

CSPU Consultation, Planning Policy, Planning, Regeneration and Transport, Rotherham Metropolitan Borough Council, Riverside House, Main Street, Rotherham, S60 1AE.

> SENT BY EMAIL planning.policy@rotherham.gov.uk 30/09/2024

Dear Planning Policy Team,

# ROTHERHAM LOCAL PLAN: CORE STRATEGY PARTIAL UPDATE ISSUES AND OPTIONS CONSULTATION

- 1. Thank you for consulting with the Home Builders Federation (HBF) on the Rotherham Local Plan Core Strategy Partial Update Issues and Options consultation.
- 2. The 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.
- 3. The HBF notes a consultation on the NPPF and the standard method for calculating housing need has commenced part way through the consultation on the Rotherham Local Plan Core Strategy Partial Update Issues and Options consultation, and that this is likely to have implications for the production of the Plan and the policies it contains.

# **Plan Period**

- 4. The Plan suggests that the Plan Period will run 2025 to 2040 for the updated policies, whilst the policies that are not updated will retain the existing plan period of 2013-2028.
- 5. The NPPF<sup>1</sup> is clear that 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. Therefore, the HBF considers that the Council will need to ensure that the end date of the plan is appropriate and will still provide at least 15 years on adoption, this is likely to mean extending the period to at least 2042.

<sup>&</sup>lt;sup>1</sup> NPPF December 2023 paragraph 22



Home Builders Federation HBF House, 27 Broadwall, London SE1 9PL Tel: 0207 960 1600 Email: <u>info@hbf.co.uk</u> Website: <u>www.hbf.co.uk</u> Twitter: @HomeBuildersFed

## Scope of the Partial Update

- 6. The Council propose to amend policies CS1, CS6, CS7, CS8, CS9, CS16, CS17, CS24, CS25, CS26, CS27, CS30, CS32, CS33 and CS34.
- 7. The HBF would query why the Council are choosing to only undertake a partial review of the Core Strategy given the dated nature of the existing plan and the evidence that will have supported the creation of the policies that it contains. The HBF would strongly recommend that the Council looks again at preparing a completely new Local Plan bringing together the strategic policies, policies and sites.

# Policy CS1: Delivering Rotherham's Spatial Strategy

- 8. The Council does not propose to amend the distribution of housing set out in the current policy CS1 as the Council considers this provides an appropriate long-term strategy and indicative distribution.
- 9. The HBF considers that whilst the Council may believe that the Spatial Strategy remains appropriate, the Council will need to consider a more up to date evidence base to ensure this is the case. This may include consideration of the housing need, the housing market and the housing land supply available in each area to meet local needs, particularly in light of the proposed consultation on the NPPF and the standard methodology. The HBF suspects that the table currently contained within Policy CS1 is likely to require further revision. This may for example include a further consideration of the land available within the Green Belt. The Written Ministerial Statement (WMS) (Building the Homes we Need) of Angela Rayner on 30<sup>th</sup> July 2024 clearly states that the Government is committed to ensuring the Green Belt serves its purpose, and that means taking a more strategic approach to Green Belt release. It goes on to state that we will start by requiring local authorities to review their Green Belt boundaries where they cannot meet their identified housing, commercial or other development needs. This has been followed up by the consultation on the NPPF, with the proposed paragraph 142 stating 'Green Belt boundaries should only be altered where exceptional circumstances are fully evidenced and justified, through the preparation or updating of Plans. Exceptional circumstances include, but are not limited to, instances where an authority cannot meet its identified need for housing. . . In these circumstances authorities should review Green Belt boundaries and propose alterations to meet these needs in full'.

#### Policy CS6: Meeting the Housing Requirement

- 10. The current Plan establishes a housing requirement of 850 dwellings per annum (dpa) for the period 2013 to 2028. The Council proposes to update the housing requirement in line with national policy and guidance and also provide an indication of housing requirements for neighbourhood areas. The Council currently proposes to amend the policy to 554 net additional dwellings per annum or 8,864 dwellings for the extended plan period to 2040.
- 11. The HBF notes that the Government are proposing to amend the standard methodology for calculating the local housing need, this proposed methodology would give Rotherham a housing need of 1,233dpa. Over the 16 years of the currently proposed Plan period to 2040 this would equate to a need for 19,728 dwellings.

- 12. In line with the NPPF<sup>2</sup> which states that the overall aim should be to meet as much as an area's identified housing need as possible, the HBF considers that the Council should be seeking to ensure that its entire housing need is addressed.
- 13. The HBF is keen that the Council produces a plan which can deliver against its housing requirement. To do this it is important that a strategy is put in place which provides a sufficient range of sites to provide enough sales outlets to enable delivery to be maintained at the required levels throughout the plan period. The HBF and our members can provide valuable advice on issues of housing delivery and would be keen to work proactively with the Council on this issue.
- 14. The Council also propose to update the wording in Policy CS6 to clarify that windfall development of new homes will be supported where it is consistent with the Spatial Strategy set out in CS1. The HBF is generally supportive of a policy supporting the delivery of windfall development.

## Policy CS7: Housing Mix and Affordability

15. Firstly, the HBF considers that this policy is trying to do too much in one policy, particularly give the detail provided in the policy. The HBF strongly recommends that this policy is split up into elements with a specific policy in relation to Affordability, one on Rural Exceptions, one on housing mix, and one on space standards.

## Affordable Housing

- 16. The current policy sets a requirement for 25% affordable housing and where the site is less than 15 dwellings offers the opportunity for a commuted sum of £10k per dwelling to be provided instead. The Council propose to update the policy to reflect the latest national policy and the Council's latest evidence regarding affordable housing, viability and developer contributions. Changes include amending the threshold from 15 dwellings to 10 dwellings, requiring 25% affordable homes; clarifying the tenure split of the affordable housing with at least 56% of all affordable homes being for social / affordable rent and 44% being for intermediate housing; and setting out that the Council will only accept a financial payment in lieu of on-site provision in exceptional circumstances.
- 17. The HBF considers that the Council will need to collate evidence to determine the affordable housing need in the area. The HBF considers that it is appropriate for the Council to plan for the affordable needs of its community, and to ensure that it does this in line with the requirements in the NPPF<sup>3</sup>. This should ensure that any affordable housing requirements are clearly set out, are evidenced as viable through an assessment, and that flexibility is provided within the policy where viability may be an issue. The Council should be mindful that it is unrealistic to negotiate every site on a one-by-one basis because the base-line aspiration of a policy or combination of policies is set too high as this will jeopardise future housing delivery.

<sup>&</sup>lt;sup>2</sup> NPPF Dec 2023 paragraph 60

<sup>&</sup>lt;sup>3</sup> NPPF 2023 paragraphs 34, 63-66

18. The HBF notes that the Affordable Housing Development (Viability) Appraisal Refresh Study (March 2024) includes a recommendation to replace the authority-wide affordable housing policy with a zonal affordable housing requirement. It suggests that brownfield housing sites are more vulnerable to market changes and the cumulative impacts of other policy requirements and that a lower 10% affordable housing requirement should be used in the town centre area. The HBF recommends that the Council give further consideration to their own evidence in the preparation of this policy.

## Housing Mix

- 19. The current policy expects new housing to deliver a mix of dwelling sizes, types and tenures taking into account an up-to-date Strategic Housing Market Assessment (SHMA). The Council proposes to amend the policy to require that development proposals comply with national minimum housing space standards and external space standards which align with those set out in the South Yorkshire Residential Design Guide and are set out in the policy.
- 20. The HBF understands the need for a mix of house types, sizes and tenures and is generally supportive of providing a range and choice of homes to meet the needs of the local area. It is, however, important that any policy is workable and ensures that housing delivery will not be compromised or stalled due to overly prescriptive requirements, requiring a mix that does not consider the scale of the site or the need to provide significant amounts of additional evidence.

#### Space Standards

- 21. The Internal Space Standards for New Homes Background Paper (June 2024) provides the Council's evidence base for this policy, it has considered 94 commenced or completed developments between March 2017 and December 2023, from a range of housing developers, with different parts of the Borough. The Council has compared these developments to the criteria in the NDSS including the double bedroom floorspaces, single bedroom floorspaces, bedroom widths and gross internal areas. The Council have identified that 59% of housing designs are not in compliance with the reviewed standards, with higher proportions of terrace and semi-detached homes not in compliance. The Council have identified that the most common reason for noncompliance is the size of double bedrooms, although they highlight that this could be due to the lack of guidance to determine whether a bedroom is intended for single or dual occupancy. The Council go on to highlight that the requirements for higher space standards may have implications for the viability of the development scheme particularly on brownfield sites, and that this will be considered in the Viability Assessment. The Council also considers that as the NDSS were first introduced in 2015 and have been adopted by a number of Councils, and is used informally in planning application decision making that there is no need for a transition to the use of NDSS standards.
- 22. The HBF notes that the NDSS as introduced by Government, are intended to be optional and can only be introduced where there is a clear need and they retain development viability. As such they were introduced on a 'need to have' rather than a 'nice to have'

basis. PPG<sup>4</sup> 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, Viability and Timing.

- 23. The Council will need robust justifiable evidence to introduce the NDSS, based on the criteria set out above. The 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. The HBF does not consider that the Background Paper is sufficient evidence to demonstrate need for the introduction of the NDSS. The Council have not provided evidence to show that these homes have not sold or that the residents of these properties are in anyway unsatisfied with their home. They have also provided no consideration of how these properties compare to other properties within the market area.
- 24. The HBF considers that standards can, in some instances, have a negative impact upon viability, increase affordability issues and reduce customer choice. In terms of choice some developers will provide entry level two, three and four-bedroom properties which may not meet the optional nationally described space standards but are required to ensure that those on lower incomes can afford a property which has their required number of bedrooms. The industry knows its customers and what they want, our members would not sell homes below the enhanced standard size if they did not appeal to the market.
- 25. It should be noted that the HBF's Annual Industry Customer Satisfaction Survey<sup>5</sup> published March 2023 and completed by over 60,000 new homeowners highlights that 90% of people who have bought a new home would do so again. It also highlights that 92% of homeowners are satisfied with the internal design and layout of their new home. This does not suggest that new homeowners have issues with the size of rooms provided or that there is a need for the NDSS to be introduced.
- 26. The HBF would also recommend that a transitional period is included within the policy, whilst some developers will be aware of the introduction of NDSS, this may not apply to all, and consideration will need to be given to the lead in times particularly between land value negotiations and an application being submitted.

#### Policy CS30: Towards Net Zero Carbon and Renewable Energy Generation

27. The current policy seeks to reduce carbon dioxide emissions. The Council proposes to amend the policy to move towards a net zero carbon approach it proposes to state that all new development shall contribute to reducing Rotherham's borough-wide carbon emissions to net zero by 2040. The Council also propose that new developments shall demonstrate how they have minimised their Whole Life Carbon Impact. The policy also looks for applicants to provide energy statements to demonstrate how development proposals have sought to minimise carbon emissions and to support the development of

<sup>&</sup>lt;sup>4</sup> PPG ID: 56-020-20150327

<sup>&</sup>lt;sup>5</sup> https://www.hbf.co.uk/documents/12362/18th\_Survey\_CSS\_2023\_Completions\_October\_2021\_-

\_September\_2022.pdf

district heating networks and connections of major developments. The proposed policy also includes the need for residential development to provide a minimum of 1 charging point per dwelling and 1 charging point per parking space for flats.

- 28. The HBF considers that it is important that the Council does not set its own standards for development which may differ from the approach being taken by national Government, and that any such policy in relation to low carbon, local heat and energy solutions are implemented on a flexible basis, and that the Council recognise the decarbonisation of the national grid. This would be in line with the Written Ministerial Statement of December 2023<sup>6</sup>.
- 29. Building Regulations Part L 2013 is often used as a base line for measuring future building performance in terms of carbon reduction. Part L 2021 sees a 31% reduction in carbon use when compared to that of Part L 2013, it still sees the use of gas or fossil fuel heating used in new properties. The 31% improvement is achieved through enhanced performance to the design of the building fabric and within the appliances used within the home. Part L 2025 (known as the Future Homes Standard (FHS)) is expected to see a 75% to 80% reduction in carbon use when compared to Part L 2013. Any new home built to the Part L 2025 will not utilise any form of fossil fuel heating within the home, it will only contain sources of electric heating and electrical appliances. This means that the homes built to the FHS will be 'zero carbon ready'. This in turn means that as the National Grid decarbonises, no additional work will be needed to be carried out to those properties in order for them to function as 'zero carbon homes'.
- 30. The HBF considers that the provision of electric vehicle charging capability is unnecessary as Part S of the Building Regulations now provides the requirements for Electric Vehicle charging in residential developments, including where exceptions may apply.
- 31. The HBF considers that if the Council is to introduce a policy in relation to whole life carbon impact (WLC) it will have to closely consider how it will be monitored and what the implications are for the preparation of any assessment, particularly in relation to how easily accessible any data is, and that it will have to take into consideration that much of the responsibility for emissions will lie in areas outside of the control of the homebuilding industry, including material extraction and transportation, occupation and maintenance, demolition and disposal. The Council will also have to consider how the policy will interact with other policies for example in relation to energy efficiency or resilience to heat, as well as the viability and delivery of development.
- 32. The HBF considers that if this policy were to be introduced then the Council should provide a transitional period to give the industry time to adjust to the requirements, to upskill the workforce as needed and for the supply chain to be updated or amended as required. The HBF also considers that the Viability Assessment will need to include a cost for undertaking this whole life-cycle carbon assessment, and any costs associated with addressing any issues raised by these assessments.

<sup>&</sup>lt;sup>6</sup> https://questions-statements.parliament.uk/written-statements/detail/2023-12-13/HCWS123

- 33. The HBF also does not consider it is necessary for schemes to consider the use of district heat networks, and suggests that the Council ensures that this policy is applied flexibly. Heat networks are one aspect of the path towards decarbonising heat, however, currently the predominant technology for district-sized communal heating networks is gas combined heat and power (CHP) plants. Over 90% of district networks are gas fired. As 2050 approaches, meeting the Government's climate target of reducing greenhouse gas emissions to net zero will require a transition from gas-fired networks to renewable or low carbon alternatives such as large heat pumps, hydrogen or waste-heat recovery but at the moment one of the major reasons why heat network projects do not install such technologies is because of the up-front capital cost. The Council should be aware that for the foreseeable future it will remain uneconomic for most heat networks to install low-carbon technologies. This may mean that it is more sustainable and more appropriate for developments to utilise other forms of energy provision, and this may need to be considered.
- 34. Government consultation on Heat Network Zoning<sup>7</sup> also identifies exemptions to proposals for requirements for connections to a heat network these include where a connection may lead to sub-optimal outcomes, or distance from the network connection points and impacts on consumers bills and affordability.
- 35. Furthermore, some heat network consumers do not have comparable levels of satisfaction as consumers on gas and electricity networks, and they pay a higher price. Currently, there are no sector specific protections for heat network consumers, unlike for people on other utilities such as gas, electricity or water. A consumer living in a building serviced by a heat network does not have the same opportunities to switch supplier as they would for most gas and electricity supplies. The monopolistic nature of heat networks means that future price regulation is required to protect domestic consumers. The Government's latest consultation on heating networks proposes a regulatory framework that would give Ofgem oversight and enforcement powers across quality of service, provision of information and pricing arrangements for all domestic heat network consumers.

# Policy CS33: Presumption in Favour of Sustainable Development

- 36. The current policy sets out how the presumption in favour of sustainable development will be applied in Rotherham. The Council proposes to delete much of the current policy, to avoid repeating national planning policy. However, the Council propose to amend the policy to reference social value within the context of the wider sustainable development agenda. It states that all major developments will be required to submit a Social Value Statement setting out how the development proposals have been designed to maximise Social Value.
- 37. The HBF does not consider that it is necessary for all major developments to submit a Social Value Statement (SVS). Many residential developments will bring with them social benefits, through the provision of new more sustainable homes and potentially through

<sup>&</sup>lt;sup>7</sup> Heat Networking Zoning consultation (2021)

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/102 4216/heat-network-zoning-consultation.pdf

the provision of affordable homes and other infrastructure provided through planning obligations. In 2018 the HBF and Lichfields' produced a report on The Economic Footprint of House Building in England and Wales<sup>8</sup> this document not only highlighted the economic benefits but also the social benefits. It highlighted that in 2017 house building created nearly 698,000 jobs, supported 4,300 apprentices, 525 graduates and 2,900 other trainees, provided £4.2bn of new affordable homes, £841m provided for infrastructure including £122m on new and improved schools, £45m invested in open space, community, sport and leisure facilities and an additional £5.9bn spent in local shops and services by residents of these new homes.

38. However, the HBF does not consider that it is necessary to include a policy requiring major proposals to provide details of what social value outcomes will be delivered and how this will be measured and assessed. This is an unnecessary burden to place on applicants and is unlikely to add value to a development, over and above the general benefits associated with development as set out above.

#### Viability

39. The Council will also need to ensure that they have considered viability, viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative sots of all relevant policies will not undermine deliverability of the Plan. The Council need to ensure that policy requirements should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned development to be deliverable without need for further viability assessment at the decision-making stage.

# **Future Engagement**

- 40. 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.
- 41. The 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 sincerely,

Mading

8

Joanne Harding Planning Manager – Local Plan (North) Email: joanne.harding@hbf.co.uk Phone: 07972 774 229

https://www.hbf.co.uk/documents/7876/The\_Economic\_Footprint\_of\_UK\_House\_Building\_July\_2018L R.pdf