

Sent by email to: local.plan@huntingdonshire.gov.uk

27/11/2024

Dear Sir/ Madam

Huntingdonshire Local Plan – Further Issues and Options Consultation

1. Thank you for consulting the Home Builders Federation (HBF) on the Huntingdonshire Local Plan. The HBF is the principal representative body of the housebuilding industry in England and Wales and our representations reflect the views of discussions with our membership of national and multinational corporations through to regional developers and small local housebuilders. Our members account for over 80% of all new housing built in England and Wales in any one year.

Housing figures and requirement

2. As noted by the Council the number of homes the council are required to deliver will depend on the outcome of the recent consultation on the National Planning Policy Framework and the proposed revisions to the standard method. While the new standard method represents significant increase in the number of homes that should be delivered in Huntingdonshire it is pleasing to note that delivery in the district exceeded 1,200 homes in 2022/23 and is expected to do so again in 2023/24. This would suggest that there is sufficient capacity in the market to deliver homes to meet the 1,203 dwellings per annum that would be required if the standard method being proposed is adopted. However, in order to deliver consistently at this rate HBF considers it necessary to ensure that the number of homes planned for exceeds the requirements by at least 10%. This ensures that there is flexibility in supply to take account of those sites that do not come forward as expected.

Alternative scenarios

3. The HBF would consider the proposed standard method to provide appropriate levels of growth for the area. However, the Council will need to work with their neighbours to

understand whether there are likely to be any unmet needs arising in the area given the increased expectations as to what is needed. The proposed changes to the standard method would see the minimum number of homes to be planned or increase from 4627 to 5760 dwellings per annum across the Cambridgeshire and Peterborough area. Given this sub region is a key location for economic growth, it will be essential that housing needs are met in full in order to ensure that future investment in the region is not stymied by insufficient housing supply. Moving forward the Council will therefore need to work closely with its neighbours to plan strategically for the increase in housing delivery that is expected by the current Government.

Plan period

4. The plan period being proposed by the Council over which these homes would be delivered is 2021 to 2046. The end date of the plan is supported as this will give ample time to ensure that the plan will look ahead for at least 15 years from the point of adoption. However, HBF would recommend that the start date of the plan should be consistent with the base date used by the standard method. As the Council are aware the standard method is a forward looking assessment of housing needs and takes into account past delivery through the affordability adjustment. This is clear from paragraph 2a-005 which notes that when setting the baseline for the standard method the current year is used as the starting point for calculating growth. The standard method also requires the affordability adjustment to be the most recent data. This adjustment is to reflect the price signals in the market and ensure that housing needs are responding to these signals which suggests that the starting point for any plan should be the year to which the affordability ratio relates. Therefore, logic would dictate that the period over which housing needs is to be met should start from the year in which needs are assessed rather than from years prior to this period when the assessment of housing needs would have resulted in a different outcome.

Conclusion on housing needs and supply

5. HBF support Option C to ensure a supply of housing that is at least 10% more homes than that required by the standard method. However, this may need to be increase should there be unmet housing needs in neighbouring areas. The plan period will also need to be amended in the next iteration of the plan to commence from the year in which the assessment is undertaken. Such an approach would ensure the plan period is consistent with national policy.

Growth Strategy Options

6. HBF does not have a preference for a specific growth strategy. However, it will be important to ensure that the growth option that is taken forward provides suitable balance between the size of site that is allocated in the local plan. The Council will no doubt be aware of 'Start to Finish' the research by Lichfields on the time taken for larger sites to come forward. This research shows that sites of 1,500 homes or more take, on average, nearly 7 years between validation of the planning permission to the first home being built. This compares to under 4 years for development of between 50 and 100 dwelling. Therefore, in order to secure the level of growth being proposed while HBF consider that it will be necessary for the Council to examine opportunities for strategic urban extension and new communities, we also believe the Council must also smaller sites to ensure delivery is balanced across the plan period. The allocation a wide range of small and medium sized sites will ensure a consistent supply of housing across the plan period with the smaller sites coming forward in the early and middle years of plan prior to the strategic sites coming on line.
7. As part of this the council will need to allocate at least 10% of housing need as small sites of under one hectare in order to be consistent with paragraph 70 of the NPPF. The delivery of such sites is important not only in ensuring a balance in the Council's supply across the plan period but also in ensuring that SME house builders are able to gain allocations within local plans and the certainty this brings with regard to its future development. The current Government continue to recognise the importance of this sector stating the recent consultation on the proposed reforms to national planning policy.

"Small and medium sized builders are essential to meeting our housing expectations and supporting local economies. They also build out the majority of small sites. Their business models often rely on identifying and securing small sites and building them out quickly. The Government is concerned that SME housebuilders are not able to access the small sites that they need, and that local planning authorities are not bringing forward small sites in their plans to the level set out in the NPPF".

8. The HBF agrees, a thriving SME sector increases choice and competition within the housing market as well as enabling more homes to come forward early in any plan period. However, this sector of the house building industry is under pressure. A failure to allocate small sites

will contribute to the decline in small and medium sized house builders. Recent research by the HBF has found that there are 85% fewer small house builders today than there was 20 years ago and that of a survey of 202 SME house builders 87% said they were considering winding up their residential activities in the next three years.

9. Whilst this decline is due to a range of factors recent research by HBF¹ indicate that delays in planning permission are a major barrier to growth. More allocations of small sites would ease the burden on many SME developers and provide more certainty that their scheme will be permitted allowing them to secure the necessary finance that is often unavailable to SMEs until permission is granted. The effect of an allocation is to take some of the risk out of that development and provide greater certainty that those sites will be granted planning permission. This in turn will allow the SME sector to grow, increase the diversity of the new homes that are available as well as bringing homes forward earlier in the plan period.
10. Therefore, whichever strategy is chosen it must ensure that there are a wide range of development opportunities across the district that will ensure consistent supply and a choice of new homes to those who need them. This is likely to require the council to take forward a spatial strategy that is an amalgam of the options being proposed in this consultation and we would urge the council not to fixate on just one approach to delivering the growth needed in the district.

The approach to climate change

11. HBF make no comment with regard to the location and delivery of renewable energy and the various decarbonisation strategies. However, with regard to building standards, the Council outline that they will consider how to move forward with regard to higher energy efficiency standard in new homes once legal challenges to the Written Ministerial Statement have been concluded. The council will be aware that one such challenge ([2024] EWHC 1693 Admin) has recently been dismissed at the High Court. In her judgment in this case Justice Lieven concluded that the claim failed on all three grounds outlining that the WMS was consistent with the intention of the Planning and Energy Act 2008 and did not prevent Council's from using the powers given them by this Act. As such the Council will need to give substantial weight to the WMS when considering its position.

¹ <https://www.hbf.co.uk/news/hbf-report-state-play-challenges-and-opportunities-facing-sme-home-builders/>

12. It is also important to recognise that by the time this plan is adopted the Future Homes Standard will be in place ensuring that all new homes are zero carbon ready. This means that as the national grid decarbonises so will these homes and in HBFs considerations no need for additional standards to be placed on new development. Therefore, if the Council do decide to examine the possibility of higher standards, then these must be consistent with the approach used in building regulations and not seek to apply different standards that create variation across the country. That was not the aim of the 2008 Planning and Energy Act. The specific aim was stated by the minister at the time which was to allow LPAs the ability to set higher targets but “... *within the confines of the national framework*”.
13. The Council will also need to ensure that what is suggested is not only viable but, as set out in the WMS, also that it is deliverable. The Council will need to have discussions with the development industry operating in Huntingdonshire to ensure that whatever is being proposed can be delivered and if it can how this will impact on delivery rates.

Water efficiency in residential development

14. HBF would not object to option B given that the district is in an area of water stress. The lower water standard of 80 l/p/d proposed in option C is not consistent with national policy which states that 110 l/p/d is sufficient in water stressed areas. Future water standards are being considered that will phase the introduction of lower standards and the council should not look to introduce lower standards ahead of these recognising that a consistent national approach is the best way of ensuring improved standards whilst maintaining the delivery of new homes. The only reason for a lower standard would be where the issue of water supply is inhibiting the potential adoption of the local plan and the delivery of new homes.

Affordable housing and Housing Mix

Affordable housing proportion

15. Without any up to date evidence as to what is needed and viability it is not possible to comment on the approach that should be taken with regard to affordable housing provision. If the viability evidence shows that certain developments or areas cannot support the current policy, then the council should either look to lower its requirements or at the very least ensure that there is a clear signal that the council is willing to negotiate a lower level of provision. If this means that the need for affordable housing cannot be met then the Council

will, in line with paragraph 2a-024 need to consider whether an uplift in the overall number of homes being planned for could address any shortfall.

Housing type and size

16. With regard to the size and type of housing HBF consider the most appropriate way forward is Option A to allow the market to decide what to build. House builders know the type of housing that is needed in an area and will build the homes to support those needs. However, in order of the market to be effective in meeting a wide range of needs it is necessary for a wide range of sites, in both size and location, to be allocated. However, HBF recognises that on larger sites it can be helpful for the applicant and decision maker to have a degree of guidance as to the type of mix that is needed within an area and for this some consideration to be given to providing a mix of homes based on recent assessments of need, as suggested in Option B.

Supported and specialist housing

17. As with housing development in general the Council should seek to support the delivery of retirement homes and other forms of specialist accommodation for older people in a range of locations across the borough. This should be through allocations on sustainable sites where appropriate but also supportive development management policies that recognise such developments are not homogenous and therefore take into account the type of specialist accommodation that is being proposed and the potential need of future residents.

Self and custom build

18. Firstly, it is important that any policy reflects the demand for self-build homes. The level of demand should play a significant role in shaping the policy taken forward. It may be the case that demand can be met through windfall development which would require a supportive policy but no specific requirements on new development. If demand is not going to be met through windfall HBF considers the most appropriate approach to meeting the needs of those looking to build their own homes is to identify specific sites for self-build plots as suggested in option A. By and large self-builders are not looking to build a home on commercial housing development and such an approach is consistent with paragraph 57-025 PPG which encourages Council to utilise its own land or seek to engage with landowners to identify suitable sites on which to deliver serviced self-build plots. Such an

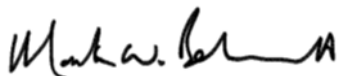
approach also avoids difficulties with regard to self-builders operating alongside commercial housebuilders and the potential negative consequences for other residents of self-build plots left unfinished.

19. However, if the Council were to decide to require development to provide plots, we would not consider the threshold of 50 units to be appropriate. This should only be a requirement on strategic scale development where a specific parcel could be identified to provide plots for self-builders where this has been agreed with the site promoter. Such an approach can ensure that self-build plots are delivered with minimal impact on the rest of the proposed development. Where such policies are included in local plans it will be vital that any unsold plots are returned to be built out by the developer after a marketing period of six months.

Future Engagement

20. I trust that the Council will find these comments useful. I would be happy to discuss these issues in greater detail or assist in facilitating discussions with the wider house building industry if that would be helpful. The HBF would like to be kept informed of the progress and adoption of the Local Plan. Please use the contact details provided below for future correspondence.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Mark Behrendt', with a stylized flourish at the end.

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