

Sent by email to: planning.policy@lewes-eastbourne.gov.uk

24/01/2020

Dear Sir/ Madam

Response by the Home Builders Federation to the consultation on the issues and options for the Eastbourne Local Plan

Thank you for consulting the Home Builders Federation (HBF) on this issues and options consultation. 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. Outlined below are our comments on the approach taken by the Council to increasing the supply of land for residential development and the policies being proposed with regard to the management of new development in future.

Housing needs and supply

The Council have stated that they will not meet housing need and have presented a variety of strategies that will deliver between 191 dwellings per annum (dpa) and 358 dpa. Therefore, even the option delivering most units across the plan period will fall short of meeting housing needs by some 300 dpa. These homes will need to be delivered in neighbouring areas as required by the NPPF and it will be necessary for Eastbourne to identify where these homes will be provided for the new plan to be found sound. Given the nature of the constraints it will be logical for development to take place to the north of Eastbourne working with Wealden to develop urban extension to Eastbourne itself as well as surrounding settlements such as Polegate and Hailsham. Given that Wealden will now be preparing a new plan following the inspector's conclusion that they had failed to co-operate effectively in meeting the needs of Eastbourne, it will be important for both Council's to work together constructively to meet the needs of the housing market area in full. This must be seen as an opportunity by both Council's to plan positively for growth.

It will also be necessary for the Council to work with the South Downs National Park to consider whether development opportunities exist on the western edge of Eastbourne. We appreciate the paragraph 11 of the NPPF recognises that national park designation may be one reason why a delivery of development may be restricted but it will be necessary for these reasons to be fully considered as part of plan preparation. As established in paragraph 11 the Council must be certain that there are strong reasons why this designation should restrict the overall scale of development. We recognise



that the South Downs National Park have recently adopted a plan and set out the future levels of development in the park. However, this was examined under the 2012 NPPF which states under the presumption of sustainable development at paragraph 14 that development needs should be met unless specific policies indicate development should be restricted. The change made to the 2019 NPPF, as outlined above, sets out a different test that will need to be considered by Eastbourne and the National Park Authority as part of the preparation of this local plan.

With regard to the options put forward by the Council it will be necessary for this to be consistent with the section 11 of the NPPF and make the most effective use of land and in particular paragraphs 122 and 123. The application of these paragraphs in the NPPF would indicate that option D provides the most appropriate strategy. However, we note that this assumes the prevailing density would be used on sites outside of the town centre. We would suggest that to be consistent with national policy the Council should consider higher densities in areas outside of the town centre that are well served by public transport.

Affordable housing

The latest Framework places far more emphasis on the local plan with regard to viability and ensuring that development will be deliverable against the policy requirements being set by the Local Planning Authority. It is therefore essential that the approach taken by Councils is consistent with both policy and guidance and that the Council does not seek to secure contributions at a level that could make development viability marginal and which will, inevitably, lead to site by site negotiations with regard to affordable housing and other contributions.

The Council note in the consultation document that there is a balance to be made between affordable housing and the ability to secure funds to support infrastructure. This is an important balance and will require the Council to identify the infrastructure needs for the area and the costs of delivering this before setting its affordable housing policy. However, alongside infrastructure costs the Council will also need consider all the other policy costs within the local plan and whether the cumulative impact of these alongside affordable housing policies and infrastructure costs will make development unviable. It is likely that the Council will need to consider its priorities across the local plan not just those relating to infrastructure and affordable housing, especially as the Council recognises on page 111 of the consultation document that development viability in Eastbourne is marginal. As such there may be a case for the Council to opt for approach c) under option Y and rely on itself to deliver affordable housing.

To assist Council in the consideration of viability issues within their local plans the HBF has worked with its membership on how they consider build costs, fees, profit etc. and produced a briefing note (attached) to help Council in undertaking viability assessments of local plans. However, alongside this note we consider it vital that the Council engage fully with local house builders to understand the actual costs of policies in the local plan and the other variables they face. Without such interaction the Council

will not be able to state that their preparation is consistent with the approach recommended in Planning Practice Guidance.

Small site threshold for affordable housing

Paragraph 63 of the 2019 NPPF establishes the approach set out in the 2015 Written Ministerial Statement with regard to contributions for affordable housing not considered to be major residential development. The Council have decided to ignore this policy and will require small sites delivering a net increase of between 4 and 9 units to make a financial contribution toward affordable housing provision.

When considering the appropriateness of including such a policy it is worth reiterating why the Government introduced this particular policy. 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 from this sector.

It is also worth considering the Government’s broader aims for the housing market. This is most clearly set out in the Housing White Paper (HWP). Their aims are not just to support existing SME house builders but to grow this sector again which was hit hard by the recession with the number of registered small builders falling from 44,000 in 2007 to 18,000 in 2015. To grow the sector one key element has been to simplify the planning system in order to reduce the burden to new entrants into this market. Therefore, the focus of the Council should be on freeing up this sector of the house building industry rather than seeking to place financial burdens that the Government have said should not be implemented.

Starter homes

The Council should not seek to require or limit the provision of starter homes through policy but seek to work with landowners to identify suitable sites to secure a supply of starter homes. It must also be recognised that starter homes are a form of low-cost home ownership which the Government state in paragraph 63 should form at least 10% of the affordable contribution on any site.

Housing optional technical standards

Space Standards

The Council will have to provide the evidence to support the adoption of space standards as set out in Planning Practice Guidance. It is important to note the NPPF, at footnote 46 to paragraph 127, states that Council's must justify that these are "needed". This suggests that it is not sufficient for these standards to be desirable to implement but that they are genuinely required to address a chronic issue. Given that the annual customer satisfaction surveys undertaken by the HBF in partnership with the NHBC show that 93% of those purchasing a new build home in 2018/19 were very or fairly satisfied with their internal layout of their home would suggest that the application of space standards not needed in every area.

If the Council can provide appropriate justification, we would suggest the policy includes some flexibility in the application of space standards where there is demand for good quality smaller than standard accommodation. For example, some developers will provide entry level two, three and four-bedroom properties which may not meet the optional nationally described space standards but allow those on lower incomes to afford a property which has their required number of bedrooms. Essentially the overzealous application of space standards could mean that those families on lower incomes requiring a higher number of bedrooms will not be able access the home they need.

We note that the Council ask whether they should create a locally specific space standard for Eastbourne. This would not be consistent with national policy which states that:

"Where a local planning authority (or qualifying body) wishes to require an internal space standard, they should only do so by reference in their Local Plan to the nationally described space standard."

As such the only optional technical standards that can be applied are those set out in planning practice guidance.

Accessible homes

We recognise that a proportion of homes may need to be built to higher accessible and adaptable standards but we do not consider it necessary for all homes to be built at this level. PPG (ID 56-07) identifies the type of evidence required to introduce a policy for accessible and adaptable homes, including the likely future need; the size, location, type and quality of dwellings needed; the accessibility and adaptability of the existing stock; how the needs vary across different housing tenures; and the overall viability. Without any evidence presented it is not possible to suggest the proportion of homes that should built to the higher accessibility standards.

Self-build and custom housebuilding

Whilst we support the encouragement of self-build housing through the local plan, we do not consider it appropriate to require developers to provide self-build homes on site.

Whilst we recognise that Local Planning Authorities now have a duty to promote self-build housing paragraph 57-024 of the PPG sets out a variety of approaches that need to be considered including the need to engage with landowners and encourage them to consider providing plots for self-build and custom house building. This suggests a more proactive role for the Council and not the top down application of planning policy on certain developments. We would therefore support the Council's suggested option that landowners be encouraged to provide self-build plots in lieu of affordable housing provision. This would provide an incentive for their delivery and recognises that self-build is being promoted by Government as more affordable way into home ownership.

Carbon Neutrality

Construction standards

The Council propose to set an objective of ensuring all development in the Borough is built to be carbon neutral. Whilst we appreciate the ambition, we would point to the fact that the Council cannot require that all development is built to be carbon neutral through the local plan – a fact recognised by the Council on page 14. It is for Government to set construction standards for housing through the Building Regulations. Indeed, it would appear from the latest consultation on building standards¹ that the Government is likely to move away from Council's being able to set higher building standards through local plans. It should also be acknowledged that today's new homes are very energy efficient with lower heating bills for residents compared to existing older homes. The HBF therefore supports moving towards greater energy efficiency via a nationally consistent set of standards and a timetable for achieving any enhancements which is universally understood and technically implementable.

Electric vehicle charging

As part of policy CN1: Modal Shift the local plan will require electric charging points to be provided at all new developments. The HBF recognises the need to support the use of electric and hybrid cars. As such it is supportive of a national standardised approach to electric vehicle charging points implemented through the Building Regulations to ensure a consistent approach to future proofing the housing stock. In particular we are concerned that the individual approaches being taken by Council 's with regard to charging points fail to take into account the full impact on electricity supply of their policies.

In 2018 the Government published its Road to Zero Strategy which set out a mission for all new cars / vans to be effectively zero emission by 2040. Recently the Department for Transport held a consultation on electric vehicle charging². This consultation proposes regulatory changes (a new Part to Building Regulations) to result in more

¹ Future Homes Standard, MHCLG (2019)

² Electric vehicle charge points in residential and non-residential buildings, DfT (2019)

EVCPs for electric vehicles across the UK. The overnight charging of cars at home is generally cheaper and more convenient for consumers. It is the Government's intention for all new homes to be electric vehicle ready and require every new home to have an EVCP, where appropriate. An optional standard is not the Government's preferred option who consider the introduction of a new functional requirement under Schedule 1 to the Building Regulations 2010, which is expected to come into force in the first half of 2020 to be a more appropriate way forward. We would therefore suggest that the Council carefully monitors this situation and does not seek to implement policies that are likely to be beyond the scope of the local plan when it is published. As with other building standard the most appropriate way forward is through consistently applied national approach rather than piecemeal requirements in individual areas.

However, if the Council do consider including this policy in future iterations of this plan the cost of implementing these standards will also need to be taken into account. The installation of such charging points is estimated to add on an additional cost of approximately £976. However, the introduction of EVCPs in new buildings will impact on the electricity demand from these buildings especially for multi-dwelling buildings. A requirement for large numbers of EVCPs will require a larger connection to the development and will introduce a power supply requirement, which may otherwise not be needed. The level of upgrade needed is dependent on the capacity available in the local network resulting in additional costs in relation to charge point instalment. The costs of installing the cables and the EVCP hardware will also vary considerably based on site-specific conditions in relation to the local grid.

The Government's consultation recognises that the cost of installing EVCPs will be higher in areas where significant electrical capacity reinforcements are needed. In certain cases, the need to install charge points could necessitate significant grid upgrades which will be costly for the developer. Some costs would also fall on the distribution network operator. Any potential negative impact on housing supply should be mitigated with an appropriate exemption from the charge point installation requirement based on the grid connection cost. The consultation proposes that the threshold for the exemption is set at £3,600. In the instances when this cost is exceptionally high, and likely to make developments unviable, it will be necessary to recognise that any EVCP requirements should not apply.

Car parking provision

We have no comments to make as to whether the Council adopts the County Council's standards or its own standard. However, we do request that the standard is included within the plan and not part of supplementary guidance. Changes in parking standards can impact on viability by reducing the amount of land available for development or requiring the additional expense of under croft parking. Given that these standards can be used to refuse a planning permission we consider these standards to be policies that must be included in the local plan in order to ensure that any amendments in future are consulted on and examined in public.

Renewable energy

We recognise that the NPPF requires development to comply with development plan policies on decentralised energy supply. As with other policies being considered under the premise of carbon neutrality, we consider nationally consistent approaches are the most effective way forward. However, should the Council take forward such a policy it will need to be robustly justified to ensure that it does not, in combination with other policies in the plan, make development unviable. The policy will also need to recognise, as set out in paragraph 153, that it will not be feasible to provide any decentralised energy supply on some developments and that in such circumstances any local requirements will be waived.

Carbon Off-set

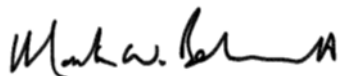
As highlighted earlier it is for Government to set out the principles for reducing carbon emission through the application of appropriate building standards over time and not appropriate for local plans to require developers to offset any residual carbon emissions. Whilst we do not disagree with the premise of encouraging green roofs or tree planting, we would suggest that these are addressed through policies for open space, landscaping and building design rather than as part of a policy on carbon offsetting.

We are concerned with the Council's suggestion relating to local carbon offsetting schemes as the Council state that this is to ensure a scheme is carbon neutral. The Government has made a commitment to ensuring net zero emissions by 2050 but as yet there is no requirement in national planning policy for development schemes to be carbon neutral and therefore requiring development to contribute to any offsetting schemes to this level is not consistent with the NPPF and must be considered unsound.

Conclusion

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. The HBF would like to be kept informed of the progress of the document. Please use the contact details provided below for future correspondence.

Yours faithfully



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