

sent by EMAIL ONLY to [planningpolicy@southkesteven.gov.uk](mailto:planningpolicy@southkesteven.gov.uk)

25/4/2024

Dear Sir/ Madam

**Response by the Home Builders Federation to the South Kesteven Draft Local Plan March April 2024 (Reg 18).**

1. Please find below the Home Builders Federation (HBF) response to the South Kesteven Draft Local Plan (Reg 19). HBF is the principal representative body of the housebuilding 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.
2. We have not commented on every policy or paragraph only those of interest to our members.

**Chapter 1 A New Local Plan for South Kesteven District**

**Para 1.1- 1.10 Introduction**

3. HBF welcomes the Council's efforts to ensure that they have an up to Local Plan. Plan-making is a fundamental part of a Local Authority's role and is essential to support the delivery new homes and jobs. HBF agree support the need for a review of the South Kesteven. HBF welcome the Council's proactive plan making and pro-growth approach. In the midst of a housing crisis, it is important that housing need are met in full.

**Para 1.11- 1.15 Local Plan Preparation**

4. HBF note that this is consultation characterises the Reg 18 Local Plan consultation as part of a Review and update of the Local Plan rather than a new plan.
5. HBF also welcomes the Local Plan public consultation events and the ability for these to be watched on-line. This was particularly helpful in explaining the Council's approach to the Plan Review and we welcome the recognition of the



tensions and policy choices that will need to be made, and the policy balance that will need to be struck to ensure development is sustainable and viable.

#### **Para 1.16 – 1.18 Call for Sites**

6. HBF believe BNG should be a significant factor in emerging Local Plans and may require additional research, evidence work, policy and guidance for it to be made to work in practice. Plan-making is the appropriate stage for many BNG issues to be considered and we therefore suggest that the South Kesteven Plan may need to be reviewed and revisited to ensure that it is doing all it can to support the delivery of the national mandatory BNG policy through providing clear advice guidance and, wherever possible, certainty for developers and landowners and communities on what is expected.
7. HBF would also encourage the Council to ensure that the Local Plan fully considers the new BNG requirements in relation to site allocations. This is likely to require undertaking an assessment of the baseline to support the allocation to enable an understanding the BNG requirements for a site to be allocated and the impact this may have on viability and other policy requirements and considerations. The provision of on-site BNG will impact on what level of housing densities are achievable. This needs to be factored into individual site assessment and allocations to ensure that the number of new homes needed can be delivered on the sites allocated.
8. It will be important to understand the BNG costs of mandatory BNG as this is non-negotiable and as such may impact on the viability of the site and its ability to deliver against other policy requirements such as affordable housing or other s106 asks.

#### **List of Policies & Proposed Update Para 1.23**

9. HBF welcomes the Council's attempts to clearly set out policies where significant changes are being made, new policies and chapter minor changes to policies, policies removed and policies to be reviewed once emerging evidence in finalised. This is helpful characterisation.

### **Chapter 2 South Kesteven District**

#### **Para 2.1 – 2.3 Plan period**

10. HBF note that it is proposed to that the Plan Review will cover the period of 1st April 2021 through to 1st April 2041. The NPPF requires that a 15-year period is provided post adoption of the Plan, is it not 'desirable' as stated in the consultation, but a requirement. HBF suggest the Council should considering extending the Plan period.
11. It can take a long of time for Plans to progress through Reg 18 through to Reg 19, Submission and Examination, Inspector's Report and Adoption. In light of the amount of time it can take to progress through the multiple stages of plan-making, a longer end date for the plan may be a more realistic. Whatever

plan period is chosen there is a need for evidence to cover the whole plan period, it would therefore be sensible to ensure the evidence covers a longer time frame as well.

12. Paragraph 22 of the NPPF requires that “strategic policies should look ahead over a minimum 15 year period from adoption, to anticipate and respond to long-term requirements and opportunities, such as those arising from major improvements in infrastructure. Where larger-scale developments such as new settlements or significant extensions to existing villages and towns form part of the strategy for the area, policies should be set within a vision that looks further ahead (at least 30 years), to take into account the likely timescale for delivery”.

### **Para 2.7 – 2.8 Housing Growth**

13. HBF welcomes the Council’s early review of the Local Plan and its recognition of the need to plan for housing growth across the district. We welcome the Council’s starting point for setting the housing requirement for South Kesteven as the standard method plus a 20% buffer. However, HBF would also support more housing than the standard method housing requirement in order to support economic growth, provide a range and type of sites, deliver increased affordable housing and to support small and medium house builders.
14. There remains a need to provide a range and choice of sites, a need for flexibility and viability considerations to be taken into account and a need for the Council to consider whether higher levels of open-market housing are required in order to secure the delivery of affordable housing and/or support economic growth. HBF suggest that each of these reasons on its own could justify an increase in the housing requirement for South Kesteven and the Council should consider planning for an additional amount of housing to address each reason in turn.

### **Para 2.9 – 2.16 Employment Growth and Prosperity**

15. HBF would also flag that increased economic growth can lead to an increased need for additional housing.

## **Chapter 3 - Vision and Strategic Objectives**

### **3.1-3.3 The Vision for South Kesteven's Local Plan**

16. HBF would wish to see the Plan set out a logical settlement hierarchy which meets all the housing needs and addresses all areas of the housing market, with a range of sites proposed for allocation. The soundness of strategic and non-strategic site allocations, whether brownfield or greenfield, will be tested in due course at the Local Plan Examination. HBF does not comment on individual sites, other than to say the Plan should provide for a wide range of

deliverable and developable sites across the area in order to provide competition and choice to ensure that housing needs are met in full.

17. The spatial strategy of the Plan should also recognise that there may be clusters of villages that provide a range of services for that area within reasonable travelling distance of each other, so villages may need to be grouped together. These areas might be able to sustainably support a substantial level of development but may not have all the services within one particular village.
18. Similarly, the Local Plan should recognise that settlements that currently do not have services could expand to include those services if new development is allocated in those areas. The current range of village services should not be used as a basis for only locating development close to existing services, it could in fact also identify where services could be improved through new development. Allocating housing sites in rural areas can also provide opportunities for small sites which are particularly helpful for SME builders.

### **Para 3.4 - Strategic Objectives for the Local Plan**

19. HBF support the need for policy to deliver a mix and range of housing types suitable for a variety of needs, including the need for affordable and local-need housing within the District. It is also important to recognise the need for open market, and not just affordable dwellings.

## **Chapter 5 – Climate Change and Energy**

### **Para 5.15**

20. HBF note that the Council's recognition of the 13 December 2023, Written Ministerial Statement which specifies how energy efficiency standards should be calculated. We also note that policies on Climate Change are not included within this Regulation 18 Draft Local Plan but that policies on climate change will be included, and consulted upon, at the next stage of local plan production (Regulation 19) once the evidence has been reviewed.
21. Whilst the ambitious and aspirational aim to achieve zero carbon is lauded, the HBF is concerned that the Council is adding to the complexity of policy, regulations and standards that housebuilders are already expected to comply with. The key to success is standardisation and avoidance of individual Councils specifying their own policy approach, which undermines economies of scale for product manufacturers, suppliers and developers.
22. HBF supports the Council in seeking to minimise carbon emissions and reduce heat and power demand through energy efficient design. However, the HBF does not consider that the Council setting its own standards is the appropriate method to achieve these outcomes. HBF would not support the

Council seeking to move away from the carbon reduction methods set out in Part L of the Building Regulations.

23. Whilst the ambitious and aspirational aim to achieve zero carbon is lauded, the HBF is concerned that the Council is adding to the complexity of policy, regulations and standards that housebuilders are already expected to comply with. The key to success is standardisation and avoidance of individual Councils specifying their own policy approach, which undermines economies of scale for product manufacturers, suppliers and developers. The impact of this requirement along with others in this Plan may have considerable viability implication and may lead to the non-delivery homes and needs to be fully considered within the Viability Assessment.
24. HBF would caution against policies that seek to go further and faster than national legislation and policy changes, which would lead to the creation of a patchwork of differing local policies which could inadvertently undermine the delivery of the wider environmental objectives the Council is seeking and create unnecessary delays to much needed new housing.
25. HBF would highlight the latest publication 'Future Homes, One Plan Building a generation of high quality, affordable and sustainable homes and communities, together' [https://irp.cdn-website.com/bdbb2d99/files/uploaded/Future%20Homes%20One%20Plan\\_Future%20Homes%20Hub%20Prospectus-%20FINAL%20WEB.pdf](https://irp.cdn-website.com/bdbb2d99/files/uploaded/Future%20Homes%20One%20Plan_Future%20Homes%20Hub%20Prospectus-%20FINAL%20WEB.pdf). This was published in Nov 2023 and highlights what actions are needed to support the delivery of sustainable homes.
26. In particular HBF, would highlight 'Issue 9. The Partnership Imperative' on page 15 which states in the Local Government section that "Local planning requirements must align with the overall plan for improving performance standards at national level. For example, avoiding divergence of local energy standards that make it harder to accelerate improvement in standards at national level, and avoiding conflict between local planning conditions and new requirements of building regulations."
27. The government has also recently provided further advice for local authorities through the Written Ministerial Statement which says "the Government does not expect plan-makers to set local energy efficiency standards for buildings that go beyond current or planned buildings regulations. The proliferation of multiple, local standards by local authority area can add further costs to building new homes by adding complexity and undermining economies of scale." See <https://questions-statements.parliament.uk/written-statements/detail/2023-12-13/HCWS123>

To be consistent with national policy, HBF request the Council rely on the Building Regulations process as the way to manage improving energy efficiency standards and as such no policy on this issue is needed in the Local Plan.

## **Chapter 6 – Spatial Strategy**

### **Policy SP1- Spatial Strategy and SP2- Settlement Strategy**

28. HBF comments on the spatial strategy can be found in section 3, and as such are not repeated here.

## **Chapter 7 – Meeting Housing Needs**

### **Para 7.1-7.2 Delivering New Homes**

29. HBF welcomes the Council's committed to delivering its housing need through the allocation of suitable, available, and deliverable sites. HBF supports meeting the housing needs of South Kesteven through allocations, and agree it is essential that any allocations to be rolled forward remain deliverable. Although we do not comment on individual allocations the inclusion of enough sites to meet the housing requirement is supported, albeit HBF have suggested the housing requirement could itself be higher, which would necessity further allocations.
30. HBF support the inclusion of a buffer. We also note that NPPF (para 72) only permits an allowance for windfall sites if there is compelling evidence that such sites have consistently become available and will continue to be a reliable source of supply. By including windfalls within the Plan's housing requirement, the opportunity for windfalls to provide some additional housing numbers is removed. Windfalls do not provide the same choice and flexibility in the market as additional allocations.
31. HBF welcome the inclusion of a clear housing trajectory. It is important clearly show how much reliance is being made on windfalls, or from when. The Plan should include a Housing Trajectory that includes a breakdown of the housing numbers into different sources of supply.
32. HBF are of the view that any allowance for windfall should not be included until the fourth year of a housing trajectory, given the likelihood that dwellings being completed within the next three years will already be known about (as they are likely to need to have already received planning permission to be completed within that timeframe). We are also of the view that any buffer provided by windfall sites should be in addition to the buffer added to the housing need figures derived from the Standard Method to provide choice and competition in the land market.

### **H1: Housing Allocations**

33. HBF does not comment on individual sites, other than to say the Plan should provide for a wide range of deliverable and developable sites across the area in order to provide competition and choice to ensure that housing needs are met in full.

### The Need for Small Sites

34. The NPPF requires Local Plans to identify land to accommodate at least 10% of the housing requirement on sites no larger than one hectare, unless there are strong reasons why this cannot be achieved. The HBF has undertaken extensive consultation with its small developer members. One of the chief obstacles for small developers is that funding is extremely difficult to secure without a full, detailed, and implementable planning permission. Securing an implementable planning permission is extremely difficult if small sites are not allocated. Without implementable consents lenders are uneasy about making finance available or the repayment fees and interest rates they set will be very high. Small developers, consequently, need to invest a lot of money and time up-front in the risky business of trying to secure an allocation and a planning permission, and this is money that many small developers do not have.
35. The Council should set out in the Plan's policies and evidence base to set out how the plan will deliver 10% of homes on sites of less than one hectare, as required by paragraph 70 of the NPPF (Dec 23 version). Indeed, the HBF would advocate that a higher percentage of small sites are allocated if possible. Such sites are important for encouraging the growth in SME housebuilders who will tend to develop these sites but rarely see the benefits that arise from the allocation of sites in a local plan. Up until the 1980s, small developers once accounted for the construction of half of all homes built in this country resulting in greater variety of product, more competition, and faster build-out rates. Since then, the number of small companies has fallen by 80%.
36. HBF also note that support for small and medium builders need not be limited to only small sites of less than 1Ha. SMEs also deliver on other types of non-strategic sites (for example up to 100 units). The inclusion of additional non-strategic allocations would expand the range of choice in the market, and (possibly most importantly), be of a scale that can come forward and making a contribution to housing numbers earlier in the plan period.

### **H2: Affordable Housing Contributions**

37. It is not appropriate for Affordable Housing requirements to be expressed as a range. A policy seeking 27-57% affordable housing subject to the findings of the whole plan viability assessment would be contrary to the PPG. The Viability PPG (Paragraph: 001 Reference ID: 10-001-20190509) clearly states that "policy requirements should be clear so that they can be accurately accounted for in the price paid for land. To provide this certainty, affordable housing requirements should be expressed as a single figure rather than a range. Different requirements may be set for different types or location of site or types of development".
38. HBF would wish to comment on the Affordable Housing policy once it has been established and review the evidence supporting the policy decisions once this is available.

#### **Policy H4: Meeting All Housing Needs**

39. HBF agree that it will be important for the Plan to meet all local housing needs, including delivering an appropriate mix of housing and specialist housing. We also agree that it will be important to improve access to affordable housing. It will be important for the Plan to make housing available to people in need taking into account requirements of location, size, type and affordability and it will be important to improve the quality of housing stock and makes homes more liveable. However, the policy ask must be considered in the round to ensure development remains viable. Therefore, flexibility within the policy is needed.

#### **H3: Self and Custom Build Housing**

40. HBF advocates for self and custom-build policies that encourage self and custom-build development by setting out where such developments will be supported in principle. HBF considers that Councils can play a key role in facilitating the provision of land as set in the PPG. This could be done, for example, by using the Councils' own land for such purposes and/or allocating sites specifically for self and custom-build home builders- although this would need to be done through discussion and negotiation with landowners. HBF does not consider that requiring major developments to provide for self-builders is appropriate.
41. It is considered unlikely that the provision of self and custom build plots on new housing developments can be co-ordinated with the development of the wider site. At any one time, there are often multiple contractors and large machinery operating on-site from both a practical and health and safety perspective, it is difficult to envisage the development of single plots by individuals operating alongside this construction activity.
42. Although HBF do not support the requirement for self-build plots on larger allocations, if such a policy were to be introduced it will be important that it is realistic to ensure that where self and custom build plots are provided, they are delivered and do not remain unsold. 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 Housing Land Supply S. Therefore, the Council should consider the application of a non-implementation rate to its HLS calculations.
43. Any policy would also need to be clear what happened where plots are not sold. HBF suggest any unsold plots should revert back to the developer. It is important that any 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- no more than six months, from the commencement of development because the consequential delay in developing those plots presents further



practical difficulties in terms of co-ordinating their development with construction activity on the wider site. There are even greater logistical problems created if the original housebuilder has completed the development and is forced to return to site to build out plots which have not been sold to self and custom builders.

44. HBF considers that a policy which encourages self and custom-build development and sets out where it will be supported in principle would be more appropriate. HBF considers that the Councils can play a key role in facilitating the provision of land as set in the PPG. This could be done, for example, by using the Councils' own land for such purposes and/or allocating sites specifically for self and custom-build home builders- although this would need to be done through discussion and negotiation with landowners. The HBF does not consider that requiring major developments to provide for self-builders is appropriate.

## **Chapter 10 – Protecting and Enhancing the Natural and Built Environments**

### **NEW POLICY 4: Biodiversity Opportunity and Delivering Measurable Net Gains**

45. HBF welcomes the policy on BNG and clarity provided in the recognition of the role of BNG mitigation hierarchy. HBF is pleased to see that the Council has acknowledged that on-site BNG may not always be the best solution and that there may be occasions where off-site BNG offers greater benefits.
46. It is HBF's opinion that the Council should not deviate from the Government's requirement for 10% biodiversity net gain as set out in the Environment Act. There are significant additional costs associated with biodiversity gain, which should be fully accounted for in the Council's viability assessment. It is important that BNG does not prevent, delay or reduce housing delivery. Although the national policies requiring 10% BNG cannot be subject to site specific viability discussion, any policy requirements over 10% can be. Any policy seeking more than 10% BNG needs to reflect this position.
47. Para 6 of the new BNG PPG1 clearly states:

Plan-makers should not seek a higher percentage than the statutory objective of 10% biodiversity net gain, either on an area-wide basis or for specific allocations for development unless justified. To justify such policies they will need to be evidenced including as to local need for a higher percentage, local opportunities for a higher percentage and any impacts on viability for

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<sup>1</sup> [Biodiversity net gain - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/biodiversity-net-gain) Paragraph: 006 Reference ID: 74-006-20240214

development. Consideration will also need to be given to how the policy will be implemented.

48. It is also important to note that large and complex sites where the development is phased, the guidance is clear that the 10% must be delivered at the end of the development, and this may not result in 10% BNG on each phase. Additional advice on phased development was included in the revised PPG.
49. HBF would also encourage the Council to ensure the Local Plan fully considers and evidence how BNG should inform the site selection process. This should include understanding the BNG requirement, including undertaking an assessment of the baseline to support the allocation. It is important to have an understanding the BNG costs and viability for the site and consider how this may impact other policy requirements such as affordable housing, other s106 or CIL contributions.

## **Chapter 12 – South Kesteven's Communities**

50. As previously mentioned HBF do not comment on individual sites but would encourage the Council to revisit its allocations to ensure on-site delivery of BNG has been properly factored into their housing capacity calculations.

## **Chapter 13- Infrastructure and Developer Contributions**

51. Development can only be required to mitigate its own impacts and cannot be required to address existing issues and shortfalls in provision. It would be unreasonable and fail the CIL tests for developers to be expected to pay to address existing deficiencies.

## **Chapter 14 – Monitoring and Implementation**

### **Removal of Policy M1**

52. HBF agree that the Plan should include a Monitoring Framework which sets out the targets for housing (and other matters) that will be monitored and the triggers for action being taken, and what that action will be. Monitoring is essential to see if the Plan is delivery housing as expected. The monitoring framework is part of the way that the Plan delivers and the Council is able to respond to any changing circumstances.
53. HBF do not support the inclusion of policies within a Local Plan that merely triggers a review of the Local Plan if monitoring shows housing delivery is not occurring as expected. Such a policy does nothing to address the housing crisis or undersupply of homes. There are other more effective and immediate measures that could be introduced into policy that would enable the Council to address housing under deliver, much more quickly than would be possible through the production of another plan, or plan review.

54. It is important that houses are brought forward, and the matter addressed as soon as possible, if under delivery is observed. HBF would suggest, as a minimum, explicit reference should be made within the Plan's policy and monitoring framework to the potential to bring forward additional housing supply earlier. As the housing need and requirement figures for the Plan are minimum (not maximum) figures the Council could also specifically identify interventions and/or include policies that would allow for additional windfall housing sites that could/would be brought forward sooner to address any under delivery whatever the reason for that under performance. This could be a shortfall in market housing permissions granted and/or completions, affordable housing permissions granted and/or completions and any failure against the Housing Delivery Test or local plan monitoring.
55. The Monitoring Framework needs to set out how and when monitoring will be undertaken, and more information is needed on what action(s) will be taken and when, if monitoring shows under delivery of housing.

### **Future Engagement**

56. I trust that the Council will find these comments useful as it continues to progress its Local Plan. I would be happy to discuss these issues in greater detail or assist in facilitating discussions with the wider house building industry.
57. HBF would like to be kept informed of all forthcoming consultations upon the Local Plan and associated documents. Please use the contact details provided below for future correspondence.

Yours faithfully

A handwritten signature in blue ink that reads "R. H. Danemann".

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