

Sent by email to: LocalPlan@breckland.gov.uk

15/07/2024

Dear Sir/ Madam

# Breckland Local Plan - Full update

1. Thank you for consulting the Home Builders Federation (HBF) on the full update of the Breckland 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.

# Missing evidence

- 2. The Council state on the consultation website that the Integrated Assessment (IA) will only be available toward the end of the consultation period with no extension being given to the consultation period. Without this assessment it is not possible to consider which of the options being proposed is the most sustainable option, and whether the assessment within that study is robust and justified. We would suggest that more time is made available following the consultation to allow interested parties to comment on the IA once it is published.
- 3. HBF also note that no viability assessment has been published. This is a key part of the evidence and without it is difficult to comment on whether the plan is deliverable and the potential impact of the proposed policies on new development. In particular HBF are concerned as to the evidence provided in viability assessments as to the impact of delivering the 10% biodiversity net gains and the cost of meeting the Future Homes Standard. It will be important that the impact of these policies, and others, is properly considered using the most up to date evidence. For example, the cost of meeting BNG often reflects the costs

set out in the 2019 Impact Assessment on BNG published by Government. This included costs relating to offsetting of around £11,000 per biodiversity unit which is significantly lower than the £30,000 to £50,000 per credit costs currently faced by our members.

# Presentation of policies

4. Whilst not a matter of soundness the HBF would suggest that each of the paragraph in the policy boxes are numbered. This will help both decision makers and applicants in referring policies.

### GEN 01 General development principles.

5. Part i. requires major development to undertake a rapid Health Impact Assessment (HIA) and development of over 500 to be accompanied by a full HIA. Whilst the HBF support the objective of ensuring development contributes to the creation of healthy places we do not agree that this then translates into the need for HIAs. If a development, especially one that has been allocated in the local plan, meets the policy requirements of the plan then there should be no need for an HIA. The approach to development established by the plan should ensure that it secures positive health outcomes. The emphasis for HIA should be on ensuring the plan itself supports development the secures positive health outcomes rather than for this to be considered on an application-by-application basis.

### HOU 01 Breckland's Housing Requirements

# Housing needs

6. The Council state in HOU 01 that to meet future housing needs the local plan sets a minimum requirement for the delivery of 16,525 homes between April 2021 and March 2046, an average of 661 dwelling per annum. This figure has been arrived at using the standard method with a base period of 2023 to 2033 and the 2022 workplace-based affordability ratio of 9.25. As the Council's HEDNA notes this falls to 625 dpa using a base period of 2024 to 2034 and an affordability ratio from 2023 of 8.37. As the plan progresses it will be important that any changes to the standard method is considered and where necessary taken into account.

7. The policy sets out that the plan period over which housing needs will be from 2021 to 2046. The fact that the plan period extends to 2045 will ensure that the plan has at least 15 years left post adoption and is consistent with paragraph 22 of the NPPF. However, HBF do not consider a plan period that starts in 2021 to be consistent with national policy and the approach to establishing minimum housing needs. The standard method is essentially a forward-looking assessment and establishes the starting point for considering housing needs to be the current year (PPG 2a-004). As such delivery in previous years is taken into account within the standard method and to include delivery from previous years is unnecessary and inconsistent with the approach being advocated by Government. Given that the next iteration of the plan will be published in 2025, based on the Council LDS, and the base period for the standard method will also start in 2025, HBF considers it necessary for soundness for the plan period to start from that year. This will mean that the Council's overall housing needs will reduce from 16,655 to 13,881.

# Going beyond the standard method

- 8. It is notable that Breckland is one of the few areas where the 2016- and 2018-based projections indicate that household growth would be in excess of the 2014-based projections used the standard method. Table 7.8 of the HEDNA shows that between 2023 and 2033 household growth would be around 1,000 homes more using the principal 2018-based projections. Whilst HBF recognises that the concern that principal 2018-based projection uses a 2-year migration trend given the 2016-based projections also showed higher levels of household growth over this period it is evident that the area is facing increased pressure for more housing and jobs growth. Similarly, the projections produced by the Council's consultants based on 2021 data show that household growth could be similar to the higher projections indicated in both ethe 2016- and 2018-based projections.
- 9. As to whether these point to the need to use an alternative method the HBF would suggest that there is too much uncertainty at present as to what the projections may be and that the standard method using the 2014-based projections is reasonable starting point for which to assess housing need. However, it must be seen as a starting point and the minimum numbers of homes that should be delivered. The Council have examined the level of jobs growth, and it would appear that there will be sufficient homes generated by the standard method to support expected levels of jobs growth. Part of this assessment has included assessment of an alternative scenario examining likely trends in economic and employment growth over the plan period.

- 10. Whilst we cannot comment on other sectors it is recognised that housebuilding will continue support employment growth in Breckland. The latest data from ONS shows that in 2023/24 showed the economic output of housebuilding was some £45bn¹ and in 2022 the industry employed circa 247,000² 30,000 more compared to 2016. However, the number of people supported indirectly by the housebuilding industry was estimated in 2018 to be around 700,000 people nationally. In Breckland therefore the delivery of new homes will have a significant impact year on year on jobs growth locally and we welcome the fact that this has been recognised in the HENA.
- 11. However, it is not only the jobs created by housebuilding that will support economic growth but also economic output of house building which generated £3.7bn across the East of England in 2023/24<sup>3</sup>. Alongside this housebuilding contributes millions of pounds to support improvements in local infrastructure from schools and doctor's surgeries to new roads and stations. Whilst many of these improvements are made to address the direct impact of development, they are felt more widely and will improve productivity and support the economic growth of the area. In addition, local infrastructure projects supported by public sector funding, as well as planning contributions from new housing, such as the improvements to the A47 across Norfolk and Cambridgeshire will also have an impact on economic growth, supporting not only the delivery of new homes but promoting increased economic investment and jobs growth. Such consideration must be taken into account when establishing the amount of development to be planned for within Breckland.

# Affordable housing

12. As well as ensuring housing growth will be sufficient to support the economic growth aspirations of the area the Council will need to consider whether it needs to increase supply to better meet the borough's needs for affordable housing. The HEDNA highlights that there is a need for 299 affordable homes across the plan period. This is around 45% of the housing the 661 dpa housing requirement currently being proposed. At present the Council outline in policy HOU 24 which states that 25% of qualifying development shod be affordable homes. As such the supply of affordable homes will be well below what is needed and the

<sup>&</sup>lt;sup>1</sup> ONS construction output in Great Britain - May 2024

<sup>2</sup> Business Register and Employment Survey, ONS

<sup>&</sup>lt;sup>3</sup> ibid

council should consider, in line with PPG, if an increase to the overall number homes delivered by this plan is required.

Shortfall in housing supply over amended plan period.

- 13. HOU2 sets out that for the proposed plan period 2021 to 2046 the council have an identified supply of 15,480 dwellings. This is 11,031 dwellings that have been built, have a planning permission or are existing allocations as well as 4,449 homes on new allocations and windfall development. This would leave a further 1,045 homes for the Council to find in order to meet housing needs in full based on a plan period starting in 2021.
- 14. However, as set out above HBF consider the plan period to be unsound and should be amended to start in 2025. Consequently, the number of homes contributing to meeting needs over the plan period will need to be amended. For 2021/22 and 22/23 Table 5.2 in the local plan sets out that there were 1,862 completions in these years. However, it is also necessary to consider how many homes will be delivered in 203/24 and 2024/25 in order to understand the likely level of supply from committed development and new allocations over the shorter plan period. The Statement of Five-Year Housing Land Supply provides an indication of delivery in these years showing in Table 4 that deliver in these years is expected to be 2,006 homes. Bringing this information together shows that between April 2021 and March 2025 some 3,868 homes will be delivered.
- 15. Therefore, over a policy compliant plan period the Council have identified sites to deliver 11,612 homes a shortfall of 2,269 homes based on a housing requirement of 661 dpa. Using the lower LHNA of 625 dpa the shortfall reduces to 1,513 homes. This figure will likely change as the plan progresses and the Council will need to ensure that it has sufficient supply to ensure needs are met in full over a policy compliant plan period.

# Buffer in supply

16. In order to ensure that the housing needs are met, and the plan is deliverable the council will need ensure that there is sufficient flexibility in its supply to take account of delays in the delivery of allocated sites. Paragraph 5.7 of the local plan states that the Council consider it to be prudent to include a buffer of 8% to ensure choice and competition within the market for land and for longer lead in times for the large strategic sites to come forward. HBF would agree that a buffer is necessary but consider 8% to be insufficient. There is no

hard and fast figure as the buffer required to ensure the plan is deliverable across the plan period. However, HBF consider between 10% and 20% to be a reasonable buffer. The amount of buffer required will depend on the type of sites that make up supply. Supply which is coming predominately from larger sites runs a higher risk of there being a shortfall in sites as there is a greater chance that larger sites will be delayed due the complexity of delivering such schemes.

#### Small sites.

- 17. HBF consider it vital that all local plans support SME housebuilder through the allocation of small sites in line with paragraph 70a of the NPPF. Whilst the Council note in paragraph 5.19 of the Preferred Options document the need for 10% of the housing requirement to be on site of less than one hectare that have been identified in the local plan HBF could not find the evidence showing that this requirement will be met. The council will need to show that it has identified either as an allocation or through the Brownfield Register, that it can deliver the requirements of paragraph 70a. It must not, as is suggested in paragraph 5.64, suggest that windfall development forms part of this supply.
- 18. Whilst it will be important to promote more small sites to come forward over the plan period as windfall, as mentioned in part d of paragraph 70 of the NPPF, this is distinct from the 10% requirement set out in part a of paragraph 70 of the NPPF. Further clarification that the 10% should not include windfall development is in the glossary where windfall is defined as "Sites not specifically identified in the development plan". (our emphasis)
- 19. It is important to acknowledge that the allocation of small sites is a priority for the Government which recognises the need to support small house builders by ensuring that they benefit from 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.
- 20. Council should also note 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. Recent research by the HBF4 has also found that the availability of land is a major barrier to growth for 44% of SME housebuilders. Smaller builders are facing a reduced number of small site opportunities and are also reporting viability challenges due to Section 106, CIL or other obligations.

- 21. The Competition and Markets Authority (CMA) came to similar conclusions in its 2024 report on the Housing Building Market<sup>5</sup>. This report outlined that the planning system was a significant driver of long-term under-delivery of new homes against targets and assessed need" and that the challenges of the planning system have a disproportionate effect on SMEs. As well as the dearth of smaller sites coming through the system, the CMA identified two other issues:
  - The costs required to gain consent on smaller sites are higher on a per plot basis than for larger sites.
  - SMEs are less able to mitigate the uncertainty of the planning system. The time taken to gain consent can in turn hamper their ability to finance land purchases.
- 22. A failure to allocate enough small sites will therefore contribute to the continued decline in small and medium sized house builders and contribute to the continued decline of this important sector of the house building industry. As such the Council should not just seek to maximise delivery from the small sites that do come forward but to actively promote these through allocations in the local plan.

#### Strategic growth options

23. The HBF doesn't generally comment on specific site allocations or spatial strategies. However, in this instance we would like to comment on strategic development option 3. Whilst HBF have no comments to make as to whether the site will provide a suitable location for development, we are concerned that there appears to be a lack of certainty that the site will come forward when suggested. Whilst the barracks are surplus to requirements and expected to close in 2031 the phrasing is couched with the council stating in SDP 03 "In the event that the Barracks becomes available". HBF would expect to see far greater certainty with regard to strategic allocations and would suggest that this site is one for a future plan period unless far more certainty is proved by the MOD and Council as to its availability and potential uses.

<sup>&</sup>lt;sup>4</sup> State of Play, HBF (2024) link

<sup>&</sup>lt;sup>5</sup> Housebuilding market study final report, CMA (2024) link

24. Whatever option is chosen HBF consider it important that this does not unnecessarily push back the delivery of new homes to the end of the plan period. The Council have not published a trajectory as part of this local plan. It would appear from the Council's latest five-year land supply assessment and past delivery that delivery has been strong in recent years, and it will be important that the council seeks to maintain this trough the local plan review. This will require the council to ensure that new allocations in this local plan provide a mix of large and small sites that will maintain delivery consistently across the plan period. A greater variety of housing sites will in turn deliver an improved mix of housing types and style and an increased number of sales outlets that will more likely maintain delivery of housing supply across the plan period. This is not to say strategic sites shod not be a key part of the council's strategy just that it must be alongside a range of allocations both in terms of size and location.

# **HOU 05: Large housing site development principles**

25. The policy lacks sufficient detail as to what constitutes and broad masterplan. If this is not clearly defined there is a significant risk that development will be automatically refused for failing to meet the unspecified standard as to what a broad masterplan should contain. Given that this is a key part of any application it is expected that a broad master plan will form part of thew validation requirements and as such will need to be very clearly defined.

### **HOU 10: First Homes**

26. This policy appears to apply the 30% discount suggested by Government but then sets a cap on the sale of First Homes at £130,000 – much lower than the £250,000 cap set out in national policy. In effect this will mean that the discount on many homes will be significantly more than 30%. It will have a particular impact on those developments where the price point is higher than the average due to the particular location and the type of home being built. In some cases, in order to achieve a £130,000 cap will require a discount in excess of 50%, especially if first homes are required to reflect the housing mix set out in latest HEDNA. This will need to be carefully considered within the viability study.

#### HOU 13: Self Build

- 27. The broad support parts1 and 2 offer to self-build development is welcomed. However, HBF does not consider part 3 to be justified by the evidence presented. In part 3 the Council are proposing to require at least 5% of plots on large sites to be self-build. The Council's self-build register indicates that on average there an additional 69 households join the register each year. Alongside this the council show that around 59 permissions are made each year for self-build plots. Demand for self-build is largely being satisfied by plots coming forward on the open market without the ned for the interventions being proposed in this policy. Indeed, HBF would expect more plots to come forward in this manner given that part 1 of the policy provides a positive approach to such sites coming forward. Some consideration needs to be given as to whether the permissive approach in parts 1 and 2 will ensure that needs are met in full and as such render part 3 of this policy unnecessary.
- 28. Whilst some broader evidence of demand is set out in the HEDNA based on a national survey commissioned by NaCSBA in 2020 we would question as to how directly relevant a national survey can be in assessing demand for self-build in Breckland. This evidence suggest that based on this survey work there was demand for 203 units per 100,000 people. However, this is based on those who are interested in self-build responding to a survey, rather than local evidence. So, whilst the survey work undertaken on behalf of NaCSBA may imply demand is high how this relates to actual demand is not clear.
- 29. The council will need to ensure what it is being proposed is justified. At present the evidence in not sufficiently robust with regard to either the demand for self-build or supply to support the requirement that 5% of homes on sites of 100 plus dwellings are given over to selfbuilders.
- 30. The Council will also need to consider whether it is feasible that all sites of 100+ dwellings can deliver self-build plots. Often, especially on the larger sites, there are multiple contractors and large machinery operating on-site, and the development of single plots by individuals operating alongside this construction activity raises both practical and health & safety concerns. Any differential between the lead-in times / build out rates of self & custom build plots and the wider site may lead to construction work outside of specified working hours, building materials stored outside of designated compound areas and unfinished plots next to completed and occupied dwellings, resulting in consumer dissatisfaction. Whilst some sites may be able to locate self-build plots in a manner that reduces these potential risks, on others this will be impossible with developers unable to co-ordinate the provision of self & custom build plots with the development of the wider site. Such concerns must be

given full consideration by the Council when preparing any policies on self-build to be included in the Local Plan.

31. Finally, HBF are concerned about subsection m in part 3 of this policy. Firstly, a 2-year marketing period is unjustified. If there is demand for such plots, as the council state there to be, then a longer period is unnecessary. The HBF would suggest marketing period of 12 months would be more appropriate. Secondly, the second criteria under sub section m states that plots that are unsold after 2 years would need to be offered to the district council or a housing association. Given that self-build plots are for market hosing and not part of the affordable housing offer HBF can see no justification for this policy, they are market units and if not sold should be built out as market housing.

### **HOU 20: Technical Standards for new dwellings**

Water efficiency

32. The Council state that proposal that go below the 110 litre per person per day will be particular supported. Whilst HBF do not object to such support we do not consider it helpful to provide a figure within the policy. This could lead to decision makers seeing this as an expectation rather than being supportive of any development that goes below minimum standards, regardless of by how much. HBF therefore recommend that the example of 85 l/p/d be deleted.

### Internal space in a home

33. HBF could not find any evidence setting out why the council need to implement National Described Space Standards. National policy and guidance are clear that there must be evidence as to why this policy is needed alongside considerations as to how it will impact on the affordability of housing. This is different to a consideration as to the impact on viability and is an assessment as to whether homes built to space standards will make some housing types less affordable to the households who need them. HBF recognises and support the need for high quality housing but considers it possible to deliver this at a range of house sizes that meets the needs of different households. The NDSS should only be used where the problem of small homes is chronic and leading directly to negative impacts on those who live in them.

**ENV 10: Development in Nutrient Sensitive Areas** 

34. This policy provides a mechanism for ensuring new development can come forward whilst

ensuring the potential harm to protected areas is removed. However, it must be recognised

in this policy that improvements to infrastructure may lead to Natural England nutrient

neutrality advice being lifted, as has happened in the Poole Harbour Catchment Area. In

order to ensure this policy is effective the wording should be amended to recognise that

further evidence or alternative mitigation measures may be identified that removes the need

for the policy and the requirement to calculate their nutrient load and provide an appropriate

mitigation strategy.

DES 02: Pre-application engagement and advice

35. Part b. of the policy must differentiate between the information that is required with regard

to an outline application and that required for a detailed application. Not all of the information

outlined in part b. would necessarily be required as part of an outline application and this

distinction should be set out in policy.

**Future engagement** 

36. I trust that the Council will find these comments useful. I would be happy to discuss these

issues in greater detail or assist in facilitating discussions with the wider house building

industry if that would helpful. The HBF would like to be kept informed of the progress and

adoption of the Local Plan. Please use the contact details provided below for future

correspondence.

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Yours faithfully

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