

Sent by email to: consultations@canterbury.gov.uk

03/06/2024

Dear Sir/ Madam

Draft Canterbury Local Plan

1. Thank you for consulting the Home Builders Federation (HBF) on the Draft Local Plan. 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.

SS1: Environmental Strategy for the district

2. HBF do not consider the requirements for all new development to deliver a 20% Biodiversity Net Gain and for developments of over 300 homes to deliver a minimum of 20% tree cover to be sound. Our detailed concerns are set out in our response to policy DS21.

Policy SS2 – Sustainable design strategy

3. Our concerns regard sustainable design and the requirements relating to net zero, water efficiency and Fibre to the Premises mentioned in SS2 are set out in our response to policy DS6.

SS3 – Development Strategy for the district

Plan period.

4. The plan period runs from 2020/21 to 2041 rather than 2044 in the previous consultation. The Council state and paragraph 3.27 of the Development Topic paper that this aligns with

the national policy requirement for plans to look forward for a minimum of 15 years post adoption of the local plan. However, this timescale for adoption is based on submission occurring in May 2025 and an examination, consultation on main modifications and inspectors report being published being completed within nine months. In the HBF's experience this is a very optimistic timescale for the examination of a local plan and in particular one that does not meet development needs in full. As a minimum we would expect that the period between submission and adoption would be 15 months with some plans taking much longer. Therefore, in order to ensure that the plan is consistent with paragraph 22 of the NPPF the Council should allow for at least 2 years between submission and adoption. This would mean that the plan will most likely be adopted towards the end of 2026 and the plan looking ahead for less than 15 years. The HBF would therefore recommend that the plan period is extended to 2042 to ensure the plan period is consistent with paragraph 22 of the NPPF.

Local Housing Needs Assessment

5. HBF supports the use of the standard method in assessing housing need for Canterbury and with the Council decision not to apply the cap due, as mentioned in paragraph 2.15 to the high need for affordable homes in the Borough. The Council will need to ensure that this figure is kept up to date using the latest information available at the time the plan is prepared. The most recent affordability ratios were published in March 2024 and show that these have increased slightly in Canterbury from 10.46 to 10.96. This leaves an uncapped housing need in the district of 1,178 dpa and an overall need of 24,738 new homes over the council proposed plan period. As set out above HBF consider the plan period to be inconsistent with national policy and that it should be extended to 2042 which would require the Council to deliver a total of 25,916 homes.

Spatial strategy and housing supply.

6. The Council state in paragraph 8.119 of the Development Topic Paper that 26,466 homes will be delivered over plan period 2020/21 to 2040/41. Using the evidence on supply provided in the Development Topic Paper of the 26,466 homes expected to be built over 68% will be delivered on sites of circa 400 homes or more. This includes 8,307 homes on large sites allocated in 2017 with a further 6,705 homes on five additional large allocations in this local plan – around 78% of the homes allocated for delivery on new sites. Therefore,

the Council's approach to this local plan is similar to that adopted in 2017 in that it seeks to deliver a significant majority of homes on larger sites.

7. There are a number of concerns arising from the proposed strategy. The first concern is that the Council only have a 10% buffer between housing needs and supply. Given that nearly 70% of all homes are expected to come forward on large sites that nearly 6,000 homes are to come forward on just four newly allocated sites the HBF are concerned that a 10% buffer is insufficient flexibility to ensure, as required in paragraph 35 of the NPPF, that the plan is deliverable across the plan period. It would appear from Appendix G of the Development Topic Paper that the Council have learnt from the previous local plan with the timescales for delivering the larger new allocations not expected to come forward prior to 2029.
8. However, even these timescales appear optimistic given how long large sites can take delivery from validation to the first home being built. Lichfields has recently updated its "*Start to Finish*" report on the speed at which large sites are delivered. This shows that on average sites of 1,000 plus homes take around 6.5 years from validation to the completion of the first dwelling. Given that the plan is not expected to be adopted until 2026/27 at the earliest this would require these sites to come forward within 4 years of the adoption of the local plan. The same report also notes that sites of 1,000+ homes will take on average 2 to 3 years from validation to obtain an outline consent and a further 2+ years to obtain detailed. Whilst it is possible for such sites to come forward more quickly the evidence is not inconsistent with the Council's own experience with large sites as set out in the Development Topic Paper.
9. The HBF does not in general comment on the suitability of spatial strategies for an area with our members providing more detailed comment as to the suitability or otherwise of the strategy and the proposed location of development. However, we are concerned that the proposed strategy relies on a significant modal shift to from the private car to more sustainable forms of transport if the strategy for it to be deliverable and that the delivery of such a strategy will be more difficult in the Canterbury Urban Area which is the principle focus for development in the district. Evidence set out in the Transport Strategy is an indication that significant modal shifts are difficult to deliver, with this being made even more difficult in Canterbury due to heritage issues.

10. Whilst HBF does not object to any of the sites allocated in and around the city of Canterbury, the strong focus on one area and the potential difficulties in delivering the proposed infrastructure in that area may have an impact on the speed at which some of the sites come forward if barriers to new infrastructure take longer to address than expected.
11. It is inevitable that there is uncertainty as to when development will come forward and it is for the planning authority to try and minimise these. Should the larger sites allocated, and even those currently with an outline permission take longer than expected to deliver then a significant proportion of the proposed development could come forward either much later in the plan period or beyond the end of the plan altogether. In order to ensure the level of development needed across the plan period is deliverable a bigger buffer is needed and for that buffer to be provided through the allocation of smaller sites which will come forward earlier plan period. HBF would suggest that a buffer of between 15% and 20% would provide the necessary assurance that needs would be met in full.

Windfall

12. The Council have included windfall allowance of 170 dpa in its land supply from 2027/28. This is based on the 4-year average from windfall sites of all sizes. Table 8.2 of the Development Topic Paper provides a breakdown of windfall from the different sites since 2017/18 with 368 homes coming forward on sites of 1-5 units, 165 on sites of 6 to 9 and 460 coming forward on sites of 10 or more. What has not been taken into account within this assessment is that the new allocations include sites between 10 and 100 units which will reduce the number of such sites that could come forward as windfall over the plan period. Overall, newly allocated sites of between 10 and 100 units account for 713 homes. When the nearly 450 homes expected to be delivered on carried over allocations on the same sized sites HBF does not consider the proposed rate of windfall to be justified. The HBF recommend that the expected windfall supply from 10+ units is not included and that the supply from windfall each year is reduced by 90 units to 80 dpa.

Five-year land supply.

13. The Council state at paragraph 8.2 of the Development Topic Paper that they intend to use the Liverpool method for assessing housing land supply. The Council consider this to be justified on the basis that the housing requirement is increasingly significantly compared to the 2017 local plan, large sites haven't come forward as expected and the plan is reliant on

larger sites that deliver later in the plan period. HBF do not consider these to be justification for rejecting the Sedgefield approach to assessing housing needs. The reason the Liverpool method is preferred is down to the chosen spatial strategy rather than specific constraints preventing it from delivering more homes earlier in the plan period. The Council must instead respond to these issues by allocating more smaller sites to ensure any back log is addressed within five years alongside meeting identified needs as is the required approach in planning guidance.

10% of requirement delivered on sites of less than one hectare.

14. The Council will need to be able to show that it has identified at least 10% of its housing requirement on sites of less than 1 hectare in order to be consistent with paragraph 70 of the NPPF. In meeting this requirement, the Council will need to ensure that these are identified with as an allocation in the local plan or in the Brownfield Register and does not include small site windfalls within the 10% requirement. Whilst it will be important to promote more small sites to come forward over the plan period as windfall, as mentioned in part d of paragraph 70 of the NPPF, this is distinct from the 10% requirement set out in part a of paragraph 70 of the NPPF. Further clarification that the 10% should not include windfall development is in the glossary where windfall is defined as “*Sites not specifically identified in the development plan*”. (our emphasis)
15. It is important to recognise that the allocation of small sites is a priority for the Government and stems from the Government’s desire to support small house builders by ensuring that they benefit from having their sites identified for development either through the local plan or brownfield register. The effect of an allocation is to take some of the risk out of that development and provide greater certainty that those sites come forward. This in turn will allow the SME sector to grow, deliver homes that will increase the diversity of the new homes that are available as well as bring those homes forward earlier in the plan period.
16. Council should also recognise that allocating small sites and supporting SME house builders not only ensures a stronger supply in the short term but also improves the diversity of choice within local housing markets, support local and regional supply chains and are often pivotal in bring forward innovation and supporting jobs growth locally, with 1 in 5 of the SME work force comprising of apprentices. A failure to allocate small sites will contribute to the continued decline in small and medium sized house builders. Recent research by the HBF has found that there are 85% fewer small house builders today than there was 20

years ago and that of a survey of SME house builders 93% said that planning was a major barrier to SME growth. Whilst this decline is due to a range of factors more allocations of small sites would ease the burden on many SME developers and provide more certainty that their scheme will be permitted, allowing them to secure the necessary finance that is often unavailable to SMEs until permission is granted.

17. Therefore, in order for the plan to be consistent with national policy the Council should not just seek to maximise delivery from the small sites that do come forward but to actively promote these through allocations in the local plan.

Trajectory

18. Whilst the council have included a trajectory in the Development Topic Paper it has not include one in the draft plan. The Council will no doubt be aware that paragraph 75 of the NPPF requires plans to include a trajectory and the council will need to ensure that one is included in the next plan it is proposing to submit for examination.

DS1 – Affordable housing

19. Firstly, the Council should remove the prefix at least from the 30% affordable housing requirement. Policies must be clear to the decision maker and applicant as to what is required to ensure there is no confusion as to what is expected. This does not prevent development from coming forward above this figure but there must be no suggestion that the Council may require development to go beyond this figure.
20. Secondly, part 2 states that development should accord with the requirements set out the most up to date housing strategy. As the council will be aware policy can only be set within the local plan. Therefore, any policy that seeks to give similar weight to policies set out elsewhere is unsound. The Council must amend part 2 to state that development should have regard to the Housing Strategy.
21. Finally, HBF are concerned that the policy may impact on the viability of development and the deliverability of the local plan once the full costs of meeting the policies are considered. Our first concern is that the Council's Viability Study is yet to account for the costs relating to nutrient neutrality and has underestimated the cost of delivering a 20% net gain in biodiversity. This will need to be addressed in future viability studies which should consider

not only the direct costs of these policies but also the impact on the developable area of a site. Both policies have the potential to significantly impact on the amount of land that can actually be developed reducing the returns generated from each site.

22. Our second concern is with regard to the cost of infrastructure and the contributions that will be required from new development to support its delivery. For example, the Sturry Relief Road was expected to cost £29.6m but this has now almost doubled to £41.6m. This is stated by Kent County Council to be a result of exceptional inflation over this period, but it provides an indication as to how the cost of such projects, that are essential to the delivery of development in Canterbury, can escalate and impact on the viability of development and the deliverability of the local plan.
23. The annex to the 2022 Viability Study notes on page 3 that the Council is already planning at the margins of viability with relatively small changes in policy inputs or values having a negative impact on viability resulting in a significant number of the strategic sites becoming unviable. The annex goes on to note that the 2022 Study also found that an increase in developer contributions of £10,000 resulted in fall in the residual land value of about £245,000/ ha on Greenfield and £475,000/ha on Brownfield sites. Given that there is potential for the developer contributions to be significantly higher than currently estimated HBF is concerned that a 30% affordable housing requirement will make development unviable.
24. However, what is clearly apparent from the evidence is that even without any changes in the assumed costs development on previously developed land cannot viably deliver a 30% affordable housing requirement alongside all the other policies in the local plan. Both the 2022 Viability Study and Annex shows that development on all sizes and types of brownfield sites to be unviable or at the margins of viability even when affordable housing requirements are reduced to 10%. Given the significant windfall allowance that has been included in the plan HBF would have expected to see some variation in the policy in relation to brownfield sites in order to support their delivery. HBF would therefore recommend that the requirement for affordable housing on brownfield sites is reduced or removed altogether.
25. In short HBF do not consider the evidence on viability to be sufficiently robust at present to justify the proposed affordable housing requirements, or indeed other policies in the local plan. The Council will need to revisit its viability evidence to take full account of the increasing costs faced by development from the policies proposed in this local plan.

26. Finally, HBF are concerned that some of our members, in particular SMEs, are finding it difficult to find Registered Providers (RPs) to purchase the affordable homes built as part of S106 agreements. Higher costs faced by RPs with regard to build costs, borrowing and the costs of improving their existing homes are impacting on their ability to take on new stock. Whilst the Council can step into purchase these sites this will not be possible in all cases which will in turn delay the delivery of much needed housing. The Council does provide some flexibility in part 5 of DS1 which supports offsite provision where on site delivery is not achievable, but it would be helpful if the supporting text provided examples, such as the one described above, to support decision makers and applicants. This will help ensure that when such situations arise it is clear as to how a decision maker reacts to the policy and schemes are not delayed by lengthy negotiations on the S106 agreement.

DS2 – Housing Mix

27. This policy includes an indicative housing mix for market and affordable housing and states that proposal of 50 or more units should be closely aligned with the housing mix and proposes a buffer of 5% for each dwelling size. Whilst this provides some flexibility it is still the case that housing needs assessments are very much a snap shot in time and the council must not be overly rigid when considering housing mix. Additional information may be available that suggest a different mix may be more suitable than that proposed by the Council, and this should be recognised with part 2a amended to include:

“... or other robustly prepared evidence on housing mix”

28. With regard to the mix of affordable homes the HBF are concerned that on smaller sites in the district our members find that the focus on smaller units is not what Registered Providers (RP) are saying is needed making it difficult to sell homes to this sector. Again, the Council have recognised this to a certain extent in part 3b, but further flexibility may be needed where RPs have indicated that there is no demand for a specific type of property in that location. The policy should recognise that in such circumstances the housing mix will be amended to reflect the demand for affordable homes indicated by RPs rather than on the housing mix in the local plan.

29. HBF also has concerns regarding the housing mix advocated for affordable home ownership, which includes those to be delivered as First Homes. This policy at present suggests that a proportion of three and four bedroomed homes under these tenures will be

for First Homes and given the price cap on these could impact on the viability of development and the deliverability of First Homes overall.

30. The discount on First Homes is set at 30% and capped at £250,000 in Canterbury. However, where justified a higher discount of 40% or 50% can be applied. However, because of the cost of housing in some parts of Canterbury even a 50% discount on 3 or 4 bed roomed homes is unlikely to be lower than the price cap. This will make it difficult to achieve the mix of homes proposed by the council on some sites and the effects of delivering at this level of discount must be assessed in the viability appraisal to ensure it is achievable. The Council's Viability Study appraises First Homes at 70% of market value and provides an assessment on the impact of increasing the discount to 50% noting that this reduces the residual value by about £52,000/ha on a green field site and £142,000/ha on a brownfield site. However, the study does not seem to consider the effect of the cap which would on larger First Homes require a discount above 50%. When schemes are marginally viable, the imposition of First Homes will have a negative impact on the overall percentage of affordable housing that can be delivered.
31. HBF therefore has two recommendations with regard to First Homes. Firstly, the potential impact of First Homes, based on the proposed mix in DS2 needs to be more thoroughly tested. At present the considerations fail to take into account the impact of the cap in Canterbury. Secondly, the Council should allow for more flexibility with regard to the mix of First Homes allowing these to come forward mainly on smaller units that are less affected by the cap and indeed will generally be suitable for those looking to buy their first home.

DS6 – Sustainable design

Net Zero Operation Carbon

32. Part 1a of DS6 requires all new development to be designed to achieve net zero operation carbon in line with the Council's Sustainable Design Guidance SPD with emissions verified and reported to the Council at completion. The Draft SPD, which is out to consultation alongside this local plan, takes account of the Written Ministerial Statement (WMS) published in December 2023 with all assessments as to the performance of development with regard carbon emissions to be undertaken using SAP. As such the approach taken by the Council in setting standards for carbon emissions that go beyond building regulations is consistent with what is required by the WMS.

33. However, in addition to setting out how lower standards should be framed within local plans the WMS also states that in order to adopt such policies Councils must be able to show that development remains viable, and the impact on housing supply and affordability is considered. The Viability Study published in 2022 considered the cost of implementing a Net Zero policy and included the assumption that this would increase buildings costs by 6.8% on strategic sites and 10% on typology sites. The difference in the costs was on the basis of strategic sites delivering zero carbon for regulated emissions whereas the costs for typologies was based on both regulated and unregulated carbon emissions. Both these assumptions were made on the basis of the increased costs above the 2013 Part L regulations not the 2021 update to Part L.
34. HBF do not consider the cost assumptions used in the viability assessment to be sufficiently up to date to provide a robust basis for assessing the impact of this policy. No evidence is provided as to what is actually required for a house to achieve zero carbon operation emissions and how this relates to the cost of delivering a home to the current Part L standard published in 2021 or the cost of delivering the proposed Future Homes Standard. The Council must be clear as how a home would be expected to achieve zero operational carbon emissions and the costs of doing so. It must also include costs of purchasing carbon credits should a development not be able to achieve zero operational carbon emissions. This appears to be absent from the Council's published viability study. The Carbon Emissions and Energy Standards Topic Paper estimates these as being in the region of £2,500 for homes that cannot achieve the zero-carbon standard set out in DS6. As a comparison a home built to the Future Homes Standard is expected to emit 0.36 tonnes of carbon each year. Over a 30-year period using the £384 per tonne offset price suggested by the council in the draft SPD would cost a developer over £4,000.

Water efficiency

35. Part 5 of the DS6 requires proposals of ten or more homes to achieve a per capital consumption of 90 litre per person per day (l/p/d). This is not consistent with national policy which sets out in PPG that the lower optional technical standard is 110 l/p/d. Whilst lower standards have been accepted where water abstraction would have an impact on protected habitats, such as in North Sussex, this would not appear to be the case in Canterbury and as such the Council should remove the requirement in 5a and 5b for new homes to achieve water consumption of 90 l/p/d.

Fibre to the Premises.

36. Part 11 requires new development to deliver Fibre to the Premises (FTTP) and prepare a statement on how and when infrastructure will be provided. The Council are no doubt aware that R of the Building Regulations: Physical Infrastructure and network connections to new dwellings (2022 edition) require all new build dwellings to be installed with the gigabit-ready physical infrastructure connections subject to a cost cap of £2,000 per dwelling. These requirements mean that it is unnecessary for the Council to include policies in the local plan relating to new broadband or telecommunications infrastructure as is suggested in the penultimate bullet point of paragraph 7.17. As for the provision of FTTP to the development itself this is for the infrastructure providers to deliver and for the council to facilitate through the local plan as it is beyond the developers control to deliver these improvements.

Health and Crime Impact Assessments

37. D6 requires development of over 100 homes to submit a Health Impact Assessment and A Crime Impact Assessment. Whilst HBF would agree that HIA are an essential part of plan making to ensure the Council understand the health outcomes of its strategy and is thus able to ensure these are effectively addressed, this should be achieved through the preparation of a whole plan HIA which will help inform the Council that the policies the plan contains address the key health outcomes for the area. This will mean that if a development meets the policies in the plan, ergo it is addressing the health or crime outcomes already identified by the Council. All either of these assessments would achieve is the repetition of the work the council has already undertaken. The only circumstance where an HIA may be appropriate would be for a larger unallocated site where the impacts may not have been fully considered by the council as part of the plan wide HIA.

DS17 – Habitats of International Importance

38. The HBF does not consider the level of nutrients from new residential development to have a significant impact on the overall level nutrients in the Stour Catchment. Research published by Brookbanks and HBF¹ show that new homes account for just 0.29% of total

¹ The extent to which housebuilding contributes to nutrient pollution across watercourses in England, Home Builders Federation, November 2023. https://www.hbf.co.uk/documents/13061/Brookbanks_-_Research_Report_Nov_2023.pdf

nitrogen emissions each year and 0.73% of total phosphorus emissions. The report puts this into context with a single dairy cow discharging nitrogen equivalent to 29 homes. However, even this estimate is liberal given that is based on an average occupancy of 2.4 persons per dwelling. Analysis by Lichfields² &³ on behalf of the HBF show that occupancy rates of new homes in the Stodmarsh catchment area is much lower at around 1.75 person per new home. At present the Council's mitigation strategy uses a 2.37 occupancy rate for new homes and on the basis of the above evidence HBF would suggest that this is too high and over estimates the level of nutrients from new residential development. HBF recommend that the council reduces occupancy rates to reflect the evidence presented.

39. If the Council continues to consider it necessary to require development to mitigate the minimal impact of nutrients from new residential development, then the cost of meeting these requirements will need to be properly considered. The published viability study does not present any evidence as to the cost of delivering the required mitigation stating in paragraph 8.35 of the 2022 Study that the strategy was not sufficiently well developed to understand what the cost may be.
40. Now that the Council has published a Mitigation Strategy and set out policy requirements it can now cost these more accurately. Part 8 of DS17 sets out significant additional costs. Alongside payments to deliver offsite mitigation through the creation of new wetlands larger development will also have significant costs relating to physical infrastructure such as on-site waste water treatments facilities and SUDs designed to remove 50% of nutrients. As well as the direct costs of delivering this infrastructure the Viability Study must also consider the impact on the developable area reducing the number of homes that can be built on a site that is already constrained due to the delivery of BNG and the provision of open space and sports grounds.

DS21 – Supporting Biodiversity Recovery

20% tree cover.

41. The HBF do not consider the requirement for development to provide 20% tree cover on sites of 300 homes or more to be effective. No consideration appears to have been given

² Nutrient Neutrality Solution Finding Identifying Mitigation Requirements to 2030 Home Builders Federation, March 2023. https://www.hbf.co.uk/documents/12361/Nutrient_Neutrality_-_Solution_Finding_Report_-_HBF_Update_-_March_2023_-_FINAL.pdf

³ Achieving nutrient neutrality for new housing development Demographic analysis of Natural England's advice https://www.hbf.co.uk/documents/11858/Lichfields-HBF_-_Demographics_Report_-_31_Mar_2022.pdf

as to how such a policy relates to the prevailing habitat and priority to maximise delivery of biodiversity net gains (BNG) on site. In some circumstances it may not be possible to deliver the required habitat on site alongside the proposed level of tree cover and other requirements for open space. Whilst the HBF recognises the national policy and guidance promotes the planting of trees in new development the proposed requirement to deliver 20% tree cover lacks flexibility. The policy should instead state that developments of 300 or more homes should deliver an appropriate number of trees taking into account existing landscapes, habitats, and the requirement to deliver biodiversity net gains.

20% Biodiversity Net Gain

42. The HBF consider the requirement for new development to deliver a 20% net gain to be unjustified. The latest guidance published by Government on the 14th of February advises that:

“... plan-makers should not seek a higher percentage than the statutory objective of 10% biodiversity net gain, either on an area-wide basis or for specific allocations for development unless justified. To justify such policies, they will need to be evidenced including as to local need for a higher percentage, local opportunities for a higher percentage and any impacts on viability for development. Consideration will also need to be given to how the policy will be implemented”.

43. It is important to note that the Government’s position is that local plan should not seek a higher requirement. This is different to a permissive policy allowing local plans to seek a higher level of BNG where justified and the HBF would argue that it should be considered a high bar with regard to the evidence required to justify such a policy. There must be very robust evidence that the area is significantly worse than the country as whole with regard to the negative impacts on biodiversity from development and that the viability evidence will need to have considered in detail the actual costs facing development rather than assumed costs based on generalised national data if the 20% BNG requirement is to be justified.
44. The HBF does not disagree that the UK has seen a significant loss in biodiversity not just in the recent past but previous centuries and as such recognise the importance of ensuring that the outcome of new development in future is that there is a net gain in biodiversity. At present the Council have stated that improving biodiversity is a priority for the Council but the HBF could find no evidence presented justifying a 20% net gain in biodiversity. It will be

necessary for the council to show why 20% is required in Canterbury and why biodiversity is more under threat in Canterbury as a result of residential development than elsewhere in the country, and consequently why it requires a higher level of BNG to offset these concerns. At present there is no evidence to show that this is the case and as such the 20% requirement must be reduced to the statutory 10%.

45. Turning to viability, the Council have considered the 20% BNG requirement in the Viability Study (VS) which considers the cost uplift in meeting a 20% requirement is relatively modest: the difference in delivering a 10% requirement to a 20% requirement having little difference in terms of viability. In some circumstances this will be the case. It is inevitable that some sites will be able to easily deliver 20%, especially where the baseline level of biodiversity is low. However, others with higher baseline levels of biodiversity will be unable to deliver even the statutory minimum on site and will require the purchase of offsite credits in order to meet the higher percentage. Alternatively, the developable area will need to be reduced significantly impact on the viability of the site and/or its development capacity. The problem with assessing BNG through the local plan viability VS is that the costs on site will rarely reflect any general assumptions made due to variation in the biodiversity found on every site.
46. For example, it is often assumed that PDL sites will have a relatively low baseline level of biodiversity. However, such sites can sometimes fall into the category of a biodiversity rich habitats classified as Open Mosaic Habitat (OMH) where species can be rarer than those found on farmed countryside. These are considered to be areas of high distinctiveness and would result in the loss of 6 units/ha rather than 2units/ha for bare ground. Such habitats are also difficult to create and as such require 1ha of OMH to be replaced with 1.9ha of the same habitat of the same quality. However, until the baseline assessment is undertaken it is not known what habitats occur and the difficulty of meeting the required level of BNG.
47. These are considerations that cannot easily be factored into viability assessment for either brownfield or green field sites, and plan wide viability assessments which by their very nature make generalised assumptions about the costs of BNG such as those made in the Governments 2019 Impact Assessment (IA) on BNG which used in the Council's VS. Whilst in the absence of other costs these have been used across the country for assessing viability, it must be noted that the IA is an examination of the broad costs to the development industry based on a range of assumptions that will not necessarily reflect the type and location of development coming forward in Canterbury and the costs of delivering BNG. In

addition, the cost of creating and maintaining one hectare of habitat on site is based on 2017 study by Natural Trust, RSPB, and the Wildlife Trust in relation to farms and not residential development. In particular the on-site management costs may well be higher compared to the study and the Council will need to provide evidence on what these costs are rather than rely on those set out in the IA.

48. Furthermore, the IA makes no consideration as to the potential reduction in the developable area in order to deliver at least 50% of net gains on site. This is the assumption made in the central estimate and which is used in the Council's VS. In some cases, this may have limited impact whereas on some sites it will impact significantly on the number of homes delivered. These assumptions will need to be tested with regard to allocated sites to understand the degree to which BNG can be delivered on site whilst still delivering expected levels of development. For the typology testing we would suggest that the council should undertake sensitivity testing to consider the impacts of having to deliver more BNG offsite.
49. Finally in using the cost estimate in the IA the Council are underestimating the cost of offsite delivery to meet net gains. The IA applies a cost of £11,000 per offsite credit. This is much lower than current prices in the market which are in the region of:
- £30-50,000 per Grassland unit.
 - £30-50,000 per Hedgerow unit.
 - £30-50,000 per scrubland unit.
 - £30-50,000 per individual tree.

These costs could also be higher still if there are insufficient credits locally as the spatial risk multiplier in the BNG Metric will increase the number of credits that are required to be delivered if credits are bought outside of the local area or National Character Area.

50. The Council should therefore seek to ensure that there is sufficient land available in Canterbury to ensure the offsetting can be delivered locally. These sites should be able to deliver the type of habitat required by development and must be allocated in the local plan. If this is not possible then the cost of delivering BNG in the VS will need to be increased. It should also be noted that a 20% BNG requirement will in many cases require more offsite delivery if a developer is to maintain viable levels of housing delivery on site. This will mean that it is likely that more than 50% of the BNG required on site will be delivered off site and that this will place additional demand for credits within Canterbury, potentially increasing the price per unit.

51. However, the council does not appear to have undertaken any work either generally or in relation to the sites allocated in the local plan as to the cost of delivering BNG on site in Canterbury nor the level of credits that might be needed to meet the 20% BNG requirement in NE2. Whilst it will be difficult to assess the impact in relation to general typologies it will be necessary for the Council to undertake a more detailed assessment as to the impact of BNG on allocated sites. Without any understanding as to the impact of BNG on the level of development that can be achieved on allocated sites, or the potential level of credits required to ensure they can deliver a 20% net gain the policy is not justified. With regard to typologies, we would suggest that more local evidence is required as to the likely impact. If this evidence is not available, then the Council must revert to the 10% required by the Environment Act 2021.
52. As set out earlier the Government have stated that plan makers should not seek to require a higher level of BNG unless justified. It is therefore for the council to robustly justify why it is both needed and that it has fully considered the impact of a 20% requirement on development viability. It is clear to the HBF that the Council have not achieved what must be seen as a high bar and as such the 20% requirement must be removed from the plan.
53. If it is considered sound to maintain the 20% requirement the policy must recognise that whilst the statutory 10% is fixed the additional 10% can be reduced where this impacts on the viability of development. Given the concerns raised above with regard to the difficulties of assessing the cost of BNG and a Local Plan Viability Study the Council must be clear that it will reduce the 20% to the statutory minimum in order to support the delivery of new development.

Implementation of BNG

54. Part 3 of the policy provides the detail as to how net gains should be implemented. Firstly, the council will need to be clear as to what it means by ecologically functioning net gains. This is not defined in the plan, nor is it a term used in national guidance or policy and the council will need to be clear what this phrase means and how applicants and decision makers should respond.
55. Sub section b of the second paragraph of part 3 sets out the hierarchy that should be followed with regard to the delivery of net gains. Given that the Biodiversity Hierarchy is set

out in legislation it not necessary to repeat it in policy. However, if it is included it should not create prescription that is not set out in policy or guidance. The Council's policy at present proposes that sites delivering net gains off site must first consider if these can be provided offsite within the district, then if purchased credits are required whether these can be purchased in the district and only in exceptional circumstances should national credits be used.

56. The HBF do not consider this approach to be consistent with national policy which does not prioritise where off-site net gains should be delivered and whether these should be delivered offsite by the developer or through the purchase of credit. It is also unnecessary as there is already a financial incentive built into the metric that require more BNG units to be delivered where provision is made offsite and outside of the Borough or National Character Area. The HBF therefore recommends that sub sections (iv) and (v) of section 3 are deleted and sub section (iii) amended to "*Offsite net gain provision*".

57. Part C sets out that applicants must demonstrate that on site delivery has been maximised, including whether the amount of development being proposed is appropriate. It is not clear how this policy will consider what an appropriate amount of development is and how it relates to national and local policies regarding the effective use of land. The HBF is concerned that this could lead to decision makers requiring the developable area being reduced even further placing significant pressure on development viability. Given that development is already incentivised through the metric to deliver as much net gain on site the HBF do not consider this policy to be effective or justified.

58. It is not clear what relevance part g has to decision makers and why developers should provide evidence relating to BNG in a format other than required by legislation. If the council wishes to centre that information with the Kent and Medway Biological Record Centre, then that is for them to undertake not the developer.

DS24 – Publicly accessible open space and sports

59. The level of open space provision required by DS24 is high and well beyond similar policies in other local plans. For every 1,000 additional head of population the Council will require an additional 9.5 hectares (ha) of open space, with over 7 ha being required for multifunctional green spaces⁴. In comparison the recently published draft Wealden Local

⁴ Parks and gardens, natural and semi natural open space, and amenity greenspace.

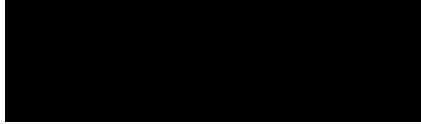
Plan's total multi-functional green space per every addition 1,000 population was less than half that proposed by Canterbury at 3 ha. Whilst HBF recognise that all areas will have varying demands, we are concerned that these targets are very ambitious and could impact on the developable areas of some sites and the number of homes that can be delivered on those sites. The Council will need to be able to provide evidence that allocated sites can meet these requirements, alongside other policy requirements, such as those for DS17 and DS21, without compromising developable areas and the number of homes that can come forward on these sites.

60. In terms of delivery the policy will require sites of 7.5ha and above to meet all the open space requirements of this policy. Firstly, the policy is not effective as it is not clear as to whether this relates to the whole site or the residential development area. This must be clearly stated in policy to provide clarity to the decision maker and applicant as to the intention of this policy. Secondly, it is not clear how this threshold was arrived at and whether it has been considered whether this size of site, or indeed its topography, will be effective in meeting the needs of new communities, particularly in relation to sports and recreational facilities. Delivery on sites at or around this threshold will likely provide small scale facilities delivering disjointed/ unstructured provision that is less likely to meet the needs of future population. A more effective approach would be for more centralised provision to which development can contribute to and which can be tailored to meet what is required.
61. Finally, the policy requires any outdoor sports pitches to be in addition to on-site school provision. This approach appears to ignore the fact that school pitches, as noted in the Playing Pitch Study, play a key role in meeting the overall need for sports pitches in the Borough. These should be included in any assessment as to what a site should provide.

Future engagement

62. 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 if that would be helpful. The HBF would like to be kept informed of the progress and adoption of the Local Plan. Please use the contact details provided below for future correspondence.

Yours faithfully



Mark Behrendt MRTPI
Planning Manager – Local Plans
Home Builders Federation

