

Sent by email to: LPU@wokingham.gov.uk

12/11/2024

Dear Sir/ Madam

Wokingham Local Plan

1. Thank you for consulting the Home Builders Federation (HBF) on the Wokingham 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.

Consultation on amendments to the NPPF

2. At the end of July, the Government commenced a consultation on a number of amendments to the NPPF. The proposed revisions will make significant changes to the current document and there is a strong possibility that many of the Councils' neighbours, will be required to prepare plans that are consistent with the changes being proposed to the NPPF, should they be adopted. Alongside the changes to the NPPF the Government have also consulted on a new standard method. While our comments will be based on the current NPPF we will refer to the potential impact of the proposed changes within our representations.
3. If submitted under the proposed transitional arrangements the council cannot just disregard all of the proposed changes. While the proposed amendments can only be given limited weight with regard to the local plan at this point in time, it is important to note that inspectors are already asking local plans at examination for comment on the proposed changes and the impact arising from Written Ministerial Statement '*Building the Homes We Need*' that was published early this year and it will be necessary for WBC to consider the need for an immediate review should it be submitted prior to the implementation of any changes.

Review

4. In particular the changes to national policy being proposed by the Government mean that the plan will require modification to set out an immediate review of the plan to take account of proposed changes to the NPPF that are currently being consulted on, should they be adopted. While these changes are still out for consultation should the remain as currently presented consideration will need to be given to paragraph 227 in the draft NPPF which states:

“Where paragraph 226 c) applies, local plans that reach adoption with an annual housing requirement that is more than 200 dwellings lower than the relevant published Local Housing Need figure will be expected to commence plan-making in the new plan-making system at the earliest opportunity to address the shortfall in housing need.”

5. The proposed standard method would see WDCs housing needs increase from 748 dpa to 1,308 and, if adopted unchanged, will require the council to prepare a new plan immediately. However, it is the HBF’s experience that without an incentive to review a recently adopted plan these are rarely undertaken rapidly. Therefore, a strong review policy is required that set out clear dates as to when a new plan will be submitted, and the consequences should that plan not come forward in the agreed timescale. HBF would recommend a policy is included in the local plan along the lines of that adopted in the Bedford Local plan 2030 (reproduced in appendix A). This policy was included in the Bedford Local Plan in similar circumstances when the NPPF was amended in 2018 requiring the use of the Standard Method to assess housing needs and HBF would recommend a similar policy is included in this local plan.

Duty to Co-operate

6. The Statement of Common Ground with the other local authorities in the west of Berkshire housing market area is dated August 2021 and will need to be updated prior to submission. For example, HBF are aware that Reading Council have contacted neighbouring authorities regarding potential unmet housing needs of Reading and the ability to accommodate unmet needs, should they arise. The level of unmet needs arising in Reading, based on the proposed standard method, will be significant given that needs will increase to 1,023 dpa

with the level of delivery set out in Reading's most recent local plan consultation of 825 dpa. Turning to other areas it is surprising that no statements of common ground with other neighbouring areas has been published. HBF would have expected these to have been in place with all those Councils or housing market areas that border Wokingham.

7. Co-operation on housing needs should not be restricted to HMAs but consider unmet needs more widely as part of their strategic responsibility to ensure housing needs are met in full. The Council will need to provide evidence of meetings with these authorities as to their development needs and supply as well as considering how these relate to the proposed changes in the standard method. Table 1 below shows that the new standard method would see the minimum number of homes to be planned for increased considerably across all areas neighbouring Wokingham.

Table1: Change in LHNA between current and proposed standard method

LPA	Current Method	Proposed Method	Change
Reading	878	1,023	145
West Berkshire	495	1,057	562
South Oxfordshire	579	1,179	600
Windsor and Maidenhead	866	1,341	475
Bracknell Forest	563	767	204
Hart	297	734	437
Buckinghamshire	2,912	4,122	1,210

8. While the weight to be attached to these with regard to this local plan, should it be submitted under the proposed transitional arrangements, will be limited they cannot be ignored. The Council and its neighbours must consider how they will respond to these needs and where plans are adopted under the current Framework the need for a robust review that will ensure a new plan is prepared to address both its own needs and any unmet needs arising in neighbouring areas and align plan making in the HMA. Should the Council not seek to consider the potential impact of the changes in national policy and make no modifications to this plan, HBF would question whether the co-operation has maximised the effectiveness of local plan preparation as is required by paragraph 33a of the Planning and Compulsory Purchase Act 2004.

SS10: Meeting our housing needs

Policy is unsound as it is inconsistent with national policy

9. This policy states that provision will be made for a minimum of 12,763 net additional dwellings for the period 1 April 2023 to 31 March 2040, an average of 751 dwellings per annum (dpa). This is based on a local housing needs assessment in 2023/24 of 795 dpa and 748 dpa for the remaining plan period.
10. HBF consider the plan period which runs from 2023/24 to 2039/40 to be unsound. If the plan is submitted at the end of the year, it is highly unlikely to be adopted until the start of the 2026/27 monitoring year and will result in the plan looking forward for 14 years post adoption, which is inconsistent with paragraph 22 of the NPPF. HBF would suggest that an extra year is added to the plan period. HBF would also question whether the plan period should start in 2023/24. The standard method is a forward looking assessment of need taking in to account both under and oversupply in its methodology and uses a base period that is required to start in from the current year. In order to be consistent with national policy HBF would recommend that the plan period to start in the year in which the housing need is calculated, in this case 2024/25 and end in 2040/41.

Housing supply

11. To meet its proposed housing requirement the Council state that they have sufficient land on identified sites and windfall to deliver 13,995 homes – a surplus over local housing needs of 1,232 homes. HBF welcomes the decision to plan more homes than the minimum required over the plan period. Such an approach is essential to ensure that needs are met in full. Based on the Council's Housing Trajectory paper the Council would have a five-year land supply on adoption. However, HBF estimate this to be marginal at 5.07 years should the plan be adopted 2026/27. Without additional supply in the early years of this plan there is a risk that the plan could be considered out of date soon after adoption and as such would recommend additional small sites are identified that could deliver more homes in these early years, as well as securing sufficient supply to ensure it supports SME housebuilders and exceeds the requirements of paragraph 70 of the NPPF to deliver a minimum of 10% of its housing requirement on sites of less than one hectare.
12. With regard to the paragraph 70 the HBF could not find any evidence as to the number of homes that will be delivered on small sites. The delivery of such sites is important 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”.

13. 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. The Council must provide the evidence to show the council is meeting the requirements of paragraph 70 as well as increasing delivery in the first five years of the plan. If it is not meeting this requirement then it must allocate additional sites to ensure it is consistent with the key part of national policy.

Policy CE3: Environmental standards for residential development

Policy is unsound as it is inconsistent with national policy and unjustified.

Energy standards

14. The proposed policy position would require all new development to demonstrate net zero operational carbon onsite by ensuring a total site total energy use intensity standard of 35kwh/m²/year and space heating demand of around 15-20 kwh/m²/year. The policy also requires no single dwelling to have a total energy demand of greater than 60 kwh/m²/year. In addition, new buildings would need to generate at least the same amount of energy as that demanded over a year. Where this cannot be achieved the council will expect any energy use to be offset through payments to local projects that save the equivalent amount of carbon. This would be calculated using an energy performance predictive modelling tools such as Passivhaus Planning Package or CIBSE TM54.

15. Whilst the HBF would agree with the Council that there is a need to act to reduce carbon emissions we would disagree that this needs to be undertaken through the local plan given that there is already a national approach, the Future Homes Standard (FHS), being taken forward to achieve the same goal. Delivering these improvements through building regulations has a distinct advantage over delivering a variety of different approaches across the county, in that it provides a single approach that all developers understand and can be rolled out at scale. This allows supply chains and skills to be improved prior to implementation and ensure that improvements to building standards are actually deliverable from the point at which they are introduced.
16. However, if the Council chooses to go beyond current or future standards it must be done in a way that is consistent with national policy and robustly assesses its consequences and gives consideration as to how the requirements are consistent with the written ministerial statement (WMS) published on the 13th of December 2023. Before considering the content of the WMS itself it is important to note the High Court judgement from the 2nd of July 2024 ([2024]EWHC 1693 Admin). This judgement was on the challenge to the WMS made by Rights Community Action on three grounds, including that the WMS restricted exercise by local authorities of powers conferred on them.
17. The judgment made by Justice Lieven was that the claim failed on all three grounds. In coming to these judgements Justice Lieven importantly notes the intention of the Government at the time with respect to section 1(1)c of the Planning and Energy Act 2008, which allowed Local Authorities to set standards above those in building regulations. Paragraph 65 states:

“With respect to the current section 1(1)(c) specifically, the Minister confirmed councils “can go further and faster than building regulations, but within the national framework”. The Minister also addressed the overall intention of clause 1(2) in the following terms:

“The intention was for local authorities, in setting energy efficiency standards, to choose only those standards that have been set out or referred to in regulations made by the Secretary of State, or which are set out or endorsed in national policies or guidance issued by the Secretary of State. That approach was taken with a view to avoiding the fragmentation of building standards, which could lead to different standards applying in different areas of the country.

Although supportive of the hon. Gentleman's Bill, that was not an outcome that we wanted to achieve.”

18. It is therefore clear that the intention of the original legislation was to ensure that energy efficiency standards within local plans were to be set within the scope of building regulation to avoid a multiplicity of standard coming forward. The judgment goes on to note in paragraph 66 that the WMS does not stray from this purpose.
19. It is therefore clear that that not only is the WMS compliant with legislation but also the intention of Planning and Environment Act 2008 was to ensure that any policies seeking improved standards on those set out in Building Regulations must be set within the framework of those regulations. Local plan policies which seek to apply an alternative standard would not only be inconsistent with the WMS but also with the intentions of the legislation.
20. Moving to the WMS itself, the housing minister notes that *“Compared to varied local standards nationally applied standards provide much-needed clarity and consistency for businesses, large and small, to invest and prepare to build net-zero ready homes”* and that local standards can *“add further costs to building new homes by adding complexity and undermining economies of scale”*. After noting these concerns, the 2023 WMS goes on to state that any standard that goes beyond building regulations should be rejected at examination if the LPA does not have a well-reasoned and robustly costed rationale that ensures:
 - That development remains viable, and the impact on housing supply and affordability is considered in accordance with the National Planning Policy Framework.
 - The additional requirement is expressed as a percentage uplift of a dwelling's Target Emissions Rate (TER) calculated using a specified version of the Standard Assessment Procedure (SAP).
21. HBF do not consider the approach set out in CE3 to be consistent with the WMS nor that the implications of such a policy have been properly assessed in the supporting evidence base. Our detailed points are set out below.
22. The approach proposed by the Council based on energy use is inconsistent with the approach set out in the WMS and as such is unsound. It should be noted that the

Government have considered whether it was appropriate to use a delivered energy metric such as the one being proposed in the policy position paper and have concluded that these do not offer any additional benefits to those being taken forward by Government. Therefore, if the Council are to require standards above those set out in building regulations they must be expressed as a percentage of the target emission rate and not as an energy use target in order to avoid fragmentation of the standards with different requirements being set in different areas which it must be recognised was not only an expectation of the WMS but also of the legislation that permits council to adopt higher standards in local plan in the first place. As such the HBF do not consider the council to be justified in departing from either the WMS or the Planning and Energy Act (2008) and the section of the policy under the heading "All New Residential Development" and paragraph 4.27 and 4.28 should be deleted.

23. While HBF do not consider the policy to be consistent with national policy we are also concerned that the Council has not properly considered the impact on viability or the deliverability of development. The Council will need to ensure the costs and deliverability of this policy are fully and robustly tested. In preparing its viability assessment HBF suggest the Council consider costs published by the Future Homes Hub (FHH) as part of their work to support and inform the implementation of the Future Homes Standard. The costs for similar standards to those being proposed can be found in the FHH report 'Ready for Zero'. This study tests a number of archetypes against a range of specifications from the current standards set out in the 2021 Building Regulations through to standards that will achieve similar standards to those proposed by the Council.
24. The various specifications and costs considered are summarised in Figure 8 of Ready for Zero and indicates that in order to deliver standards above the FHS on a three bedroomed end of terrace house (specifications CS3, CS4 and CS5 in the FHH report) would be around 15-19% higher than the 2021 Building Regs, around £17,000 to £22,000 more per unit. The council's Viability Study (VS) however outlines in paragraph 4.18 that it has tested two scenarios relating to this policy – a 5% and a 7.5% uplift, well below what might be required to meet the standards set out in this policy. Given that the VS notes in paragraph 6.25 that these lower assumptions reduce the residual values by 15% and 22% respectively HBF are concerned that should these costs be higher than suggested this policy could impact on the deliverability of sites in this local plan or require significant reductions in affordable housing requirements.

25. With regard to deliverability of zero carbon homes HBF would not disagree that the proposed standards are technically feasible. However, HBF are concerned as to the impact these requirements will have on the rates at which sites can deliver new homes on all types of sites. Given that the standards proposed are higher than those proposed by Government in the Future Homes Standard and will require higher levels of fabric efficiency, which in turn will require new skills and materials that may not be readily available, HBF are concerned this could slow delivery in the short to medium term as supply chains are developed.
26. It has been recognised by the FHH that to deliver higher standards will require phased transitional arrangements to enable a steady build-up of skills and ensure quality. The FHH also notes in its report Ready for Zero that even if a short transition period between current standards and those similar to the Council are proposing that this would "... create a high risk of quality problems, inflated costs and, potentially, stalled build programmes." However, HBF could find no evidence that the Council has considered whether its proposed standard will impact on the rate at which new homes can be built. The Council will need to speak directly to a range of housebuilders operating in WBC to understand the impact of its policy on the rate at which homes will be delivered on its allocated sites. Without any consideration of delivery then the Council's decision to go beyond what is required by building regulations is clearly unjustified
27. While HBF understands the desire for LPAs to go further current policy recognises that even where development can viably implement higher standards this must be within a consistent technical framework and approach to assessing building performance against those technical standards. Indeed, this has long been the case in planning policy with paragraph 159b of the NPPF stating that "*Any local requirements for the sustainability of buildings should reflect the Government's policy for national technical standards*".
28. If the Council have the evidence to show that the policy is deliverable the Council will need to ensure that all other policies in the local plan are consistent with delivering the levels of embodied carbon being proposed. The most energy efficient design will inevitably lead to less variety in the built form in order to reduce the surface area of the building. This will need to be reflected in design policies and any design codes that are produced to ensure that development is not refused for seeking to meet energy efficiency standards but, for example, not being designed in the character of the local area.

29. HBF would also recommend that that if a net zero policy is to be included in the local plan it should require a development to be net zero rather than for individual homes. As the council will be aware some homes, such as terrace houses and flats, are more intrinsically energy efficient and emit less carbon compared to detached homes and bungalows. As such it may be difficult for some individual homes to be net zero but where there is a mix of development the site as a whole to achieve the required standard.

Water standards

30. The lower water standard of 105 l/p/d 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.

Policy CE4: Supporting a circular economy

Policy is unsound as it is ineffective

31. The HBF has concerns with policies that require additional strategies and statements to be produced without any clear idea as to how these will be used by decision makers or how they would be enforced. This policy is likely to see more reports being produced to satisfy the policy without any real understanding on the part of the decision makers as to what it means. HBF would therefore suggest it is an ineffective policy. If the policy is adopted, then 6.35 should be amended as it states developers should follow a specified approach to circular economy audits. The local plan can direct development to best practice in completing such studies, but it cannot state that these should be followed.

CE5: Embodied carbon.

The policy is unsound as it is inconsistent with national policy.

32. HBF is concerned that the requirement to undertake an accurate whole life carbon assessment is compromised by the lack of data across building material as to their

embodied carbon. Until there is greater accuracy, we question whether the whole life carbon assessments can be sufficiently robust at present to be part of decision making. As with reducing carbon emissions from operational energy use HBF considers it best that such matters addressed at a national level to avoid different approaches and standard being set in different areas. The housebuilding industry is working with the Future Homes Hub it to develop a roadmap to reducing embodied carbon and whilst Council's may want to go further faster HBF have concerns that this will impact on the deliverability of development with a disproportionate impact on SME developers.

33. Therefore, HBF consider the policy to be unsound and it should be deleted.

Policy H3: Affordable housing

The policy is not sound as it inconsistent with national policy and is unjustified.

34. Firstly, in seeking to affordable housing provision from development of at least 5 units of accommodation (gross) or 5 bedspaces (gross), or covering a site area of at least 0.16 ha, the policy is inconsistent with paragraph 65 of the NPPF which states that the provision of affordable housing should not be sought on development that is not major development. The Council point to the fact that Reading Borough Council have adopted a similar approach but equally areas such as Reigate and Banstead, Elmbridge, and West Berkshire – which are arguably more similar to Wokingham than Reading, have had policies that require contributions from sites that are not major developments found to be unsound.

35. Before considering the Council's justification for this departure it is worth reiterating why this particular policy was introduced. The Ministerial Statement is clear that the reason for introducing this policy was to "*ease the disproportionate burden of developer contributions on small scale developers*". This is distinct from whether or not such development is viable in general but whether they are a disproportionate burden on a specific sector that faces differential costs that are not reflected in general viability assessments. These costs have led to a reduction in the number of small and medium (SME) sized house builders. Analysis by the HBF shows that over the last 30 years changes to the planning system and other regulatory requirements, coupled with the lack of attractive terms for project finance, have led to a long-term reduction of total SME house builder numbers by about 70% since 1988. The Government is very anxious to reverse this trend and increase the number of small

businesses starting up and sustaining this activity. Improving business conditions for SME home builders is the key to long-term supply responsiveness.

36. The justification for the Council's approach, aside from the fact that it a similar policy has bene applied by Reading, would appear from paragraphs 5.3 to 5.15 of the Affordable Housing Topic paper to be solely based on the impact on viability. However, this is not compelling evidence to go against a national policy that is aimed at encouraging more small sites to come forward and support SME house builder who in general struggle with the additional burdens placed on them through local an compared to larger developers. Therefore, whilst a general viability assessment may indicate the ability of such site s to support the delivery of affordable homes this is not sufficient evidence to dismiss national policy aimed at supporting, and indeed growing, a very specific and important part of the house building industry. It is also likely that the policy would support very few additional affordable homes across the plan period as to be sufficient justification to remove a key national policy aimed at supporting SME house builders.

Policy HC1: Promoting healthy communities

Policy is unsound as it is unjustified.

37. Part 4 of this policy requires all major development undertakes a Health Impact Assessment (HIA). Whilst the HBF would agree that they are an essential part of plan making to ensure the Council understand the health outcomes it is seeking to achieve and creates a plan that seeks to deliver these. This should be achieved through the preparation of a whole plan HIA which will inform the Council that the policies it contains address the key health outcomes for the area. As the plan and the policies, it contains has been prepared to address the key health issues it is therefore unnecessary for future development proposals that accord with this plan to undertake a separate HIA. If a development meets the policies in the plan, then it is by default addressing the health outcomes already identified by the Council. An HIA as part of the application would merely be repetition of the work the council has already undertaken. The only circumstance where an HIA may be appropriate would be for a larger unallocated site where the impacts may not have been fully considered by the council as part of the plan wide HIA.

Policy HC4: Open space, sports, recreation and play facilities

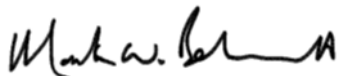
Policy is unsound as it is unjustified.

38. The evidence presented to support this policy is from 2012 and cannot be considered to represent an accurate picture of the open space and recreational needs in the Borough to 2040. We note that the Infrastructure Delivery Plan states that the playing pitch strategy and Indoor Built Facilities study support the adoption of the standards in part 4 of the policy but these have not been included in the Council's evidence base and HBF could not find these elsewhere on the Council's website. As such so it is not possible to say whether these are robust assessments of needs that justify the continuation of this policy which is lifted directly from the Managing Development Delivery Document adopted in 2014. If the council is to include these requirements, and in particular the requirements for additional sports halls and swimming pools they must publish the evidence base supporting the proposed standards.

Conclusion

39. At present we do not consider the plan to be sound, as measured against the tests of soundness set out in the NPPF. I can therefore confirm that the HBF would like to participate in any hearing sessions held at the examination in public on the matters raised in our representations and that we would like to be kept informed of the submission and examination of the local plan.

Yours faithfully

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

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Appendix 1: Review Policy from Bedford Local Plan 2030.

Policy 1 - Reviewing the Local Plan 2030

The Council will undertake a review of the Local Plan 2030, which will commence no later than one year after the adoption of the plan. An updated or replacement plan will be submitted for examination no later than three years after the date of adoption of the plan. In the event that this submission date is not adhered to, the policies in the Local Plan 2030 which are most important for determining planning applications for new dwellings will be deemed to be 'out of date' in accordance with paragraph 11 d) of the National Planning Policy Framework 2019.

The plan review will secure levels of growth that accord with government policy and any growth deals that have been agreed. The planning and delivery of strategic growth will be aligned with the delivery of planned infrastructure schemes including the A421 expressway, Black Cat junction, East West Rail link and potentially the A1 realignment.

The review will also serve to build stronger working relationships with adjoining and nearby authorities and may result in the preparation of a joint strategic plan based on a wider geography.