

Preferred Option Consultation,
Development Strategy Team,
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Rugby
CV21 2RR

SENT BY EMAIL
localplan@rugby.gov.uk
19/5/25

Dear Planning Policy Team,

RUGBY LOCAL PLAN: PREFERRED OPTIONS CONSULTATION

1. Thank you for consulting with the Home Builders Federation (HBF) on the Rugby Local Plan Preferred Options.
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. We have not answered all of the survey questions only the ones of relevance to our members

Implications of the new NPPF standard method

4. The HBF notes a new NPPF and new standard method for calculating housing need has been published prior to this consultation on the Rugby Local Plan, and that this will have implications for the production of the Plan and the policies it contains. The transitional arrangements set out in the NPPF¹ state that *'for the purpose of preparing local plans, the policies in this version of the Framework will apply from 12 March 2025 other than where one or more of the following apply: the plan has reached Regulation 19 (pre-submission stage) on or before 12 March 2025 and its draft housing requirement meets at least 80% of local housing need; . . .'*. The Government Response to the proposed reforms to the NPPF and other changes to the Planning system consultation² provides a helpful flow diagram of the transitional arrangements, which is copied as Figure 1 below. It is noted this is a Preferred Options consultation (not a Reg 19) and as such HBF expect the Rugby Plan to proceed under the new NPPF and new standard method calculations.

¹ NPPF 2024 paragraph 234

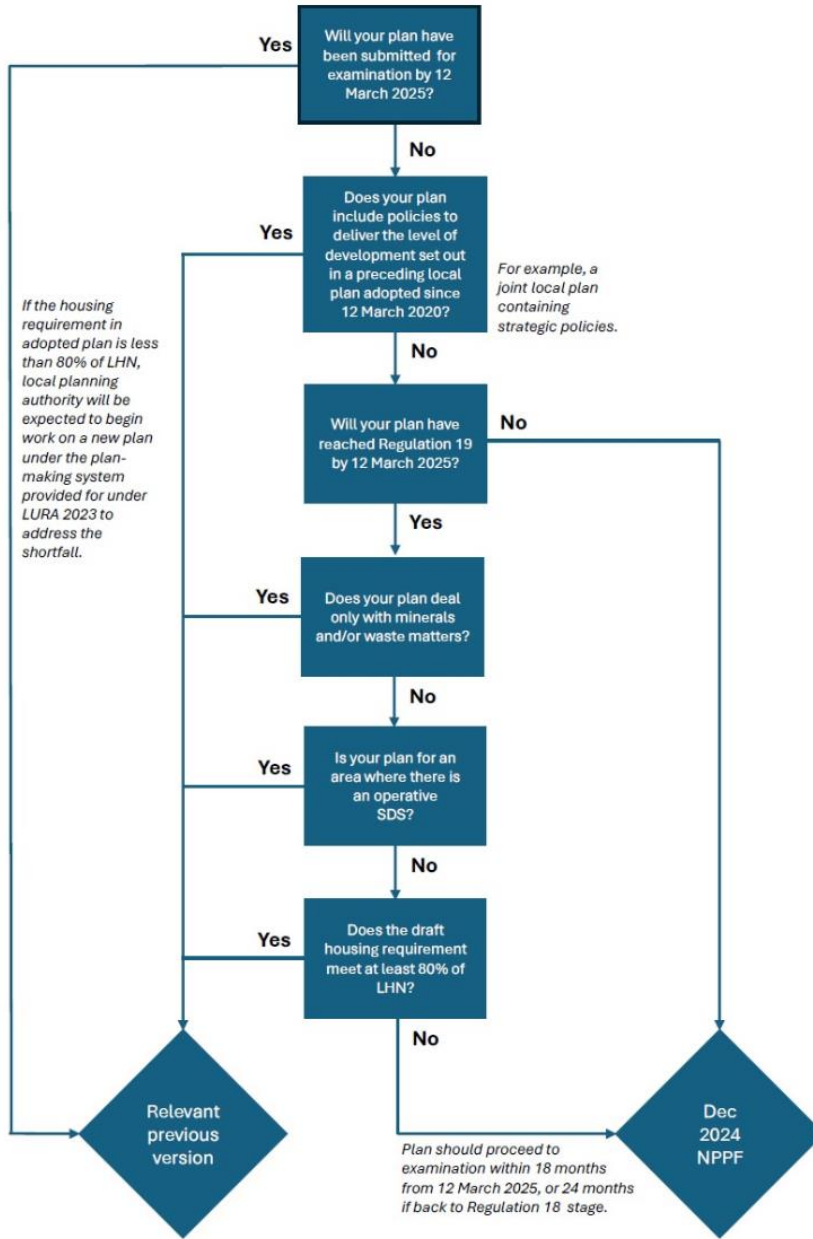
² <https://www.gov.uk/government/consultations/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system/outcome/government-response-to-the-proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system-consultation#the-future-of-planning-policy-and-plan-making>

5. The HBF also notes that the 'Building the homes we need' the Written Ministerial Statement (WMS) from Angela Raynor on 30th July 2024 highlights the importance of everyone local authority having a development plan in place. We therefore welcome the Council's ongoing efforts around plan-making and acceptance of the standard method calculations as the basis for considering the local housing requirement.
6. The Government's is clear that its overarching housing policy seeks to deliver 1.5 million new homes over the course of the Parliament and the introduction of the new stock-based standard method is intended to result in a significant uptick in the delivery of new homes. For new housing to be delivered within the Parliament, work to support this increase must start immediately. Other national policy in the NPPF, PPG and elsewhere make it clear that the Government seeks to increase house building, and therefore, Plans that are only aiming to deliver 80% of their part of the national requirement cannot be consistent with the wider Government housing policy objectives.

Plan Period

7. The Plan states that the Plan covers the period to 2024 to 2045. This is important as the NPPF requires 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 into account the likely timescale for delivery. We note that the supporting evidence will also need to reflect the full period.

Figure 1: Transitional Arrangements



Section 1. Introduction

Objectives

8. The HBF would request that the vision for Rugby is more explicit about its ambitions to meet the housing needs of Rugby in full. Consideration should also be given to whether or not Rugby should be helping to meet the known and long-standing unmet housing needs in the Birmingham and Black Country areas.

Section 2. Strategy for homes and residential allocations

Spatial Strategy

9. HBF do not comment on individual sites but would wish to see the Plan set out a logical settlement hierarchy which meets all the housing needs and addresses all areas of the housing market, with a range of sites proposed for allocation. The Plan should provide for a wide range of deliverable and developable sites across the area in order to provide competition and choice to ensure that housing needs are met in full. The soundness of strategic and non-strategic site allocations, whether brownfield or greenfield, will be tested in due course at the Local Plan Examination.
10. The HBF considers that the Council will need to consider an appropriate balance of development, to ensure that all of their housing needs are met in terms of types and tenures; locations and markets, and to ensure that the Plan can deliver against its housing requirements. Although the HBF does not comment on individual sites or allocations, we believe that the Plan should provide for a wide range of deliverable and developable sites across the Borough in order to provide competition and choice to ensure that housing needs are met in full.

Section 5. Climate

11. The NPPF states that new development should be planned for in ways that help to reduce greenhouse gas emissions such as through its location, orientation and design. It goes on to state that any local requirements for the sustainability of buildings in plans should reflect the Government's policy for national technical standards. Therefore, the HBF would caution against policies that seek to go further and faster than national legislation and policy changes, which would lead to the creation of a patchwork of differing local policies which could inadvertently undermine the delivery of the wider environmental objectives the Council is seeking and create unnecessary delays to much needed new housing.
12. The HBF would highlight the latest publication 'Future Homes, One Plan Building a generation of high quality, affordable and sustainable homes and communities, together'. This was pub-

lished in Nov 2023 and highlights what actions are needed to support the delivery of sustainable homes. In particular, the HBF, would highlight 'Issue 9: The Partnership Imperative' on page 15 which states in the Local Government section that "Local planning requirements must align with the overall plan for improving performance standards at national level. For example, avoiding divergence of local energy standards that make it harder to accelerate improvement in standards at national level, and avoiding conflict between local planning conditions and new requirements of building regulations."

13. The government has also provided further advice for local authorities through the Written Ministerial Statement³ which says "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."
14. The HBF would caution against policies that seek to go further and faster than national policy changes that result in patchwork of differing local standards. The HBF considers that this patchwork of standards has the potential to create challenges to development viability and delivery and potential for unintended consequences, rather than a standardised national approach to address these important issues.

Section 8. Environment

15. The HBF notes the introduction of Biodiversity Net Gain which came in for large sites on February 12th 2024, and for small sites from 2nd April 2024. It is therefore important for this policy to fully reflect all the new legislation, national policy and MHCLG and DEFRA guidance.
16. The HBF has been involved in a significant amount of work, being led by the Future Homes Hub, on BNG preparedness for some time, including feeding into the BNG Planning Practice Guidance and the DEFRA BNG Guidance. The HBF notes that this represents a lot of new information that the Council will need work through and consider the implications of, in order to ensure that any policy on Biodiversity Net Gain policy complies with the latest policy and guidance now it has been published. It should also be noted that the PPG⁴ is clear that there is no need for individual Local Plans to repeat national BNG guidance.
17. It is the HBF's opinion that the Council should not deviate from the Government's requirement for 10% biodiversity net gain as set out in the Environment Act. It is also important to note that for large and complex sites where the development is phased, the guidance is clear that the 10% must be delivered at the end of the development, and this may not result in 10% BNG on each phase. Additional advice on phased development has been provided in the BNG PPG⁵.

³ <https://questions-statements.parliament.uk/written-statements/detail/2023-12-13/HCWS123>

⁴ PPG ID: 74-006-20240214

⁵ PPG ID: 74-054-20240214 & ID: 74-056-20240214

18. There are significant additional costs associated with biodiversity net gain, which should be fully accounted for in the Council's viability assessment, some of which are unknown at this time. It is important that BNG does not prevent, delay or reduce housing delivery. As this is an emerging policy area and the market for off-site provision, is still relatively new, any figure used for BNG costs will need to be kept under review as BNG implementation progresses and a greater understanding of actual costs become available.
19. The HBF would encourage the Council to ensure the Local Plan fully considers and evidence how BNG has formed part of the site selection process. This should include understanding the BNG requirement, including undertaking an assessment of the baseline to support the allocation. Understand the BNG costs and viability for the site and considering how this may impact other policy requirements such as affordable housing, other s106 or CIL contributions.

Section 9. Housing

20. The HBF considers that the Council will need to consider an appropriate balance of development, to ensure that all of their housing needs are met in terms of types and tenures; locations and markets, and to ensure that the Plan can deliver against its housing requirements. Although the HBF does not comment on individual sites or allocations, we believe that the Plan should provide for a wide range of deliverable and developable sites across the Borough in order to provide competition and choice to ensure that housing needs are met in full.
21. The HBF would be supportive of a higher housing requirement for Rugby and supportive of additional sites in additional locations being allocated. The HBF also notes that the NPPF requires Local Plans to identify land to accommodate at least 10% of the housing requirement on sites no larger than one hectare, unless there are strong reasons why this cannot be achieved. The HBF has undertaken extensive consultation with its small developer members. One of the chief obstacles for small developers is that funding is extremely difficult to secure without a full, detailed, and implementable planning permission. Securing an implementable planning permission is extremely difficult if small sites are not allocated. Without implementable consents lenders are uneasy about making finance available or the repayment fees and interest rates they set will be very high.
22. The NPPF⁶ states that to determine the minimum number of homes needed, strategic policies should be informed by a local housing needs assessment, conducted using the standard method set out in the PPG. The NPPF⁷ also states that the requirement may be higher than the identified housing need, if for example, it includes provision for neighbouring areas or reflects growth ambitions linked to economic development or infrastructure investment. The PPG⁸ continues to state that '*an increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes*'.

⁶ NPPF December 2023 Paragraph 61 / NPPF 2024 Paragraph 61

⁷ NPPF December 2023 Paragraph 67 / NPPF 2024 Paragraph 69

⁸ PPG ID: 2a-024-20190220

23. The HBF strongly supports the need for more housing in the Rugby Local Plan for a variety of reasons including addressing the current housing crisis, meeting housing need, providing affordable housing, to support small and medium house builders and to support employment growth. The HBF would request that the Council considers the standard method figure only the minimum starting point and fully considers all of the issues that may result in a need for a higher housing requirement, including the need to provide a range and choice of sites, the need for flexibility, viability considerations and whether higher levels of open-market housing are required in order to secure increased delivery of affordable housing.
24. In relation to windfalls, the NPPF⁹ only permits an allowance for windfall sites if there is compelling evidence that such sites have consistently become available and will continue to be a reliable source of supply. The HBF is of the view that any supply provided by windfall sites should be in addition to the buffer added to the housing need figures derived from the Standard Method to provide choice and competition in the land market. However, by including windfalls within the Plan's housing requirement supply, any opportunity for windfalls to provide some additional housing numbers and flexibility is removed. Windfalls do not provide the same choice and flexibility in the market as additional allocations. The HBF is therefore concerned about the Council's reliance on windfall in place of allocating housing sites.
25. The HBF are also of the view that any allowance for windfall should not be included until the fourth year of a housing trajectory, given the likelihood that dwellings being completed within the next three years will already be known about (as they are likely to need to have already received planning permission to be completed within that timeframe).
26. The HBF also notes that the NPPF requires Local Plans to identify land to accommodate at least 10% of the housing requirement on sites no larger than one hectare, unless there are strong reasons why this cannot be achieved. The HBF has undertaken extensive consultation with its small developer members. One of the chief obstacles for small developers is that funding is extremely difficult to secure without a full, detailed, and implementable planning permission. Securing an implementable planning permission is extremely difficult if small sites are not allocated. Without implementable consents lenders are uneasy about making finance available or the repayment fees and interest rates they set will be very high.
27. Small developers, consequently, need to invest a lot of money and time up-front in the risky business of trying to secure an allocation and a planning permission, and this is money that many small developers do not have. The HBF would therefore wish to see the 10% small sites allowance delivered through allocations (and not windfall). Such sites are important for encouraging the growth in SME housebuilders who will tend to develop these sites but rarely see the benefits that arise from the allocation of sites in a local plan. Up until the 1980s, small developers accounted for the construction of half of all homes built in this country resulting in greater variety of product, more competition, and faster build-out rates. Since then, the number

⁹ NPPF December 2023 Paragraph 72 / NPPF 2024 Paragraph 75

of small companies has fallen by 80%. The HBF also notes that support for small and medium builders need not be limited to only small sites of less than 1Ha. SMEs also deliver on other types of non-strategic sites (for example up to 100 units). The inclusion of additional non-strategic allocations would expand the range of choice in the market, and be of a scale that can come forward and make a contribution to housing numbers earlier in the plan period.

28. HBF note that the Plan focusing most development within Rugby. However, in order to support sustainable rural development HBF would suggest that the Plan should also recognise that there may be clusters of villages that provide a range of services for that area within reasonable travelling distance of each other, so villages may need to be grouped together. These areas might be able to sustainably support a substantial level of development but may not have all the services within one particular village. Additional housing sites in these villages would help support rural development.
29. Similarly, the Local Plan should recognise that settlements that currently do not have services could expand to include those services if new development is allocated in those areas. The current range of village services should not be used as a basis for only locating development close to existing services. It could in fact also identify where services could be improved through new development. Allocating housing sites in rural areas can also provide opportunities for small sites which are particularly helpful for SME builders.
30. The Plan's policies should ensure the availability of a sufficient supply of deliverable and developable land to deliver the housing requirement. This sufficiency of housing land supply should ensure that the Council can meet the housing requirement, ensure the maintenance of a 5-year housing land supply and achieve the Housing Delivery Test. The HBF also strongly recommends that the plan allocates more sites than required to meet the housing requirement as a buffer. This buffer should be sufficient to deal with any under-delivery which is likely to occur from some sites and to provide flexibility and choice within the market. Such an approach would be consistent with the NPPF requirements for the plan to be positively prepared.
31. The HBF would also recommend that windfall allowances are not included in the supply and instead form part of the flexibility in supply. However, the HBF recommends that if the Council intends to include an allowance for windfall that they have an appropriate evidence base to support this, this would be in line with the NPPF¹⁰ which states that where an allowance is made for windfall sites there should be compelling evidence that they will provide a reliable source of supply.
32. The HBF notes that our experience to date is that the delivery of BNG is impacting on achievable densities. It will be important for the BNG requirements of a site to be understood to ensure that the implications of providing the required development densities and on-site BNG are appropriate and deliverable. The HFB recommend that the Council consider the baseline BNG as part of the site allocation process.

¹⁰ NPPF December 2024 Paragraph 75 / NPPF Dec 2023 paragraph 72

- 33. 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, does not consider the viability of the site, or requires the applicant to provide significant amounts of additional evidence. The HBF would expect the Council to ensure that any policy is applied flexibly and makes allowance for home builders to provide alternative housing mixes as is required by the market.
- 34. The HBF also note that the viability of older person's housing is different to other forms of housing as such should be considered separately in the Whole Plan Viability Assessment. We would question the effectiveness and justification of this policy.

The need for Monitoring and Review of the Local Plan

- 35. Monitoring is an essential, yet often neglected part of the Plan, Monitor, Manage approach. The Rugby Plan should include a Review policy. This policy should include clear timeframes and triggers, it must also be noted that preparing a new plan, does in fact nothing in the short or medium term to address the under-delivery of housing. The HBF therefore request that the Plan and monitoring framework should include actions to be taken if the targets are not met. For example permitting departure sites, working with developers to help bring any stalled forward, considering applying flexibility in relation to some other policy requirement(s) if there are deliverability issues, and such like.

Future Engagement

- 36. 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.
- 37. 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.

[Redacted]

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