



Sent by EMAIL ONLY to Planning.policy@exeter.gov.uk

15/1/2024

Dear Sir/ Madam

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

1. Please find below the Home Builders Federation (HBF) response to the Exeter 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, and the emerging BNG policy and guidance, which are likely to have an impact on this emerging Local Plan. Once the Council has come to view on these matters, HBF would strongly welcome further consultation on this issue.

**Chapter 2 This is our city, this is our future**

**Vision and Objectives**

4. HBF suggest that the Vision for Exeter should include reference to the need to meet the current and future housing needs of the whole community, including for market and affordable housing. The Local Plan should also recognise the connection between housing and the future aspirations for the local economy.

**Chapter 3- Spatial Strategy**

**Policy S1 - Spatial strategy (Strategic policy)**

5. HBF supports the intention of the Plan to ensure that it provides for “good quality homes of a variety of types in the city to meet Exeter’s needs.” The Plan should provide for a wide range of deliverable and developable sites across the city in order to provide competition and choice and to ensure that housing needs are met in full, with a range of sites proposed for allocation.
6. HBF agree that ‘Providing good quality homes of a variety of types in the city to meet Exeter’s needs’ is an important outcome of the Plan. It will therefore be important to

ensure allocated sites are deliverable, and effective monitoring of housing delivery is undertaken so if monitoring identifies any under-delivery of housing, measures can be taken to address this as soon as possible.

## **S2: Liveable Exeter principles (Strategic policy)**

7. HBF supports the intention of this policy to “provide a variety of high quality, affordable, market and specialist homes catering for local needs.” It is important to recognise this includes needs for both affordable and open market homes.
8. Although HBF recognise the important role that brownfield development to play in delivering much needed housing, it must also be recognised that the viability of brownfield sites can be more challenging and result in less affordable housing delivery. There is also a need to provide for a range and mix of housing types and tenures. Some types of sites may be better suited to some types of housing development than others, for example an inner-city brownfield sites may be a good location for high density residential apartments, but less suitable for lower density family housing. HBF therefore suggest the plan should recognise that it may be necessary to also include some greenfield development as part of the long-term planning for the sustainable development of Exeter. HBF suggest this should be in a planned way through allocations, which provide certainty for developers, landowners and communities.
9. HBF also have concerns about how some of the policy requirements would work in practice such as the Urban Greening Factor, Passivhaus requirements and whole-life carbon assessments. Our detailed comments on these issues are set out in response to the relevant policies elsewhere in our representation.

## **Chapter 4- Climate Change**

### **CC1: Net zero Exeter (Strategic policy)**

10. HBF would caution against policies that seek to go further and faster than national legislation and policy changes, which would lead to the creation of a patchwork of differing local policies which could inadvertently undermine the delivery of the wider environmental objectives the Council is seeking and create unnecessary delays to much needed new housing.
11. HBF would highlight the latest publication ‘Future Homes, One Plan Building a generation of high quality, affordable and sustainable homes and communities, together’ [https://irp.cdn-website.com/bdbb2d99/files/uploaded/Future%20Homes%20One%20Plan\\_Future%20Homes%20Hub%20Prospectus-%20FINAL%20WEB.pdf](https://irp.cdn-website.com/bdbb2d99/files/uploaded/Future%20Homes%20One%20Plan_Future%20Homes%20Hub%20Prospectus-%20FINAL%20WEB.pdf) . This was published in Nov 2023 and highlights what actions are needed to support the delivery of sustainable homes.
12. In particular HBF, would highlight ‘Issue 9. The Partnership Imperative’ on page 15 which states in the Local Government section that “Local planning requirements must align with the overall plan for improving performance standards at national level. For example, avoiding divergence of local energy standards that make it harder to accelerate improvement in standards at national level, and avoiding conflict between local planning conditions and new requirements of building regulations.”

13. The government has also recently provided further advice for local authorities through the Written Ministerial Statement which says “the Government does not expect plan-makers to set local energy efficiency standards for buildings that go beyond current or planned buildings regulations. The proliferation of multiple, local standards by local authority area can add further costs to building new homes by adding complexity and undermining economies of scale.” See <https://questions-statements.parliament.uk/written-statements/detail/2023-12-13/HCWS123>
14. The Council should also be mindful of the potential tensions between policies which seek to increase density and wider national and local policies on beauty and design, aspirations for locally accessible open space and requirements to create space for nature through BNG and other environmental policies. Such factors require land to deliver them as such will have an impact on achievable densities.
15. HBF would also question the need for an overarching policy in the plan if it simply signposts to other policy requirements elsewhere in the plan. How would a developer show compliance with this policy? What are they being expected to ‘demonstrate’ and how?

### **Policy CC3: Local energy networks (Strategic policy)**

16. HBF is concerned about any policies which mandate connections to district heating networks. Heat networks are one aspect of the path towards decarbonising heat, however, currently the predominant technology for district-sized communal heating networks is gas combined heat and power (CHP) plants. Over 90% of district networks are gas fired.
17. As 2050 approaches, meeting the Government’s climate target of reducing greenhouse gas emissions to net zero will require a transition from gas-fired networks to renewable or low carbon alternatives such as large heat pumps, hydrogen or waste-heat recovery but at the moment one of the major reasons why heat network projects do not install such technologies is because of the up-front capital cost.
18. The Council should be aware that for the foreseeable future it will remain uneconomic for most heat networks to install low-carbon technologies. This may mean that it is more sustainable and more appropriate for developments to utilise other forms of energy provision, and this may need to be considered. If the policy were to be pursued HBF considers any such requirement must be implemented on a flexible basis.
19. The Government consultation on Heat Network Zoning also identifies exemptions to proposals for requirements for connections to a heat network these include where a connection may lead to sub-optimal outcomes, or distance from the network connection points and impacts on consumers bills and affordability.
20. Furthermore, some heat network consumers do not have comparable levels of satisfaction as consumers on gas and electricity networks, and they pay a higher price. Currently, there are no sector specific protections for heat network consumers, unlike for people on other utilities such as gas, electricity or water. A consumer living in a building serviced by a heat network does not have the same opportunities to switch supplier as they would for most gas and electricity supplies.

## **CC5: Future development standards (Strategic policy)**

21. 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. 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 consultation 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>
22. HBF do not believe there is any need for local plan policies to provide "local back-up" as suggested in para 4.23 of the Plan. Again, HBF would caution against policies that seek to go further and faster than national legislation and policy changes, which would lead to the creation of a patchwork of differing local policies which could inadvertently undermine the delivery of the wider environmental objectives the Council is seeking and create unnecessary delays to much needed new housing.
23. Consideration must be given to both the viability and the deliverability of this approach. It will also be essential for the Council to robustly test the viability implications that could result from this policy, considering the both the energy efficiency and carbon assessment requirements. However, fundamentally HBF believes this policy is unnecessary and should be deleted as this matter is already adequately being addressed through building regulation and the emerging future Homes Standard.
24. We reiterate our comments in response to policy CC1 that such policies are undesirable and counter-productive referring again to the findings of the 'Future Homes, One Plan Building a generation of high quality, affordable and sustainable homes and communities, together' report and the recent Written Ministerial Statement on energy standards.

## **Policy CC6 - Embodied Carbon**

25. HBF is unclear how a developer would show compliance with this policy, especially as the baseline and measures for undertaking such assessments has not been established. We would also question if the Council has the skills and expertise to undertake or critique embodied carbon assessments, in order for them to be able to be qualified to make judgements on accepting or rejecting carbon assessments as and whether the Consideration must be given to both the viability and the deliverability of this approach. HBF view this policy as unnecessary, and it should be deleted.
26. HBF would also like to see the evidence that underpins the policy presumption against one-for-one replacement of habitable dwellings and the statement that such 'an approach that is often taken without due regard to the impact in terms of carbon emissions question'.

## **CC7: Solar-ready development**

27. In relation to the policy wording, HBF would observe that houses do not have to be south facing to generate energy. Part L of Building Regulations allows for other aspects of building fabric to also perform. 40% roof area isn't always needed with more efficient solar PV coming to market. Panels are more efficient than before so less are needed.
28. If this policy is retained HBF would request that the wording and formatting of the is revisited to make it clearer and easier to understand.
29. In relation to para 4.28 HBF observe that Building Regulations changed on 1 Oct 2023 so that any house that has not commenced construction within 3 years will automatically have the initial notice lapse. This means that new houses will always be built to new regs within 3 years. So, houses will not benefit from historic initial notices or site wide exemption of the past. Therefore para 4.28 is not needed as regulations to houses will always be to within 3 years of being built.
30. In relation to para 4.29 HBF observe that this would generate rows or south facing terraces which goes entirely against placemaking, street scenes, and character ambitions and policies. The creation of Victorian style rows upon rows of house would not always benefit from the most efficient use of land.
31. HBF would offer the following comments in relation to the criteria in para 4.30:
  - In our experience, Consumer Units always have available capacity, we would therefore question a policy requirement for the need of a 30% excess and request to see the evidence that supports this.
  - Inverters do not necessarily have to be placed next to the PV panels. Inverters just need to be accessible whether that is in a cupboard, loft space or anywhere else in the house. Generally they are located in the loft as that the easiest, cheapest and most obvious place to locate them but they don't have to be.
  - Requiring conduits in the building to allow the easy running of cables from the photovoltaic panels to the DC-AC inverter and from the DC-AC inverter to the electrical switchboard would be expensive and awkward to build into place.

## **Policy CC9 - Water quantity and quality**

32. 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.
33. HBF refer again to our comments made in response to policy CC1 and CC5 around the challenges to development viability and delivery and potential for unintended

consequences that would result from patchwork of local targets, rather than a standardised national approach to address these important issues.

#### **Chapter 4- Housing**

34. Para 5.2 of the Plan is incorrect when it says “The Government updates housing requirements annually and as of 2023 it requires the City Council to plan for 642 new homes to be built in Exeter each year. This means 12,840 homes are needed over the 20 years of the Exeter Plan.” In fact, the Government methodology for establishing a housing requirement starts with the standard method, which uses a formula, some of the inputs for which are updated regularly. The standard method sets a baseline for the initial consideration of the housing requirements for a Council area but is not the housing requirement.
35. HBF note that the plan then says in Para 5.3 “Policy H1 sets out our proposed approach to meeting the Government’s housing requirement for Exeter, identifying four sources of housing supply between 2020 and 2040. The total supply of 14,124 homes for twenty years allows for a healthy headroom of 10% above the target of 642 new homes per year.”
36. However, para 61 of the newly revised NPPF says that “to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance. The outcome of the standard method is an advisory starting-point for establishing a housing requirement for the area”. Para 67 states that “The requirement may be higher than the identified housing need if, for example, it includes provision for neighbouring areas, or reflects growth ambitions linked to economic development or infrastructure investment.”
37. HBF strongly support the need for more housing in the Exeter Local Plan for a variety of reasons including addressing the current housing crisis, meeting housing need, providing affordable housing, to support small and medium house builders and to support employment growth. HBF would request that the Council considers the annual LHN as only the minimum starting point and fully considers all of the issues that may result in a 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.

#### **H1: Housing requirement (Strategic policy)**

38. The policy sets out that the

“Council will target the delivery of at least 642 homes per year between 2020 and 2040. To meet this target and allow for a headroom of 10%, delivery of 14,124 homes is proposed from the following sources:

A total of 2,604 completions in 2020/21, 2021/22 and 2022/23;

Approximately 5,304 homes from existing planning consents;

Approximately 5,272 homes on site allocations; and

Approximately 944 homes on windfall sites.

## Targets

39. HBF notes, the determination of the minimum number of homes needed should be informed by a LHN assessment using the Government's standard methodology unless exceptional circumstances justify an alternative approach (para 61). The Government's standard methodology identifies the minimum annual LHN, which is only a minimum starting point. This is not a housing requirement figure.
40. The Government has made it clear that it still supports the national target of 300,000 new homes per year. The standard method housing requirement has always been the minimum starting point for setting the housing requirement, and HBF support Exeter planning for more housing than the standard method housing requirement in order to support economic growth and to support small and medium house builders, to provide a range and type of sites and to deliver the range and type of housing needed, including affordable housing.
41. In the midst of a housing crisis, HBF suggest that each of these reasons should be considered in turn to see if it could justify an increase in the housing requirement for Exeter Council. The housing requirement should then be increased to reflect the sum of additional housing required to address each and all of these factors. It is also important to recognise that the requirement is phrased the minimum number of homes to be provided, not a target that you aim for, or stop at once achieved.

## Buffer

42. Although HBF support the need for the Plan the plan to include a buffer to provide for allow for choice and competition in the housing market, we would question if 10% of 14,124 provide enough of a buffer to provide this choice, especially as we suggest the housing requirement should be larger in the first place to address to address the issues raised above.
43. HBF also supports the principal of discounting the housing land supply assumptions to take account of non-implementation rates.

## Sources of supply

44. The policy seeks to meet the housing requirement through four different sources of supply- completions, existing permission, site allocations and a windfall allowance of 944. If the Council wishes to rely on existing permissions as part of the housing supply it should provide robust evidence to show that the existing planning consents remain deliverable and will continue to come forward during the plan period.
45. In relation to windfalls, the NPPF (para 71) only permits an allowance for windfall sites if there is compelling evidence that such sites have consistently become available and will continue to be a reliable source of supply. HBF are also of the view that any buffer provided by windfall sites should be in addition to the buffer added to the housing need figures derived from the Standard Method to provide choice and competition in the land market. However, by including windfalls within the Plan's housing requirement supply, any opportunity for windfalls to provide some additional housing numbers and flexibility is removed. Windfalls do not provide the same choice and flexibility in the market as additional allocations. HBF are therefore

concerned about the Council's reliance on windfall in place of allocating housing sites.

### Viability

46. It will be essential that the policy requirements in the Exter plan are subject to robust viability testing through the whole plan viability assessment. HBF have been unable to locate a viability plan in support of this Reg 18 consultation version of the plan within the published evidence base. Ideally policy requirements will be subject to viability testing throughout the plan-making process to help inform policy choices, especially where viability issues are identified which would mean some requirements may need to be balanced against others and may result in trade-offs being needed. Experience suggests viability is likely to be a particular challenge for plans with a high reliance on brownfield sites, as is the case with this Exeter Plan.

### The Need for Monitoring

47. As mentioned elsewhere in our responses, the Plan also 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. HBF would question if a global overall target is the most appropriate to set the housing requirement for the Plan, especially as housing monitoring is usually undertaken annual. We therefore suggest Policy H1 should include reference to a dwellings per annum target and set out what action would be taken if the annual dwellings per annum target is not achieved.
48. The Council will need to monitor the delivery of housing and publish progress against a published Housing Trajectory Housing monitoring should be undertaken on a site-by-site basis. Therefore, the detailed housing trajectory including delivery from the four different sources should be included, to enable targeted actions to be taken if under delivery against one, or more, source of supply was to occur.

### **Policy H2: Housing allocations and windfalls (Strategic policy)**

49. HBF does not comment on individual sites or allocations. 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 Exeter, and a subsequent need for additional allocations.
50. It is important that housing delivery is effectively monitored so that if housing monitoring shows delays to housing delivery across Exeter action is taken to address this as soon as possible. HBF suggest additional sites should be allocated so they that can be easily and quickly brought forward to address any under-delivery of housing supply.



51. The Council will need to monitor the delivery of housing and publish progress against a published Housing Trajectory. Housing monitoring should be undertaken on a site-by-site basis. Therefore, the detailed housing trajectory including for specific sites should be included within the Plan.
52. HBF also note that 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.
53. 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%.
54. 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 make a contribution to housing numbers earlier in the plan period.
55. HBF believes that the Exeter Plan should provide for a wide range of deliverable and developable sites, including a buffer and small site allocations in Exeter in order to provide competition and choice to ensure that housing needs are met in full.

### **Policy H3: Affordable Housing (Strategic policy)**

56. The policy seeks At least 35% of the proposed homes will be affordable housing, to remain at an affordable price in perpetuity and to include:
- i. 50% homes for social rent;
  - ii. 13% homes for affordable rent;
  - iii. 25% First Homes with a discount of at least 30% on market prices; and
57. These policy requirements must be subject to a whole plan viability assessment which considered how the affordable housing policy and other Section 106 impact development, and whether policy compliant development would be viable.
58. There are a number of current and emerging policy requirements both locally and nationally that are putting viability under pressure. For example, 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 costs appear to have not been considered in the viability appraisal.

59. Other factors that need to be taken into account include increasing costs of materials and labour due to inflation and the costs of mandatory BNG, which 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 needs to rely on statutory credits becomes unviable.
60. The Whole Plan Viability Assessment should clearly set out how it considered the implications of mandatory BNG and how it arrived at the most up to date BNG costs information available to use. HBF suggest the costs of BNG should be considered as part of the planning obligations and should be specified as a single specific 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.
61. These wider actors, combined with the local policy asks will need to be included within the whole plan viability assessment, before determining the level of affordable housing that can be provided.
62. At a very basic level viability can be improved by reducing costs or increasing values. Sometimes, therefore changing the type of affordable housing provided can help to improve viability of a specific site, and the plan should recognise this. In this situation there could be a change of the percentages of different types of affordable housing provided, but the headline figure of how much affordable housing is provided would remain the same. Flexibility in the policy is important to allow for these kinds of considerations.
63. Similarly, the geographical distribution of development, and whether sites are brownfield or greenfield, may also impact on the Plan's ability to deliver affordable housing where it is most needed. HBF notes that the level of open-market housing provided may also impact on the amount of affordable housing that can be developed.
64. It will also be important to understand if there any geographically specific viability considerations, such as whether higher levels of open-market housing are required in particular areas in order to secure increased delivery of affordable housing in that location in a way that remains viable. Similarly, brownfield city centre sites tend to be most suited for apartments or retirement living. There will therefore likely be a need for the Exeter Plan to include green fields allocations which are more likely to deliver family housing and a higher percentage of affordable housing, in order to provide flexibility in the housing land supply and ensure a range of housing types and tenures is provided.

## **H6: Custom and self-build housing**

65. 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.
66. 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 on-site 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.
67. However, if a self-build policy is to 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 marketing period.

## **H12: Accessible homes**

68. HBF note that the policy seeks to require 10% of all dwellings to meet part M4(3) wheelchair adaptable standards of the Building Regulations on all the remaining units to meet M4(2). For affordable housing the policy seeks 10% to meet wheelchair adapted homes with the remainder meeting M4(2).
69. The policy needs to be clearer in how it differentiates between Part a) and part b) of M4(3) technical standards. The correct part of M4(3) should be referred to. 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. 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.
70. 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 Exeter Local Plan.

### **H13: Housing density and size mix (Strategic policy)**

71. HBF notes the interaction between policies on housing size and type and density. HBF would request that the Council ensures that any densities proposed are realistic deliverable and viable. As the strategy is heavily focused on brownfield sites, it must be noted that the deliverability of high-density residential development in the City will be dependent upon the viability of brownfield sites and the demand for high density city centre living post Covid-19. It is important that delivery of the housing requirement does not rely overly ambitious intensification of dwellings, and policy enables for the range of housing types and tenures to be provided to meet the range of need and demand in Exeter. This may include the need for greenfield sites.

### **H14: Residential amenity and healthy homes**

72. 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”.
73. 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’.

74. 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.

75. 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.
76. 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.
77. 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.

## **Chapter 9 – Natural Environment**

### **Policy NE3 - Biodiversity (Strategic Policy)**

78. In light of the new guidance on BNG that has recently been published, the Council will need to review this policy to ensure it fully reflects all the new legislation, national policy and guidance.
79. 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.
80. 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.
81. 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.
82. 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.

83. 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.
84. 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.
85. 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.
86. HBF suggest that there will also be a need for the Reg 19 Exeter Plan BNG part of this policy and supporting text to say more about Local Nature Recovery Strategies. Although these are new initiative, and one has yet to be prepared that covers Exeter, the LNRS will be an important part of setting a spatial strategy for Nature. As such, 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.
87. HBF would encourage the Council to ensure the Local Plan fully considers and evidence how BNG has formed 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.
88. HBF also notes that there seems to be significant potential for confusion around environmental hierarchy, and suggest particular care is needed to avoid any 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. HBF therefore suggest that the REG 19 Plan should do all it can 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.

89. Reference could also usefully be made within the Plan to 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 on-site BNG delivery. The national mandatory 10% BNG policy will apply to small sites from April 2024.

#### **NE6: Urban greening factor**

90. The policy requires “Major development proposals must include the latest version of Natural England’s Urban Greening Factor (UGF) calculator demonstrating how the development will achieve UGF scores of at least:
- a. 0.3 for predominately commercial development; and
  - b. 0.4 for predominately residential development (or 0.5 for predominantly greenfield residential development).

An operation and maintenance plan must also be included which satisfactorily demonstrates that the green features will be successfully retained throughout the life of the building.”

91. What is unclear from the consultation document how the level of urban greening that would be required through the use of the Urban Greening Factor relates to the 10% Biodiversity Net Gain (BNG) required by the Environment Act. There would appear to be the potential for significant overlap with BNG that will need to be explored to ensure that the Council is not creating unnecessary administrative burdens on all applicants. Also, without knowing the level of “greening” that may be required on a site it is also impossible to know how this might impact on the viability of development, especially the higher density developments that are likely to be a key source of new homes in Exeter.

92. However, if the Council were to take forward the use of the Urban Greening Factor, HBF would suggest that it is not a requirement on all sites. For example, small sites or sites near existing open spaces might be encouraged but not required to use the urban greening factor to inform the design. It would also seem inappropriate to require its use where specific provision has been agreed as part of a site allocation. The Plan will also need to clearly set out UGF relates to the wider BNG and LNRS objectives.

93. 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.

## **NE7: Urban tree canopy cover**

The policy requires “To contribute towards the City Council achieving its target to increase tree canopy cover to 30%, all new streets must be tree-lined and major development proposals must increase tree canopy cover on-site by at least 5.5% when compared to the pre-development baseline”.

94. HBF suggest this policy needs to be clearer about how it links into BNG policies, and the evidence and justification behind it.

## **Chapter 12 High quality places and design**

### **D1: Design principles (Strategic policy)**

95. The policy seems to be seeking to give Local Plan policy status to SPDs which is not appropriate and contrary to national guidance. Planning policy must be made through the Local Plan process (and Borough Wide Design Guides) that are subject to the requirements for public consultation and independent scrutiny through the Examination process.
96. HBF suggest that the Council needs to give more thought to how the Design policies interact with the Council's aspirations for higher density development in Exeter is both realistic deliverable and viable, and how this can be done in a way that delivers good design and other policy requirements, such as BNG and public open space, whilst ensuring development remains viable.

## **Chapter 14 Infrastructure and facilities**

### **IC1: Delivery of infrastructure (Strategic policy)**

97. The Exeter 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.

### **IC2: Viability (Strategic policy)**

98. HBF suggest additional flexibility is needed within the viability Policy. We have provided some detailed comments about viability in our response to the Policy H3: Affordable Housing, which are not repeated here. However, we would add that as the whole plan viability methodology uses typologies, this means there may be individual sites that are not viable, for example if the costs or values of a specific site fall outside the parameters used of a typology that was tested. Some sites will be on the very margins of viability and other sites may already be unviable even without a change of circumstances. HBF therefore support the recognition of the potential need for flexibility in relation to site specific viability issues. As such overage clauses may not be appropriate in all cases, and the Plan should allow for such circumstances.

## **The Need for a Monitoring Framework**



99. The Plan should include a Monitoring Framework, including a detailed housing trajectory. This is an essential part of the plan monitor manage approach, as is particularly important for housing delivery where monitoring may show the need for action by the Council in the case of under delivery.

### **Future Engagement**

100. 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.

101. 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

A handwritten signature in blue ink that reads "R. H. Danemann". The signature is written in a cursive, slightly slanted style.

Rachel Danemann MRTPI CIHCM AssocRICS

Planning Manager – Local Plans (Midlands and South West)

Home Builders Federation

Email: [rachel.danemann@hbf.co.uk](mailto:rachel.danemann@hbf.co.uk)

Phone: 07817865534