

Sent by email to: forward.plans@ Crawley.gov.uk

01/03/2020

Dear Sir/ Madam

Response by the Home Builders Federation to the consultation on the Draft Crawley Borough Local Plan

Introduction

1. Thank you for consulting the Home Builders Federation (HBF) on the Draft 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.
2. Before setting out our concerns with regard to specific policies we would like to express our dismay that the Council has published the plan it intends to submit for examination without some of the key evidence base documents that are required to justify the policies in the local plan. The Council has acknowledged on its website that the following evidence was not available during the consultation:
 - Viability;
 - Transport Modelling;
 - Open Space, Sport and Recreation; Heritage;
 - Gatwick Water Cycle Study and Strategic Flood Risk Assessment; and
 - Gypsy & Traveller Needs Assessment.
3. However, in addition to this the Council could not find any statement on how CBC have met the requirement of the Duty to Co-operate nor any published Statements of Common Ground (SoCG) with the appropriate authorities or agencies. Without any of these documents it is difficult for all stakeholders to make effective representations. As such we must reserve the right to comment on any matters of concern within the unpublished evidence at the examination in public.

Viability

4. Of all the unavailable evidence base documents our main concern is with regard to the whole plan viability assessment given that the 2019 National Planning Policy



Framework (NPPF) requires development viability to be resolved through the local plan and not at the planning application stage. This position is most clearly expressed in paragraph 10-002 of Planning Practice Guidance which states:

“The role for viability assessment is primarily at the plan making stage. Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan.

It is the responsibility of plan makers in collaboration with the local community, developers and other stakeholders, to create realistic, deliverable policies.”

5. It is also highlighted in the preceding paragraph in PPG (10-001) case that the policies in the plan should be informed by the viability assessment that takes account “*all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106*”. We therefore question whether a plan that has been published under regulation 19 of the Town and Country Planning Regulations 2012 with no viability assessment can have been prepared in a manner consistent with the approach required under the NPPF and its associated guidance. The policies in the plan should have been informed by the evidence and not, as would appear to be the case here, prepare a plan and then test whether it is viable. Plan preparation must be an iterative process informed by evidence rather than one of setting aspirations and then obtaining the evidence to support those aspirations.
6. In relation to this Local Plan there is a clear need to test the cumulative impact of the new policies being proposed as they will place additional burdens on development. These include 10% Net Biodiversity Gains (GI2), higher energy efficiency standards (SDC1), self-build requirements (H7), significant requirements regard design and place making (CL2, SD2, CL6) and electric vehicle charging (ST2) as well as infrastructure costs through S106 and CIL. What is particularly concerning is that the Council are seeking maximise delivery in a very tightly constrained Borough where a significant amount of development will need to come forward on previously developed land in the urban area. These sites will have above average development costs with existing use values (EUV), and premiums above EUV, that are likely to be high with limited scope for a reduction in land value to address the policy costs in the local plan.
7. We note that the Council commenced engagement with the development industry on development costs and viability during this consultation. Whilst this is to be welcomed it cannot be considered, as we state above, to have contributed to the iterative plan making process required by the NPPF. Clearly the Council will need to consider the additional policy costs arising from this plan. However, in addition it will be necessary to take a cautious approach to other factors. To aid local

authorities in the preparation of viability assessments the HBF has written a briefing note setting out the general concerns with how viability testing is undertaken when assessing local plans.

8. Whilst this note focuses on all aspects of the viability testing of the residential development, we would like to highlight two particular concerns. The first is the approach taken to abnormal costs. In the past viability assessments have taken the approach that these cannot be quantified and were addressed through the site by site negotiation. However, this option is now significantly restricted by paragraph 57 of the 2019 NPPF and as such abnormal costs must be factored into whole plan viability assessments. We recognise that the very nature of an abnormal costs is difficult to quantify, but it is a fact that they are often substantial and have a significant impact on viability. Where and how these costs arise is also variable. They can occur in site preparation but it is generally with regard to the increasing costs of delivering infrastructure. It is also the case that abnormal costs are higher on brownfield sites where there can be a higher degree of uncertainty as to the nature of the site and the work required to make it developable.
9. The HBF undertook some work with its members in the North East and whilst this is a different context to that found in Crawley it provides an indication as to the abnormal costs that occur on all sites. This study, which was prepared to support our comments on the Durham Local Plan, indicated that abnormal costs on the four PDL sites was £711,000 per net developable hectare and an average of £459,000 per hectare on the 10 greenfield sites. It is therefore important that a significant allowance is made within the viability assessment to take account of these costs if the Council are to ensure that it minimises site by site negotiation.
10. Secondly, we would encourage the Council to use the upper end of any of the ranges suggested with regards to fees. Again, these will vary from developer to developer but given that the Government want to minimise negotiation on planning obligations it would make sense to use the highest point of any range. The changing landscape with regard to viability assessment could lead to development slowing significantly if the correct variables are not taken into account and policies are aspirational rather than realistic.

Duty to Co-operate

11. As highlighted above we could not find any published SoCG in relation to this local plan. We recognise that the Council and its partners in the housing market area have in the past co-operated with regard to the delivery of housing to deliver some of Crawley's unmet housing needs but it is still important for the necessary statements to be prepared and published. Such statements will be helpful in clarifying the position of Mid Sussex District Council (MSDC) and Horsham Borough Council (HBC). Local Plans for both these local authorities include commitments to deliver housing in recognition that CBC cannot meet its needs and it will be important that the necessary SoCGs clearly state the current position of these councils on this matter. It will be important for CBC to continue to push

both these authorities to provide homes to support Crawley's unmet development needs in any new local plans that are being prepared.

12. In addition, the Council will also need to prepare statements with Mole Valley, Tandridge and Reigate and Banstead with regard to housing need and supply. Not only are these neighbouring authorities but they are also part of the Gatwick Diamond and should be looking ensure housing needs for this area are met. We recognise that CBC cannot force these authorities to meet their needs but it is important that they are fully aware of CBC's position and the need for these authorities to deliver sufficient development opportunities to meet both their own needs and those of Crawley.

Strategic Policy CL5: Form of New Development- Layout, Scale and Appearance

Part a is unsound as it has not been justified

13. It is not appropriate for part a of this policy to require master plans or development briefs for all major developments. We recognise the importance of master planning and development briefs for strategic large-scale developments but to require developments as small as 10 units to undertake such a process is disproportionate and unjustified. The Council must reconsider the threshold at which it considers master planning to be necessary to avoid unnecessary costs being placed on smaller developments.
14. We would also recommend that the policy states what the Council considers to be a larger development. At present this is referenced in paragraph 4.67 but we would suggest that this is included in the policy for the purposes of clarity.

Recommendation

15. A more appropriate threshold is for the use of master planning and development briefs are included in this policy.

Strategic Policy DD2: Inclusive design

16. Strategic Policy DD2 requires that all new build dwellings should be constructed in accordance with optional Building Regulations Requirement of M4(2) for accessible and adaptable dwellings. As the Council will be aware if they want to adopt the optional standards for M4(2) and M4(3) then this should only be done in accordance with the paragraph 127f of the NPPF and the supporting guidance in paragraph 56-005 to 56-011 of PPG. In particular we would draw the Council's attention to footnote 46 of the NPPF which states that: "... *planning policies for housing should make use of the Government's optional technical standards for accessible and adaptable housing where this would address an identified need for such properties*".
17. The draft local plan considers the evidence supporting this policy at paragraph 5.20. This paragraph outlines that there is an increasingly elderly population that it is close to the national average and with the number of people with long term

health problems or disabilities increasing by 7,000 people by 2039. However, on further examination of the Council's Strategic Housing Market Assessment (SHMA) we note that further evidence on the health issues facing residents of Crawley indicate that the increase in individuals with mobility problems is expected to increase by the much lower level of 1,808 people around 30% of the homes that will be delivered in this local plan.

18. The study goes on to recognise that many of these individuals will remain within their own homes but despite this consider it sensible to design housing to be adapted in the future. We would agree that it may be sensible for some homes to be built provide adaptable accommodation but the evidence does not support the need for all homes to be built to this level. As outlined above footnote 46 is clear that Councils should make use of the optional technical standards only where they would "*address an identified need for such properties*". Had the Government intended all homes to be built to this standard then it would have taken the decision to require all new homes to be built to this standard. However, this is not the approach that has been taken and the Council's policy should reflect their identified needs.
19. The Council's evidence also fails to consider the number properties that will have been adapted to date, and those that will be adapted to meet their owner's needs during the plan period. The Council's SHMA acknowledges that existing residents who who will need a more accessible in this plan period are unlikely to move and that the majority of those in such need will already reside in the Borough. As such it must be expected that many of those in needs will meet their needs by adapting their current home. This will both increase the stock of adapted homes and reduce the overall need for such accommodation. Given that PPG requires the accessibility and adaptability of the existing housing stock to form part of the Council's assessment of needs it will be important for these considerations to be taken in to account.
20. It is the HBFs opinion that M4(1) standards are likely to be suitable for most residents. There may be a need for some new dwellings to be built to M4(2) especially specialist housing but there is not the need for all new dwellings to be built to M4(2) as not all existing older residents will move home and those that do move may not choose to live in a new dwelling. We therefore do not consider the requirement for all homes be built to part M4(2) to be justified and that a more proportionate approach is taken.
21. We are also concerned regarding the restrictions relating to the flexible application of this policy. Whilst we welcome the flexibility it is not consistent with national policy to only apply these in exceptional circumstances. Paragraph 56-008 does not distinguish the type of site where flexibilities can be applied and states that where strep free access cannot be achieved then neither optional standard should be applied.

Recommendation

22. We would therefore suggest that the policy amended as below

~~*In exceptional circumstances, flexibility may be applied in the application of this policy requirement for:*~~

~~*a. specific small-scale infill developments;*~~

~~*b. flats above existing shops or garages;*~~

~~*c. stacked maisonettes where the potential for decked access to lifts is restricted.*~~

There will be circumstances where step free access cannot be achieved or will make development unviable. In such situations, the Council will not apply this policy.

H1 Housing provision

23. Paragraph 2.19 and 12.8 of the draft local plan states that Crawley's housing needs is 752 dwellings per annum (dpa) which results in a 11,280-home housing requirement over the next 15 years. We would agree that this is the minimum number of homes that should be provided by the Council over the plan period. On the basis that the Council considers it can deliver 5,355 new homes within its own boundary the Council have identified in policy a shortfall of 5,925 homes.

24. We support the clear identification of how many homes will need to delivered elsewhere to ensure its needs are met. However, whilst 3,150 homes have been identified to be delivered in MSDC and HBC to address some of this shortfall, we are concerned that needs across the HMA are increasing and as yet there would appear to be no SoCGs between the three authorities as to how they intend to meet needs in full. As we mention earlier in this representation such statements are essential and the Council should have them in place prior to submission. However, even if 3,150 new homes are delivered to meet Crawley's needs this still leaves a 2,775-home shortfall. The Council can't ignore this shortfall and must seek additional support from all its neighbouring authorities.

25. The approach to the stepped housing requirement is interesting and different to others established in that it steps down rather than up. This is clearly a reflection of the fact that more delivery is anticipated in the early part of the plan period rather than later given the constraints faced by the Council. Whilst the HBF is concerned by the use of stepped requirements we can see the logic in the approach taken by CBC in its proposed approach.

26. On the basis of the proposed trajectory we would agree that the Council would have a five-year housing land supply on adoption.

Affordable housing

Policy is unsound as it is neither consistent with national policy nor justified

27. We will need to reserve judgement on the justification for 40% requirement for affordable housing as this policy as the Council has not published its viability assessment. However, we can comment on the Council's decision to require all residential developments to make a contribution towards affordable housing delivery. This is not consistent with national policy, a fact the Council do not acknowledge or seek to justify in the local plan. Paragraph 63 of the 2019 NPPF establishes the approach set out in the 2015 Written Ministerial Statement with regard contributions for affordable housing not considered to be major development. The Council have decided to ignore this policy and will require small sites of 10 units or less to make a financial contribution toward affordable housing provision.
28. When considering the appropriateness of including such a policy it is worth reiterating why the Government introduced this particular policy. The Ministerial Statement is clear that the reason for introducing this policy was to "*ease the disproportionate burden of developer contributions on small scale developers*". This is distinct from whether or not such development is viable in general but whether they are a disproportionate burden on a specific sector that faces differential costs that are not reflected in general viability assessments. These costs have led to a reduction in the number of small and medium (SME) sized house builders. Analysis by the HBF¹ shows that over the last 30 years changes to the planning system and other regulatory requirements, coupled with the lack of attractive terms for project finance, have led to a long-term reduction of total SME house builder numbers by about 70% since 1988. The Government is very anxious to reverse this trend and increase the number of small businesses starting up and sustaining this activity. Improving business conditions for SME home builders is the key to long-term supply responsiveness.
29. It is also worth considering the Government's broader aims for the housing market. This is most clearly set out in the Housing White Paper (HWP). Their aims are not just to support existing SME house builders but to grow this sector again which was hit hard by the recession with the number of registered small builders falling from 44,000 in 2007 to 18,000 in 2015². To grow the sector one key element has been to simplify the planning system in order to reduce the burden to new entrants into this market. Therefore, the focus of the Council should be on freeing up this sector of the house building industry rather than seeking to place financial burdens that the Government have said should not be implemented.
30. As such we do not consider this departure from national policy to be justified. The policy will continue to be a burden to SME house builders and in particular to new entrants into the market.

¹http://www.hbf.co.uk/?eID=dam_frontend_push&docID=25453&filename=HBF_SME_Report_2017_Web.pdf

² Fixing our Broken Housing Market, Department for Communities and Local Government, February 2017

H7: Self and Custom Build

31. Whilst the HBF support the encouragement of self-build housing through the local plan, we do not consider the requirement for sites of over 50 to set aside 6% of the total area of the site to provide serviced plots for self and custom house building to be justified or consistent with national policy. Whilst we recognise that Local Planning Authorities now have a duty to promote self-build housing, we have three concerns with the Councils approach in H7.
32. Firstly, we consider the policy to be inconsistent with the third bullet point of paragraph 57-025 of PPG. This outlines that the Council should engage with landowners and encourage them to consider self-build and custom housebuilding. The approach taken by the Council moves beyond encouragement and requires landowners to bring forward plots.
33. Secondly, we do not consider the Council to have looked at sufficient options with regard to how it can provide plots to support self-builders. Paragraph 57-024 of the PPG sets out a variety of approaches that need to be considered – including the use of their own land. This is reiterated in para 57-14 of the PPG which sets out the need for Council's to consider how they can support the delivery of self-build plots through their housing strategy, land disposal and regeneration functions. However, it would appear that the Council is seeking to place the burden for delivery of self-build plots on larger sites without any evidence that an investigation into alternative approaches have taken place. We would suggest that it should conclude such an investigation before requiring the provision of service plots on larger sites.
34. Finally, we do not consider the evidence to be sufficiently robust. There have always been concerns that self and custom build registers alone do not provide a sufficiently robust evidence base against which to assess needs. There is no requirement to review this evidence to ensure those on the database are still interested in self-build, whether there was any double counting with other areas or whether the individuals on a list had the financial ability to build their own home. However, this situation has been recognised with paragraph 57-011 of PPG requiring additional data from secondary sources to be considered to better understand the demand for self-build plots. In particular we are concerned that planning policies, such as the ones proposed in the draft local plan, will deliver plots on major house building sites whereas the demand for self-build plots may be for individual plots in more rural locations. Without the necessary evidence to show that there is demand for self-build plots on such sites the policy cannot be either justified or effective.

Recommendation

35. We do not consider the policy to be justified or consistent with national policy and should be deleted.

G12: Biodiversity and Net Gain

This policy is unsound as it is not justified

36. The Council have looked to update this policy to take account of the Government's suggestion that new development should improve the biodiversity on their site to show a 10% net gain over the pre-development base line. Whilst this is the Government's current position the implementation of this particular policy is still some distance into the future and there is no certainty as to the final level of net gain that will be required nor the method by which the baseline and any net gains will be calculated. Until these have been finalised the Council should not be seeking to implement such a policy. At present national policy states that local plans as a whole should ensure net gains for biodiversity.

Recommendation

37. References to sites being required to deliver 10% net gain in biodiversity should be removed as below:

All development proposals will be expected to incorporate features to encourage biodiversity and enhance existing features of nature conservation value within and around the development. ~~Development will be required to demonstrate how it will meet the government's requirement for securing a 'net gain' in biodiversity. As a minimum, all development proposals will need to achieve a net gain for biodiversity in accordance with government expectations currently a 10% increase in habitat value for wildlife compared with the pre-development baseline.~~

In the first instance, ~~net gain for biodiversity will be expected to achieve a minimum 10% net increase on site. Only where it is clearly justified this is not practicable to achieve, and where it is shown to have been considered and sought from the early stages of the design and layout of the development, will off-site provision, in the form of equivalent financial contributions, be agreed.~~

ST2: Car and Cycle Parking Standards

38. Policy ST2 requires that new dwelling(s) with a private driveway or garage provide a minimum of 30% of all spaces to have active charging and the remaining spaces to have ducting to provide passive charging. The HBF is supportive of encouragement for the use of electric and hybrid vehicles via a national standardised approach implemented through the Building Regulations to ensure a consistent approach to future proofing the housing stock. In 2018 the Government published its Road to Zero Strategy which set out a mission for all new cars / vans to be effectively zero emission by 2040. Recently the Department for Transport held (ended on 7th October 2019) a consultation on Electric Vehicle Charging in Residential & Non-residential Buildings.

39. This consultation proposes regulatory changes (a new Part to Building Regulations) to result in more EVCPs for electric vehicles across the UK. The overnight charging of cars at home is generally cheaper and more convenient for consumers. It is the Government's intention for all new homes to be electric vehicle ready and require every new home to have an EVCP, where appropriate. An optional standard is not the Government's preferred option. The preferred option is to introduce a new functional requirement under Schedule 1 to the Building Regulations 2010, which is expected to come into force in the first half of 2020. The inclusion of EVCP requirements within the Building Regulations 2010 will introduce a standardised consistent approach to EVCP in new buildings across the country. The requirements proposed apply to car parking spaces in or adjacent to buildings and the intention is for there to be one charge point per dwelling rather than per parking space.
40. However, to limit the possible impact on housing supply the Government has also consulted on introducing exemptions for developments where the requirements are not technically feasible. It is proposed that charging points must be at least Mode 3 or equivalent with a minimum power rating output of 7kW (expected increases in battery sizes and technology developments may make charge points less than 7 kW obsolete for future car models, 7 kW is considered a sufficiently future-proofed standard for home charging) fitted with a universal socket to charge all types of electric vehicle currently on the market and meet relevant safety requirements. All charge points installed under the Building Regulations should be un-tethered and the location must comply with the Equality Act 2010 and the accessibility requirements set out in the Building Regulations Part M.
41. The installation of such charging points is estimated to add on an additional cost of approximately £976. The introduction of EVCPs in new buildings will impact on the electricity demand from these buildings especially for multi-dwelling buildings. A requirement for large numbers of EVCPs will require a larger connection to the development and will introduce a power supply requirement, which may otherwise not be needed. The level of upgrade needed is dependent on the capacity available in the local network resulting in additional costs in relation to charge point instalment. The costs of installing the cables and the EVCP hardware will also vary considerably based on site-specific conditions in relation to the local grid.
42. The Government recognises that the cost of installing EVCPs will be higher in areas where significant electrical capacity reinforcements are needed. In certain cases, the need to install charge points could necessitate significant grid upgrades which will be costly for the developer. Some costs would also fall on the distribution network operator. Any potential negative impact on housing supply should be mitigated with an appropriate exemption from the charge point installation requirement based on the grid connection cost. The consultation proposes that the threshold for the exemption is set at £3,600. In the instances when this cost is exceptionally high, and likely to make developments unviable, it is the Government's view that the EVCP requirements should not apply and only the minimum Energy Performance of Buildings Directive requirements should be

applied. It is the HBF's opinion that the CBC should not be setting different targets or policies outside of Building Regulations.

43. The Draft Local Plan should not be getting ahead of national policy which is expected to be implemented by mid-2020 and the requirements for electric vehicle charging should be deleted.

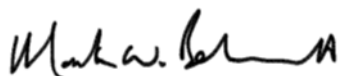
Conclusions

44. 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:

- No viability evidence has been provided during this consultation;
- Threshold for requiring the use of master plans and development briefs is too low;
- Requirement for all homes to be built to Part M4(2) is not justified;
- Policy requiring small sites to provide affordable housing contributions is not consistent with national policy;
- Requirements for developments to show 10% net gains in biodiversity on site is not consistent with national policy; and
- The need to provide 30% of parking spaces with electric vehicle charging has not been justified.

45. 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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