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20/05/2024

Dear Sir/ Madam

**Response by the Home Builders Federation to the Herefordshire Draft Local Plan (Regulation 18) Strategic Policies Local Plan 2021-2041 March 2024 and the Herefordshire Draft Local Plan (Regulation 18) Place Shaping Policies Local Plan 2021-2041 March 2024 consultations**

1. Please find below the Home Builders Federation (HBF) response to the consultation on the Herefordshire Local Plan Reg 18. 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.
2. HBF have not commented on every policy only those of relevance to our members. We have divided our representations into General Comments, comments on Strategic Policies and comments on the place shaping document.

**General Comments**

3. HBF comments begin with a general observation and concern that as currently written nearly the policies and the supporting text have been drafted in a way that will create problems for plan users when seeking to refer to them. Many of the policies are just written as sections of text one after another, some parts of the policies then have some numbering. This will make it very difficult for a developer, a planning officer, an elected member, or a member of the public to make specific reference to a particular part of the policy when preparing a planning application, writing a report, making a decision or making a representation on a planning application.
4. The policies should be reformatted to improve the usability of the whole Plan. There needs to be consistent paragraph numbering or lettering.



5. HBF is unclear what role if any Herefordshire has been asked to play in meeting the unmet needs of the West Midlands and Black Country, which have been identified and are not being adequately addressed. HBF are aware that this is an issue for the Shropshire Local Plan and it would be helpful for this plan to address this matter.
6. HBF note that the plan period covers 20 years starting from 2021. The NPPF (para 22) states strategic policies should look ahead over a minimum 15-year period from adoption and that where larger scale developments 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 in account the likely timescale for delivery. In recognition of the time that it can take to progress a new Local Plan through all its required stages HBF suggests that the Council should consider extending the Plan period to ensure that a 15-year period is provided post adoption of the Plan. It will also be important for the evidence base to be consistent with the Plan Period.

### **Comments on Strategic Policies Document**

#### Saved policies (page 5)

7. The wording about saved policies indicated that when adopted, the Local Plan will replace most Core Strategy policies. However, some of the policies included in the Core Strategy will be saved, and four other planning documents will also be saved including the Affordable Housing Supplementary Planning Document (Adopted 2021) and the Planning Obligations Supplementary Planning Document (April 2008).
8. HBF request that the Council revisit this decision. Ideally the new Herefordshire Local Plan should update and replace all the policies in the Core Strategy with no need for the retention of out-of-date policies referred to. The failure to do this suggests the Council is not engaged in positive plan-making.
9. HBF also object to the Council's intention to save existing SPD, especially when the policies that they hang from are to be replaced by the new Local Plan. Planning policy must be made through the Local Plan process. This is subject to mandatory requirements for public consultation and independent scrutiny through the Examination process. If the Council wish to provide additional advice on the interpretation of any policy, this should be done through a Supplementary Planning Document, which is prepared and consulted on after the Local Plan policy has been adopted. It cannot be done through trying to save existing SPDs.

#### Objectives (page 10)

10. HBF suggest that the Objectives for the Herefordshire Plan should include reference to the need to meet the current and future housing needs of the whole community, including for market and affordable housing. The Local Plan should also recognise the connection between housing and the future

aspirations for the local economy. Meeting the housing need of Herefordshire in full, should be an objective of the Local Plan.

Nutrients (page 14)

11. HBF are aware of the challenges facing Herefordshire in relation to the nutrient levels in the River Wye Special Area of Conservation. We note that the Local Plan has been prepared on the presumption that the restrictions will be lifted at an early stage in the plan period. HBF would seek further reassurance that this is the position. We would welcome the opportunity to work with the Council on this issue, noting it is a key challenge facing our members.

Affordable housing (page 14)

12. HBF note that a key part of the overall strategy for the Plan is to increase the amount of affordable housing delivered over the plan period. HBF would therefore question why this is not included as a specific objective. We would also question the deliverability of this intention without full consideration being given to the viability implications.
13. HBF believe that having calculated the housing figure using the standard method, this figure should then be assessed against other factors which may necessitate a higher housing requirement number. The standard method housing requirement has always been the minimum starting point for setting the housing requirement, and HBF support more housing than the standard method housing requirement in order to deliver more affordable housing, support economic growth, provide a range and type of sites 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 Herefordshire and the Council should consider planning for an additional amount of housing to address each reason in turn. The result is likely to be a higher housing number than is currently included in the Plan.

Spatial Strategy- Amount of housing required (page 15)

15. HBF welcome the Council's decision to use the standard method as the starting point for the housing requirement but would suggest this should be higher for the reasons mentioned above. HBF would suggest that a higher figure than 805 dwellings per year over the next 20 years are required in Herefordshire to meet the housing needs in full.

16. As such HBF would also suggest that the housing requirement should be greater than 16,100 dwellings during the plan period. The Council will need to assure themselves that the 6,512 homes that have either already been built or granted planning permission since April 2021 can be relied on as part of the housing supply, and whether planning permissions in that time scale are deliverable. HBF suggest a non-implementation rate may need to be applied to this figure. HBF would also question if a plan that is only looking to provide for 9,608 dwellings up to 2041 is positively prepared and will ensure the housing need of the area are met, and the wider benefits of housing to the local economy realised.
17. The Government has made it clear that it still supports the national target of 300,000 new homes per year. HBF would encourage the Council to consider further how it can be more proactive and ensure that it is planning to meet the housing need of Herefordshire in full.

#### **Well connected neighbourhoods (page 16)**

18. HBF note that the Local Plan strategy is based on locating development in areas that currently have the best access to existing services and facilities and which have the greatest potential to support sustainable and inclusive growth. HBF considers that it is important that the spatial distribution of sites follows a logical hierarchy, provides an appropriate development pattern and supports sustainable development within all market areas. The HBF considers that the Council's proposed approach to the distribution of housing should ensure the availability of a sufficient supply of deliverable and developable land to deliver the housing requirement.
19. HBF would also encourage the Council to ensure 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. It will be important to understand the BNG costs of mandatory BNG, both financial and in terms of density and developable areas, 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.

#### **Design (page 17)**

20. HBF note that a countywide Herefordshire Design Code will be produced by the council to complement the Local Plan. This will cover the strategic and larger-scale themes of the National Model Design Code in relation to Herefordshire. HBF would welcome the opportunity to comment on this as it emerges
21. Neighbourhood Development Plans and housing rural areas (page 19 and 22)

22. Reference is made to retaining allocated sites already identified in Neighbourhood Development Plans. HBF would caution against any reliance on housing sites in Neighbourhood Development Plans forming part of the housing supply for Herefordshire unless there is certainty that they will be brought forward and delivered.

**Longer term growth- Potential new settlement (page 23)**

23. HBF note that the proposal that was mooted in earlier consultation in the Plan is no longer being considered. The reason given for this is that is no longer necessary and sufficient sites and allocations have been made available during the plan period. HBF disagree that the housing requirement is enough and believe additional housing and additional housing sites are needed. As such we would support further consideration of future growth options, and the inclusion of a longer-term plan for the longer-term growth of Herefordshire. If as the Council state in this document a new settlement may form part of the strategy to deliver more housing in Herefordshire post 2041, HBF would suggest this decision would need to be taken now.
24. In HBF's view further housing should be planned for now to ensure that the housing needs of Herefordshire are met in full. We have also suggested that the plan period should be extended. The NPPF (Para 22) states strategic policies should look ahead over a minimum 15-year period from adoption and that where larger scale developments 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 in account the likely timescale for delivery.
25. Therefore, in HBFs view if Herefordshire is considering the development of a new settlement as one of the ways to meet their housing need in the longer, this decision should be taken now. It can take many years, if not decades for a new settlement to be delivered, and there may well be a need for some housing supply of the new settlement to make a contribution within this Plan period. As the wording on this section indicates, if a new community is needed it will take time for it to be worked up and developed, even after a decision has been made on its location and scale. Securing outline and detailed planning permission takes time, and the development still need to be built out.
26. Similarly, if a new settlement is not an option for additional growth in Herefordshire, and alternative strategy will be needed to ensure that housing needs are met in full over the whole plan period.

**Policy CC1: A carbon neutral Herefordshire (page 26)**

27. It is unclear how the policy requirements for demonstrating operational carbon neutrality on-site can be met. HBF would also encourage the council to

consider how policies on SUDS, BNG and other environmental policies will work together. It would be useful for the plan to explicit reference opportunities for 'stacking' the amenity and ecological benefits of SuDS.

28. HBF note that the supporting text goes on to say 'to achieve this, a carbon offset fund could be established the developer is expected to make cash-in-lieu contributions to the carbon offset fund, proportionate to the residual emissions. It is currently unclear who would establish the fund and what mechanism would be used to ensure proportional contributions to it. HBF would wish to understand these proposals in more detail in order to be able to comment effectively on them.

29. Policy EE1: Protecting and enhancing the quality of the natural environment (page 32 to 37)

30. HBF are concerned about the wording of criterion 7, which seems to imply the policy requires developers "must demonstrate at least nutrient neutrality". This seems to suggest going beyond neutrality which HBF would question as development can only be required to mitigate it's own impact.
31. Criterion 8 seeks to require the achievement of a minimum of 20% biodiversity net gain on strategic sites allocated in the Local and Neighbourhood Development Plans, with all other residential development sites are expected to achieve a minimum of 10% biodiversity net gain.
32. HBF note the introduction of Biodiversity Net Gain which came in for large sites on Feb 12th 2024, and for small sites from 2nd April 2024. It would be helpful for the supporting text of the Plan to provide more information on the background to this new area of national policy. It is also important to note that as applications submitted before this time, including subsequent detailed application relating to already approved outlines are not required to deliver mandatory BNG.
33. It will be important for this policy to fully reflect all the new legislation, national policy and DLUHC and DEFRA guidance.
34. It is the HBF's opinion that the Council should not deviate from the Government's requirement for 10% biodiversity net gain as set out in the Environment Act. The Plan should provide certainty for developers and a clear BNG policy with a fixed 10% figure, rather than the policy including the phrase "at least %" would help to provide this.
35. HBF has been involved in a significant amount of work, being led by the Future Homes Hub, on BNG preparedness for some time, including feeding into the BNG Planning Practice Guidance from DLUHC and the DEFRA BNG Guidance. HBF note that this represents a lot of new information that the Council will need work through and consider the implications of, in order to ensure that any policy on Biodiversity Net Gain policy complies with the latest

policy and guidance now it has been published. It should also be noted that the PPG is clear that there is no need for individual Local Plans to repeat national BNG guidance.

36. HBF therefore suggest that significantly more information, assessments and analysis around BNG, and Viability (for BNG and viability more generally) is needed to support the Herefordshire Local Plan, and in particular the site allocations.
37. It is also important to note that for 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 has been provided in the new BNG PPG.
38. The costs of BNG must also be considered as part of the whole plan viability assessment and should be specified as a single specific item, not combined into a generic s106 costs item. There are significant additional costs associated with biodiversity net gain, which should be fully accounted for in the Council's viability assessment, some of which are unknown at this time. It is important that BNG does not prevent, delay or reduce housing delivery. The costs relate both the financial costs and also land take- which will impact on densities achievable if BNG is provided on site.
39. As this is still a new policy area and the market for off-site provision, and statutory credits are not yet known, any figure used for BNG costs will need to be kept under review as BNG implementation progresses and a greater understanding of actual costs become available. The Whole Plan Viability Assessment should clearly set out how it considered the implications of mandatory BNG and how it was arrived at using the most up to date BNG costs information available.
40. HBF suggest that there is also a need for this policy and supporting text to say more about Local Nature Recovery Strategies. As the LNRS emerges it will be important for this Local Plan to be kept under review and further public consultation on the interaction between the two documents and/or changes to Local Plan policy to reflect the LNRS may be needed.
41. HBF would also encourage the Council to ensure 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. 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.
42. HBF also notes that there seems to be significant potential for confusion around environmental hierarchy, and suggest particular care is needed to

avoid any confusion between the well-established mitigation hierarchy and the new BNG hierarchy. There is need for the policy wording and/or supporting text to be clearer about the differentiation between the mitigation hierarchy (which seeks to avoid harm in the first place, then mitigate and only then compensate it in relation to protected habitats) and the BNG delivery hierarchy (which prioritises on-site BNG delivery, then off-site units and finally allows for statutory credits). There seems to be significant potential for confusion between the two difference hierarchies. HBF therefore suggest that the Council should take particular care to explain how the requirements of the two-part BNG hierarchy work in different ways and that they seek to achieve different aims.

43. Reference could also usefully be made within the Plan to the small sites metric. This is intended to be a less complex statutory metric that can be used to set out how 10% BNG will be secured on small sites. It can only be used for on-site BNG delivery. The national mandatory 10% BNG policy will apply to small sites from April 2024.
44. BNG will also impacts on the density of housing schemes that can be provided, as land used for on-site BNG is not available for housing. This may require larger and/or additional housing sites to be allocated.
45. HBF believe BNG should be a significant factor in emerging Local Plans and may require additional research, evidence work, policy and guidance of 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 BCP Plan 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.
46. HBF suggest that on-site BNG will impact on the housing densities achievable and therefore impact on the housing that can be provided. The results of the need for development to deliver environmental benefits must not lead to less housing but should instead result in increased housing allocations that can deliver both environmental improvements such as BNG, and the much-needed homes to address the current housing crisis.
47. HBF request that any policy on BNG and provides and recognition of the role of BNG mitigation hierarchy. HBF suggest that the Council should acknowledge that on-site BNG may not always be the best solution and that there may be occasions where off-site BNG offers greater benefits.

Policy EE3: Enhancing the quality of the built environment (page 40)

48. HBF suggest that points 3 and 8 repeat the same requirement, and therefore both are not needed. Similarly points 6 and 7 are superfluous as they are already covered by Policy EE1.



49. It would be helpful for the Plan to include indicative timings for the production of the Hereford Design Code. We are also unclear what is envisaged, and under what timeframes by the statements about 'market towns and rural settlements will develop a Design Code through their Neighbourhood Development Plan'. HBF would question whether there is enough skills, capacity and resources to undertake all of the design work envisaged in a timely and coordinated manner. The intention seems to be that there will be three different design codes for each application to consider- the national one, Herefordshire wide one and a local one, which would be very confusing especially if they are prepared to different time scales, the potential for conflict and confusion around design policies seems very high.

Policy AG1: Accommodating housing growth (page 43)

50. As mentioned earlier HBF would support a housing requirement for Herefordshire that was higher than the standard method housing requirement in order to support economic growth, provide a range and type of sites and to support small and medium house builders. There is 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.

51. NPPF para 60 still requires that in order "to support the government's objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay".

52. There is also a need for small sites. The NPPF requires Local Plans to identify land to accommodate at least 10% of the housing requirement on sites no larger than one hectare, unless there are strong reasons why this cannot be achieved. The HBF has undertaken extensive consultation with its small developer members. One of the chief obstacles for small developers is that funding is extremely difficult to secure without a full, detailed, and implementable planning permission. Securing an implementable planning permission is extremely difficult if small sites are not allocated. Without implementable consents lenders are uneasy about making finance available or the repayment fees and interest rates they set will be very high. Small developers, consequently, need to invest a lot of money and time up-front in the risky business of trying to secure an allocation and a planning permission, and this is money that many small developers do not have.

53. 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 69 of the NPPF. 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%.

54. HBF also note that support for small and medium builders need not be limited to only small sites of less than 1Ha. SMEs also deliver on other types of non-strategic sites (for example up to 100 units). The inclusion of additional non-strategic allocations would expand the range of choice in the market, and (possibly most importantly), be of a scale that can come forward and making a contribution to housing numbers earlier in the plan period.

#### Policy BC1: Housing mix and range

55. HBF does not support the introduction of the optional Nationally Described Space Standard though policies in individual Local Plans. If the Council want to do this they need robust justifiable evidence to introduce the NDSS, as any policy which seeks to apply the optional nationally described space standards (NDSS) to all dwellings should only be done in accordance with the NPPF, which states that “policies may also make use of the NDSS where the need for an internal space standard can be justified”.
56. The NPPF requires that all policies should be underpinned by relevant and up to date evidence, which should be adequate, proportionate and focussed tightly on supporting and justifying the policies concerned. The PPG identifies the type of evidence required to introduce such a policy. It states that ‘where a need for internal space standards is identified, local planning authorities should provide justification for requiring internal space policies. Local planning authorities should take account of the following areas:

Need – evidence should be provided on the size and type of dwellings currently being built in the area, to ensure the impacts of adopting space standards can be properly assessed, for example, to consider any potential impact on meeting demand for starter homes.

Viability – the impact of adopting the space standard should be considered as part of a plan’s viability assessment with account taken of the impact of potentially larger dwellings on land supply. Local planning authorities will also need to consider impacts on affordability where a space standard is to be adopted.

Timing – there may need to be a reasonable transitional period following adoption of a new policy on space standards to enable developers to factor the cost of space standards into future land acquisitions’.

57. HBF also remind the Council that there is a direct relationship between unit size, cost per square metre (sqm), selling price per sqm and affordability. The Council’s policy approach should recognise that customers have different budgets and aspirations. An inflexible policy approach to NDSS for all new dwellings will impact on affordability and effect customer choice. Well-designed dwellings below NDSS can provided a good, functional home.

Smaller dwellings play a valuable role in meeting specific needs for both open market and affordable home ownership housing.

58. 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.
59. HBF considers that if the Government had expected all properties to be built to NDSS that they would have made these standards mandatory not optional.
60. 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.
61. In relation to criteria b which requires all new development to meet M4(2), HBF note that the requirements to meet Part M4(2) will be superseded by changes to residential Building Regulations. The Government response to 'Raising accessibility standards for new homes' states that the Government proposes to mandate the current M4(2) requirement in Building Regulations as a minimum for all new homes, with M4(1) applying in exceptional circumstances. This will be subject to a further consultation on the technical details and will be implemented in due course through the Building Regulations. There is therefore no need for this element of the proposed new policy.
62. HBF also note that the requirements to meet Part M4(2) will be superseded by changes to residential Building Regulations. The Government response to 'Raising accessibility standards for new homes' states that the Government proposes to mandate the current M4(2) requirement in Building Regulations as a minimum for all new homes, with M4(1) applying in exceptional circumstances. This will be subject to a further consultation on the technical details and will be implemented in due course through the Building Regulations. There is therefore no need for this element of the proposed new policy.
63. HBF also notes that the PPG (PPG Paragraph: 008 Reference ID: 56-008-20160519 Revision date: 19 05 2016) states:

**“What accessibility standards can local planning authorities require from new development?”**

Where a local planning authority adopts a policy to provide enhanced accessibility or adaptability they should do so only by reference to Requirement M4(2) and/or M4(3) of the optional requirements in the Building Regulations and should not impose any additional information requirements (for instance provision of furnished layouts) or seek to determine compliance with these requirements, which is the role of the Building Control Body. They should clearly state in their Local Plan what proportion of new dwellings should comply with the requirements. There may be rare instances where an individual's needs are not met by the wheelchair accessible optional requirement – see paragraph 011 below.

Local Plan policies should also take into account site specific factors such as vulnerability to flooding, site topography, and other circumstances which may make a specific site less suitable for M4(2) and M4(3) compliant dwellings, particularly where step free access cannot be achieved or is not viable. Where step-free access is not viable, neither of the Optional Requirements in Part M should be applied.”

64. The PPG sets out some of the circumstances where it would be unreasonable to require M4(2) and M4(3) compliant dwellings. Such factors include flooding, typography and other circumstances. HBF suggest that flexibility is needed in the application of these standards to reflect site specific characteristics, and the policy wording should reflect this. HBF do not believe this policy is sound without this flexibility, as it fails to comply with national policy and is not effective or justified.
65. There is also a need to differentiate between Part a) and part b) of M4(3) technical standards. M43a sets out standards for wheelchair adaptable housing, where M43b relates to wheelchair accessible housing which can only be required on affordable housing where the Council has nomination rights. This part of the policy needs to be amended to recognise this distinction. The Viability Assessment should also consider the cost implications resulting from any requirements for the provision of M43a and/or M43b requirements. HBF therefore request that the policy is amended so that it is applied flexibly. This issue should also be factored into the whole plan viability assessment as both M4(3)a and M4(3)b impact on viability, with M4(3)b being considerably more expensive.

Policy BC2: Affordable housing (page 59)

66. It will be important for the Affordable Housing percentages to be robustly tested through the whole plan Viability Study. This needs to fully consider the wide range of challenges and additional costs facing developers at this time. For example, HBF information suggests that complying with the current Building Regulations new part L is costing £3500 per plot. The Future Homes Standard Part L in 2025 is anticipated to cost up to £7500+ per plot. There

will also be the addition of the Building Safety Levy that is coming in pay for cladding. This will be a per plot basis around the UK, and initial values are around £1500- £2500 per plot.

67. Other factors that need to be taken into account include increasing costs of materials and labour due to inflation and the costs of mandatory BNG, which are still emerging as the off-site market is yet to be established. HBF members are reporting costs of £20-30k per off-site BNG unit. Although the initial price of statutory credits is now known this national fallback option has been deliberately highly priced to discourage their use. Whilst this intention is understandable, at present the lack of functioning local markets for off-site credits causes viability problems because HBF members experience to date suggests that any scheme that needed to rely on statutory credits would become unviable.
68. Whole Plan viability testing is an important part of the plan-making process. However, as noted in PPG (ID: 10-003-20180724) assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable, and therefore flexibility in the amount of affordable housing sought may be needed to deal with site specific issues.
69. It will therefore be necessary for any policy on viability to include flexibility because whole plan viability assessments use methodologies that test typologies of sites, and not the detailed circumstances of individual sites. As such there may be individual sites that are already not viable, for example if the costs or values of a specific site fall outside the parameters used of a typology that was tested.
70. Some sites will be on the very margins of viability and other sites may already be unviable even without a change of circumstances. HBF therefore suggest that any viability policy should include the opportunity for negotiation around policy requirements for site specific reasons, as any sites whose circumstances fall outside the parameters of the typologies tested could already be unviable under the proposed Local Plan policies. The policy need amending to allow for site specific viability considerations to be taken into account.
71. At a very basic level viability can be improved by reducing costs or increasing values. Sometimes, therefore changing the type of affordable housing provided can help to improve viability of a specific site, and the plan should recognise this.
72. HBF also note that work undertaken by DEFRA to inform the national percentage BNG requirement found that a 20% net gain requirement would add c.19% to the net gain costs, over and above the minimum requirement of 10%. The report concluded that:

73. “While this suggests that varying the level of net gain between 5% and 20% has very limited impact on the outcome, there is a trade-off between cost implications for developers and the likelihood of net gain being delivered at a national level (e.g. less costly/likely at 5% net gain compared to 10%, and vice versa for 20%). Our chosen policy approach, which sets out that 10% is the right level to demonstrate net gain, considers this trade-off among other issues.”
74. Again, these conclusions support the need for the Council to clearly set out a BNG policy of 10%. There is already a need to consider the viability implications of statutory BNG and there would be a further need to consider the viability implications that seeking to go further and faster than national mandatory BNG could have on the delivery of affordable housing. HBF see no reason why BCP should deviate from DEFRA's conclusion that 10% BNG strikes the right balance between these trade-offs. Evidence would need to be provided to show that any higher BNG figure would be viable.
75. HBF also note that it is more usual for Affordable Housing policies to require the housing to be available in perpetuity or for the funding to be recycled. This more accurately reflects that situation, for example people can staircase out of shared ownership, in which case the funding is reused to deliver new affordable housing.

Policy BC3: Diversity of housing delivery (page 64)

76. HBF does not consider that requiring major developments to provide for self-builders is appropriate. Instead, the HBF advocates for self and custom-build policies that encourage self and custom-build development by setting out where it will be supported in principle. The HBF considers that Councils can play a key role in facilitating the provision of land as set in the PPG. This could be done, for example, by using the Councils' own land for such purposes and/or allocating sites specifically for self and custom-build home builders- although this would need to be done through discussion and negotiation with landowners.
77. 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.
78. The Council's policy approach should be 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 HLS. The Council should consider the application of a non-implementation rate to its HLS calculations.

79. It is the HBF's opinion that 5% self-build plots should not be required on housing sites of more than 20 dwellings. However, if the policy remains, it needs to be clear what happened where plots are not sold. HBF suggest that the policy should be amended to clarify that after six months any unsold plots will revert to the developer. Clarity is needed on how and when this will happen.
80. It is important that plots should not be left empty to the detriment of neighbouring properties or the whole development. The timescale for reversion of these plots to the original housebuilder should be as short as possible from the commencement of development because the consequential delay in developing those plots presents further practical difficulties in terms of co-ordinating their development with construction activity on the wider site. There are even greater logistical problems created if the original housebuilder has completed the development and is forced to return to site to build out plots which have not been sold to self and custom builders. The current policy therefore needs amending to make it clear that any is clear that any unsold plots remaining after a maximum six-month marketing period revert to the original developer.

Policy HSC1: Promoting health and wellbeing (page 68)

81. We would suggest the phrasing where appropriate in this policy is vague and should be clarified. Development can only be required to mitigate its own impact.

**Place shaping document.**

82. HBF do not comment on individual site allocations. However, we 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.
83. 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.
84. 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.

85. As HBF suggest the housing requirement for Herefordshire should be higher, additional housing sites will be needed.

### **Future Engagement**

86. 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.

87. HBF would like to be kept informed of all forthcoming consultations upon the Local Plan and associated documents. Please use the contact details provided below for future correspondence.

Yours Faithfully

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

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