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30 September 2020

Dear Sir / Madam

SHROPSHIRE DRAFT LOCAL PLAN REVIEW (LPR) CONSULTATION

Introduction

Thank you for consulting with the Home Builders Federation (HBF) on the above mentioned consultation. The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing. We would like to submit the following responses to the Council's consultation document.

Duty to Co-operate

As set out in the 2019 National Planning Policy Framework (NPPF), the Council is under a Duty to Co-operate with other Local Planning Authorities (LPA) and prescribed bodies on strategic matters that cross administrative boundaries (para 24). To maximise the effectiveness of plan-making and fully meet the legal requirements of the Duty to Co-operate, the Council's engagement should be constructive, active and on-going. This collaboration should identify the relevant strategic matters to be addressed (para 25). Effective and on-going joint working is integral to the production of a positively prepared and justified strategy (para 26). The Council should demonstrate such working by the preparation and maintenance of one or more Statements of Common Ground (SoCG) identifying the cross-boundary matters to be addressed and the progress of co-operation in addressing these matters. A SoCG should be made publicly available throughout the plan-making process to provide transparency (para 27).

The National Planning Practice Guidance (NPPG) confirms that a key element of Local Plan Examination is ensuring that there is certainty through formal agreements that an effective strategy is in place to deal with strategic matters when Local Plans are adopted (ID : 61-010-20190315 & 61-031-20190315). The NPPG explains that a SoCG sets out where effective co-operation is and



is not happening throughout the plan-making process (ID : 61-010-20190315). The NPPG also sets out that by the time of publication of a Draft Plan, a SoCG should be available on the Council's website. Once published, the Council should ensure that the SoCG continues to reflect the most up-to-date position of joint working (ID : 61-020-20190315). The HBF note that there are no SoCGs accompanying this Draft Local Plan consultation. The Council has stated that a full SoCG will be made available ahead of submission of the Local Plan for examination (para 2.24). This is inconsistent with the NPPG.

Shropshire adjoins twelve other LPAs namely Telford & Wrekin, Cheshire West, Chester, Cheshire East, Wrexham, Powys, Herefordshire, Malvern Hills, Wyre Forest, South Staffordshire, Stafford and Newcastle under Lyme. The HBF would expect the Council to prepare and maintain one or more SoCG with these LPAs.

There is also a functional relationship with the Black Country authorities of Dudley, Sandwell, Walsall and Wolverhampton, where there is an identified unmet housing need of up to 29,000 dwellings. It is proposed that 1,500 dwellings incorporated in Shropshire's housing requirement will support housing needs from the Black Country. There is correspondence dated 30th September 2019 from the Black Country authorities supporting the proposed strategic allocation at J3 M54 in the Shropshire Local Plan. These strategic matters should be set out in a SoCG.

Before the pre-submission LPR consultation, respective SoCG should be prepared and published, at which time the HBF may submit further comments.

Local Housing Need (LHN) & Housing Requirement

Under **Strategic Policy SP2** around 30,800 dwellings (1,400 dwellings per annum) will be delivered between 2016 to 2038.

Under the 2019 NPPF, the Council should establish a housing requirement figure for their whole area (para 65). As set out in the 2019 NPPF, the determination of the minimum number of homes needed should be informed by a Local Housing Need (LHN) assessment using the Government's standard methodology unless exceptional circumstances justify an alternative approach (para 60). In Shropshire, there are no exceptional circumstances to justify an alternative approach.

Using the standard methodology as set out in the latest NPPG, the minimum LHN for Shropshire is 25,894 dwellings (1,177 dwellings per annum) between 2016 – 2038. This calculation is mathematically correct based on 2014 Sub National Household Projections (SNHP), 2019 as the current year and 2019 affordability ratio of 7.97. As set out in the NPPG, the LHN is calculated at the start of the plan-making process but this number should be kept under review and revised when appropriate until the Local Plan is submitted for examination (ID 2a-008-20190220). The minimum LHN for the County may change as inputs are variable, which should be considered by the Council. The Government has

also confirmed its intention to review the standard methodology. The Government's consultation on Changes to the Current Planning System ends on 1st October 2020. This consultation includes proposed revisions to the standard method for assessing housing numbers in strategic plans. Under the revised standard methodology, the minimum LHN for Shropshire is 2,129 dwellings per annum. This figure is significantly higher than both the previously calculated LHN and the proposed housing requirement. It may become necessary for the Council to update its LHN assessment.

The Government's current and revised standard methodologies identify the minimum annual LHN, which is only a minimum starting point. This is not a housing requirement figure (ID : 2a-002-20190220). The Government's objective of significantly boosting the supply of homes set out in the 2019 NPPF remains (para 59). Any ambitions to support economic growth, to deliver affordable housing and to meet unmet housing needs from elsewhere may necessitate a housing requirement figure above the minimum LHN. In Shropshire, there is justification for a housing requirement above the minimum LHN.

The NPPG indicates that if previous housing delivery has exceeded the minimum LHN, the Council should consider whether this level of delivery is indicative of greater housing need (ID : 2a-010-20190220). The adopted Core Strategy housing requirement of 1,375 dwellings per annum is above the minimum LHN. The Housing Delivery Test (HDT) Results for 2018/19 identified housing completions of 1,843 dwellings, which exceeds the minimum LHN and the adopted and proposed housing requirements.

The wider aspirations of the Economic Growth Strategy for Shropshire are to increase economic growth, productivity and diversification of the labour force. These economic ambitions require an increase in housing requirement above the minimum LHN so that a lack of labour is not to become a constraint to the realisation of the economic growth potential of the County. The 2019 NPPF seeks to achieve sustainable development by pursuing economic, social and environmental objectives in mutually supportive ways (para 8). The Council is seeking to support the long-term sustainability of the County by achieving a sustainable balance between employment and housing growth.

The Council should also recognise economic benefits of housing development in supporting local communities as highlighted by the HBF's latest publication Building Communities – Making Place A Home (Autumn 2020). The Housing Calculator (available on the HBF website) based on The Economic Footprint of House Building (July 2018) commissioned by the HBF estimates for every one additional house built in Shropshire, the benefits for the local community include creation of 3 jobs (direct & indirect employment), financial contributions of £27,754 towards affordable housing, £806 towards education, £297 towards open space / leisure, £1,129 extra in Council tax and £26,339 spent in local shops.

The NPPG states that total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments. As set out in the NPPG, an increase in the total housing figures may be considered where it could help deliver affordable housing (ID : 2a-024-20190220). Affordable housing delivery is a key priority for the Council. It is proposed circa 7,700 affordable dwellings will be delivered between 2016 - 2038. The NPPG also sets out that households whose needs are not met by the market, which are eligible for one or more of the types of affordable housing set out in the definition of affordable housing in Annex 2 of the 2019 NPPF are considered to be in affordable housing need (ID : 67-005-20190722). The Council should calculate its affordable housing need as defined by the NPPG. This figure may be significant in comparison to the minimum LHN. A higher overall housing requirement will contribute towards delivery of a greater number of affordable homes. It is acknowledged that the Council may not be able to meet all affordable housing needs but an uplifted housing requirement above the minimum LHN will make some contribution to meeting affordable housing needs.

As set out in the 2019 NPPF, the Local Plan should be positively prepared and provide a strategy, which as a minimum seeks to meet its own LHNs in full and is informed by agreements with other authorities so that unmet need from neighbouring areas is accommodated (para 35a). It is proposed that Shropshire's housing requirement of 30,800 dwellings incorporates 1,500 dwellings to support the unmet housing needs of the Black Country (also see HBF response to the Duty to Co-operate).

The proposed housing requirement of 1,400 dwellings per annum is the same as the adopted housing requirement of 1,375 dwellings per annum, higher than the minimum LHN of 1,177 dwellings per annum but below last year's housing delivery of 1,843 dwellings and the revised LHN of 2,129 dwellings per annum. The proposed housing requirement provides limited flexibility to respond to changes in the LHN, to deliver more affordable housing, to support economic growth and to accommodate unmet housing needs from the Black Country. It is a "business as usual" scenario rather than a significant boost to the supply of homes. Before the pre-submission LPR consultation, the Council should consider a higher housing requirement. The housing requirement should also be expressed as a minimum figure.

Housing Land Supply (HLS)

The LPR's strategic policies should ensure the availability of a sufficient supply of deliverable and developable land to deliver the County's housing requirement. This sufficiency of HLS should meet the housing requirement, ensure the maintenance of a 5 Years Housing Land Supply (YHLS) and achieve HDT performance measurements.

The LPR promotes a sustainable pattern of growth by directing majority of new development towards larger settlements with the most extensive range of

services / facilities and infrastructure. **Strategic Policy SP2 – Strategic Approach** sets out a spatial strategy based on :-

- Strategic Centre (Shrewsbury) ;
- Principal & Key Centres ;
- Strategic Corridors, Settlements & Sites ;
- Community Hubs ; and
- Community Clusters & Countryside

Policies SP6 – Managing Housing Development, SP7 – Managing Development in Community Hubs and SP8 – Managing Development in Community Clusters support sustainable housing development within development boundaries (subject to not exceeding residential development guidelines set out in individual Settlement Policies). **Policy SP9 – Managing Development in the Countryside** strictly controls new development outside development boundaries.

As set out in 2019 NPPF, where fully evidenced and justified Green Belt boundaries can be altered in “exceptional circumstances” through the preparation or updating of Local Plans (paras 136 & 137). The HBF supports the findings of the Council’s Green Belt Release Exceptional Circumstances Statement dated August 2020, which justifies the release of Green Belt land for allocation and safeguarding at locations in Albrighton, Alveley, Cosford, Shifnal and Stanmore.

The Council’s overall HLS set out in **Appendix 5 : Residential Development Guidelines & Residential Supply** is 29,384 dwellings. This HLS is summarised below :-

	Completions to 2018/19	Existing consents	Saved SAMDev Allocations	Proposed Local Plan Allocations	Windfalls
Strategic, Principal & Key Centres	3,748	6,716	3,034	5,855	1,922
Community Hubs	952	1,289	530	1,640	629
Rural Area	929	2,078	62	0	0
TOTAL	5,629	10,083	3,626	7,495	2,551

It is assumed that Appendix 5 includes the housing sites allocated in **Settlement Policies S1 – S18** but excludes the allocations in **Policy S19 – Strategic Settlement Clive Barracks Tern Hill** (750 dwellings) and **Policy S20 – Strategic Settlement Former Ironbridge Power Station** (1,000 dwellings). Before the pre-submission Local Plan consultation, the overall HLS should be clarified by the Council.

The Council's overall HLS should provide some flexibility to respond to changing circumstances, to treat the housing requirement as a minimum rather than a maximum and to provide choice and competition in the land market. There is no numerical formula to determine the appropriate quantum for a contingency but greater numerical flexibility is necessary where HLS is dependent on a few large strategic sites or locations than in cases where HLS is more diversified. The HBF always suggests as large a contingency as possible (at least 20%). If during the Local Plan Examination, any of the Council's assumptions on lapse rates, windfall allowances and delivery rates are amended or any proposed housing site allocations are removed then any built in flexibility is also reduced.

National policy 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.

Housing delivery is maximised, where a wide mix of sites provides choice for consumers, allows places to grow in sustainable ways and creates opportunities to diversify the construction sector. There is a wide range of sites by both size and market locations, which should provide access to suitable land for small local, medium regional and large national housebuilding companies as well as providing opportunities for a wide range of different types of dwellings to meet the housing needs of all households. Under the 2019 NPPF, the Council should identify at least 10% of its housing requirement on sites no larger than one hectare or else demonstrate strong reasons for not achieving this target (para 68). The Council should confirm compliance with this aspect of national policy.

The HBF would not wish to comment on the merits or otherwise of individual sites selected for allocation but it is critical that the Council's assumptions on lapse rates, non-implementation allowances, lead in times and delivery rates contained within its overall HLS, 5 YHLS and housing trajectory are correct and realistic. These assumptions should be supported by parties responsible for delivery of housing and sense checked by the Council. The Council has provided limited information / supporting evidence on a site by site analysis of the deliverability of individual site allocations.

Appendix 7 : Forecast of Delivery Timescales for Local Plan Allocations

is not a housing trajectory. The 2019 NPPF sets out that strategic policies should include a trajectory illustrating the expected rate of housing delivery over the plan period and if appropriate to set out the anticipated rate of development for specific sites (para 73). The omission of a detailed housing trajectory is inconsistent with the 2019 NPPF. Before the pre-submission LPR consultation, a housing trajectory should be incorporated into the Local Plan.

The Council's 5 YHLS Statement dated 3rd March 2019 estimates the 5 YHLS between 2019/20 – 2023/24 against the adopted Local Plan housing requirement is 6.42 years or against the minimum LHN is 8 years (based on a stepped trajectory, Sedgefield approach to shortfalls and 5% buffer). Before the

pre-submission LPR consultation, the Council should prepare and publish an updated 5 YHLS Statement for 2020/21 – 2024/25 against the proposed housing requirement and trajectory.

Viability

At the plan-making stage, deliverability of development is very closely linked to viability. The viability of individual developments and plan policies should be tested at the plan making stage. As set out in the 2019 NPPF, viability testing should assess the cumulative impact of affordable housing provision, policy compliant standards, infrastructure and other contributions so that there is sufficient incentive for a landowner to bring forward their land for development (para 34). The Council's viability evidence is set out in Local Plan Delivery & Viability Study dated July 2020 by HDH, which demonstrates viability challenges across the County.

As stated in the 2019 NPPF, development should not be subject to such a scale of obligations that the deliverability of the LPR is threatened (para 34). The Council's viability assessment should take full account of compliance with proposed policy requirements. Table 12.9 of the Council's Viability Study shows that on a policy compliant basis very few tested site typologies are viable.

Viability assessment should not be conducted on the margins of viability. Currently, the full economic consequences of the Covid-19 pandemic are unknown and such uncertainty means that a larger viability buffer is necessary. Viability assessment is an iterative process, whereby "trade-offs" between affordable housing provision, CIL, S106 contributions and compliance with policy requirements may be needed. If the resultant Benchmark Land Value (BLV) is lower than the market value at which land will trade, then the housing delivery targets will not be met. Without a robust approach to viability assessment land will be withheld from the market and housing delivery will be threatened, leading to an unsound LPR.

As demonstrated by the Council's own evidence, if housing delivery is not to be compromised by the cumulative impact of affordable housing provision, policy requirement compliance, infrastructure and other contributions via S106 and CIL, then Development Management Policies should include a flexible approach to facilitate viability negotiations on a site by site basis (see HBF response to Policies SP3, DP1, DP3, DP12, DP13, DP21, DP28, DP29 & DP30). Before the pre-submission LPR consultation, the Council's approach set out in Development Management Policies should be re-considered to align with the findings of the whole plan viability assessment. At Examination, viability will be a key issue in determining the soundness of the LPR.

Climate Change

Strategic Policy SP3 - Climate Change requires :-

- wherever possible, integration of electric vehicle charging infrastructure into new development in line with Policy DP12 ;
- integration of renewable and low carbon energy systems into all residential developments in line with Policy DP12 ;
- the development or extension of district heating & cooling networks ; and
- integration of water efficiency measures.

The Council is committed to an overall goal of making Shropshire net greenhouse gas neutral by 2030. It is the HBF's opinion that the Council's policy approach to climate change should reflect the Government's proposals on levels of energy efficiency, heat networks, electric vehicle charging points (EVCP) and water efficiency.

Under **Development Management Policy DP12 - Minimising Carbon Emissions**, new residential development will reduce the impact of climate change by :-

- maximising fabric energy efficiency ;
- all proposals for 10 or more dwellings achieving a minimum of 19% improvement in the energy performance requirement in Part L of the 2013 Building Regulations, until such time as the Building Regulations are increased to a level which exceeds this uplift ;
- all proposals providing a minimum of 10% of the predicted energy needs of the development from on-site renewable and low carbon energy sources ; and
- encouraging all proposals in particular residential development of 50 or more dwellings to achieve zero net-carbon emissions, to use on-site district heating / cooling systems, and to connect to wider heating / cooling networks both for energy supply and export, especially where these utilise renewable energy.

As set out in the Future Homes Standard consultation (ended on 7th February 2020), the UK has set in law a target to bring all its greenhouse gas emission to net zero by 2050. New and existing homes account for 20% of emissions. It is the Government's intention to future proof new homes with low carbon heating and world-leading levels of energy efficiency. The Government's consultation addressed :-

- options to uplift standards for Part L (Conservation of Fuel & Power) and changes to Part F (Ventilation) Building Regulations ;
- transitional arrangements to encourage quicker implementation ; and
- clarifying the role of Councils in setting energy efficiency standards.

The HBF's response recognises and supports the need to move to The Future Homes Standard but the Government's preferred Option 2 for a 31% reduction in carbon emissions compared to the current Part L 2013 requirements in 2020 would be difficult and risky to deliver given the immaturity of the supply chain for the production / installation of heat pumps, and the additional load that would be placed on local electricity networks when coupled with Government

proposals for the installation of electric vehicle charging points (EVCP) in new homes (also see HBF response to Development Management Policy DP29 below). The HBF and its Members favour the Government's Option 1 for a 20% reduction in emissions in 2020 (involving higher fabric efficiency standards than Option 2) and then a further step to Option 2 standards by 2023, which would allow more time for the supply chain to gear up for the scale of demand entailed. The HBF submission argues that *"a stepped and incremental approach should be adopted given, in particular, the large requirement for supply chain and infrastructure investment and skills training to support this ambition. The consensus is that Option 1 should be implemented within 2020, with Option 2 being implemented within two to three years in approximately 2023. Our membership sees that transitional arrangements around this implementation should be 18 – 24 months"*.

The Government estimated Future Homes Standard increased costs by circa £2,557 - £4,847 per dwelling. The Council's own viability assessment identified viability challenges across the County and the cumulative impact of proposed policy requirements threatens housing delivery (see HBF response under Viability).

The Council is also referred to the Department for Business, Energy and Industrial Strategy consultation on Heat Networks : Building A Market Framework (ended on 1st June 2020). To meet the Government's legal commitment on reducing greenhouse gas emissions virtually all heat in buildings will require decarbonising. 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. 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. The Council should be aware that for the foreseeable future it will remain uneconomic for most heat networks to install low-carbon technologies.

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. All heat network domestic consumers should have ready access to information about their heat network, a good quality of service, fair and transparently priced heating and a redress option should things go wrong. Research by the Competition and Markets Authority (CMA) found that a significant proportion of suppliers and managing agents do not provide pre-transaction documents, or what is provided contains limited information, particularly on the on-going costs of heat networks and poor transparency regarding heating bills, including their calculation, limits consumers' ability to

challenge their heat suppliers reinforcing a perception that prices are unjustified. The monopolistic nature of heat networks means that future price regulation is required to protect domestic consumers. The CMA have concluded that *“a statutory framework should be set up that underpins the regulation of all heat networks.”* They recommended that *“the regulatory framework should be designed to ensure that all heat network customers are adequately protected. At a minimum, they should be given a comparable level of protection to gas and electricity in the regulated energy sector.”* The Government’s latest consultation on heating networks proposes a regulatory framework that would give Ofgem oversight and enforcement powers across quality of service, provision of information and pricing arrangements for all domestic heat network consumers.

The Council’s proposed policy approach is unnecessary because of the Government’s Future Homes Standard proposals. Before the pre-submission LPR consultation, Policy SP3 Bullet Points 1f, 2a, 2b & 4d and Policy DP12 Bullet Points 1a, 1b, 1c & 1d should be deleted.

Development Management Policy DP29 - Communications & Transport requires provision of infrastructure investment including domestic charging points in dwellings.

The Department of Transport held a consultation on Electric Vehicle Charging in Residential & Non-Residential Buildings (ended on 7th October 2019) set out the Government’s preferred option to introduce a new functional requirement under Schedule 1 to the Building Regulations 2010, which is expected to come into force in 2020. The inclusion of EVCP requirements within the Building Regulations 2010 will introduce a standardised consistent approach to EVCPs 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. 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. The Government has estimated installation of such charging points add on an additional cost of approximately £976.

The Government has also recognised the possible impact on housing supply, where the requirements are not technically feasible. The Government’s recent consultation proposed introducing exemptions for such developments. The costs of installing the cables and the charge point hardware will vary considerably based on site-specific conditions in relation to the local grid. 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 Government recognises that the cost of installing charge points 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 (EPBD) requirements should be applied.

The HBF's consultation response recognises that electric vehicles will be part of the solution to transitioning to a low carbon future but there are practical and financial challenges associated with the Government's proposed approach, which goes beyond the requirements of EPBD.

The supply from the power grid is already constrained in many areas across the country. The HBF and its Members have serious concerns about the capacity of the existing electrical network in the UK. Major network reinforcement will be required across the power network to facilitate the introduction of EVCPs and the move from gas to electric heating as proposed under the Future Homes Standard. The cost of infrastructure reinforcement and additional sub stations has not been considered. These costs can be substantial and can drastically affect the viability of developments. Under the Government's proposal the capped figure of £3,600 would automatically be levied on developers therefore this figure should be included in any impact assessment. If developers are funding the potential future reinforcement of the National Grid network at significant cost, this will have a significant impact on their businesses and potentially jeopardise future housing delivery.

The introduction of EVCPs along with other electric demand technology could lead to problems with capacity not only in the grid but inside the dwelling too. The proposals place an undue burden on new build dwellings without making any inroads into provision of EVCPs in the existing housing stock.

The HBF's response identifies that the physical installation of fixed EVCPs is not necessary. The evolution of this automotive technology is moving quickly therefore a cable and duct approach is a more sensible and future proofed solution, which negates the potential for obsolete technology being experienced by householders. A cable and duct only approach means that the householder can later arrange and install a physical EVCP suitable for their vehicle and in line with the latest technologies.

The Council's proposed policy approach is unnecessary because of the Government's proposals to change Building Regulations. Before the pre-submission LPR consultation, Policy DP29 Bullet Point 3d should be deleted.

Development Management Policy DP21 - Water Efficiency

Under **Policy DP21** new housing will be expected to meet the Building Regulations 110 litres per person per day standard for water.

If the Council wishes to adopt the optional standard for water efficiency of 110 litres per person per day then the Council should justify doing so by applying the criteria set out in the NPPG (ID 56-013-20150327 to 56-017-20150327). The Written Ministerial Statement (WMS) dated 25th March 2015 confirmed that *“the optional new national technical standards should only be required through any new Local Plan policies if they address a clearly evidenced need, and where their impact on viability has been considered, in accordance with the NPPG”*. The NPPG refers to *“helping to use natural resources prudently ... to adopt proactive strategies to ... take full account of water supply and demand considerations ... whether a tighter water efficiency requirement for new homes is justified to help manage demand”* however the Housing Standards Review was explicit that reduced water consumption was solely applicable to water stressed areas.

Under current Building Regulations, all new dwellings achieve a mandatory level of water efficiency of 125 litres per day per person, which is a higher standard than that achieved by much of the existing housing stock. This mandatory standard represents an effective demand management measure. The Shropshire Water Cycle Study (2020) reports that the Environment Agency and Natural Resources Wales assess the Severn Trent and United Utilities supply regions as areas of only “moderate” water stress (para 4.6.1) rather than an area of serious water stress.

Before the pre-submission LPR consultation, Bullet Point 1 should be deleted from Policy DP21.

Other Strategic Policies

Policy SP4 – Sustainable Development

The 2019 NPPF confirms that Local Plans should avoid unnecessary duplication including repetition of policies in the NPPF itself (para 16f). The presumption in favour of sustainable development is clearly set out in the 2019 NPPF (para 11). In attempting to repeat national policy in **Policy SP4**, there is a danger that some inconsistencies creep in and lead to small but critical differences between national and local policy causing difficulties in interpretation and relative weighting.

Policy SP4 is unnecessary therefore before the pre-submission LPR consultation, it should be deleted.

Policy SP5 – High Quality Design

Under **Bullet Point 2** of **Policy SP5** development should be designed in accordance with the West Midlands Design Charter.

The Council's policy approach to high quality design should align with the 2019 NPPF, the latest NPPG and the National Design Guide. Although the West Midlands Design Charter is not intended to set a local design policy (para 3.35), all planning applications for new development must set out their compliance with Policy SP5 and the West Midlands Design Charter (para 3.38). The HBF is supportive of the use of best practice guidance, however the use of such guidance should remain voluntary rather than becoming a mandatory policy requirement, which developers are obliged to use as a pre-condition for the Council's support. Policy SP5 and its supporting text should not convey contrary to the Town and Country Planning (Local Planning) (England) Regulations 2012 (Regulations) development plan status onto the West Midlands Design Charter, which has not been subject to the same process of preparation, consultation and Examination as the Local Plan.

Before the pre-submission LPR consultation, Policy SP5 Bullet Point 2 should be deleted.

Other Development Management Policies

Policy DP1 - Residential Mix

Under **Bullet Point 3**, all affordable dwellings will achieve the Nationally Described Space Standard (NDSS) and all market dwellings are encouraged to comply with the NDSS.

If the Council wishes to apply the optional NDSS to new build dwellings, then this should only be done in accordance with the 2019 NPPF (para 127f & Footnote 46). Footnote 46 states that "*policies may also make use of the NDSS where the need for an internal space standard can be justified*". As set out in the 2019 NPPF, 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 (para 31). The NPPG sets out that "*where a need for internal space standards is identified, the authority should provide justification for requiring internal space policies. Authorities should take account of the following areas need, viability and timing*" (ID: 56-020-20150327). Before adopting the NDSS, the Council should provide a local assessment evidencing the case for Shropshire.

The Council has not demonstrated in its supporting evidence the need for all affordable housing to meet NDSS. The Council's evidence only identified overcrowding in 11% of social rented accommodation (para 4.11) as opposed to all affordable housing tenures. The Council also suggested that such overcrowding may be an unintended consequence of the "bedroom tax" (para 4.13) rather than a systemic problem to resolve. The NDSS should only be introduced on a "need to have" rather than a "nice to have" basis. Need is generally defined as "*requiring something because it is essential or very*

important rather than just desirable". The identification of a need for the NDSS should identify the harm caused or may be caused in the future. If it had been the Government's intention that generic statements simply stating in some cases the NDSS had not been met justified adoption of the NDSS then the standard would have been incorporated as mandatory in Building Regulations, which is not the case.

There is a direct relationship between unit size, cost per square metre, selling price per metre and affordability. The Council should recognise that customers have different budgets and aspirations. An inflexible policy approach to NDSS for all affordable housing will impact on affordability and effect customer choice for affordable homeownership products such as First Homes. The introduction of the NDSS for all dwellings may lead to customers purchasing larger homes in floorspace but with bedrooms less suited to their housing needs. This may lead to the unintended consequences of potentially increasing overcrowding and reducing the quality of their living environment. Non-NDSS compliant dwellings may be required to ensure that those on lower incomes can afford a property, which meets their bedroom requirements.

The Council should assess any potential adverse impacts on meeting demand for First Homes and other affordable homeownership products, which may affect delivery rates of sites included in the housing trajectory. The delivery rates on many sites will be determined by market affordability at relevant price points of dwellings and maximising absorption rates. An adverse impact on the affordability may translate into reduced or slower delivery rates.

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.

Before the pre-submission LPR consultation, the requirement for NDSS should be deleted. If the NDSS is adopted, then the Council should put forward appropriate proposals for transitional arrangements.

Under **Policy DP1 Bullet Point 4**, all dwellings specifically designed for older people or those with disabilities or special needs will be built to the M4(3) (wheelchair user dwellings) standard within Building Regulations. Under **Policy DP1 Bullet Point 5**, on sites of 5 or more dwellings, at least 5% of the dwellings will be built to the M4(3) (wheelchair user dwellings) standard within Building Regulations and a further 70% of the dwellings will be built to the M4(2) (accessible and adaptable dwellings) or higher standard within Building Regulations, unless site-specific factors indicate that step-free access cannot be achieved.

If the Council wishes to adopt the optional standards for accessible & adaptable dwellings, then this should only be done in accordance with the 2019 NPPF (para 127f & Footnote 46) and the NPPG. Footnote 46 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”*. As set out in the 2019 NPPF, 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 (para 31). The NPPG sets out the evidence necessary to justify a policy requirement for optional standards. The Council should apply the criteria set out in the NPPG (ID 56-005-20150327 to 56-011-20150327) to ensure that an appropriate evidence base is available to support any proposed policy requirements.

The NPPG sets out that evidence should include identification of :-

- the likely future need ;
- the size, location, type and quality of dwellings needed ;
- the accessibility and adaptability of the existing stock ;
- variations in needs across different housing tenures : and
- viability.

Detailed information on the accessibility and adaptability of the existing housing stock, the size, location, type and quality of dwellings needed and variations in needs across different housing tenures in the County should be incorporated into the Council’s supporting evidence.

Many older householders already live in the County. Many will not move from their current home but will make adaptations as required to meet their needs, some will choose to move to another dwelling in the existing stock rather than a new build property and some will want to live in specialist older person housing. The existing housing stock (146,126 dwellings in 2019) is considerably larger than the new build sector (only 0.8% annual addition to existing stock) so adapting the existing stock is likely to form part of the solution.

The optional standards should only be introduced on a “need to have” rather than a “nice to have” basis. Need is generally defined as *“requiring something because it is essential or very important rather than just desirable”*. If the Government had intended that evidence of an ageing population alone justified adoption of optional standards then such standards would have been incorporated as mandatory in the Building Regulations, which is not the case.

The Strategic Housing Market Area (SHMA) Report dated March 2020 identified that the percentage of Shropshire residents reporting “very good” or “good” health was higher than comparisons with England & Wales and West Midlands (para 3.76). The number of households containing someone with a health problem is in line with the proportion for England & Wales and slightly lower than that found in West Midlands (para 3.81). Long Term Health Problem or Disability is in line with England and slightly lower than West Midlands (para

3.83). It is important to note that not all health problems affect a household's housing needs therefore not all health problems require adaptations to homes.

All new homes are built to Building Regulation Part M Category 1 (M4(1)) standards, which include level approach routes, accessible front door thresholds, wider internal doorway and corridor widths, switches and sockets at accessible heights and downstairs toilet facilities usable by wheelchair users. These standards are not usually available in the older existing housing stock and benefit less able-bodied occupants. M4(1) standards are likely to be suitable for most residents.

There is no rationale for the selection of 5 dwellings as the threshold for qualifying developments or the percentage provisions of 5% for M4(3) and 70% for M4(2) sought.

The Council state that the requirement for M4(3) is for a wheelchair adaptable home (which includes features to make a home easy to convert to be fully wheelchair accessible) rather than a wheelchair accessible home (which includes the most common features required by wheelchair users) (para 4.31). This distinction should be set out in the policy wording rather than in the supporting text. The Council is also reminded that the requirement for M4(3) should only be required for dwellings over which the Council has housing nomination rights as set out in the NPPG (ID 56-008-20150327).

The Government's consultation "Raising Accessibility Standards for New Homes" (ending on 1st December 2020) estimates the additional cost per new dwelling is approximately £1,400 for dwellings, which would not already meet M4(2). In September 2014 during the Government's Housing Standards Review EC Harris estimated the cost impact of M4(3) per dwelling as £15,691 for apartments and £26,816 for houses. M4(3) compliant houses are also larger than NDSS (DCLG Housing Standards Review Illustrative Technical Standards Developed by the Working Groups August 2013) therefore larger sizes should be used when calculating additional build costs for M4(3) and any other input based on square meterage. The Council's own viability assessment identifies viability challenges and threats to housing delivery from the cumulative impact of proposed policy requirements (see HBF response under Viability).

Before the pre-submission LPR consultation, Bullet points 4 & 5 of Policy DP1 should be re-considered and modified by the Council.

Under **Policy DP1 Bullet Point 6**, on sites of 50 or more dwellings an appropriate range of specialist housing designed to meet the diverse needs of older people, such as age-restricted general market housing, retirement living or sheltered housing, extra care housing or housing-with-care and / or residential care homes / nursing homes and an appropriate range of specialist dwellings to meet the needs of those with disabilities and special needs will be provided.

As set out in 2019 NPPF, the housing needs for different groups should be assessed to justify any policies on the size, type and tenure of housing including a need for affordable housing (paras 61 & 62). All households should have access to different types of dwellings to meet their housing needs. Market signals are important in determining the size and type of homes needed. When planning for an acceptable mix of dwellings types to meet people's housing needs, the Council should focus on ensuring that there are appropriate sites allocated to meet the needs of specifically identified groups of households such as the elderly without seeking a specific housing mix on individual sites. The Local Plan should ensure that suitable sites are available for a wide range of developments across a wide choice of appropriate locations.

The requirement for all developments of 50 or more dwellings to incorporate an unspecified range of older persons and specialist housing is an ineffective policy approach. There is no rationale for the selection of 50 dwellings as the threshold for qualifying development proposals.

The policy approach to the proportion, type and tenure of older persons housing is unclear, ambiguous and defers negotiation of the precise scale and type of older persons and specialist housing on all developments of 50 or more dwellings to the planning application process. The vagueness of Bullet Point 6 causes uncertainty and means that neither the applicant nor the decision maker know the Council's expectations from a development proposal. Housing delivery on sites of 50 or more dwellings will be delayed whilst applicants and decision makers interpret and negotiate the precise requirements of this Bullet Point at planning application stage.

The viability of housing sites will also be affected because the financial dynamics of older persons housing are different to general housing. Build costs are higher due to specific design criteria suited to the needs of older people, a greater gross to net floor area for non-saleable shared facilities, elongated construction / sales periods and cashflows as no individual units can be occupied until communal areas are completed, which means substantial upfront investment before any return on capital is received. This is not considered in the Council's viability assessment (see HBF response under Viability).

A policy approach to support older persons and specialist housing, where it's well-located in respect of services & facilities, would be a positive, proactive and proportionate ways of meeting need for older persons housing. It is also noted that the SHMA Report identifies that 14.3% of Shropshire's existing housing stock are bungalows (para 3.144) substantially exceeding the national (England 9.4%) and regional (West Midlands 7.6%) provision of bungalows, which are often occupied by older households.

Before the pre-submission LPR consultation, Policy DP1 Bullet Points 6a & 6b should be re-considered and modified by the Council.

Policy DP3 - Affordable Housing Provision

Policy DP3 requires new residential development of 5 or more dwellings in Designated Rural Areas and 10 or more dwellings elsewhere to provide onsite affordable housing of 10% in the north and 20% in the south as defined by geographical areas in Figure DP3.1. Onsite affordable housing tenure to comprise of 70% social or affordable rent accommodation and 30% intermediate or other affordable housing unless local need evidence indicates otherwise.

The Council's own viability assessment identified viability challenges across the County and the cumulative impact of proposed policy requirements threatens housing delivery (see HBF response under Viability).

The 2019 NPPF promotes affordable home ownership by requiring at least 10% of new dwellings built to be available for this tenure leaving only the remainder for other affordable housing tenures (para 64). The Council's policy approach to affordable housing tenure is inconsistent with national policy. The Government's Changes to the Current Planning System (ending on 1st October 2020) also proposes further changes to delivering First Homes.

Before the pre-submission LPR consultation, Policy DP3 should be re-considered and modified by the Council.

Policy DP13 - The Natural Environment

Under **Policy DP13**, all development delivers at least a 10% net gain for biodiversity in accordance with the Environment Act, any future Local Nature Recovery Strategy (LNRS) and Policies DP15, DP16, DP17 and DP23.

It is the HBF's opinion that the Council should not deviate from the Government's proposals on biodiversity gain. In 2019 Spring Statement, the Government announced that it would mandate net gains for biodiversity in the forthcoming Environment Bill. This legislation will require development to achieve a 10% net gain for biodiversity. It is the Government's opinion that 10% strikes the right balance between the ambition for development and reversing environmental decline. 10% gain provides certainty in achieving environmental outcomes, deliverability of development and costs for developers. 10% will be a mandatory national requirement, but it is not a cap on the aspirations of developers who want to voluntarily go further or do so in designing proposals to meet other local planning policies. The Government will use the DEFRA Biodiversity Metric to measure changes to biodiversity under net gain requirements established in the Environment Bill. The mandatory requirement offers developers a level playing field nationally and reduced risks of unexpected costs and delays.

The Government will introduce exemptions applicable to only the most constrained types of development. Exemptions will be set out in secondary legislation.

The Environment Bill will introduce new duties to support better spatial planning for nature through the creation of LNRS. LNRS will detail existing areas of high

biodiversity value as well as those areas where habitat creation or restoration would add most value. The intention is that the whole of England will be covered by LNRSs with no gaps or overlaps. Each LNRS will include a statement of biodiversity priorities for the area covered by the strategy and a local habitat map that identifies opportunities for recovering or enhancing biodiversity. Each LNRS will be produced locally, with a relevant public body appointed as the responsible authority by the Secretary of State. This will achieve the best combination of local ownership and knowledge and national consistency and strategy. Such spatial environmental mapping will help developers to locate their sites strategically to avoid biodiverse sites that would be difficult to achieve net gain on.

The Government will require net gain outcomes to be maintained for a minimum of 30 years and will encourage longer term protection, where this is acceptable to the landowner. The Government will legislate for Conservation Covenants in the Environment Bill.

The Environment Bill will make provision for local decision makers to agree biodiversity net gain plans with developers. Where offsite compensation is required, Councils will be able to review developers plans to deliver compensation through local habitat creation projects. Where suitable local projects are not available, there will be the option for investment in nationally strategic habitats. The Government will make provision for statutory biodiversity units in the Environment Bill, which will be purchasable at a set standard cost. This approach will allow Councils, landowners and organisations to set up habitat compensation schemes locally, where they wish to do so, where this is not the case, the Government will provide a last-resort supply of biodiversity units. The Government's proposals for statutory biodiversity units will provide a recourse for developers and Councils, where local habitat compensation schemes are not available, therefore preventing delays to development.

There are significant additional costs associated with biodiversity gain, which should be fully accounted for in the Councils viability assessment. The DEFRA Biodiversity Net Gain & Local Nature Recovery Strategies : Impact Assessment Table 14 : Net Gain Delivery Costs (Residential) sets out regional costs (based on 2017 prices) in West Midlands of £18,527 per hectare of development based on a central estimate but there are significant increases in costs to £63,725 per hectare for off-site delivery under Scenario C. There may also be an impact on gross / net site acreage ratio. The Government is committed to continued engagement with the housebuilding industry to address concerns and risks. The Government has confirmed that more work needs to be undertaken to address viability concerns raised by the housebuilding industry in order that net gain does not prevent, delay or reduce housing delivery (see HBF response under Viability).

The Government will make provision in the Environment Bill to set a transition period of two years. The Government will work with stakeholders on the specifics of this transition period, including accounting for sites with outline

planning permission, and will provide clear and timely guidance on understanding what will be required and when.

It is the HBF's opinion that the Council should not be setting biodiversity gains greater than 10% or deviating from Government proposals set out in the Environment Bill including transitional arrangements. The cross referencing to other Development Management Policies is confusing and unnecessary. Before the pre-submission LPR consultation, Policy DP13 should be re-considered and modified by the Council.

Development Management Policy DP28 - Broadband & Mobile Communications Infrastructure

Under **Policy DP28 Bullet Point 3**, residential developments will be expected to deliver gigabit-capable broadband infrastructure using "fibre to the premises" technology wherever practical (provision in residential developments of less than 10 dwellings may be subject to viability constraints) or alternative gigabit-capable technologies where justified for reasons including viability, distance from the network or other constraints preventing "fibre to the premises". Under **Bullet Point 4**, residential developments will also deliver passive ducting wherever possible, to facilitate the delivery of competitive fibre broadband services.

The Council should not impose new electronic communications requirements beyond the provision of infrastructure as set out in statutory Building Regulations. In the Budget (11th March 2020), the Government confirmed future legislation to ensure that new build homes are built with gigabit-capable broadband. The Government will amend Part R "Physical Infrastructure for High Speed Electronic Communications Networks" of the Building Regulations 2010 to place obligations on housing developers to work with network operators to install gigabit broadband, where this can be done within a commercial cost cap. By taking these steps, the Government intends to overcome any existing market failure.

The Department for Culture, Media and Sport (DCMS) has outlined its intentions on the practical workings of this policy. The policy will apply to all to new builds. Any type of technology may be used, which is able to provide speeds of over 1000 Mbps. All new build developments will be equipped with the physical infrastructure to support gigabit-capable connections from more than one network operator. The new measures will place responsibilities on both developers and network operators :-

- Developers will have to ensure new homes have gigabit broadband. This includes ensuring that the physical infrastructure necessary for gigabit-capable connections is provided on site for all new build developments and homes are connected by an operator to a gigabit-capable connection ;

- This requirement exists unless the cost to the developer of providing connectivity exceeds £2,000, or the operator declines to provide a connection ;
- Developers must seek a second quote from network operators, where the first quote suggests that gigabit-capable broadband cannot be installed within the cost cap ;
- If gigabit broadband exceeds the cost cap, the developer must provide connectivity to other technologies, which can provide at least superfast connection within the same cost cap, unless the operator declines to provide a connection ; and
- A commitment to contribute to the costs of connection by network operators. Virgin Media has committed to contributing at least £500, rising in the case of some larger sites to £1,000. Openreach has committed to a combined Openreach and Developer Contribution of £3,400, with a maximum developer contribution of £2,000.

As soon as Parliamentary time allows, the Government intends to lay the legislation to amend the Building Regulations. The supporting statutory guidance (Approved Documents) will also be published as soon as possible.

It is the HBF's opinion that the Council's approach in Policy DP28 is unnecessary and repetitive of Building Regulations. Before the pre-submission LPR consultation, Bullet Points 3 and 4 should be deleted from Policy DP28.

Policy DP30 - Health & Wellbeing

Policy DP30 Bullet Point 7b ensures access for all to high speed broadband and on-line services.

Under Policy DP28 residential developers are expected to provide broadband and mobile communication infrastructure (see HBF response to Policy DP28 above), the developer should not also be expected to ensure access to on-line services, which is beyond the control of a developer. This Bullet Point is inappropriate, before the pre-submission LPR consultation, Bullet Point 7b should be deleted from Policy DP30.

Under **Policy DP30 Bullet Point 11**, major development proposals (more than 10 dwellings) must be accompanied by a Health Impact Assessment (HIA) including details of ongoing management or mitigation of issues where necessary.

The NPPG confirms that a Health Impact Assessment (HIA) can serve a useful purpose at planning application stage and consultation with the Director of Public Health as part of the process can establish whether a HIA would be a useful tool for understanding the potential impacts upon wellbeing that development proposals will have on existing health services and facilities (ID : 53-004-20140306).

Any requirement for a HIA should be based on a proportionate level of detail in relation the scale and type of development proposed. The requirement for HIA

without any specific evidence that an individual scheme is likely to have a significant impact upon the health and wellbeing of the local population is not justified by reference to the NPPG. Only if a significant adverse impact on health and wellbeing is identified should a HIA be required, which sets out measures to mitigate the impact.

Before the pre-submission LPR consultation, Policy DP30 Bullet Point 11 should be re-considered and modified by the Council.

Conclusion

It is hoped that these responses will assist the Council in its next stages of plan making. The HBF look forward to submitting further representations during the LPR pre-submission consultation. If any further information or assistance is required please contact the undersigned.

Yours faithfully
for and on behalf of **HBF**

A handwritten signature in blue ink, appearing to read 'S E Green', is positioned above the printed name.

Susan E Green MRTPI
Planning Manager – Local Plans