

Spatial Planning
Bernard Weatherill House, Zone 2B
8 Mint Walk
Croydon
CR0 1EA

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Dear Sir / Madam

Croydon Local plan Review: Issues and options (regulation 18)

Thank you for consulting on the review of the Croydon Local Plan. The following response is provided by James Stevens, Director for Cities, on behalf of the Home Builders Federation (HBF).

The Home Builders Federation (HBF) is the representative body of the home building industry in England and Wales. The HBF's member firms account for some 80% of all new homes built in England and Wales in any one year, and include companies of all sizes, ranging from multi-national, household names through regionally based businesses to small local companies. Private sector housebuilders are also significant providers of affordable homes, building 49% of affordable homes built in 2018/19.

James Stevens contact details are:

Home Builders Federation
HBF House, 27 Broadwall
London, SE1 9PL

Telephone: 020 7960 1621
Email: james.stevens@hbf.co.uk

Strategic spatial options

HBF is unable to comment on the three strategic spatial options that have been proposed other than to say that the effects of residential intensification should be spread more equitably. Residents of more well-to-do areas should not be immune from the implications of Mayoral and local policy to densify the existing urban area. Everyone must share the burden of tackling climate change. Conservation areas and 'character' areas should not be exempt from making a contribution to meeting the housing needs of Greater London especially as the residents of such areas are invariably the strongest proponents of environmental measures.

The costs of the 'compact city' philosophy need to be spread more equitably. Paragraph 101 of the Panel's report on the new London Plan refers to the impact of intensification for lower income residents of the city and the risk that they will be displaced owing to rises in land and property values.



Plan period

The local plan should be clearer about the period of time the plan is intended to operate over. We note in chapter 1 on page 10 that the plan for delivering homes is a 20-year target – between 2019 and 2039. By contrast, the new Draft London Plan is only able to set a housing target for the period 2019/20 to 2028/29 because it cannot guarantee a land supply beyond that end date. Following on from this, Croydon Council should only make a plan for 10 years – those same years as the Draft London Plan. This is because it is also unable to demonstrate a deliverable land supply for the period beyond 2028/29 because of the uncertainty around the small sites that are needed to complement the strategic growth areas.

As the Panel remarked in connection with the Mayor's capacity assessment of London's housing land supply, (see para. 151) *"simply 'rolling-forward' the existing targets beyond 2029 would not be effective...Simply applying the local needs housing assessment after that date through this Plan would not properly reflect the capacity issues in London"*.

Further, in para. 150 it observes *"Given that (the targets) are derived from an assessment of capacity, setting realistic targets over a longer time span would be problematic given that circumstances might change unexpectedly"*.

Instead, the Council should monitor performance against the new London Plan policies and objectives, and preparations should be made by the Council to update the Croydon Local Plan in line with the review of the London Plan. This will be necessary to reflect a revised London Plan which will need to be in place by 2024/25 (para. 595 of the Panel Report).

Duty to cooperate

After years of uncertainty on this issue, the Panel has confirmed that the duty to cooperate does not apply to the preparation of the London Plan. Because the London Plan is not a development plan document, the Mayor has chosen not to discharge this legal duty. Despite the HBF's strong misgivings about the Mayor's decision to evade the duty, that duty now clearly falls to Croydon Council to engage with.

The Inspector examining Croydon's previous local plan (examined in January 2018) failed to grasp this issue, as the passage reproduced below shows (our emphasis):

From the inspector's report for the Croydon Local Plan (para. 64, January 2018)

So, in setting a housing requirement of 32,890, which is robustly justified by capacity analysis, the partially reviewed Croydon Strategic Policies exceed the target of 28,700 for Croydon set by the London Plan and so, conform both with it and the legal requirement to do so. In any event, Croydon sets its requirement as a minimum. The difference of 11,259 between Croydon's housing requirement set in its reviewed Local Plan and the local OAN identified in its SHMA is a component in a London-wide housing market. As several other London Boroughs commented in their responses to Croydon's consultations under the Duty to Cooperate, the matter is one to be considered in future iterations of the London Plan.

This was not a matter addressed by the Draft London Plan or the previous London Plan. Although many London boroughs have attempted to insist that the Mayor is responsible for discharging the duty – both legally and practically. This is not the case.

The new London Plan, like the previous London Plan is faced with a very large unmet housing need – 140,000 homes that are needed but which cannot be accommodated over the next ten-year London Plan period. Croydon Council will need to show through this plan how it has endeavoured to accommodate an element of that unmet need through negotiations with local authorities in the wider south east. The Council could focus first upon its own unmet need, based on the downwards-revised housing targets in the new Draft London Plan, although we acknowledge the difficulties associated with this because London is treated as a single housing market, and need (and unmet needs) are not directly apportioned to individual London boroughs by the London Plan. The overall need for Greater London is apportioned on the basis of the capacity available in each borough. Croydon should seek a direction from the London Mayor on this point so that it is able to effectively engage with the duty to cooperate.

However, assuming that each London local authority is responsible for dealing with the difference between the overall need apportioned to it by the London Plan and the revised capacity following the Panel Report, then Croydon's portion of the objectively assessed need for Greater London is 29,490 homes, but the revised capacity is 20,790 homes. This means that there would be a shortfall of 8,700 homes. Croydon should use this as the basis for its negotiations with local authorities in the wider south east, especially the local authorities of Tandridge and Reigate & Banstead.

We recognise that this might be very difficult to manage but it is the position that the Mayor of London has placed the Council in by refusing to take responsibly for this strategic planning function.

Housing target

It is unclear if Croydon will recalibrate its housing target to reflect the new lower capacity-derived figures in the Mayor's *Intend to Publish* version of the Draft London Plan. There are conflicting figures in the Regulation 18 consultation. The foreword does refer to the revised 20,790 capacity-constrained housing target figure in the *Intend to Publish* version of the Draft London Plan. But it also refers to the Standard Method. While we appreciate the Council's reasons for doing so, this could create confusion.

It is not necessary for Croydon Council to refer to the Standard Method in this Plan. The London Plan provides the assessment of need, and its approach has been found sound by the examining Panel. See para. 4.1.2 of the Draft London Plan. The Panel has accepted the Mayor's departure from the Standard Method on this occasion, chiefly because the Draft London Plan was published for consultation before the NPPF 2019 came fully into effect and so benefits of the transitional arrangements applied – see para. 131 of the Panel Report. Paras 103 and 131 refer to the soundness problems associated with rolling forward these capacity-derived figures beyond 2028/29. HBF concurs with this measured analysis and therefore considers it unsound to roll these figures forward beyond the next ten years. A new London Plan will need to be prepared before then.

The *Intend to Publish* version of the Draft London Plan establishes a target of 20,790 homes for the next ten years – 2019/20 to 2028/29. We have stated above that HBF considers that Croydon should align with the Draft London Plan in terms of the plan period by only planning for the next ten years.

Croydon's portion of the objectively assessed need for Greater London was 29,490. It has been concluded that the realistic capacity is 20,790 homes. The Council should seek guidance from the Mayor about the size of the unmet housing need that it is responsible for. If it does not get a response from the Mayor, then it should proceed on the basis that it is responsible for a shortfall of 8,700 homes.

Windfall or 'small sites' evidence base

The Council is conflating windfall trends with the need to identify small sites. They are two separate things. The NPPF requires plan-makers to accommodate at least 10% of the housing requirement on sites no larger than one hectare (para. 68).

The Council needs to identify and allocate land small sites of one hectare or less to enable 2,079 homes to be provided between 2019/20 and 2028/29. Windfall may continue to be factored in, based on evidence, but it is not a replacement for physically identified and allocated sites.

We have noted the report of November 2019. This includes case studies. This is not the same thing as identified and allocated sites which is required by the NPPF.

We strongly urge the Council to reconsider its approach here, as it is in danger of repeating the mistake of the Mayor of London in assuming that a theoretical assessment of potential yields can be a substitute for the requirements of national policy. National policy requires specific and deliverable sites to be identified for the first five-year plan period and specific and developable sites for the subsequent five years.

The Council may factor-in a windfall element over the plan period (NPPF, para. 70) but the Council will need to consider historic windfall delivery rates and expected future trends. The November 2019 report does not go into these issues and the Draft Plan does not appear to indicate what the past trend in windfall has been.

HBF would be happy to discuss this further with the Council.

Homes

Policies in the Croydon Local Plan will need to be clearly and unambiguously expressed. This is required by national policy (NPPF, para. 16). This is necessary to set price signals. There is no need to duplicate policies in the London Plan. It would be helpful if the emerging local plan signalled where a local policy varies from a policy in the London Plan.

In line with the Draft London Plan, the priority for planning obligations will be to support affordable housing and transport. The local plan viability assessment will be central to plan making process. It should inform the plan-making process, not be something that comes right at the end.

Affordable housing

We note the discussion on the policy approach in Croydon to the provision of affordable housing. If the Council is not going to adopt the Draft London Plan approach to affordable housing, including the threshold approach, then it will need to establish a clear and unambiguous policy in the Local Plan. HBF would favour the Council following London Plan policy on affordable housing.

To support the supply of small sites, and to help the Council achieve its 2,079 homes on small sites requirement, it should not seek affordable housing contributions from schemes of 10 units or fewer. This would reflect national planning policy.

Planning applications will be required to comply with all policies in the local plan unless the applicant is able to demonstrate how circumstances have changed from when the plan was adopted.

Older persons housing

We note in the consultation version of the Plan that the number of people aged 65 or over will have increased by 41% by 2031 (page 6). The Local Plan should include a policy that shows how Policy H13 of the Draft London Plan will be implemented within Croydon. This policy should include the indicative benchmarks for older persons housing in Table 4.3 of the Draft London Plan. This sets an indicative benchmark target for 225 homes a year. National planning policy attaches importance to improving provision of homes for older people (para. 59 and 61 of the NPPF and the Planning Practice guidance note on *Housing for Older and Disabled People*).

Environment and Climate Change

The housebuilding industry, through the HBF, has resolved to implement stronger measures to improve the environmental performance of new residential developments. This is in terms of reducing carbon emissions in new homes, providing gains in bio-diversity on all developments, green infrastructure and improving the environment around new developments. As part of this work, the industry will need to take into account the Government's measures on the Future Homes Standard (see the MHCLG consultation in October 2019) and Bio-Diversity Gain – both of which will be mandatory for new residential developments in 2020. In terms of new regulatory targets applying to new development from 2025 onwards – to deliver the objectives of the Future Homes Standard – the industry, with the leadership of the HBF, will be commissioning work to consider what the industry can do, taking into account developments in research and product development within that time-frame, and what new standards can feasibly be adopted and implemented by the industry.

To assist with this, it is the industry's preference is for a national approach to improving the environmental performance of residential developments, rather than local authorities setting their own standards. We consider this is necessary to allow research and development and supply chains to focus upon responding to agreed national targets, and for training course providers to plan their training programmes to equip the labour force. It is inefficient to create a plurality of standards. This will militate against effective action.

It is our recommendation, therefore, that the Croydon Local Plan does not set new standards for the environment that exceed those already contained in the Draft London Plan or national regulatory requirements where the London Plan is silent. This includes adopting Passivhaus as the standard for residential development. The Draft London Plan will be reviewed in 2024 by which time new national regulatory standards for energy efficiency will be in the offing. The Croydon Local plan will need to be revised by this point, and it is at this point that the Council should review its environmental policies to ensure they align with the new national standards.

Transport

In line with the Part D of Draft London Plan policy DF1: Delivery of the Plan and Planning Obligations, Croydon Council will need to prioritise the use of obligations to support affordable housing provision and public transport. Contributions to public transport and pedestrian and cycle routes will help contribute to London's environmental goals. This priority should be reflected in the Croydon Local Plan as a policy. This will provide a clear signal to landowners and developers.

Electrical vehicle charging points

We note that the consultation includes an option for a policy on electrical vehicle charging points. HBF prefers a national and standardised approach to the provision of electrical charging points in new residential developments. We would like this to be implemented through the Building Regulations rather than through local planning policy.

If the Council does choose to make policy in this area there are several issues that it will need to consider carefully.

The Council's work should be supported by evidence demonstrating the technical feasibility and financial viability of his requirements. Any requirement should be fully justified by the Council including confirmation of engagement with the main energy suppliers to determine network capacity to accommodate any adverse impacts if all, or a proportion of dwellings, have charging points. We argue this because if re-charging demand became excessive there may be constraints to increasing the electric loading in an area because of the limited size and capacity of existing cables. This might mean that new sub-station infrastructure is necessary. There may also be practical difficulties associated with provision to apartment developments or housing developments with communal shared parking rather than houses with individual on plot parking. This will be an important consideration as the Local Plan requires the construction of flats as the most common residential type.

The NPPF requires that any policy, including a requirement for charging points, should be clearly written and unambiguous (para 16). The policy will need to specify the quantum and type of provision sought either AC Level 1 (a slow or trickle plug connected to a standard outlet) or AC Level 2 (delivering more power to charge the vehicle faster in only a few hours) or other alternatives.

HBF hopes that these comments on the emerging local plan are helpful. We would be happy to meet with the Council to discuss these matters further.

James Stevens, MRTPI

Director for Cities

Email: james.stevens@hbf.co.uk

Tel: 0207 960 1623

