

Sent by email to: planningpolicy@basildon.gov.uk

04/09/2023

Dear Sir/ Madam

Basildon Local Plan Issues and Options Consultation

1. Thank you for consulting the Home Builders Federation (HBF) on the issues and options for the Basildon Local Plan. The HBF is the principal representative body of the housebuilding industry in England and Wales with our members account for over 80% of all new housing built in England and Wales in any one year. Our comments, set out below, reflect the views of discussions with our membership of national and multinational corporations through to regional developers and small local housebuilders.

Plan period

2. The Council are proposing a plan period to run from 2027 to 2042. The plan period should ensure that, as required by paragraph 22 of the NPPF, that strategic policies look ahead for a minimum of 15 years and therefore a plan adopted at the end of 2027 as indicated in the adopted LDS would meet the requirements of national policy. However, the HBF is concerned that this leaves plan period little room for error. Should the timetable be delayed, the Council could be left with a plan period that does not meet the requirements of paragraph 22 and as such we would recommend extending it by a year to 2043.
3. With regard to the start date the HBF consider a sound plan period to start from the point at which development needs in the submitted local plan are assessed as this is the figure that is then relied upon for a period of two years (NPPG 2a-008). If the plan is to be submitted in Q2 of 2026 then the most up to date evidence in calculating housing needs using the standard method will relate to population growth between 2025 and 2035 and the

affordability ratio from 2025. Therefore, in preparing a plan it is logical that the plan period starts from 2025 and not 2027 to ensure that an under delivery from the point at which needs are assessed is taken into account when preparing the plan. A plan period that starts from 2027 would therefore be inconsistent with national policy and as such unsound. The HBF therefore recommends that the Local Plan covers the period 2025 to 2043.

Delivering growth and increased prosperity

4. As noted by the Council in paragraph 4.6 national policy requires local planning authorities to show that they have maximised development opportunities on brownfield sites, and other underutilised land, prior to considering the removal of land from the Green Belt to support development. It will be necessary for the Council to follow this sequential approach in considering how it will deliver the scale and type of development required to meet the needs of its growing population. If development needs cannot be met on brownfield land and no other areas are willing to deliver additional homes to support Basildon, it will then be for the Council to consider whether there are exceptional circumstances required to meet its development needs through amendments to the Green belt boundary.
5. The Council state at paragraph 4.28 that: *“The cost of buying or renting a home, and the shortage of homes available for those on low to middle incomes, are a real issue for many of those living and wanting to live in the borough. If we do not plan for enough homes, this could worsen affordability, limit our local economy, damage social inclusion, and have implications for climate change as people travel further to access jobs. Indeed, these issues do not only affect Basildon Borough.”* These concerns all point there being the exceptional circumstances required to amend Green belt boundaries. The issue clearly goes beyond just meeting housing needs and extends much wider with a lack of housing having a significant impact on the local economy as well as the wider health and well-being of Borough’s population.
6. The significant consequence of failing to meet housing needs have been impacting on the Borough for a number of years. Since 2013 the Council, have delivered an average of just 435 dwellings per annum (dpa) compared to assessed needs of between 800¹ and 1,000² dpa that same period. This lack of supply has contributed to the worsening affordability of housing in Basildon which has seen the median house price to income ratio increase from

¹ South Essex Strategic Housing market Assessment 2016

² Local Housing Needs Assessment using the Standard method.

6.55 to in 2013 to 10.36 in 2021. Whilst the HBF accept that there are wider factors at play an increase the supply of homes in Basildon, and indeed across South Essex, would have ensured that the rate at which affordability has worsened would not have been so significant. The shortfall in delivery is also impacting on the growing backlog in the need for affordable housing. The Council's Annual Monitoring Report (2021-22) shows that in order to clear current backlogs the Council would need to deliver 160 new affordable homes per annum over the next five years – significantly more than the average annual delivery rate over the last five years of just 39 affordable homes.

7. The most effective approach to addressing the issue of both the affordability of market housing and the delivery of affordable homes is through a significant increase in housing delivery that can only be delivered through the release of land from the Green Belt for new housing development. A strategy without such amendments would mean affordability continues to worsen and an increasing backlog of in the need for affordable housing. This will also have consequential impacts with more of its workforce have to commute into the Borough, economic growth being limited and more households living in less energy efficient homes. The significant backlog in delivery and consequential impacts all add significant weight to the argument for Green Belt boundary amendments in order meet the pressing need for new homes.

Tackling climate change

8. In considering how the local plan can help with regard to climate change it is important to note the significant improvements in energy efficiency that have been delivered by the housebuilding industry in recent years. Research by the HBF³ has identified that 85% of new build properties are rated A or B for energy performance compared to just 4% of existing homes. This means they require much less energy for day to day running, using approximately 9,400 kWh a year compared to older properties averaging over 21,000 kWh per year. This improvement can also be seen when size is taken into account with the average new build using 105kWh per m² per year compared to 246 kWh per m² in an existing property. New homes are already making a significant contribution towards meeting the national carbon reduction targets by allowing more people to live in more energy efficient homes.

³ Watt a Save (HBF, 2023) <https://www.hbf.co.uk/news/energy-efficient-new-homes-cut-carbon-emissions-by-60-saving-owners-135-a-month/>

9. This situation will only improve with the proposed changes to the Building Regulations. New homes are already being built to higher energy efficiency standards set out in the 2021 Building Regulations which will deliver a 30% improvement on previous regulations, with further improvements expected from 2025 with the introduction of the Future Homes Standard. The Future Homes Standard will mean that all new homes built as a result of this plan will be zero carbon ready. These improved technical standard means that the Local Plans approach to climate change should not focus on technical standards for energy efficiency as these are being addressed through building regulations. This approach is not just one supported by the HBF and its members. its development being supported by energy and water providers, bodies such as RSPB and three Government departments. The framework developed will ensure that the transition to zero carbon homes is feasible whilst maintaining house building levels that can address the current housing crisis facing the country. To then place additional requirements with regard to such matters is unnecessary and unjustified.
10. The focus should instead be mitigating the impacts of climate, ensuring development is supported by active and sustainable travel infrastructure as well as increasing the supply of new homes to reduce the number of people in less energy efficient properties.
11. It will also be important for the Council to take into account the costs of the new standards mentioned above. The HBF⁴ has estimated that the additional cost of meeting the higher part L standard that came into force in June 2022 add between £5,335 to £5,580 to the cost of a new build home. Further cost likely to be felt by housebuilders and developers as a result of the changes in building regulations is the introduction of heat metering regulations. 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. In addition, the Council will also need to consider the cost of delivering a Future Homes Standard which the Future Homes Hub estimates would add over £5,500 to the build cost of an end of terrace home⁵.
12. Building regulations require all new dwellings to achieve a water efficiency standard of 125 litres per person per day. If the Council is seeking a higher level of water efficiency it will need to ensure its approach is consistent the optional technical standard for water efficiency

⁴ Building Homes in a Changing Business Environment (HBF, 2022)

⁵ Ready for Zero Evidence to inform the Future Homes Standard (Future Homes Hub, 2023).

<https://www.futurehomes.org.uk/>

set out in para 56-013 to 56-017 of PPG and that it has sufficient evidence to support its position.

Enhancing Biodiversity

13. In seeking to improve biodiversity the HBF considers that the most important role for the local authority will be to work closely with Essex County Council to produce a Local Nature Recovery Strategy. Such strategies should not only provide a framework for improving biodiversity but also identify opportunities for offsite mitigation within Basildon, and indeed across Essex, to ensure that those developments that cannot meet the 10% Biodiversity Net Gain (BNG) requirement on site can ensure appropriate mitigation elsewhere in the Borough or county. Local offsite delivery that is co-ordinated and supported through the Local Nature Recovery Strategy has the potential to have significantly more impact than piece meal on site delivery pepper potted across the Borough.
14. The HBF does not support increasing the percentage requirement for BNG above 10%. Whilst we recognise the Government has stated that higher requirements can be set in local plans, we are concerned that this may for some development be undeliverable without significant offsite contributions and that, in the short term at least, the market for offsite credits is not sufficiently mature to support a higher requirement. In fact, we are concerned that the market is not sufficiently mature to support developments to achieve the statutory minimum let alone a higher percentage.
15. There is also the risk that the cost of offsite delivery may escalate as demand for offsite credits exceeds the market's ability to supply these. Even at 10% BNG many sites will need to deliver some net gains offsite. Therefore, a higher percentage will require significantly more offsite delivery as anything above 10% is unlikely to be deliverable onsite, especially for small and medium sized sites. This will create significant demand for offsite units locally. At present the local market for credits in many areas is immature and will struggle to meet demand – a situation that will only worsen if a higher percentage of BNG is required. This situation will result in the price of local credits increasing alongside demand and developers having to purchase credits outside of the local area in order for their development to commence. Both could add substantially to the cost of development.
16. As the market matures and units are less scarce this issue may well be addressed. However, it should also be recognised that where development has to deliver off site net gains outside of the local area these generate fewer biodiversity units using the latest metric

due to the spatial risk multiplier, compared to offsite delivery in the same location or national character area. Therefore, requiring levels of BNG over the 10% minimum, which is likely to require more offsite delivery, will be significantly more expensive in the short and medium term in order to proceed with their development. In addition, increasing demand may well increase costs across the region with more developers chasing a limited number of available credits.

17. Whilst a national statutory biodiversity credit will be available to support development where there is an absence of local offsite credits, this will be set at higher price to encourage the development of local markets for credits placing additional pressure on the viability of new development in Basildon. Therefore, the HBF suggests that the focus of the Council should be in supporting development to deliver the 10% minimum and seeking to improve the market for biodiversity credits locally not on placing further additional requirements and costs onto development that will affect its deliverability.
18. The Council will also need to ensure that proper consideration is given to the cost implications of achieving 10% BNG. There will always be significant uncertainty as to how much this will cost given that it is dependent on the base level of biodiversity on each development site. In time a clearer picture of the costs of delivering 10% BNG will arise, and it will be important for these to be taken into account but until then the Council needs to ensure that there is significant headroom within its viability assessment to ensure that sufficient account is made for the costs of delivering BNG.

Creating Beautiful Places

19. The council outline in paragraph 4.27 that they want to create high quality homes which are safe and secure and long lasting and that the use of national space standards ensure homes are fit for purposes. The HBF and our members share the Council's desire to deliver high quality homes that meet the needs of their customers. However, we would also like to remind the Council that households have a wide variety of budgets and aspirations, and their choice can be diminished by the inflexible application of the Nationally Described Space Standards (NDSS). Well-designed dwellings below NDSS can provide a good, functional home with smaller dwellings playing a valuable role in meeting specific needs of some households.

20. 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.
21. If the Council do consider it necessary to use include a requirement for new homes to be built to the NDSS the Council will need to show, as set out in paragraph 56-020 of PPG, that these are needed and the impacts of required space standards on housing delivery and viability has been properly assessed.

Improving access to housing

22. The HBF consider it to be essential that more land is allocated for housing and that this is vital in improving access to housing. As outlined above the impacts of not delivering enough homes in Basildon can be seen in the worsening affordability ratio and the growing backlog in affordable housing supply. If this plan does not allocate sufficient land to meet the minimum required by the standard method, then the barriers to housing for many will remain with more households unable to access home ownership and those in need of affordable housing waiting longer for appropriate accommodation to become available.
23. The Council state at paragraph 4.32 that following the ministerial statement in December 2022 the Government intends for the standard method to be starting point for the preparation of the local plan and that it will be possible for the Council to produce a plan which includes a different housing number than that arrived at using the standard method. This is not new, the NPPF states at paragraph 11 that there may be reasons why housing needs may not be met as well as setting out in paragraph 60 that in exceptional circumstances an alternative approach to assessing housing needs other than the standard method may be justified. Planning Practice Guidance (PPG) also set out that there may be circumstances where Councils will want to deliver beyond minimum housing needs – for example in order to better meet the need for affordable housing or to support growth expectations arising from new infrastructure or support for growth initiatives.

24. This consultation document makes no comment as to the approach that the Council will take with regard to how it intends to determine how many homes are needed. The HBF considers the minimum number of homes the Council should deliver is that arrived at using the standard method at 1,041 dwellings per annum. However, the Council will need to take into account expected levels of economic growth and affordable housing in order to consider whether an uplift above standard method minimum is required.
25. The Council state in paragraph 4.39 and 4.40 that Basildon is one of the major economic growth areas in Essex, with its economy being of both regional and national importance, and demand for businesses premises is outstripping supply. Given this and the Council's intention to develop more commercial property to meet needs it will be vital that, in line with paragraph 82 of the NPPF, this level of housing growth is sufficient to support their ambitions and will not be a barrier to economic investment in the Borough. Similarly, the Council will need to consider, in line with paragraph 2a-024 of PPG, whether an increase the housing requirement for the Borough is necessary to help deliver the number of affordable houses required. Given that the Council must deliver 160 new homes each year for the next five years to address the current back log, in addition to a need for 288 affordable homes a year, there is clearly a strong case for ensuring that overall housing supply is sufficient to deliver the affordable housing needs of the area.

Spatial delivery options

26. The Council have identified six broad themes for delivering growth. Whilst the HBF does not have preferences as to where development needs are met, we are concerned that the spatial strategies being proposed in many local plans are becoming more reliant on new settlements or large strategic urban extensions as a way of meeting housing needs in full. Such allocations are important and the HBF would support their allocation as a means of ensuring long term needs. However, too often the expectations as to when such allocations will start delivering new homes and the rate at which they will deliver are overly ambitious and fail to take into account the complexity of delivering such sites.
27. The second edition of Lichfields, Start to Finish (2020) provides helpful insight into expected housing trajectories for a range of schemes that the Council may find helpful when considering its spatial strategy. For example, table 3 of the report sets out that the mean annual delivery rate for schemes of over 2,000 homes is 160dpa. With regard to peak delivery rates the report sets out in Table 5 that schemes of over 2,000 delivery rates can

reach 600 dpa citing Cambourne in Cambridge as an example. However, this rate of delivery was significantly higher than other schemes and still only resulted in an average annual build out rate of 223 dpa with many other large schemes delivering well below this figure.

28. One of the concerns the HBF has with plans that rely heavily on strategic sites with optimistic delivery rates is that this inevitably leads to stepped housing requirements that push back housing needs to later in the plan period and far fewer small sites being allocated.
29. The HBF that the use of stepped housing requirements is permitted with PPG outlining that they “... *may be appropriate where there is to be a significant change in the level of housing requirement between emerging and previous policies and / or where strategic sites will have a phased delivery or are likely to be delivered later in the plan period*”. However, it is important to note that this also requires Councils to ensure that stepped housing requirements do not unnecessarily delay meeting housing needs. Therefore, where there is a reliance on strategic sites coming forward at the end of the plan period the Council should seek to balance this with the allocation of smaller sites that will deliver earlier the plan period to prevent delays in meeting housing needs. This is essential for an area such as Basildon where, as highlighted above, affordability has worsened significantly in recent years due to the under supply of new homes.
30. The allocation of small sites is also a priority for the Government with paragraph 68 of the NPPF stating that LPAs should identify through the development plan or brownfield register land to accommodate at least 10% of the housing requirement on small sites. this policy stems from the Government’s desire to support small house builders by ensuring that they benefit from the having their sites identified for development either through the local plan or brownfield register. The effect of an allocation is to take some of the risk out of that development and provide greater certainty that those sites come forward. This in turn will allow the SME sector to grow, deliver homes that will increase the diversity of the new homes that are available as well as bring those homes forward earlier in the plan period.
31. A failure to allocate small sites will contributing to the decline in small and medium sized house builders. Recent research by the HBF has found that there are 85% fewer small house builders today than there was 20 years ago and that of a survey of 202 SME house builders 87% said they were considering winding up there residential activities in the next three years. Whilst this decline is due to a range of factors more allocations of small would ease the burden on many SME developers and provide more certainty that there scheme

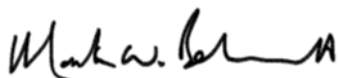
will be permitted allowing them to secure the necessary finance that is often unavailable to SMEs until permission is granted.

32. The Council should also recognise that allocating small sites and supporting SME house builders not only ensures a stronger supply in the short term but also improves the diversity of choice within local housing markets, support local and regional supply chains and are often pivotal in bring forward innovation and supporting jobs growth locally, with 1 in 5 of the SME work force comprising of apprentices.
33. The HBF would therefore encourage the Council to ensure that the spatial strategy that is taken forward ensures that, in line with paragraph 68 of the NPPF, a minimum of 10% of its housing requirement comes forward on small sites of less than one hectare and that the Council does not delay meeting housing needs unnecessarily through an over reliance on large strategic sites to meet housing needs in full.

Conclusion

34. The HBF considers it to be essential that the Council meets its housing needs in full. On the basis of the previous plans, it is inevitable that the Council will need to amend Green Belt boundaries to achieve this objective. The consequences of not meeting needs in full are significant and will lead to worsening affordability, fewer opportunities to deliver affordable housing, reduced economic growth with the subsequent impacts this will have on the health and well being of the population. All of these add up to the create the exceptional circumstances required to justify amendments to the Green Belt boundary and the Council should prepare its local plan on this basis.

Yours faithfully



Mark Behrendt MRTPI
Planning Manager – Local Plans
Home Builders Federation
Email: mark.behrendt@hbf.co.uk
Tel: 07867415547