

New Local Plan, Planning Policy Team London Borough of Harrow Forward Drive Harrow HA3 8FL

Email: Local.Plan@harrow.gov.uk

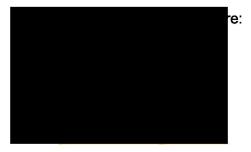
17 December 2024

Dear Sir / Madam

# Harrow Local Plan: Regulation 19

Thank you for consulting on the Harrow Local Plan, Regulation 19 consultation version. 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 nearly half of all affordable homes built in the last five years, including all homes for social rent.



# Spatial Strategy (page 25)

We welcome this statement within the spatial strategy:

Appropriate development will occur on small, brownfield sites in sustainable locations close to town centres, and train and underground stations.

No doubt, how this will be implemented in practice, we will consider in due course, through these representations. However, a reference to the physical distance from town centres and train stations might be helpful, reflecting the aim of the London Plan.

## **Policy GR4 Building heights**

The policy is unsound because it is unjustified.



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 The Council declares that only the Harrow & Wealdstone Opportunity Area is suitable for tall buildings. Outside of this, paragraph 2.4.6 observes that two storey development is typical in the borough and therefore development at heights greater than this is likely to be unacceptable.

This is contrary to a principle aim of the London Plan which is to encourage 'incremental densification' on previously development land (see paragraph 4.2.4 of the London Plan). This is a critical component of the London Plan to enable London to achieve its housing needs (52,000 net additions a year, now risen to 62,000 a year reflecting the backlog). Restricting all new development to two stories will limit the ability to intensify brownfield sites to optimise housing delivery.

We are not suggesting that everywhere in the borough should be defined as appropriate for development of seven stories or more, but the Plan needs to be more positively worded to encourage developments of, say, 3-4 stories in more areas, particularly those located within 800m of tube and train station or district centres, or within PTAL 3-6. See in particular, London Plan policy H1, B, 2 which states:

2) optimise the potential for housing delivery on all suitable and available brownfield sites through their Development Plans and planning decisions, especially the following sources of capacity:

a) sites with existing or planned public transport access levels (PTALs) 3-6 or which are located within 800m distance of a station or town centre boundary40

The policy, as worded, is insufficiently positive, and is contrary to the London Plan as it will serve as a constraint on residential development.

# Policy GR6 Areas of Special Character

## The policy is unsound because it is unjustified and insufficiently positively prepared.

The draft policy aims to control the character of development within the areas defined by the Council as 'Areas of Special Character'. Unlike conservation areas this is a local designation created by the Council to restrict development. The map of page 66 indicates that this is quite an extensive designation that is enjoyed, unsurprisingly, by some of the least deprived residents living in Harrow (see map of deprivation on page 20). It also means that some important, sizeable parts of the borough, like south Harrow, Hatch End and Pinner, will be excused from making any meaningful contribution to housing supply even though there are tube stations and district centres located here – areas that are a high priority in the London Plan in order that they make a contribution to housing supply (see London Plan polices especially GG2, C and H1, B 2).

The wording of the policy is ambivalent in terms of to what extent housing will be supported by the Council in these areas. The policy needs to be re-drafted to provide a better steer for development - assuming that the Council does support the principle of residential development at these locations. It is important that development, not just minor residential development, can be supported in these locations. This will be achieved through the intensification of brownfield land near train, tube and district centres, subject to close attention to building heights and other design considerations.

## Policy GR10 Infill and backland sites, back gardens and amenity areas

## Part A, b is unsound because it is negatively worded.

## Part A, b states:

Proposals assist in the delivery of homes as demonstrably needed [Strategic Housing Policy 03].

It is unclear what the Council means by this sentence, and it does not appear to be explained in the supporting text. We suspect that the intention might be to try and control residential development if targets have been met in any one year, or possibly the last three (perhaps based on the Housing Delivery Test). This may not be the council's intention, but a more positively worded policy would not dispute the need for housing, although it might wish to establish the rules and conditions for such development on infill and backland sites.

The sentence in part B is unnecessary and should be deleted.

# **Policy GR11 Planning Obligations**

#### The policy is unsound because it is contrary to national and London Plan policy.

Part A states that "Planning obligations will be sought on a scheme-by-scheme basis".

Strictly speaking, this should not be necessary. So long as the application complies with the policies in a local plan (these need to be clearly expressed, with no room for doubt), there should be no need for scheme specific negotiation. Indeed, the previous and the current Government are trying to move away from too much dependency of scheme specific negotiations owing to the very serious adverse effect this is having on housing delivery, not least in London. In London completions have fallen to an average of 37,200 homes per year, compared to the 52,300 a year needed, and planning approvals for residential development have collapsed from 89,000 in 2018/19 to 40,200 in 2022/23 (see the London Plan Review: Report of Expert Advisers, 15 January 2024).

Moreover, the London Plan includes a 'threshold' approach to affordable housing, whereby if the applicant provides 35 per cent affordable housing and is policy complaint in other respects, then there is no need for a scheme related viability assessment. By contrast, Harrow Council appears to be rejecting that approach, and is seeking to extract the maximum development value from every application regardless of what national policy and the London Plan expects. This is the reason housing delivery is in such a parlous state in London.

Smaller housebuilders have cited the length of time it takes with councils to secure planning permission as the top obstacle to increasing supply. The research by the HBF, published in December 2024, titled *State of Play: Challenges and Opportunities Facing SME Housebuilders* (HBF: December 2024) found that delays in securing planning permission and discharging conditions was the top barrier facing SME housebuilders. This concern was shared by 94% of respondents nationally, but higher still in the south of England including London (95%)

Part A is unsound and should be redrafted to reflect the principles of the London Plan.

## Strategic Policy 03: Meeting Harrow's Housing Needs

## Part 1: Housing Delivery

The Plan proposes to provide 16,040 net additional dwellings for the plan period 2020/21 to 2040/41.

1. We support the approach to setting the housing requirement for the period post-dating the London Plan – i.e. the plan period from 2028/29 until 2038/39 but extended until 2040/41 to account for the Harrow Local Plan commencing (in terms of the calculation of the housing requirement) in 2021.

The London Plan establishes a housing target – a 10-year target for net housing completions for the period 2019/20 -2028/29 – for 8,020 dwellings (Table 4.1 of the London Plan). We support the Council's approach is applying an annual target for 802dpa for each year of the local plan. This will

result in a housing requirement overall for 16,040 dwellings. This approach has been adopted by other London boroughs and is also supported by the Greater London Authority (GLA). It is acknowledged that this approach is necessary to ensure that housing needs continue to be addressed as much as possible, taking into account the new Standard Method being consulted upon by the Government, which indicates a higher requirement for London as a whole (possibly 81,000 homes a year, compared to the capacity constrained figure of 52,000, and which the Mayor of London has stated that he will support and aim to deliver in the next London Plan. We have been told that the Mayor will consult upon a revised London Plan next year (2025).

3. In terms of small sites, as the Council acknowledges, it is required by the London Plan to provide 3,750 dwellings on small sites of a quarter hectare in size or less, for the ten-year period 2019/20 to 2028/29. We support the Council's approach of allocating a number of quarter hectare sites sufficient to accommodate 4,125 dwellings.

We note that the sources of supply in categories A, B and C will equal the full housing requirement. This is positive.

We note that windfall sites – as described in part D of 3 - may also yield further homes, including potentially (hopefully) some more small sites.

Importantly, as described in Part 1 of the policy, the Council also aims to deliver the full London Plan requirement by 2029. This is very welcome.

## Part 5 A: Genuinely affordable housing

## This part of the policy is unsound because it is contrary to the London Plan and to national policy.

Part 5 A seeks half of all homes in a residential scheme to be affordable dwellings.

The policy makes no reference to the London Plan, threshold approach, explained in Policy H5. One assumes, therefore, that the approach is not supported by the Council. This would be contrary to the London Plan. Policy H5 of the London Plan was devised to incentivise the supply of affordable homes, by exempting applicants from the need for an application specific viability assessment so long as they committed to providing 35 per cent affordable homes (and subject to other conditions on tenure and other policies). In the case of public owned land, then the minimum threshold is half.

Delivery overall across London is falling, and new permissions have fallen to an alarmingly low level – just 40,200 – in 2022/23 (see London Plan Review: Report of Expert Advisers, 15 January 2024). This fall in new permissions is attributable in large part to the collapse in planning performance in local authority departments, aggravated by a welter of planning complex planning policies – London Plan policy, local plans, and potentially neighbourhood plans too. This is causing the time needed to determine planning applications to lengthen in London – nearly 70 weeks on average compared to 60 weeks other major cities. See Figure 3.3 of the London Plan Review: Report of Expert Advisers, 15 January 2024.

Negotiating S106 affordable housing obligations is especially fraught for SME builders. Research by Lichfields for SME builder Pocket Living in 2020 (*Small sites: Unlocking Housing Delivery, September 2020*) found that it takes an average of 71 weeks for developers of small sites to complete affordable housing negotiations and secure planning permission where the policy on tenure mix is complex. Where policy on affordable housing is less complex it still takes 56 weeks. By comparison, the statutory timetable for the determination of applications is 8 and 13 weeks. HBF is publishing an update to this report that will be available early in the new year.

Recent research by the HBF, published in December 2024, titled *State of Play: Challenges and Opportunities Facing SME Housebuilders* (HBF: December 2024) found that delays in securing planning permission and discharging conditions was the top barrier facing SME housebuilders. This concern was shared by 94% of respondents nationally, but higher still in the south of England including London (95%)

The Council should adhere to the approach in policy H5 of the London Plan to help incentivise the supply of affordable dwellings.

## Is half viable?

As is often the case in London, the evidence points to a disparate range of values in terms of what might be viable in terms of affordable housing (see for example the conclusion in paragraph 1.7 of the Viability Assessment, September 2024). The response of the Council, like others, is to pitch policy at the upper end – i.e. 50 per cent – to avoid losing planning gain, and to negotiate down from this on an application-by-application basis. This is evident from the statement contained in paragraph 2.4:

#### The assessment should not be relied upon for determining the viability of individual site applications.

This statement, however, is very much at odds with the plan-led system, and the need for local plans to set price signals (see NPPF, para. 58). This helps to ensure that decisions on planning applications, especially those that comply with the local plan, can be made as swiftly as possible. If the Council wants to negotiate viability on every application, then the efficacy of the plan-led system is compromised. It means that it becomes impossible to determine applications within the statutory time frame of 8 and 13 weeks. The Council will be aware that the new Government is disturbed by the breakdown in development control in England, and, consequently, is seeking to delegate more decisions to officers to improve the speed to decision-taking. Accelerating delivery will only be possible if planning policies are clear in terms of what they expect from applicants, and are viable in most cases, so applicants can be reassured that if they have submitted a policy compliant application, it is viable, and can be determined within the statutory timeframe.

Perusal of the viability results, assuming half of all homes are affordable with a tenure split of 70 per cent social rent and 30 per cent shared ownership, which corresponds generally with the thrust of the local plan policy, shows that this policy requirement (50 per cent AH) is rarely viable, except for small low-density developments or co-living schemes. Viability improves where sales values are stronger, or where cleared/vacant land is involved, which is unsurprising, but atypical. The locations where sales values are strongest, like Pinner, are not the locations that will be 'shouldering the burden' in delivering the housing required.

## Impact of other emerging Local Plan policies (page 41)

Page 41 of the viability assessment assesses the effect of other policy requirements on viability. However, we note that it only tests 35 per cent affordable housing, rather than the 50 required by the local plan – see paragraph 6.21. Obviously, this is a flaw with the assessment, and the report cannot be relied upon to provide a reliable guide to the viability of residential development.

The problem is then compounded by assessing other policies, like biodiversity net gain and net zero, individually and in isolation from other polices. This cannot provide a reliable guide to viability.

#### Exemption for minor development

This part of the policy is unsound because it is contrary to national policy.

Although it is national policy, we note that the policy does not exempt minor residential schemes - that is schemes of 9 dwellings or fewer - from providing affordable housing.

The Council should comply with national policy. The London Plan expects small sites, of which minor residential development will form a major component, to play a critical role in delivering against London's houisng targets. As paragraph 4.2.1 of the London Plan observes:

For London to deliver more of the housing it needs, small sites (below 0.25 hectares in size) must make a substantially greater contribution to new supply across the city. Therefore, **increasing the rate of housing delivery from small sites** is a strategic priority. Achieving this objective will require positive and proactive planning by boroughs both in terms of planning decisions and planmaking.

(emphasis is in the London Plan).

The Government introduced the exemption in order to incentivise and increase the supply of housing on small sites, especially on previously developed land in the cities (hence also the reason for the Vacant Building Credit). It is notable, that the new Government, through its proposed revisions to the NPPF (at the time of writing the revised NPPF has yet to be published) is not proposing to drop this exemption.

In order to conform to national policy the Local Plan should be amended to include this exemption.

## C. Specialist older people housing

The London Plan sets a 'benchmark' target for the supply of 165 older persons dwellings a year in Harrow (London Plan policy H13, and supporting table 4.3).

While we welcome part C, the policy would be strengthened by referring explicitly to the 'benchmark' target in the London Plan – a figure of 165 dwellings per year. This is not a mandatory target that must be met, but one that the Council should endeavour to meet. We note that the Older Persons Housing Taskforce report published in December 2024 has referred to the need to strengthen planning policies to ensure that more housing for older people is provided. Its Recommendation 6 states:

## Recommendation 6 - Strengthen planning policies.

National and local planning policy and practice can incentivise and accelerate the development of new forms of OHP/LLH; and help shape mainstream housing and the built environment to be more age-friendly, dementia-inclusive, faith and culture-sensitive.

Here, our collective ambition should be to ensure that <u>the planning system helps deliver a greater</u> <u>volume and diversity of OPH/LLH</u> by ensuring there is a common understanding of the different types of OPH/LLH and their benefits, that there is a proper assessment and response to levels of need, that there is sufficient site allocation for all forms of OPH/LLH and <u>that local planning</u> <u>authorities (LPAs) make better and more timely choices in planning applications for OPH/LLH.</u> This shift should be underpinned by consistent use of shared definitions, policies, and requirements through the National Planning Policy Framework (NPPF) and National Planning Practice Guidance (NPPG) and adopted locally in the Local Plan.

# (Our emphasis)

We recommend that the draft Local Plan is amended to make direct reference to the London Plan benchmark figure and that the Council publishes information each year, through its Annual Monitoring Report on delivery against this target.

# Policy HO1: Dwelling size mix

The Council requires that a quarter of all homes in a development proposal to be three bedrooms or more in size.

HBF has been conducting extensive conversations with our housing association members as well as those who are not members, in recent months. This is to explore the problem of contracting with registered providers (RP) to sell affordable homes provided through S106 planning obligations. As the Council will be aware this has become far more difficult, especially in London, owing to the new financial and legal pressures facing RPs. One of the issues often cited is the lack of need/demand for larger dwellings. We have been told that the need in London is greatest for one and two bed dwellings. While the percentage of larger dwellings expected by the Council – a quarter - is not wholly unreasonable, it may prove difficult to provide this size mix in all schemes. Therefore, we would welcome some flexibility in the application of the policy to allow the applicant to provide a different size mix to the one preferred in policy.

This would be consistent with the London Plan, which in Policy H10: Housing Size Mix, does advise the following in part A, 6:

6) the nature and location of the site, with a higher proportion of one and two bed units generally more appropriate in locations which are closer to a town centre or station or with higher public transport access and connectivity

## Policy HO3: Optimising the use of small housing sites

#### Part 1 is unsound because it is contrary to national and London Plan policy.

We broadly welcome the policy and the support for the supply of small sites within PTALs 3-6 and within 800m of a train or tube station or district centre boundary. This is broadly reflective of the London Plan, especially the supporting text to policy H2. However, the London Plan does not prohibit <u>in policy</u> the supply of dwellings on small sites, including those of a quarter hectare in size or less, to these areas. It is more the case that the delivery of the London Plan housing target, and the share of this on small sites (12,000 dwellings a year) is predicated on these locations providing the majority of the supply of homes on quarter hectare sits, or less.

The way the policy is worded prohibits small sites from being considered outside of the criteria established in the London Plan.

The London Plan is not restrictive. The parameter advised in the supporting text to policy H2 is intended as contextual information to explain where the majority of quarter hectare residential sites are likely to come from, but not exclusively so. As paragraph 4.2.5 explains:

The small sites target represents a small amount of the potential for intensification in existing residential areas, particularly in Outer London, therefore, they should be treated as minimums.

Policy H1 of the London Plan states:

2) optimise the potential for housing delivery on all suitable and available brownfield sites through their Development Plans and planning decisions, <u>especially</u> the following sources of capacity: sites with existing or planned public transport access levels (PTALs) 3-6 or which are located within 800m distance of a station39 or town centre boundary

We have emphasised the word especially because this is not the same thing as exclusively.

Nor is there any support in national policy for such a restriction.

We recommend that this part of the policy is amended to read:

1 Small housing developments (any site below 0.25 hectares) delivering a net addition of selfcontained dwellings through the optimal and efficient use of land, and in accordance with other relevant the Development Plan Policies, will be supported in all locations in the borough. They will be especially encouraged where they are located in the following areas:

- a. Sites with good public transport accessibility (PTAL 3-6)
- b. Sites within 800m of tube or rail stations
- c. Sites within 800m of a Metropolitan, Major and District Town Centre boundary

We also think that the stipulation that areas within a radius of 800m of a train or tube station, or district centre boundary, is too restrictive, and that the policy should change this to 1km. This is a manageable distance for most people to walk or cycle, except for the most physically impaired.

# Policy HO4: Genuinely Affordable housing

See comments above.

## Policy HO6: Accommodation for older people

See comments above.

#### Part 1 is unsound because contrary to the London Plan.

Part 1 a) states that proposals for older persons housing will only be supported if the applicant can demonstrate a local need.

This is unnecessary. The London Plan has established the need, and has set a requirement for 165 units of older persons housing a year in Harrow.

Part 1 a) should be deleted.

## Strategic Policy 06: Social and Community Infrastructure

#### Part A a is unsound as it is ineffective.

Part A a requires that new development and growth is co-ordinated and phased in tandem with the provision of appropriate physical and social infrastructure.

It is not quite clear what is being proposed here, but its does suggest that a development granted planning permission, may be forced to build-out to a timetable set by the providers of physical and social infrastructure. While this would be desirable, and possibly essential in terms of some types of infrastructure, it does also mean that the housebuilder with planning permission may be dependent on the delivery of infrastructure by a third party and to a timetable over which it has no control.

This is too restrictive. It could become an impediment to delivery. We recommend instead that this part of the policy should be changed to read that it may be necessary, in some instances, such as major strategic schemes, to coordinating the pace of housebuilding with the provision of critical infrastructure.

Part B is unsound because it is contrary to national policy.

Part B requires proposals for new development to demonstrate adequate infrastructure capacity exists, or will be provided on and off site, to serve the development.

It is for the Council, through the preparation of its local plan, to be confident that the infrastructure exists, or will exist, to enable the plan to be delivered. If this is in doubt, then the plan is unsound.

While applicants will be responsible for the delivery of certain items of infrastructure, such as things provided for on-site via S106, they are not responsible for the delivery of critical strategic infrastructure like the supply of water services and electricity. Housebuilders cannot plan for or remedy these things.

This policy will act as an impediment to delivery.

If the Council doubts that the necessary infrastructure will be available to enable the aims of its plan to be delivered, then this must be clarified now. Otherwise, the plan is unsound because it is undeliverable.

# Policy LE3: Industrial Land

#### Elements of the policy are unsound because they are unjustified.

We appreciate the need to safeguard industrial land. Nevertheless, the Council could be more supportive of the intensification of industrial land for residential so long as this is done in a planned way, with proper regard for design and agent of change principles.

## A. Strategic Industrial Locations (SIL)

A.1 states that colocation of industrial and residential on strategic industrial land will not be supported. Although it is unlikely that residential and industrial uses can co-exist satisfactorily, instead, we recommend that the Council allows for the possibility that this might happen if very well planned. The policy should be amended to read:

"Co-location of residential within a SIL will generally be resisted, but the Council will consider exceptional schemes and designs that do not in any way compromise the industrial performance."

# **B. Locally Significant Industrial Sites (LSIS)**

Part B.1 states:

B.1 Co-location of residential within a LSIS will only be supported where these have been progressed through the Local Plan process or have a Masterplan agreed with the Local Planning Authority.

We generally support this approach, but it begs the question whether the Council has identified any LSIS land which could integrate industrial and residential uses.

## Policy Cl1: Safeguarding and Securing Social Infrastructure

Part A is unsound because it is unlawful and contrary to national policy.

Part A states that:

'Proposals will be required to make contributions towards the provision of <u>enhanced</u> or new social infrastructure, in locations where there are existing capacity issues or a need is identified, to support new development.'

Planning obligations cannot be used to remedy failings with existing infrastructure. It can be used to mitigate the effect of the development by providing new social infrastructure when a new need is created.

## **Policy GI3: Biodiversity**

#### Part G a and b is unsound because it is unjustified.

The Council is seeking a 15 per cent improvement in biodiversity net gain (BNG) or two biodiversity credits per hectare. This is further than the statutory requirement of ten per cent.

The Council argues in paragraph 7.3.5 that the policy has a minimum effect on viability, but as observed previously, the assessment only models the effect of this requirement in isolation from other policies like net zero carbon. It should do this in combination. Moreover, scrutiny of the results of modelling 15 per cent, or two biodiversity credits per hectare, reveals problems with viability under many of the scenarios modelled. Non-viability is more common than viability.

We recommend that the Council adheres to the statutory requirement.

## Policy GI4: Urban Greening, Landscaping and Trees

#### The policy is unsound because it is ineffective.

The policy should clarify that the Urban Greening Factor can contribute to meeting the biodiversity net gain target. This is currently unclear.

## Policy CN1: Sustainable Design and Retrofitting

#### The policy is unsound because it is contrary to national policy.

In requiring net zero carbon, reflecting the LETI doctrine, the Council is departing from the Building Regulations. This requirement to measure embodied carbon is contrary to the Government's policy.

The last Housing Minister, Lee Rowley, in his statement to parliament on 13 December 2023 has clarified the Government's approach. As he wrote:

A further change to energy efficiency building regulations is planned for 2025 meaning that homes built to that standard will be net zero ready and should need no significant work to ensure that they have zero carbon emissions as the grid continue to decarbonise. Compared to varied local standards, these nationally applied standards provide much-needed clarity and consistency for businesses, large and small, to invest and prepare to build net-zero ready homes.

#### The Minister continued:

In this context, the Government does not expect plan-makers to set local energy efficiency standards for buildings that go beyond current or planned buildings regulations. The proliferation of multiple, local standards by local authority area can add further costs to building new homes by adding complexity and undermining economies of scale. Any planning policies that propose local energy efficiency standards for buildings that go beyond current or planned buildings regulation should be rejected at examination if they do not have a wellreasoned 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).

Where plan policies go beyond current or planned building regulations, those polices should be applied flexibly to decisions on planning applications and appeals where the applicant can demonstrate that meeting the higher standards is not technically feasible, in relation to the availability of appropriate local energy infrastructure (for example adequate existing and planned grid connections) and access to adequate supply chains.

To be sound, local plans must be consistent with national policy – enabling the delivery of sustainable development in accordance with the policies in the National Planning Policy Framework and other statements of national planning policy, including this one.

It is clear from this statement that Councils should not be setting standards for energy in homes that departs from the approach set out in the Future Homes Standard.

In view of the significant under-performance in housing delivery across London as a whole compared to the London Plan target, this policy is also unjustified. The complexity of planning policies in London is a factor contributing to poor rates of delivery. We recommend that the Council deletes this policy and adheres to the Government's approved approach to deliver zero carbon homes through the Building Regulations.

Second, the viability assessment does indicate that the policy will cause issues for delivery – see tables 6.28.1 onwards to 6.28.2.

In the supporting commentary in paragraph 6.28 we note:

Scenario 1 applies a 3% cost uplift and Scenario 2 applies a 5% uplift. The residual land values for these two scenarios are summarised in Table 6.28.1 (Scenario 1) and Table 6.28.2 (Scenario 2). Table 6.28.3 provides a summary of the change in residual land values for schemes assuming a price point of £7,500 per square metre (the upper end of the Borough-wide range) which indicates that the reduction in residual land values is typically circa 20% for Scenario 1 and circa 33% for Scenario 2, but with higher reductions on larger schemes and some mixed use developments. Where schemes are on the margins of viability, and developers are unable to pass back the cost of NZC to landowners through a lower land price, it is possible that developers will seek to offset the additional cost by reducing the provision of affordable housing. However, the costs of achieving net zero carbon are expected to fall over time as technologies evolve and improve.

The viability report, does, therefore, indicate how this policy will cause difficulties, and is likely only to work by reducing the affordable housing element. Moreover, as previously discussed, the viability assessment models the effect of certain local plan polices in isolation, including biodiversity net gain, rather than cumulatively.

We recommend that the Council does not make policy in this area, and adheres to the Building Regulations.

Homes Builders Federation HBF House 27 Broadwall London SE1 9PL