

Teignbridge District Council
Local Plan Review
Spatial Planning & Delivery
Forde House
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SENT BY E-MAIL ONLY TO
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13th July 2020

Dear Sir / Madam

TEIGNBRIDGE DRAFT LOCAL PLAN PART 1 (LPP1) 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. The HBF submit the following responses to various Policies contained within the Draft LPP1 document.

Duty to Co-operate

To fully meet the legal requirements of the Duty to Co-operate, the Council should engage on a constructive, active and on-going basis with Duty to Co-operate Partners to maximise the effectiveness of plan-making. 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 (National Planning Practice Guidance (NPPG) ID : 61-010-20190315 & 61-031-20190315).

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). 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).

As explained in the latest NPPG, 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 is no SoCG available for the Draft LPP1 consultation instead the Council is proposing to prepare a SoCG with its Duty to Co-operate Partners following this Draft LPP1 consultation (see para 1.8). This is inconsistent with the advise set out in the NPPG.

Draft Policy SC6 - Viability

Under **Draft Policy SC6**, deviation from policy requirements because of viability will only be considered appropriate where one or more of the following have occurred to a significant degree since the adoption of the Plan :-

- a) Additional infrastructure or abnormal development costs, which could not reasonably have been foreseen ;
- b) Adverse changes in building costs relative to sales values ;
- c) Worsening of local market conditions such as a prolonged recession or an extraordinary local event demonstrably affecting development values.

In such cases, a viability appraisal will be submitted by the applicant explaining the circumstances, which have led to the changes in viability since adoption of the Plan justifying any variation proposed from the policy requirements. The Council will recover from applicants all reasonable costs associated with an independent assessment of submitted viability appraisals. The submitted viability appraisal and the independent review will be published with the planning application documentation. Where policy requirements are not met due to an agreed viability reason, the viability of the development will be reviewed every three years to seek to achieve full policy compliance in later development phases.

As set out in the 2019 NPPF, the contributions expected from development including the level and types of affordable housing provision required and other infrastructure for education, health, transport, flood & water management, open space, digital communication, etc. should be set out in the Local Plan (para 34). As stated in the 2019 NPPF, development should not be subject to such a scale of obligations that the deliverability of the Local Plan is threatened (para 34).

In plan-making, viability is very closely linked to the concept of deliverability of development. The viability of individual developments and plan policies should be tested at the plan making stage. Viability testing should assess the cumulative impact of affordable housing provision (Draft Policy H1 - Affordable

Housing Targets), policy compliant standards (Draft Policies CC2 - Carbon Statements, H4 - Homes Suitable for All, CC3 - Electric Vehicle Infrastructure, CC4 - Sustainable Transport, DW9 - Natural Infrastructure, DW16 - Urban Greening, EN10 – Biodiversity and EC8 - High Speed Digital Networks), infrastructure and other contributions so that there is sufficient incentive for a reasonable landowner to bring forward their land for development. Viability assessment should not be conducted on the margins of viability. If the resultant Benchmark Land Value (BLV) is lower than the market value at which land will trade, then the delivery of housing targets will not be met. Viability assessment is an iterative process, in low / middle value areas “trade-offs” between affordable housing provision, CIL, S106 contributions and policy requirement compliance may be necessary.

To date, the Draft LPP1 has aspirational targets for affordable home delivery and ambitions for policies on achieving carbon neutrality, high quality design, accessible housing, tree planting and a high speed digital network but these have not been viability tested. The Council will appoint consultants to carry out a viability assessment after the Draft LPP1 consultation (para 2.21). Those Policies containing a target or requirement, which adds a financial burden to development, may change dependant on the outcome of the viability assessment (para 2.22). There may also be a review of the Community Infrastructure Levy (CIL) charging schedule.

The HBF consider that viability testing should have been carried out prior to the publication of the Draft LPP1. It is also difficult to reconcile viability testing of policy requirements ahead of the identification of housing site for allocation in the Greater Exeter Spatial Plan and the Local Plan Part 2.

For the Council’s information, the HBF Local Plan Viability Guide is attached. Viability is a key issue in determining the soundness of Development Planning Documents (DPDs) at Examination. This guidance puts forward issues that must be addressed to ensure that DPDs are deliverable and sites come forward for development. Without a robust approach to viability assessment land will be withheld from the market and housing delivery will be threatened, leading to unsound Plans and housing delivery targets not being met. The Council is referred to the Common Concerns Boxes.

The Council’s viability assessment should also take full account of :-

- Future Homes Standard costs estimated between £2,557 - £4,847 per dwelling (see HBF response to Draft Policy CC2 below) ;
- The cost of connection to a local decentralised energy scheme (see HBF response to Draft Policy CC2 below) ;
- Additional cost for installation of EVCPs, the Department for Transport - Electric Vehicle Charging in Residential & Non-Residential Buildings consultation estimated an installation cost of approximately £976 per space plus any costs for upgrading local electricity networks (see HBF response to Draft Policy CC3 below) ;

- The requirements for M4(2) & M4(3) dwellings and Nationally Described Space Standards (see HBF response to Draft Policy H4 below) ;
- The provision of self-build plots (see HBF response to Draft Policy H5 below) ;
- Additional costs for biodiversity gain and deduction from developable acreage (see HBF response to Draft Policy EN10 below). The DEFRA Biodiversity Net Gain & Local Nature Recovery Strategies : Impact Assessment Table 14 : Net Gain Delivery Costs (Residential) sets out regional costs in South West of £18,470 per hectare of development based on a central estimate but there are significant increases in costs to £63,610 per hectare for off-site delivery under Scenario C. With regard to deductions from developable acreage, Table 14 also estimates 4.6 unit loss per hectare of development ; and
- The economic consequences of Covid-19 crisis.

Draft Policy CC2 - Carbon Statements

The Council has identified that transitioning to a carbon neutral future should be a key driver of the Local Plan Review in line with the Council’s own Climate Declaration of becoming carbon neutral by 2025 (para 3.4).

As set out in **Draft Policy CC2** to ensure that developments within Teignbridge are carbon neutral (meaning a development where emissions from all regulated energy use are eliminated or off-set however this definition may be reviewed in the future), all new home developments will be required to submit a Carbon Statement for approval and implementation. Carbon reductions should be achieved in compliance with the following Energy Hierarchy :-

- minimisation of energy demand across the development and avoidance of temperature discomfort by :-
 - i. Use of passive design, solar master planning and effective use of on-site landscaping and natural Infrastructure ;
 - ii. Use of the “fabric first” approach to reduce energy demand and minimise carbon emissions necessary for the operation of the building ;
 - iii. Use of low carbon solutions where additional energy is required for heating, ventilation and air conditioning ; and
 - iv. Storage of on-site renewable energy generation.
- maximisation of the proportion of energy from renewable or low carbon sources through :-
 - i. Ensuring that opportunities for on-site or nearby renewable energy generation have been identified, considered and implemented where appropriate ;
 - ii. connection to a local decentralised energy scheme are exploited ; and

- iii. Ensuring that the ability to install future solar PV or vehicle-to-grid connections is not precluded.

Where it is not feasible or viable to deliver carbon reduction requirements on-site, off-site provision will be considered through a specific deliverable proposal or financial contributions to a future carbon offsetting fund.

Today's new homes are very energy efficient with lower heating bills for residents compared to existing older homes. The HBF support moving towards greater energy efficiency via a nationally consistent set of standards and a timetable for achieving any enhancements, which is universally understood and technically implementable. The HBF acknowledges that the Government has not enacted its proposed amendments to the Planning & Energy Act 2008 to prevent the Council from stipulating energy performance standards that exceed the Building Regulations but consider that the Council should comply with the spirit of the Government's intention of setting standards for energy efficiency through the Building Regulations. The key to success is standardisation and avoidance of every Council in the country specifying its own approach to energy efficiency, which would undermine economies of scale for both product manufacturers, suppliers and developers.

Recently, the Government held a consultation on The Future Homes Standard (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. An increase in energy efficiency requirements for new homes in 2020 will be a meaningful and achievable stepping-stone to The Future Homes Standard in 2025. This is expected to be achieved through very high fabric standards and a low carbon heating system based on one of two Options. Both Options increase costs for housebuilders (estimated costs between circa £2,557 - £4,847 per dwelling). The Government's preferred Option 2 proposes 31% reduction in carbon emissions compared to current standards (Approved Document L 2013) delivered by installation of carbon saving technology and better fabric standards ;
- transitional arrangements to encourage quicker implementation ; and
- clarifying the role of Councils in setting energy efficiency standards. The Government is proposing to remove the ability of Councils to set higher energy efficiency standards than those in Building Regulations, which has led to disparate standards across the country and inefficiencies in supply chains. The Government wants to create certainty and consistency. The situation is confusing with decisions about technical appropriateness, application and enforcement of energy standards considered by planning officers, committees and Planning Inspectors rather than by qualified Building Inspectors. An uplift to Part L standards

in 2020 will improve the energy efficiency of new homes and prepare housebuilders and supply chains in readiness for the further uplift in 2025 to meet The Future Homes Standard so there is no need for Councils to seek higher standards.

The HBF's response to the Government's consultation 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 Draft Policy CC3 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"*.

It is also noted that the Council's proposed policy approach requires possible connection to a local decentralised energy scheme. The Council is referred to the Department for Business, Energy and Industrial Strategy consultation on Heat Networks : Building A Market Framework (ending on 1st June 2020).

The Government is committed to achieving net-zero greenhouse gas emissions by 2050. Presently, heat is responsible for a third of the UK's greenhouse gas emissions. To meet the Government's legal commitment 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.

In summary, it is the HBF's opinion that the Council should not be specifying its own target for carbon neutrality by 2025 ahead of the Government's proposals.

Draft Policy CC3 - Electric Vehicle Infrastructure

Under **Draft Policy CC3**, residential development proposals will include infrastructure to be ready for electric vehicles (EV-ready), in accordance with the following points :-

- a) All off highway parking spaces will be fitted with an electric vehicle charging point (EVCP) or provided with a three phase electricity connection and ducted circuit in a suitable position to enable an EVCP to be easily installed in the future ;
- b) For on highway parking, a plan will be required, setting out how sufficient charging infrastructure is to be provided and maintained ;
- d) Developers promoting strategic scale development will work with appropriate energy companies, distribution network operators and the district council to ensure the development of relevant and appropriate smart energy infrastructure is planned to provide current and future electric vehicle capacity (for example energy storage and management and renewable generation) ;
- e) All dwellings with a likely maximum load in excess of 7.5 KW will be connected to the grid with a three phase electricity connection which will extend to EVCPs, to enable improved management of electricity supply during periods of high demand.

To enable electric vehicles to discharge to the grid (vehicle to grid), a three phase electricity grid connection will be required to provide greater capacity, flexibility and two-way flows (cross referenced to Draft Policy CC2).

The HBF is supportive of encouragement for the use of electric and hybrid vehicles via a national standardised approach implemented through the Building Regulations to ensure a consistent approach to future proofing the housing stock. Recently, the Department of Transport held a consultation on Electric Vehicle Charging in Residential & Non-Residential Buildings (ended on 7th October 2019).

This consultation 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 requirements should be applied.

It is the HBF's opinion that the Council does not need to specify the provision of EVCPs in Draft Policy CC3 because of the Government's proposed changes to Building Regulations.

Draft Policy EC4 - Inclusive Employment and Skills

Under **Draft Policy EC4**, to promote wider access to jobs and address skills shortages, major planning applications should be accompanied by proposals to invest in construction skills. For the larger development schemes, the submission of an Employment and Skills Plan will be sought, covering their construction phase in line with the National Skills Academy for Construction client-based approach or similar recognised scheme.

The Council's intention to support the improvement of construction skills among the labour force is admirable. A critical and strategic objective of the HBF is support for the acquisition of construction skills among the workforce. It is agreed that a strategic approach is needed to support careers in the construction trades. In collaboration with the Construction Industry Training Board (CITB), the HBF has established the HBF Skills Partnership. The HBF Skills Partnership's remit is increasing interest in careers in construction and the training requirements of this new construction workforce. This involves :-

- raising awareness and encouraging careers in construction ;
- investigating shortages in particular trades in specific parts of the country (skills shortages are not uniform). This strategic investigation is based on a conversation with employers themselves as well as training providers. It is the HBF's experience that local skills agencies can be insufficiently informed and frequently neglect to research the skills sets that are required by housebuilders ;
- investigating availability of local college courses to locally train the labour force required in key skills sets and if college courses on offer provide effective training to train people to an adequate standard to address the needs of employers ; and
- understanding the 'wastage rate' from people leaving construction courses but not taking up employment in their relevant trade. 80% take a course but then choose not to follow a career in construction.

The critical issues for developers are :-

- whether the local skills agencies are providing courses for the skills sets needed in the area ;
- whether teaching provided is up-to-date and of sufficient quality ; and
- whether there is sufficient practice time to allow skills to be developed.

These critical issues should be addressed by the Council. If not backed-up by local colleges or training providers administering good quality courses, it is possible that the Council's proposed policy approach under Draft Policy EC8 will be ineffective. It is essential that any skills initiative is informed by the needs of local employers and properly co-ordinated with local training colleges that are meeting the requirements and expectations of their students.

If the Council's policy intervention is to be effective and complement the strategic work of the HBF Skills Partnership, it is recommended that the Council establishes a forum for housebuilders operating across the District and wider Local Economic Partnership (LEP) area in order to discuss the skills needs of employers and to review the effectiveness of the Council's interventions. Otherwise results are likely to be fragmented and sub-optimal from the perspective of the Council, local community and developers.

Draft Policy EC8 - High speed digital networks

Under **Draft Policy EC8**, all new residential development will be required to have access to digital infrastructure. To ensure residents have access to a choice of fixed and mobile internet services with a potential for reliable and resilient gigabit per second speeds, all major development will :-

- a) incorporate digital infrastructure as one of the essential utilities, including routing and phasing alongside the other utilities in a Utility Network Plan ;
- b) provide a network of open access ducting (open to all fibre providers) suitable for and including full-fibre connections to each building. Ducting must have capacity to accommodate and enable multi-operator fibre to encourage competition and choice for consumers ; and
- c) demonstrate that suitable arrangements have been made for the ownership, management and maintenance of the open access ducting, for instance through transfer to a 'dig once trust' mutual.

Sites of at least 500 dwellings will ensure resilience by providing at least two physically separate external connections points.

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 Draft Policy EC8 is unnecessary and repetitive of Building Regulations.

Draft Policy H1 - Affordable Housing Targets

Under **Draft Policy H1**, all residential development sites (excluding any allocations or policies which have specific affordable housing requirements) with a capacity of more than 4 dwellings in Designated Rural Areas and more than 9 dwellings in Newton Abbot, Kingsteignton, Teignmouth and Dawlish will provide affordable housing in accordance with the following targets and tenure split :-

	Overall Affordable Housing Provision	Affordable Housing Tenure Split – Social Rented	Affordable Housing Tenure Split – Affordable Home Ownership
Within the settlement limits of Newton Abbot & Kingsteignton	17%	75%	25%
Within the settlement limits of Dawlish	20%	70%	30%

Within the settlement limits of Teignmouth	20%	80%	20%
Within the settlement limits of South West Exeter	25%	50%	50%
Any other location	25%	70%	30%

Affordable dwellings will be sold by developers to a Registered Provider or other appropriate managing organisation at a price which retains their affordability without the need for external grant funding. Affordable housing will be provided on site. A financial contribution towards affordable housing provision may be considered where on-site provision would be inappropriate.

In the preparation of the LPP1, the Council has not undertaken an assessment of the overall need for affordable housing. Therefore, there is no justification for the proposed percentage provisions sought. The Council should provide evidence on its assessment of affordable housing needs across the District.

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). National policy allows exemptions, where meeting the housing needs of specific groups is significantly prejudice. Draft Policy H1 proposes a much lower percentage of affordable homeownership. Teignbridge has one of the highest affordability ratios in the country. In 2019, the ratio of median house price to median gross annual workplace-based earnings was 10.51 which was more than double the ratio of 4.77 in 1997. Therefore, it extremely difficult for many households to purchase or rent homes in the open market. The HBF consider that the Council's approach is inconsistent with the 2019 NPPF and unjustified.

Furthermore, until the LPP1 is viability tested, it cannot be determined if the financial viability of the proposed affordable housing percentage provisions are valid and deliverable. The HBF will submit further comments at later stages of consultation on the LPP1.

Draft Policy H4 - Homes Suitable for All

Under **Draft Policy H4**, all new residential developments will be constructed in accordance with the following Building Regulations Requirement, or successive regulations, unless the applicant can demonstrate there are site specific reasons why this is not feasible :-

- Within the settlement limits of Newton Abbot and Kingsteignton, on sites of 1 – 9 dwellings 100% M4(2) and on sites of 10 or more 75% M4(2) & 25% M4(3a) ;
- Within the settlement limits of Dawlish, on sites of 1 - 9 dwellings 100% M4(2) and on sites of 10 or more dwellings 75% M4(2), 15% M4(3a) (dwellings adaptable to wheelchair use) & 10% M4(3b) (dwellings immediately accessible for wheelchair use).

In accordance with the NPPG (ID : 56-008-20150327), the Council's policy approach should take into account site specific factors such as vulnerability to flooding, site topography and other circumstances, which may make a site unsuitable for dwellings built to optional standards.

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 District should be incorporated into the Council's supporting evidence.

The proposal for all new build dwellings to be either M4(2) or M4(3) should be fully supported by supporting evidence. It may be necessary for a proportion of newly built dwellings such as specialist accommodation for the elderly but not all dwellings.

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. 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. M4(1) standards are likely to be suitable for most residents.

The Council predict householders over the age of 65 to increase from 33,400 in 2016 to 50,400 in 2039 (para 6.19 of LPP1) however many of these householders already live in the District. 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 is considerably larger than the new build sector so adapting the existing stock is likely to form part of the solution.

Although approximately 21% of Teignbridge residents have their activities limited by long term health issues, or disability (para 6.20 of LPP1), 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.

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 Council's viability testing should take full account of additional costs (see HBF response to Draft Policy SC6). The cost for M4(2) is less than the cost of M4(3) but these costs should not be considered marginal as stated by the Council (see para 6.23 of LPP1). The costs of both M4(2) and M4(3) should be included in viability testing. In September 2014, the Government's Housing Standards Review included cost estimates by EC Harris, which for M4(3) were £15,691 per apartment and £26,816 per house respectively. The Council's viability testing should include such costs plus inflationary increases since 2014. As acknowledged by the Council, M4(3) compliant dwellings are larger than NDSS therefore larger sizes should be used when calculating additional build costs for M4(3) and any other input based on square meterage.

Under **Draft Policy H4**, all new residential development will meet Nationally Described Space Standards (NDSS) exceptions will only be acceptable where the housing product has been specifically designed as a "tiny home" or similar product.

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 Teignbridge.

As identified by the Council, the majority of new dwellings have met the NDSS with only a limited number of affordable homes not meeting NDSS. There is no systemic problem to resolve. This finding correlates with the HBF's own evidence. The HBF is not aware of any evidence that market dwellings not meeting the NDSS have not sold or that those living in these dwellings consider that their housing needs are not met. There is no evidence that the size of houses built are considered inappropriate by purchasers or dwellings that do not meet the NDSS are selling less well in comparison with other dwellings. The HBF in partnership with National House Building Council (NHBC) undertake an annual independently verified National New Homes Customer Satisfaction Survey. The 2019 Survey demonstrates that 91% of new home buyers would purchase a new build home again and 89% would recommend their housebuilder to a friend. The results also conclude that 93% of respondents were happy with the internal design of their new home, which does not suggest that significant numbers of new home buyers are looking for different layouts or house sizes to that currently built.

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.

To test the cumulative impact of policy requirement compliancy, the Council's viability assessment should be based on NDSS. The Council's viability assessment should recognise that the requirement for NDSS reduces the number of dwellings per site, therefore the amount of land needed to achieve the same number of dwellings must be increased. The efficient use of land is less because development densities have been decreased. At the same time, infrastructure and other contributions fall on fewer dwellings per site, which may challenge viability, delivery of affordable housing and release of land for development by a willing landowner especially in lower value areas and on brownfield sites.

The impact of adopting NDSS on affordability should also be assessed. There is a direct relationship between unit size, cost per square metre, selling price per metre and affordability. Over the last two decades housing affordability in the District has worsened. In 1997, the median affordability ratio was 4.77, which has more than doubled by increasing to 10.51 in 2019. The Council should recognise that customers have different budgets and aspirations. An inflexible policy approach for NDSS for all dwellings will impact on affordability and effect customer choice. 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. A future purchaser needing a 2 bedroomed home may only be able to afford a 2 bed / 3 person dwelling of 70 square metres with one double bedroom and one single bedroom rather than 2 bed / 4 person dwelling of 79 square metres with two double bedrooms. 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 bedrooms requirements.

The Council should assess any potential adverse impacts on meeting demand for starter homes / first-time buyers because the greatest impacts are on smaller dwellings, 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 of starter home / first time buyer products may translate into reduced or slower delivery rates.

The Council should also consider if additional families, who can no longer afford to buy a NDSS compliant home, will be pushed into affordable housing need. An unintended consequence of the Council's policy approach may be an increased need for affordable housing at the same time as the cumulative impact of compliancy with policy requirements reduces the viability of development and lessens delivery of affordable housing.

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.

In summary, the requirement for optional standards should be fully justified by supporting evidence and viability tested.

Draft Policy H5 - Custom and Self Build

Under **Draft Policy H5**, all sites of more than 20 dwellings will be required to provide at least 5% of the dwellings as serviced plots for sale to custom builders. These plots will be provided where all of the following apply :-

- i. suitable adopted or adoptable road access is deliverable at an early stage in the development (prior to 25% occupation of the relevant phase in which the serviced plots are located as agreed at planning application stage) ;
- ii. a range of plots sizes are provided, suitable for detached homes with scaffold margins within the plot boundary ;
- iii. plots are free of Party Wall requirements unless only developable as a semidetached or terraced dwelling ;

- iv. each plot must be marketed for at least 36 months at a fair plot valuation and in accordance with a marketing strategy to be approved by the Council ; and
- v. prior to marketing, each plot must be developable by a custom or self builder, with no issues to prevent immediate purchase and development. On plot services must be provided prior to marketing. The Council will need to be satisfied that legal access and servicing will be possible for potential plot purchasers, before outline planning permission is granted.

Under the Self Build & Custom Housebuilding Act 2015, the Council has a duty to keep a Register of people seeking to acquire self & custom build plots and to grant enough suitable development permissions to meet identified demand. The NPPG (ID: 57-025-201760728) sets out ways in which the Council should consider supporting self & custom build. These are :-

- developing policies in the Local Plan for self & custom build ;
- using Council owned land if available and suitable for self & custom build and marketing such opportunities to entrants on the Register ;
- engaging with landowners who own housing sites and encouraging them to consider self & custom build and where the landowner is interested facilitating access to entrants on the Register ; and
- working with custom build developers to maximise opportunities for self & custom housebuilding.

The HBF is supportive of policies to encourage self & custom build such as the allocation of specific sites for self & custom build and an exception site policy approach.

The HBF is not supportive of policy requirements for the inclusion of 5% self & custom build housing on residential development sites of 20 or more dwellings. The Council should not seek to burden developers with responsibility for delivery of self & custom build plots contrary to national guidance, which outlines that the Council should engage with landowners and encourage them to consider self & custom build. The Council's policy approach in Draft Policy H5 should not move beyond encouragement by seeking provision of self & custom build plots as part of the housing mix on new housing development.

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). As set out in the NPPG, the Council should provide a robust assessment of demand including an assessment and review of data held on the Council's Register (ID 2a-017-20192020), which should be supported by additional data from secondary sources to understand and consider future need for this type of housing (ID 57-0011-20160401). The Council should also analyse the preferences of entries as often only individual plots in rural locations are sought as opposed to plots on housing sites. It is also possible for individuals and organisations to register with more than one Council so there is a possibility of

some double counting. It is understood that currently 180 people are registered. The Register may indicate a level of expression of interest in self & custom build but it cannot be reliably translated into actual demand should such plots be made available.

The Council's policy approach should be realistic to ensure that where self & custom build plots are provided, they are delivered and do not remain unsold. It is understood that under the adopted Policy the Council has granted planning consent for 401 plots for self build between 1st April 2016 – 30th October 2019. This indicates a significant over supply against expressions of interest on the Self Build Register. The Council has provided no detail on the implementation of consented plots. The adopted Policy cannot be considered effective if consents are granted but not implemented. If demand for plots is not realised, there is a risk of plots remaining permanently vacant effectively removing these undeveloped plots from the Council's HLS. The Council should consider the application of a non-implementation rate to its HLS calculations.

It is considered unlikely that the provision of self & 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 & safety perspective, it is difficult to envisage the development of single plots by individuals operating alongside this construction activity.

Where plots are not sold, it is important that the Council's policy is clear as to when these revert to the original developer. 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 & custom builders. The Council's proposed 36 month marketing period is considered to be excessive.

As well as on-site practicalities any adverse impacts on viability should be tested. The Council is not considered qualified to determine "a fair plot valuation". The financial impacts from delayed delivery or non-delivery should be assessed given that the Council expects road access and services to be provided. There may also be a detrimental impact upon the level of affordable housing provision achieved on new housing developments because self & custom build dwellings are exemption from Community Infrastructure Levy (CIL) contributions and affordable home ownership provision as set out in national policy hence a greater burden falls onto fewer market sale dwellings.

It is the HBF's opinion that 5% self build plots should not be required on housing sites of more than 20 dwellings.

Draft Policy EN10 - Biodiversity

Under **Draft Policy EN10**, all development, excluding any development exempted by the Environment Act, will demonstrate a 10% or greater net gain in biodiversity compared with the predevelopment situation by including and funding biodiversity enhancements that will generate the most benefits for nature. Biodiversity net gain will be achieved in addition to any mitigation and compensation / offsetting for biodiversity losses. Where it is not possible to achieve this level of offsetting and gain on site, or where on-site compensation would not generate the most benefits for nature conservation, it may be acceptable for compensation to be provided off-site.

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.

Broad exemptions from delivering the proposed mandatory biodiversity net gain (except for permitted development and householder applications) will not be applied instead the Government will introduce narrow exemptions applicable to only the most constrained types of development. Sites not containing habitats to start with (e.g. those entirely comprising buildings and sealed surfaces) will not be required to deliver compensatory habitats through biodiversity net gain, but may be required to incorporate some green infrastructure through wider planning policy. A targeted exemption for brownfield sites that meet a number of criteria including that they (i) do not contain priority habitats and (ii) face genuine difficulties in delivering viable development will address concerns about the cost sensitivity of the redevelopment of post-industrial developed land. Exemptions will be set out in secondary legislation.

The Government intends that small sites are kept within the scope of the mandatory net gain approach but will consider whether minor residential developments should be subject to longer transition arrangements or a lower net gain requirement than other types of development. A simplified process for minor (less than 10 dwellings) developments will be introduced to ensure that such schemes do not face additional new survey requirements. This simplified assessment will not include a condition assessment, so users will only need to

state what habitats are present and the area that these habitats occupy to define their baseline for net gain.

The Government will also consider exemptions for development of specific ownership types which may be disproportionately impacted through these changes, such as residential self-build.

The Government will issue guidance to Councils on the importance of proportionality in their application of planning policy. So that sites without reasonable opportunities to achieve net gain through on-site habitat delivery will not face risks of delay through rigid or prescriptive requirements.

The Environment Bill will introduce new duties to support better spatial planning for nature through the creation of Local Nature Recovery Strategies (LNRSs). 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. The Government will provide data, guidance and support but 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.

Work will continue to develop better baseline maps of habitats at a national level, which will ensure improved environmental mapping is available locally. However, the Government will not recommend that these baseline maps are used in place of site-level assessments, which will still be needed for wider environmental requirements and for a robust biodiversity net gain assessment. Instead, it will enable these maps to be used in cases of disputed baselines, primarily where alleged habitat degradation before development causes disagreement between the Council, communities and developers about what the baseline habitat state should be. Guidance will clarify the assumptions that decision makers should consider in these circumstances.

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 Government will not introduce a new tariff on loss of biodiversity. 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 through a Government offering of biodiversity units set at a standard cost. The Government will make provision for these 'statutory biodiversity units' in the Environment Bill. By not instating a rigid tariff mechanism, the Government will make it easier for Councils, landowners and organisations to set up habitat compensation schemes locally, where they wish to do so, and will still provide a last-resort supply of biodiversity units from Government where this is not the case. 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.

The significant additional costs for biodiversity gain should be fully accounted for in the Council's viability assessment (see HBF response to Draft Policy SC6 above). 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.

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.

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 LPP1 pre-submission consultation. In the meantime, if any further information or assistance is required please contact the undersigned.

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



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