

Plans, Policies and Place-Making Team
Charnwood Borough Council
Southfields Road
Loughborough
LE11 2TN

SENT BY EMAIL ONLY TO
localplans@charnwood.gov.uk

23 August 2021

Dear Sir / Madam

CHARNWOOD PRE-SUBMISSION LOCAL PLAN CONSULTATION

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 representations on the pre-submission Charnwood Local Plan. In due course the HBF would wish to attend Examination Hearing Sessions to discuss matters in greater detail.

Strategic & Non-strategic Policies

The Charnwood Local Plan should make a clearer statement between its strategic and non-strategic policies. As set out in the 2021 National Planning Policy Framework (NPPF), the Charnwood Local Plan should include strategic policies which address the Council's identified strategic priorities for the development and use of land in the plan area (para 17). These strategic policies should set out an overall strategy for the pattern, scale and quality of development (para 20). The Local Plan should make explicit which policies are strategic policies (para 21) and clearly distinguish non-strategic policies from strategic policies (Footnote 14).

Local Housing Need (LHN) & Housing Requirement

Policy DS1 - Development Strategy sets out a housing requirement for Charnwood of 17,776 dwellings (1,111 dwellings per annum) between 2021 - 2037.

As set out in the 2021 NPPF, strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need and any needs that cannot be met within neighbouring areas can be met over the plan period (para 66). The determination of the minimum number of homes needed should be informed by LHN assessment using the Government's standard methodology unless



exceptional circumstances justify an alternative approach (para 61). In Charnwood, there are no exceptional circumstances to justify an alternative approach. The latest National Planning Practice Guidance (NPPG) sets out the standard methodology for calculating the LHN figure (ID 2a-004-20201216).

The Housing Needs Assessment (HNA) Final Report dated September 2020 by JG Consulting calculates the LHN for Charnwood as 1,105 dwellings per annum. 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 when appropriate revised until the Local Plan is submitted for examination (ID 2a-008-20190220). The minimum LHN for the Borough may change as inputs are variable. Using the standard methodology, the minimum LHN for Charnwood is 1,111 dwellings per annum based on 2014 SNHP, 2021 as the current year and 2020 affordability ratio of 7.68.

The NPPG clearly states that the standard methodology is the minimum starting point in determining the number of homes needed. It is important that the housing needs of Charnwood are not under-estimated. The NPPG explains that “*circumstances*” may exist to justify a figure higher than the minimum LHN. The “*circumstances*” for increasing the minimum LHN are listed in the NPPG including, but not limited to, situations where increases in housing need are likely to exceed past trends because of growth strategies, strategic infrastructure improvements, agreeing to meet unmet need from neighbouring authorities or previous levels of housing delivery / assessments of need, which are significantly greater than the outcome from the standard methodology. 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-010-20201216). The Council should consider if there are “*circumstances*” in Charnwood to justify a housing requirement above the minimum LHN, for example, the Leicester & Leicestershire Strategic Growth Plan.

It is noted that there is no uplift from the minimum LHN starting point to support economic growth. The 2021 NPPF seeks to achieve sustainable development by pursuing economic, social and environmental objectives in mutually supportive ways (para 8). The Council should be seeking to support the long-term sustainability of the Borough by achieving a sustainable balance between employment and housing growth. The Council has modelled (based on assumptions about economic participation, commuting (not accounting for any possible changes to commuting dynamics), double jobbing and unemployment) the number of jobs supported by its projected population growth. Between 2020 – 2037, housing delivery in-line with the standard methodology would support circa 16,000 additional jobs. The Council concludes that this level of job growth will support a scenario of “*business as usual*” economic growth and no uplift above the minimum LHN should be applied.

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 additional house built in Charnwood, 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 HNA Final Report identifies a rented affordable housing need of 476 dwellings per annum. This is a significant proportion (43%) of the minimum LHN. However, the NPPG sets out that households whose needs are not met by the market, who are eligible for one or more of the types of affordable housing as defined in Annex 2 : Glossary of the 2021 NPPF, should be considered in need of affordable housing (ID 67-005-20190722). The Council has provided no quantitative assessment of the need for affordable homeownership. The NPPG also 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. The Council's Viability Study dated February 2021 demonstrates that affordable housing provision of only 10% on brownfield sites and 30% elsewhere is viable. Brownfield sites are primarily located in Loughborough / Shepshed (see para 5.4), where 47% of proposed dwellings on allocated sites (excluding SUEs) are assigned (see Table 5.1). 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). The HBF acknowledge that the Council may not be able to meet all affordable housing needs but a housing requirement above the minimum LHN will make a greater contribution to delivering more affordable housing.

As set out in the NPPG, the Government is committed to ensuring that more homes are built and supports ambitious Council's wanting to plan for growth (ID 2a-010-20201216). The NPPG states that a higher figure "*can be considered sound*" providing it "*adequately reflects current and future demographic trends and market signals*". However, the NPPG does not set any limitations on a higher figure, which is a matter of judgement. The Government's objective of significantly boosting the supply of homes set out in the 2021 NPPF remains (para 60). The HBF believe that the Council should have been more ambitious. A housing requirement above the minimum LHN would support economic growth above a "*business as usual*" scenario, deliver more affordable housing given the significant identified need and contribute to any unmet housing needs from neighbouring authorities including Leicester (see HBF representations under Duty to Co-operate below). Before the Local Plan is submitted for examination, the Council should consider a higher housing requirement. The HBF also note that the housing requirement set out in **Policy DS1** is not expressed as a minimum figure. **Policy DS1** should be amended to set out the Council's housing requirement as a minimum.

Duty to Co-operate

Under **Policy DS2 - Leicester and Leicestershire Unmet Needs**, the Council will publish a review of the Local Plan, within 6 months of the agreement by all partners of Statement of Common Ground (SoCG) for the apportionment of unmet housing and employment needs. Within 12 months of this publication, the Council will commence a full or partial update (defined as the publication of Regulation 18 consultation). Once commenced the Council will submit the Local Plan Update for Examination within a further 36 months of the date of commencement.

The proposed postponement of meeting unmet needs to a Local Plan Review is contrary to 2021 NPPF, which expects effective joint working on cross boundary strategic matters that have been dealt with rather than deferred, as evidenced by a SoCG (para 35c). As set out in the 2021 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 SoCG identifying the cross-boundary matters to be addressed and the progress of co-operation in addressing these matters. Therefore, as set out in the 2021 NPPF, the Local Plan should be positively prepared and provide a strategy, which as a minimum seeks to meet its own housing needs in full and is informed by agreements with other authorities so that unmet need from neighbouring areas is accommodated (para 35a).

The NPPG explains that a SoCG sets out where effective co-operation is and is not happening throughout the plan-making process. The NPPG confirms that a SoCG is a way of demonstrating that Local Plan is deliverable over the plan period and based on effective joint working across LPA boundaries. It also forms part of the evidence required to demonstrate compliance with the Duty to Co-operate (ID 61-010-20190315). The Inspector will use all available evidence including SoCG to determine whether the Duty to Co-operate has been satisfied (ID 61-031-20190315).

To provide communities and other stakeholders with a transparent picture of collaboration, the NPPG sets out that authorities should have a SoCG available on their website by the time of publication of their Draft Plan. Once published, the Council will need to ensure that any SoCG continues to reflect the most up-to-date position of joint working (ID 61-020-20190315). The Charnwood Local Plan pre-submission consultation is not accompanied by SoCG.

Charnwood is part of the Leicester & Leicestershire Housing Market Area (L&LHMA). It is common knowledge that City of Leicester has an unmet housing need. The Leicester Draft Local Plan consultation (ended on 7 December 2020) identified a LHN of 29,104 dwellings for Leicester and a housing land supply of

only 21,362 dwellings between 2019 - 2036. The resultant unmet housing need was 7,742 dwellings representing 28.5% of the total LHN, which was to be redistributed by agreement with neighbouring District Councils. However, since December 2020, the revised standard methodology has added 35% City & Urban Centres uplift of 9,712 dwellings (607 dwellings per annum) to Leicester's LHN between 2020 – 2036. Unmet housing need is arising now and should be addressed as a matter of urgency across the L&LHMA.

There is a long history of on-going engagement between the L&LHMA authorities but to date there is no conclusive outcome from this engagement in relation to the strategic cross-boundary matter of redistribution of unmet housing needs from Leicester, which indicates that this engagement is not a sound basis for plan-making. The L&LHMA authorities have always stated an intention to agree either a Memorandum of Understanding (MoU) or SoCG to address unmet development needs arising across the L&LHMA for the period to 2036. Yet four years after the publication of the 2017 Housing and Economic Development Needs Assessment (HEDNA), which highlighted a significant unmet housing need in Leicester, this intention remains unachieved. The previously signed MoU only committed the L&LHMA authorities to undertake further work and then agree on dealing with any unmet development needs. So far, no MoU or SoCG has included an agreement on how the housing needs of the L&LHMA are going to be met. There is also no indication of a date when an agreed SoCG will be published. In the absence of any commitment to jointly sign the SoCG within a prescribed time period, there is no real commitment at all. There is every possibility that reaching a consensus on meeting Leicester's unmet housing needs across the remaining L&LHMA authorities will be a lengthy process. This unresolved position is set out in the Council's Duty to Co-operate Topic Paper dated May 2021 (see paras 4.18 & 4.19). The HBF expects the L&LHMA authorities to produce a Joint SoCG, which sets out precisely where Leicester's unmet housing needs will be met by neighbouring authorities up to 2036/37. An agreed Joint SoCG should confirm that :-

- each authority will meet its own LHN and a defined amount of Leicester's unmet LHN (except Leicester City itself). This cumulative figure will be the housing requirement figure for each authority respectively ; and
- an acknowledgement by the L&LHMA authorities that additionality in HLS may be required to ensure deliverability and flexibility.

After publication of a signed Joint SoCG, the HBF will submit further comments on the Council's compliance with the Duty to Co-operate and the soundness of the Charnwood Local Plan either in written Examination Hearing Statements or orally during Examination Hearing Sessions.

Housing Land Supply (HLS)

The Local Plan's strategic policies should ensure the availability of a sufficient supply of deliverable and developable land to deliver a housing requirement, which meets the Borough's LHN and assists in meeting unmet housing needs from Leicester. This sufficiency of HLS should meet the housing requirement,

ensure the maintenance of a 5 Year Housing Land Supply (YHLS) and achieve Housing Delivery Test (HDT) performance measurements.

Policy DS1 - Development Strategy proposes provision for at least 19,461 new dwellings between 2020 – 2036. The pattern of development for new dwellings is distributed as follows :-

- Leicester Urban Area (UA) (Birstall, Syston, Thurmaston) - 7,358 dwellings (38%) ;
- Loughborough Urban Centre - 6,073 dwellings (31%) ;
- Shepshed UA - 2,331 dwellings (12%) ;
- Service Centres (Anstey, Barrow upon Soar, Mountsorrel, Quorn, Rothley, Sileby) - 2,747 dwellings (14%) ;
- Other Settlements - 934 dwellings (5%); and
- Small Villages & Hamlets - 18 dwellings (0%).

Under **Policy DS3 - Housing Allocations**, the following residential site allocations are proposed for 8,858 dwellings :-

- Leicester UA (**Policies HA1 – HA14**) for 2,104 dwellings ;
- Loughborough Urban Centre (**Policies HA15 – HA29**) for 2,242 dwellings;
- Shepshed UA (**Policies HA30 – HA42**) for 1,878 dwellings ;
- Service Centres (**Policies HA43 – HA58**) for 1,819 dwellings ; and
- Other Settlements (**Policies HA59 – HA69** plus Wymeswold Neighbourhood Plan) for 815 dwellings.

The Council's overall HLS is 19,554 dwellings comprising of :-

- 8,355 dwellings from commitments on existing Sustainable Urban Extensions (SUE) at North East of Leicester in Thurmaston (**Policy LUA2**) for 3,205 dwellings, West of Loughborough (**Policy LUC2**) for 3,200 dwellings & North of Birstall (**Policy LUA3**) for 1,950 dwellings ;
- 2,248 dwellings from other existing planning permissions commitments as at 31st March 2021 ; and
- 8,858 dwellings from housing allocations under **Policy DS3**.

Whilst, the HBF have no comments on individual sites, it is critical that an accurate assessment of availability, suitability, deliverability, developability and viability is undertaken. The Council's assumptions on lead in times and delivery rates should be correct and supported by parties responsible for the delivery of housing on each individual site. These HBF representations are submitted without prejudice to any comments made by other parties.

There is a headroom of 1,685 dwellings (9.5%) between the overall HLS of 19,554 dwellings and the Borough's minimum LHN (excluding unmet needs from Leicester) of 17,776 dwellings. The HBF always advocates as large a contingency as possible to optimise flexibility. There is no numerical formula to

determine a quantum for flexibility but where HLS is highly dependent upon one or relatively few large strategic sites and / or localities then greater numerical flexibility is necessary than if HLS is more diversified. In Charnwood, 8,355 dwellings representing 43% of overall HLS are allocated on SUEs and 81% of housing growth is located in UAs of Leicester, Loughborough and Shepshed.

Housing delivery is optimised by the widest possible range of housing site sizes and market locations, which provides suitable land buying opportunities for small, medium and large housebuilding companies. On SUEs, there may be long lead in times before the commencement of on-site development and build up to optimum delivery rates. To ensure a continuous short to medium term HLS, SUEs should be complimented by smaller non-strategic sites. The widest mix of sites provides choice for consumers, allows places to grow in sustainable ways, creates opportunities to diversify the construction sector, responds to changing circumstances, treats the housing requirement as a minimum rather than a maximum and provides competition in the land market. A diversified portfolio of housing sites also offers the widest possible range of products to households to access different types of dwellings to meet their housing needs. As set out in the 2021 NPPF at least 10% of the housing requirement should be accommodated on sites no larger than one hectare or else demonstrate strong reasons for not achieving this target (para 69a). For Charnwood, 10% of the housing requirement is approximately 1,777 dwellings. From the Council's evidence, the number of allocated sites of less than 1 hectare under **Policy DS3 (Policies HA1 – HA69)** is unclear. Therefore, it is not evident if the Charnwood Local Plan is consistent with national policy.

The 2021 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 74). The Council's Housing Trajectory is set out in Appendix 2, which shows yearly completions site by site. However, the Council has not provided sufficient detailed background information on each site to allow a rigorous check of the Council's delivery assumptions. To satisfy the 2021 NPPF Glossary definition of deliverable, clearer evidence is needed.

A 5 YHLS Statement has not been provided by the Council. Appendix 2 shows 5 YHLS position of 5.37 years in 2021 reducing to 4.88 in 2029 (see page 223). If the Council cannot demonstrate a 5 YHLS on adoption of the Local Plan and maintain a 5 YHLS throughout the plan period, the Local Plan should not be found sound. Furthermore, it is not clear if the Council is wishing to demonstrate its 5 YHLS via adoption of the Charnwood Local Plan as set out in 2021 NPPF (para 74b).

Before the Local Plan is submitted for examination, further evidence on the deliverability of the Council's HLS should be provided including confirmation that at least 10% of the housing requirement will be accommodated on sites of less than 1 hectare and 5 YHLS is achievable on adoption of the Local Plan and maintainable throughout the plan period.

Viability and Deliverability

In plan-making, viability is inseparable from the deliverability of development. At Examination, viability will be a key issue in determining the soundness of the Charnwood Local Plan. The viability of individual developments and plan policies should be tested at the plan making stage. As set out in the 2021 NPPF, the contributions expected from development including the level & 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 2021 NPPF, development should not be subject to such a scale of obligations that the deliverability of the Local Plan is threatened (para 34). Viability assessment should not be conducted on the margins of viability especially in the aftermath of uncertainties caused by the Covid-19 pandemic and Brexit. Without a robust approach to viability assessment, the Local Plan will be unsound, land will be withheld from the market and housing delivery targets will not be achieved.

The Council's latest viability assessment is set out in Charnwood Local Plan Viability Study dated February 2021 by Aspinall Verdi. This Study assesses the viability of numerous typologies. It is noted that SUEs will be separately tested (see para 2.19), however, the results of these individual viability assessments have not been disclosed or published by the Council.

The Council's viability assessment should accurately account for all costs for affordable housing provision, CIL, S106 contributions and policy requirements sought. Viability assessment is highly sensitive to changes in its inputs whereby an adjustment or an error in any one assumption can have a significant impact.

It is noted that the Council's Viability Study assumes an Estate Housing Build Costs of £1,231 per sqm (median BCIS) for typologies of less than 74 dwellings and £1,120 sqm (lower quartile BCIS) for typologies of more than 75 dwellings (see Table 6.3). However, these costs do not include additional costs for 2021 Part L Building Regulations or 2025 Future Homes Standard. In the Government's recent consultation on The Future Homes Standard : 2019 Consultation on changes to Part L (conservation of fuel and power) and Part F (ventilation) of the Building Regulations for New Dwellings, the additional cost for 2021 interim uplift is estimated as £4,847 per dwelling. The impact of such cost increases on viability should be assessed, the Council should undertake further sensitivity testing. As shown by Figure 7.2 - Viability Surplus / Deficit (£ Per Net Acre) by Greenfield Typology, there is limited scope to absorb additional costs in neither the Leicester Fringe nor Loughborough / Shepshed.

The HBF have also submitted separate comments on the Viability Study assumptions for specific policy requirements contained in following policies :-

- Accessible & Adaptable dwellings (**Policy H2**) ;
- Nationally Described Space Standard (**Policy H3**) ;
- Affordable Housing (**Policy H4**) ;

- Self & Custom Housebuilding (**Policy H6**) ;
- Water efficiency (**Policy CC4**) ;
- Electric Vehicle Charging Points (**Policy CC6**) ; and
- 10% Biodiversity Net Gain (**Policy EV6**).

As the Council is aware, there is a tipping point beyond which the land value cannot fall as the landowner will not be sufficiently incentivised to release their site for development. Most sites should be deliverable at planning application stage without further viability assessment negotiations. Viability negotiations should occur occasionally rather than routinely. If the viability of sites is overstated, policy requirements will be set at unrealistic levels. Under such circumstances, trade-offs between policy requirements, affordable housing and infrastructure provision will be necessary and the Council will have to accept site specific viability assessments at development management stage. Such uncertainty causes delay to housing delivery and may even result in non-delivery.

Before the Local Plan is submitted for examination, further viability work should be undertaken to sensitivity test the above mentioned assumptions.

Housing Policies

Policy H2 - Housing for Older People and People with Disabilities

Policy H2 seeks at least 10% of new market homes on major developments meet the Building Regulations Part M4(2) standard, or any replacement standards produced by the Government, and an appropriate proportion of affordable homes meet the Building Regulations Part M4(2) standard and / or the Part M4(3) standard in consultation with relevant Registered Providers. In seeking these types of homes, the Council will have regard to any evidence provided regarding viability or other site-specific factors that may make it impossible to provide step-free access.

If the Council wishes to adopt the optional standards for accessible & adaptable dwellings, then this should only be done in accordance with the 2021 NPPF (para 130f & Footnote 49) and the latest NPPG. Footnote 49 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 2021 NPPF, all policies should be underpinned by relevant and up to date evidence which should be adequate, proportionate and focus focussed tightly on supporting and justifying the policies concerned (para 31). A policy requirement for M4(2) and M4(3) dwellings must be justified by credible and robust evidence. 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).

There is ambiguity on the proportion of M4(2) and / or M4(3) standards sought for affordable housing. The 2021 NPPF states that policies should be clearly

written and unambiguous so that a decision maker knows how to react to a development proposal (para 16d). To be effective, the Council should provide further clarification of its requirements, which should be justified by supporting evidence.

The Council's evidence is set out in the HNA Final Report. Charnwood has a similar age structure (in terms of older people) and slightly lower levels of disability compared with other areas (see para 43). The data shows that Charnwood has an average age structure with 18% of the population aged over 65 in 2018 compared to 19% regionally and 18% nationally (see para 6.3). 30% of households contain someone with a long-term health problem or disability (LTHPD), which is slightly lower than in other areas and below 33% for the whole of England (see para 6.12). In Charnwood, the older person population is in slightly better health with 50.4% of people aged over 65 with a LTHPD compared to an equivalent figure for England of 53.1% (para 6.27). This evidence does not identify any local circumstances, which demonstrate that the needs of the Borough differ substantially to those across the Midlands or England. 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 currently the case.

All new homes are built to M4(1) "visitable dwelling" standards. These standards 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. M4(1) standards are not usually available in the older existing housing stock. These standards benefit less able-bodied occupants and are likely to be suitable for most residents.

Furthermore, as the Council is aware not all health issues affect housing needs. Many older people already live in the Borough and are unlikely to move home. No evidence is presented to suggest that households already housed would be prepared to leave their existing homes to move into new dwellings constructed to M4(2) standards. Those who do move may not choose to live in a new dwelling. Recent research by Savills "Delivering New Homes Resiliently" published in October 2020 shows that over 60's households "*are less inclined to buy a new home than a second-hand one, with only 7% doing so*". The Borough's existing housing stock (circa 75,581 dwellings) is significantly larger than its new build component, therefore adaption of existing stock will form an important part of the solution.

The Council's proposed policy approach will be superseded if the Government implements proposed changes to Part M of the Building Regulations as set out in the "Raising Accessibility Standards for New Homes" consultation, which closed on 1 December 2020. In the meantime, if proposed policy requirements are clarified and retained, the Council should distinguish between (M4(3a)) wheelchair adaptable dwelling, which include features to make a home easy to convert to be fully wheelchair accessible and (M4(3b)) wheelchair accessible

dwelling, which include the most common features required by wheelchair users. 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).

As well as a lack of evidence on local need, the Council's Viability Study only includes an additional cost of £521 per dwelling for M4(2) on 5% of all dwellings. This cost is based on DCLG Housing Standards Review, Final Implementation Impact Assessment, March 2015 (see Table 6.3). It is noted that Table 45 of the Impact Assessment shows that £521 per dwelling is based on 3 bed semi-detached house, the costs for apartments are higher (£907 - £940 per dwelling). £521 per dwelling is also based on 2015 costs, which are somewhat out of date and less than alternative estimates. The Government's consultation "Raising Accessibility Standards for New Homes" (ended on 1st December 2020) estimates the additional cost per new dwelling, which would not already meet M4(2), is approximately £1,400. In the Council's Viability Study, there are no costs included for M4(3) compliant dwellings. In September 2014 during the Government's Housing Standards Review, EC Harris estimated the cost impact of M4(3) per dwelling as £7,607 - £8,048 for apartments and £9,754 - £23,052 for houses (Table 45). M4(2) and M4(3) compliant dwellings are also larger than NDSS (see 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(2) / M4(3) and any other input based on square meterage except sales values, which are unlikely to generate additional value for enlarged sizes. Further viability work should be undertaken to sensitivity test the Council's assumptions.

Before the Local Plan is submitted for examination, **Policy H2** should be modified as outlined in the HBF representations above.

Policy H3 - Internal Space Standards

Policy H3 seeks compliance with the Nationally Described Space Standards (NDSS), or any replacement standards produced by the Government, for all new homes. The Council will do this while having regard to any evidence provided regarding viability or other site-specific factors. For affordable housing, the Council will respond positively to development proposals that are accompanied by a Design & Access Statement, or similar document that satisfactorily explains how any deviation from the NDSS (or any replacement standards produced by the Government) will still meet the needs of occupiers.

If the Council wishes to apply the optional NDSS to all dwellings, then this should only be done in accordance with the 2021 NPPF (para 130f & Footnote 49). Footnote 49 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 2021 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). The Council should provide a local assessment evidencing its case.

The Council's evidence is set out in HNA Final Report. The Council undertook an analysis of 3 residential developments and 4 house types, which is a very small survey sample and not necessarily a true representation of built dwellings. The Council also undertook an analysis of Energy Performance Certificates for dwellings built in the Borough between 2017 – 2019, however this data is not easy to interpret for comparison to NDSS. Therefore, from the Council's evidence, it is difficult to come to definitive conclusions. The Council concluded that NDSS gross internal floorspace and built-in storage were not achieved but acknowledged achievement of individual room size standards and developers offered a range of products with room sizes of an acceptable size at different price points affordable for first-time buyers (see para 54).

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*”. 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 NDSS would have been incorporated as mandatory in Building Regulations, which is not the case.

The HNA acknowledges that introducing NDSS may reduce housing delivery, place upward pressure on house prices, and potentially reduce the ability of households to access affordable homes (see para 56). There is a direct relationship between unit size, cost per square metre (sqm), selling price per sqm and affordability. The Council's policy approach should recognise that customers have different budgets and aspirations. An inflexible policy approach to NDSS for all new dwellings will impact on affordability and effect customer choice. Well-designed dwellings below NDSS can provide a good, functional home. Smaller dwellings play a valuable role in meeting specific needs for both open market and affordable home ownership housing. An inflexible policy approach imposing NDSS on all housing removes the most affordable homes and denies lower income households from being able to afford homeownership. The introduction of the NDSS for all dwellings may mean customers purchasing larger homes in floorspace but with bedrooms less suited to their housing needs with the unintended consequences of potentially increasing overcrowding and reducing the quality of their living environment. The Council should focus on good design and usable space to ensure that dwellings are fit for purpose rather than focusing on NDSS. It is noted that the Council is applying a more flexible collaborative policy approach for affordable housing than open market housing. This differentiation has not been justified by the Council.

It is noted that the Council's Viability Study floor area assumptions (see Table 5.5) for 1 bed apartment is 45 sqm rather than the NDSS of 39 sqm for 1 bed / 1 person apartment or 50 sqm for 1 bed / 2 persons apartment and for 2 bed apartment 64 sqm rather than NDSS of 61 sqm for 2 bed / 3 persons apartment or 70 sqm for 2 bed / 4 persons apartment. These assumptions will under-

estimate the impact on viability and affordability, which is not a robust approach to viability assessment.

There is no assessment of the impact on affordability in a Borough where housing is expensive and unaffordable for a significant proportion of the resident population. In September 2019, the median house price in Charnwood was £220,000, which was significantly higher than in the East Midlands at £192,000. The median house prices to median earnings ratio is 7.68. The Council should assess any potential adverse impacts on meeting demand for first-time buyer open market products and other affordable homeownership products such as First Homes, 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.

In the absence of robust evidence justifying the requirement for NDSS and limited viability testing, before the Local Plan is submitted for examination, the Council should delete **Policy H3**. If the proposed requirement for NDSS is carried forward, then the Council should put forward proposals for transitional arrangements. The land deals underpinning SUEs and other non-strategic 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.

Policy H4 - Affordable Housing

Policy H4 seeks 30% affordable housing from all major housing developments except for brownfield sites where 10% affordable housing will be sought. The HBF is supportive of the Council's differentiated policy approach to the provision of affordable housing, which is justified by the Council's Viability Study.

The HBF also note that the Council have included First Homes in the affordable housing tenure mix tested in the Viability Study (see para 2.41). However, the impacts of First Homes on viability have not been fully considered. There will be an increased cost to developers selling First Homes in terms of marketing plus an increased risk as they will not be able to sell First Homes in bulk to a Registered Provider thus obtaining a more reliable up front revenue stream. A 6% developers return for affordable housing does not reflect this risk. Furthermore, First Homes may impact on the ability of developers to sell similarly sized open market units. First Homes may dampen the appetite of first-time buyers for 1, 2 & 3 bedroomed open market dwellings as some households, which would have opted to purchase a home on the open market will use the discounted First Homes route instead. This may result in slow sales of similar open market units, increased sales risk and additional planning costs (if sites have to be re-planned with an alternative housing mix). Before the Local

Plan is submitted for examination, further viability work should be undertaken to test these impacts not previously considered in the Council's Viability Study.

Policy H6 - Self-build and Custom Housebuilding

Policy H6 seeks the provision of at least 5 serviced plots for self-build & custom housebuilding on sites of more than 250 dwellings. Where plots have been made available and marketed appropriately for at least 12 months and have not sold, the plots can be used to deliver general market housing.

As set out in the NPPG, the Council should use its Self Build Register and additional data from secondary sources to understand and consider future need for this type of housing (ID 57-011-20210208). The HNA Final Report identifies a minimal demand for self & custom build housing. Over the past four years, in Charnwood, there have been an average of 42 new entries each year to the Council's Register (see para 66) of which 34% originate from households living outside the Borough (see para 11.5). However, a simple reference to the headline number of entries on the Council's Register may over-estimate actual demand. 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 Register's entries may have insufficient financial resources to undertake a project, be registered in more than one LPA area and have specific preferences.

There is no legislative or national policy basis for imposing an obligation on landowners or developers of sites of more than 250 dwellings to set aside at least 5 serviced plots for self & custom build housing. Under the Self Build & Custom Housebuilding Act 2015 and 2021 NPPF (para 62), it is the Council's responsibility, not the landowner's or developer's, to ensure that sufficient permissions are given to meet demand. The Council is not empowered to restrict the use of land to deliver self & custom build housing. The NPPG sets out ways in which the Council should consider supporting self & custom build by "*engaging*" with developers and landowners and "*encouraging*" them to consider self & custom build "*where they are interested*" (ID 57-025-201760728).

The Council should ensure that the Local Plan will result in a wide range of different self & custom build housing opportunities. It is unlikely that self & custom build serviced plots on larger residential sites will appeal to those wishing to build their own home. Alternative policy mechanisms could be used to ensure a reliable and sufficient provision of self & custom build opportunities across the Borough including allocation of small and medium scale sites specifically for self & custom build housing and permitting self & custom build outside but adjacent to settlement boundaries on sustainable sites especially if the proposal would round off the developed form.

The provision of self & custom build plots on sites of more than 250 dwellings adds to the complexity and logistics of developing these sites. It is difficult to co-ordinate the provision of self & custom build plots with the development of

the wider site. Often there are multiple contractors and large machinery operating on-site, the development of single plots by individuals operating alongside this construction activity raises both practical and health & safety concerns. Any differential between the lead-in times / build out rates of self & custom build plots and the wider site may lead to construction work outside of specified working hours, building materials stored outside of designated compound areas and unfinished plots next to completed and occupied dwellings resulting in consumer dissatisfaction.

It is important that unsold plots are not left empty to the detriment of neighbouring dwellings or the whole development. The timescale for reversion of these plots to the original housebuilder should be as short as possible 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. The proposed marketing period of at least 12 months is too long. The policy wording “*appropriately marketed*” is also too vague.

As well as on-site impracticalities impacts on viability should be tested. However, the Council’s Viability Study considers that there are no impacts (see Charnwood Local Plan Policies Matrix). The HBF disagree and consider that the provision of serviced self & custom build plots will have a bearing on the development economics of the scheme. It is unlikely that up front site promotion costs (including planning & acquisition costs) and fixed site externals, site overheads and enabling infrastructure costs will be recouped because the plot price a self & custom builder is able to pay may be constrained by much higher build costs for self-builders. There are also impacts of not recouping profit otherwise obtainable if the dwelling was built and sold on the open market by the site developer, disruption caused by building unsold plots out of sequence from the build programme of the wider site and a worst-case scenario of unsold plots remaining undeveloped. Further viability work should be undertaken.

In the absence of robust evidence of need and no viability testing, before the Local Plan is submitted for examination, the Council should delete **Policy H6**.

Other Policies

Policy T3 - Car Parking Standards

Policy T3 requires all new developments to provide car parking spaces in accordance with the latest published guidance of Leicestershire County Council and Charnwood Borough Council.

The reference to “*the latest published guidance of Leicestershire County Council and Charnwood Borough Council*” should not be interpreted by the Council’s Development Management Officers as conveying the weight of a Development Plan Document onto this guidance, which has not been subject to examination and does not form part of the Local Plan. This referencing should be removed from **Policy T3**. If considered necessary by the Council, the

following wording could be inserted into supporting text *“the latest published guidance of Leicestershire County Council and Charnwood Borough Council on parking standards will be used as a guide in the determination of planning applications”*.

Policy CC4 - Sustainable Construction

Policy CC4 requires residential development to meet the Building Regulations optional water efficiency requirement of 110 litres/per person per day.

Under Building Regulations, all new dwellings must 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. 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. The NPPG states that where there is a *“clear local need, LPA can set out Local Plan Policies requiring new dwellings to meet tighter Building Regulations optional requirement of 110 litres per person per day”* (ID : 56-014-20150327). The NPPG also states the *“it will be for a LPA to establish a clear need based on existing sources of evidence, consultations with the local water and sewerage company, the Environment Agency and catchment partnerships and consideration of the impact on viability and housing supply of such a requirement”* (ID : 56-015-20150327). In the Council's supporting evidence, there is an absence of any justification for the requirement for new development to meet the optional water efficiency standard. A clear local need has not been demonstrated.

Furthermore, there is no consideration of the impact on viability. The Charnwood Local Plan Policies Matrix in the Council's Viability Study states that *“costs are considered to be within BCIS cost allowance, increases in costs associated are anticipated to be off-set by value increases (due to better quality design / specification) given that we have adopted conservative sales prices”*. The HBF disagree and consider that the cost of the optional water efficiency standard should be included in viability testing so the cumulative impact of compliance with all policy requirements set out in the Local Plan is tested.

In the absence of robust evidence of need and no viability testing, before the Local Plan is submitted for examination, the requirement for the optional water efficiency standard should be deleted from **Policy CC4**.

Policy CC6 - Electric Vehicle Charging Points (EVCPs)

Under **Policy CC6**, the Council will support development that provides an EVCP or cabling routing for each new residential dwelling (including flats) with a dedicated car parking space.

The HBF recognise that electric vehicles will be part of the solution to transitioning to a low carbon future. As set out in the Department of Transport consultation on Electric Vehicle Charging in Residential & Non-Residential

Buildings (ended on 7th October 2019), the Government's preferred option is the introduction of a new requirement for EVCPs under Part S of the Building Regulations. The inclusion of EVCP requirements within the Building Regulations will introduce a standardised consistent approach to EVCPs in new buildings across the country and supersede the Council's policy approach.

Until the introduction of proposed changes to Part S of the Building Regulations, the HBF consider that the physical installation of active EVCPs is inappropriate. The evolution of automotive technology is moving quickly therefore a passive cable and duct approach is a more sensible and future proofed solution, which negates the potential for obsolete technology being experienced by householders. A passive cable and duct approach means that the householder can later arrange and install a physical EVCP suitable for their vehicle and in line with the latest technologies. It is suggested that **Policy CC6** is modified as follows :-

We will support development that provides ~~an electric vehicle charge point or~~ cabling routing for each new residential dwelling (including flats) with a dedicated car parking space.

The HBF and its Members also have serious concerns about the capacity of the existing electrical network in the UK. The supply from the power grid is already constrained in many areas across the country. 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. These costs can be substantial and can drastically affect the viability of developments. 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 Department for Transport - Electric Vehicle Charging in Residential & Non-Residential Buildings consultation estimated an installation cost of approximately £976 per EVCP plus any costs for upgrading local electricity networks, which under the Government's proposal automatically levies a capped figure of £3,600 on developers. It is noted that the Council's viability Study includes a cost for EVCPs of £1,000 per dwelling (housing) and £10,000 for a multi-charging point (for every 4 apartments) (see Table 6.3) but no costs for upgrading local electricity networks. Further viability work should be undertaken to sensitivity test the Council's assumptions.

Before the Local Plan is submitted for examination, **Policy CC6** should be modified as outlined in the HBF representations above.

Policy EV6 - Conserving and Enhancing Biodiversity and Geodiversity

Under **Policy EV6**, development proposals should be accompanied by an ecological survey including a Biodiversity Impact Assessment and demonstrate how they have been designed to minimise ecological impact and provide 10% net gain on site in the first instance or through biodiversity offsetting, where appropriate.

The Council's policy approach to biodiversity net gain should accord with the Government's proposals as set out in the Environment Bill. Under the Environment Bill, it is the Government's intention to make provision for 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. **Policy EV6** should be modified to incorporate transitional arrangements.

There are also significant additional costs associated with biodiversity gain, which should be fully accounted for in the Council's viability assessment. The Government has confirmed that more work needs to be undertaken to address viability concerns raised by the housebuilding industry in order that biodiversity net gain does not prevent, delay or reduce housing delivery. The Council's Viability Study (see Table 6.3) uses the DEFRA Biodiversity Net Gain & Local Nature Recovery Strategies : Impact Assessment Table 16 : Net gain delivery costs per greenfield development (residential) East Midland cost of £1,011 per dwelling (based on 2017 prices and the central estimate) and Table 17 : Net gain delivery costs per brownfield development (residential) East Midland cost of £287 per dwelling (based on 2017 prices and the central estimate). However, there are significant cost increases for off-site delivery under Scenario C to £3,562 and £943 per dwelling respectively. There may also be an impact on the ratio of gross to net site acreage. It is unclear if this has been considered by the Council. Further viability work should be undertaken to sensitivity test the Council's assumptions.

Before the Local Plan is submitted for examination, **Policy EV6** should be modified as outline in the HBF's representations above.

Conclusion

For the Charnwood Local Plan to be found sound under the four tests of soundness as defined by the 2021 NPPF (para 35), the Local Plan must be positively prepared, justified, effective and consistent with national policy. The afore-mentioned Policies are considered unsound. If any further information or assistance is required, please contact the undersigned.

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



Susan E Green MRTPI
Planning Manager – Local Plans