefore strongly disagree with para 10.36 which says "the impact on viability of seeking 20% Biodiversity Net Gain is modest, particularly on greenfield sites."
- 31. HBF information suggests that complying with the current new part L is costing £3500 per plot. The Future Homes Standard Part L in 2025 is anticipated to cost up to £7500+ per plot. There will also be the addition of the Building Safety Levy that is coming in pay for cladding. This will be a per plot basis around the UK, and initial values are around £1500- £2500 per plot. These factors need to be fully considered in the whole plan viability assessment.
- 32. Para 12.87 concludes that "The headline finding is that there is some scope to increase the overall policy requirements, however this is modest. The Council is keen to move towards zero carbon, ahead of the speed being taken at a national level. The Council has commissioned evidence to inform policy development and the move towards zero carbon that will include estimates of the costs. In the meantime, three options have been tested, being the costs of staying aligned with Building Regulations, and two options of moving beyond Building Regulations. Pending the completion of the RCC work to establish the costs of moving beyond Building Regulations, three scenarios have been tested". HBF suggest that without the clear and robust evidence of the costs of going further and faster than government policy, the viability assessment is not robust and has not demonstrated any such policies could be implemented without impacting viability. As such HBF do not believe the current evidence is robust enough to support a 30% affordable housing requirement.
- 33. The viability study, and therefore the policy requirements and section 106 asks, must be kept under review as the Plan progresses, especially as the costs of BNG and Future Homes emerge.
- 34. HBF also suggests that there is no need to repeat national guidance or any specific reference to requirements set out in the NPPF and the PPG within the policy.

Policy H8 - Rural exception housing

35. HBF reiterate that there is no need to repeat national guidance or any specific reference to requirements set out in the NPPF and the PPG within the policy.

Chapter 8 - Sustainable Communities

Policy SC2 – Place shaping principles

36. This policy seems to be seeking to give Local Plan status to an existing SPDs which is not appropriate. Planning policy must be made through the Local Plan process and be subject to mandatory requirements for public consultation and independent scrutiny through the Examination process.

Policy SC3 – Promoting good quality design

- 37. HBF does not support the introduction of the optional Nationally Described Space Standards though policies in individual Local Plans. If the Council wanted to do this, they will need robust justifiable evidence to introduce the NDSS, as any policy which seeks to apply the optional nationally described space standards (NDSS) to all dwellings should only be done in accordance with the NPPF, which states that "policies may also make use of the NDSS where the need for an internal space standard can be justified".
- 38. The NPPF requires that 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. The PPG (ID: 56-020-20150327) identifies the type of evidence required to introduce such a policy. It states that 'where a need for internal space standards is identified, local planning authorities should provide justification for requiring internal space policies. Local planning authorities should take account of the following areas:

Need – evidence should be provided on the size and type of dwellings currently being built in the area, to ensure the impacts of adopting space standards can be properly assessed, for example, to consider any potential impact on meeting demand for starter homes.

Viability – the impact of adopting the space standard should be considered as part of a plan's viability assessment with account taken of the impact of potentially larger dwellings on land supply. Local planning authorities will also need to consider impacts on affordability where a space standard is to be adopted.

Timing – there may need to be a reasonable transitional period following adoption of a new policy on space standards to enable developers to factor the cost of space standards into future land acquisitions'.

- 39. HBF also remind the Council that 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.
- 40. An inflexible policy approach imposing NDSS on all 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.
- 41. HBF considers that if the Government had expected all properties to be built to NDSS that they would have made these standards mandatory not optional.
- 42. If the proposed requirement for NDSS is carried forward, then the Council should put forward proposals for transitional arrangements. The land deals underpinning

residential 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. The NDSS should not be applied to any reserved matters applications or any outline or detailed approval prior to a specified date.

43. This also policy seems to be seeking to give Local Plan status to an existing Design Guidelines for Rutland SPD which is not appropriate. Planning policy must be made through the Local Plan process and be subject to mandatory requirements for public consultation and independent scrutiny through the Examination process.

Policy SC7 - Creation of New Open Space

44. This policy seems to be seeking to give Local Plan status to as yet unwritten SPDs which is not appropriate.

Chapter 9 – Environment

Policy EN1 - Protection of Sites, Habitats and Species

45. HBF suggest that the policy is currently unclear and cumbersome. The reference to BNG midway through the policy, when there is also a separate BNG policy, is potentially confusing. In light of the new guidance on BNG that has recently been published, HBF strongly suggest the Council need to review this whole chapter to ensure it fully reflects all the new legislation, national policy and guidance. Our detailed comments about BGN can be found in response to Policy EN3.

Policy EN2 - Local Nature Recovery Strategy

- 46. HBF's comments about the BNG policy itself are detailed below under Policy EN3. HBF suggest the environment section of the Plan and the policies within it are not as clear and logical as they could be. Would would suggest for example that the ordering of the issues/policies of the Plan could usefully be changed so that BNG is dealt with before LNRS.
- 47. HBF suggest that the BNG policy (and the Environment Chapter in general) needs to more clearly set out how the Plan will adopt recommendations and guidance from the Local Nature Recovery Strategies (once these have been prepared) and set out the specific BNG solutions that the Council would like to be prioritised when off-site credits are needed to achieve BNG policy compliance. This is important to ensure that the plan provide certainty for developers, communities and decision-makers, and to ensure that BNG solutions are effectively targeted. The Plan needs to set out receptor sites and appropriate area(s) for BNG off-site unit delivery so that an ecologist can run the BNG statutory metric correctly, because the local significance of BNG is one of the inputs into the Metric.
- 48. Local Nature Recovery Strategies are new initiative, and one has yet to be prepared that covers Rutland. As the LNRS emerges it will be important for this Local Plan to be kept under review and further public consultation on the interaction between the two documents and/or changes to Local Plan policy to reflect the LNRS may be needed.

Policy EN3 - Biodiversity Net Gain

- 49. HBF has been involved in a significant amount of work, being led by the Future Homes Hub, on BNG preparedness for some time and note the draft Planning Practice guidance from DLUHC and the Draft DEFRA BNG Guidance has been released during your consultation period.
- 50. Currently the BNG PPG has been published in draft form to allow for "familiarisation" and as such some details may change between now and the implementation date in January 2024. Similarly, HBF understand the DEFRA Guidance is still being refined before the implementation date, and indeed may be further refined once mandatory BNG is working in practice, to reflect any early lessons learnt.
- 51. HBF note that there is a lot of new information for the Council to work though and consider the implications of, in order to ensure that any policy on Biodiversity Net Gain policy so that it complies with the latest policy and guidance as it is finalised. It should also be noted that the PPG is clear that there is no need for individual Local Plans to repeat national BNG guidance.
- 52. It is the HBF's opinion that the Council should not deviate from the Government's requirement for 10% biodiversity net gain as set out in the Environment Act. There are significant additional costs associated with biodiversity gain, which should be fully accounted for in the Council's viability assessment. It is important that BNG does not prevent, delay or reduce housing delivery. Although the national policies requiring 10% BNG cannot be subject to site specific viability discussion, any policy requirements over 10% can be. Any policy seeking more than 10% BNG needs to reflect this position.
- 53. It is also important to note that large and complex sites where the development is phased, the guidance is clear that the 10% must be delivered at the end of the development, and this may not result in 10% BNG on each phase. Additional advice on phased development is still awaited.
- 54. HBF also suggest particular care is needed in terminology to ensure the BNG policy reflects the national policy and guidance. For example, on-site and off-site biodiversity is referred to as units, and the statutory national credit system of last resort is referred to as credit. Similarly, it will be important to differentiate between the mitigation hierarchy, which seeks to avoid harm and then mitigate it in relation to protected habitats and the BNG hierarchy which prioritises on-site BNG delivery, then off-site units and finally allows for statutory credits. National BNG policy allows for all three of these options, and therefore the Plan should also reference statutory credits.
- 55. The costs of BNG must also be considered as part of the whole plan viability assessment and should be specified as a single specific item, not combined into a generic s106 costs item. There are significant additional costs associated with biodiversity net gain, which should be fully accounted for in the Council's viability assessment, some of which are unknown at this time. It is important that BNG does not prevent, delay or reduce housing delivery. As this is an emerging policy area and the market for off-site provision, and statutory credits are not yet known, any figure used for BNG costs will need to be kept under review as BNG implementation progresses and a greater understanding of actual costs become available. The Whole Plan Viability Assessment should clearly set out how it considered the

implications of mandatory BNG and how it was arrived at using the most up to date BNG costs information available.

- 56. As mentioned in our response to Policy EN2, Local Nature Recovery Strategies are new initiative, and one has yet to be prepared that covers Rutland. As the LNRS emerges it will be important for this Local Plan to be kept under review and further public consultation on the interaction between the two documents and/or changes to Local Plan policy to reflect the LNRS may be needed.
- 57. HBF would encourage Rutland to ensure the Local Plan fully considers BNG as part of the site selection process. This should include understanding the BNG requirement, including undertaking an assessment of the baseline to support the allocation. Understand the BNG costs and viability for the site and considering how this may impact other policy requirements such as affordable housing, other s106 or CIL contributions.
- 58. The wording of the policy seems to allow for some confusion between the well-established mitigation hierarchy and the new BNG hierarchy. There is need for the policy wording and/or supporting text to be clearer about the differentiation between the mitigation hierarchy (which seeks to avoid harm in the first place, then mitigate and only then compensate it in relation to protected habitats) and the BNG hierarchy (which prioritises on-site BNG delivery, then off-site units and finally allows for statutory credits). There seems to be significant potential for confusion between the two difference hierarchies. The Plan could do more to explain how the two hierarchies work in different ways and that they seek to achieve different aims. We would suggest the use of the term "BNG spatial hierarchy" may help with this issue.
- 59. There also appears to be some confusion about the role and purpose of the small sites metric. This is intended to be a less complex statutory metric that can be used to set out how 10% BNG will be secured on small sites. It can only be used for onsite BNG delivery. The national mandatory 10% BNG policy will apply to small sites from April 2024. Brownfield sites have also not been unilaterally exempted from BNG either.
- 60. The requirement that "Council will expect developers to provide mitigation, compensation, and enhancement measures for biodiversity on, or immediately adjacent to, a site for all major development proposals" and the statement "ly that which cannot be mitigated or compensated for on-site will be permitted offsite, so even where off-site is agreed, on-site measures will still be required." Do not reflect the national 10% BNG legislation requirements, policy or guidance. Similarly wording of the BNG legislation means that a final BNG plan can only be submitted after planning permission is granted.
- 61. The guidance is also clear that the statutory metric is the way to assess the BNG of development and ensure mandatory BNG is delivered. It is therefore unreasonable for the Council to seek to rely on other factors not included in the metric for assessing compliance with BNG policies. However, HBF recognise that other environmental measures such as bat boxes and bird bricks fall outside the scope of mandatory BNG.

- 62. HBF believes it could be clearer are unclear how this relates to the wider BNG and LNRS objectives.
- 63. The policy also seeks to require three replacement trees for each tree lost. HBF would question how the Council arrived at the requirement for three replacement trees for every one lost and what (if any) assumptions have been relation to the size and standard of trees. HBF considers that a three for one replacement policy could impact on the land uptake for any development and may have implications for the density of developments, which in turn has the potential to have an impact on the viability of developments.

Policy EN7: Green and Blue Infrastructure Network

64. HBF suggest this policy needs to be clearer about how it links into BNG policies, e specifically the BNG Metric for watercourses.

Chapter 11 – Infrastructure and Delivery

Policy INF1 - Infrastructure and connectivity

65. The revised IDP will form an essential part of the evidence base in support of this Local Plan. HBF would welcome to the opportunity to review this once it is available. There is also likely to be a need to revisit the viability assessment once the infrastructure requirements are known.

Future Engagement

- 66. I trust that the Council will find these comments useful as it continues to progress its Local Plan. I would be happy to discuss these issues in greater detail or assist in facilitating discussions with the wider house building industry.
- 67. The HBF would like to be kept informed of all forthcoming consultations upon the Local Plan and associated documents. Please use the contact details provided below for future correspondence.

Yours faithfully

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