HBF House, 27 Broadwall,
London SE1 9PL
info@hbf.co.uk
hbf.co.uk

Response to: localplan@greatercambridgeplanning.org

24/09/2026

Greater Cambridge Local Plan: HBF Reg 19 representations

1. The Home Builders Federation (HBF) is the principal representative body for private sector home builders and voice of the home building industry in England and Wales. HBF 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 widely recognised national firms, through regionally based businesses and small local companies.

New NPPF – transitional arrangements

2. Annex A of the latest iteration of the NPPF published in August 2026 states that from the date the new NPPF is published any local plan policies that are *"... materially inconsistent with national decision-making policies in* this *Framework should be given very limited weight. The only exception is where* they *have been examined and adopted or made against this Framework*". Therefore, where inconsistencies with the new Framework are identified over the course of the consultation and examination of this plan, HBF considers it necessary for modifications should be made to the local plan to avoid the need for decision makers to make such determinations.

Policy S/JH: New jobs and homes

Housing needs

3. This policy establishes that the housing requirement for the Greater Cambridge area as 48,069 over the plan period 2024 to 2045 – a total of 2,289 dpa – which is consistent with the outputs of the Standard Method. As the Council will be aware this is the minimum number of homes needed and there may be circumstances where it is necessary to plan for a level of housing needs above that required by the NPPF. The first of these, referenced in paragraph 62 of the NPPF, is where there are unmet needs in neighbouring areas. The second consideration is set out in paragraph 86 of the NPPF which outlines that planning policies seek to address potential barriers to investment such as inadequate infrastructure, services and housing.

4. With regard to unmet needs HBF are not aware of any neighbouring local authorities that will not be able to meet their own needs. However, we are concerned that the recently published London Plan will fall short of meeting its housing needs by xxx homes. This significant shortfall in housing is in addition to delivery in the capital being substantially lower than the housing requirement in the adopted London Plan. Given the strong migratory and transport links between London and Greater Cambridge the inability of London not to meet its housing needs will place more pressure on Greater Cambridge both in terms of demand for new homes and as a location for economic growth. While the expectation was until recently that London would meets its own needs this new shortfall must now be seen as factor when considering Greater Cambridge's housing needs and whether the central growth scenario used by the Council to justify its housing and employment growth scenarios is sound.

5. With regard to paragraph 88 of the NPPF the Council has undertaken an assessment as to the number of homes that are required to meet the jobs growth expectations over the plan period. The outcome of this assessment in the Employment and Housing Needs Update is that the preferred employment scenario which would see the delivery of 73,248 jobs over the plan period is closely matched by the level of jobs growth supported by the standard method of 73,632. The conclusion of the EHNU is based on the central growth assumptions which is considered to be the most likely scenario with the higher growth scenario being dismissed. However, it is noted in paragraph 3.62 of the EHNU that the higher scenario could be achieved with a step change in investment.

6. Given that the Government have recently announced a £400 million investment in Cambridge to overcome the barriers to growth, such as housing supply and affordability, there is clearly an ambition to sustain the economic growth in the long term there would appear to be some justification for adopting a higher growth scenario and ensuring that housing needs are not a barrier to future investment. HBF would suggest that with the proposed investment the higher growth figures that see a balanced return to the 20-year trend growth ambitions that see a continuation of the 10-year trend compared to the central assessment are adopted.

7. HBF also note that the previous assessment of need required 2,463 dpa to deliver employment growth over 21 years of 66,000 jobs, compared to 2,292 dpa to deliver 73,200 jobs over the number of years. The reason given for this is the fact that average household sizes are now larger, an increase in people of working age and more in-commuting which reduces the number of local people required to fill the jobs created. It is accepted that changing demographics, such as increased working age population will impact on the number of homes needed however we are concerned that a reliance on larger household size and increased commuting are not sustainable approaches

to ensuring the balance between economic needs and housing growth. Increasing household size can be a result of poor affordability with younger people unable out move out of the family home due to housing costs – an issue that should be addressed through the plan not embedded by it.

8. With regard to commuting patterns the evidence would appear to indicate that the plan is promoting less sustainable patterns of travel rather than, as is required by paragraph 111 of NPPF using planning policies to minimise the length and journeys needed for employment.

9. In conclusion HBF would suggest the evidence on economic growth and housing needs suggest more homes are required in order to support the growth of the Greater Cambridge area. We would recommend that the higher growth scenario is used to inform housing needs in the next iteration of the local plan.

Housing supply

10. In order to meet the minimum number of homes required by the standard method the Council state in Table 1 on page 42 of the Local Plan that after current supply is taken into account there is need for to identify additional sites able to deliver land for a further 9,691 homes. Table 2 on page 44 of the local plan indicates that the Council have identified sites to deliver a further 13,654 homes. This results in a total land supply over the plan period to deliver 52,032 homes. This provides a headroom in supply of around 8% - just under 4,000 homes.

11. HBF welcome the decision of the Council to ensure there is headroom between needs and supply, however we question whether this is sufficient and consider a contingency of between 10% and 20% is essential in order to provide the necessary flexibility in housing supply. Where there are a significant number of larger sites delivering home at the end of the plan period HBF would consider to necessary for the contingency to be closer to 20% to ensure that any delay in the delivery of such sites does not require significant intervention over the life time of this plan.

12. Turning to the supply of new homes it is notable that the 81% of the homes to be delivered across Greater Cambridge are on sites of 1,000 or more homes. In terms of the new sites that have been allocated to ensure housing needs are met in full, 92% of this new supply will be on sites of 1,000 or more homes. While HBF welcomes the allocation of these sites we are concerned that an over reliance on strategic sites reduces the opportunity for smaller sites to be allocated that will deliver homes earlier in the plan period and support small and medium sized housebuilders to benefit from a site allocation. It also notable that a significant proportion of supply in the first five years is also on large sites. Based on the Figure 2 in the Housing Trajectory Topic Paper 92% of the homes

delivered in the first five years post adoption will be delivered on sites of over 1,000 homes resulting in a significant spike in delivery in 2029/30 when it is expected that delver will be over 1,000 home higher than in any other year. While we welcome the ambition there is a significant risk that this very high level of delivery from a relatively small pool of sites will not be achieved.

13. If the Councils had a stronger land supply in the first five years this would be less of a concern. However, using the Sedgefield approach land supply is just 5.03 years in 2028/29 and in the next 3 years it is barely above 5 years at 5.08, 5.00 and 5.09. The five year land supply has also got worse since the regulation 18 consultation in January with overall supply during that period now 400 homes lower. HBF are therefore concerned that at examination and under scrutiny from the inspectors should any of the larger sites be judged not to deliver as expected the Council are unlikely to have a five year land supply on adoption and potentially for subsequent years.

14. Given this position HBF would suggest that it is necessary for soundness that more small and medium sized sites are allocated that will provide the necessary buffer against the strategic sites not delivering as expected. In particular it is essential that these allocations ensure 10% of its housing needs were delivered on sites of less than one hectare as required by national policy and an issue we consider in more detail below.

15. As outlined above HBF consider the Sedgefield approach to assessing five year land supply to be the most appropriate way of assessing land supply in Greater Cambridge. However, in Appendix D the Council use the Liverpool method ion calculating their five year land supply. HBF do not consider this to be sound. Paragraph 68-031 of PPG establishes that the preferred method for assessing housing land supply is the Sedgefield approach, which requires any backlog to be delivered within the following five years. This is to ensure that any backlog in housing supply is addressed and not pushed back to later in the plan period. While HBF note that land supply is marginal on adoption, this should not be seen as justification for using the Liverpool method as it is the Council's decision to focus on larger sites. If the Council are concerned about five year land supply, then it should allocate additional sites. HBF therefore do not consider the appendix to be sound and should be amended to be consistent with national policy in using the Sedgefield method for assessing five-year housing land supply.

<u>10% small sites</u>

16. In paragraph 2.41 the Council notes the requirement in paragraph 73 of NPPF that at least 10% of the homes delivered over the plan period should be on sites no larger than one hectare. The Council outline that in order to meet this requirement they will have to identify sufficient land to

accommodate over 4,807 homes on such sites. The Council consider that they can meet this through identified sites and windfall on small sites which are anticipated to deliver 7,005 homes over the plan period. However, it is noted that only 2,052 of these homes are on identified sites – just over 4% of what is required by national policy.

17. In meeting the requirement of paragraph 73 the NPPF is clear that these homes must be on identified sites – either as an allocation in the local plan or as a site in the Council's Brownfield Register. Wind-fall development is defined in the NPPF Glossary as "*Sites not specifically identified in the development plan*". As such the Council cannot rely on assumed levels of windfall delivery on small sites to meet this requirement. In order to ensure the plan meets this requirement the Council must identify, either an allocation in the local plan or as a sites on the brownfield register, small sites that have the potential to deliver a further 3,126 homes.

18. The Council state this is an appropriate response as to allocate these sites would require the delivery of a large number of homes in less sustainable locations where levels of car use would be higher. The Council also site that it may require the release of land from the Green Belt to achieve this objective, and it would be difficult to deliver the infrastructure needed to make such development sustainable. However, it is not a forgone conclusion that small sites will all be in less sustainable locations, this is simply an assumption that has been made by the Councils with no evidence presented to support these assertions. There should have been further efforts to identify small sites with a view to allocating these in the local plan and not simply dismiss further allocations as being unsustainable.

19. The Council state that the windfall allowance supports the overall aim of this policy. HBF disagrees. It is important to recognise that the allocation of small sites is a priority and stems from the need 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. Requiring small developers to rely solely on windfall means that they receive none of the benefits of allocation which remain almost solely the preserve of larger developers in Greater Cambridge.

20. The 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 were 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.

S/DE Defined development extents.

<u>The policy is unsound as it is not effective or consistent with national policy.</u>

21. As set out above HBF the Council have failed to meet the requirements of paragraph 73a of the NPPF and have not, in our opinion, provided sufficient justification as to why it has not done so. However, if it is considered to be justified then the Council must do more to promote the delivery of smaller sites to support SME developers across Cambridgeshire. However, S/DE place further restrictions on the potential of smaller sites by removing any opportunity for sustainable edge of settlement development given that the Council cannot delver 10% of homes on small sites within the urban area. HBF would recommend that this policy is amended to provide more support for the delivery of smaller windfall sites. HBF would recommend that a in part 2 is amended to include the following:

> *"The site is less than one hectare, it can be demonstrated that the proposal will deliver sustainable development, following the settlement hierarchy in this local plan and the site is being brought forward by an organisation or company that identifies itself as a SME developer or for self-build or for a community land trust initiative and is not part of a larger site."*

S/GB: The Cambridge Green Belt

<u>Policy is unsound as it repeats national policy which is inconsistent with the NPPF.</u>

22. It is not clear what purpose this policy adds to national policy as it simply repeats the purposes of Green Belt that are already set out in paragraph 143 of NPPF. As such the policy is inconsistent with paragraph 16 of the NPPF which states that policies should avoid repetition with policies in the Framework. The policy should be deleted.

CC/NZ: Net Zero Carbon Buildings

Policy is unsound as it is inconsistent with national policy.

23. HBF recognises the need for new homes to reduce the level of carbon they emit through their operation, and we have been working with the Government and the Future Homes Hub in developing the Future Homes Standard that will ensure all new homes built following its introduction are zero carbon ready. This means that all new homes will emit no carbon at source. It is also acknowledged that national policy on this matter, the Planning and Energy Act 2008, the Written Ministerial Statement on Local Energy Efficiency Standards and now PM13 in the latest NPPF allows Council to set standards that go beyond those established through building regulations where they are viable and deliverable.

24. However, in allowing local plans establish improved targets the WMS and now PM13 establishes how this standards should be applied. Both the WMS and new NPPF states that these standards should be expressed as a percentage of TER and calculated using a specified version of SAP. As such HBF does not consider the use of targets based on space heating and energy use as out in parts A and B, and the requirement for these to be achieved using CIBSE TM54 or Passivhaus Planning Package to be consistent with national policy. Larts A and B will need to be deleted and replaced with a policy that is consistent with the WMS and NPPF26.

25. The WMS, and PM13 in NPPF26, requires any standard that goes below current building regulations should be robustly costed to ensure that they do not have an adverse impact on viability or deliverability. In terms of the cost used the Viability Report includes an uplift of 6.5% for houses and 5% for flats above current standards (Part L 2021) to assess the impact of this policy. This would appear to be based on the costs set out in Table 3.1 of the Update to Net Zero Policy Costs replicated below.

	Domestic			Non-domestic
	Low Rise Flats	Terrace House	Semi-Detached House	School
Gross Internal Area (m^2)	3,889	84	103	3,287
Base build costs (Part L2021)	£2,358	£1,906	£2,075	£3,527
Cost uplift for net zero (£m^2)				
Fabric	£24	£64	£48	£43
Systems	£70	£69	£68	£1
Renewables	£17	£2	£1	£34
Total uplift (£m^2)	**£111**	**£135**	**£116**	**£78**
Total uplift (£ per building)	**£430,716**	**£11,356**	**£11,964**	**£257,175**
% increase	**5%**	**7%**	**6%**	**2%**

26. What is notable about this assessment is that the percentage uplift is against a higher build cost to that used in the Viability Report. Table 5.21 of that report indicates that the per square metre cost for residential development ranges from £1,438 for houses on sites of over 50 units to £1,903 for flats. As such the percentage uplift on the basis of the expected cost of meeting this policy is around 6% for flats and 9% for houses on larger sites. While relatively small changes overall the cumulative impact of the these costs can render development unviable and as such must be reflected in the viability assessment.

27. It is also not clear what robust evidence has been provided to show that these targets will not impact on the delivery of new homes within Greater Cambridge. Without more detailed and robust evidence considering the deliverability of these standards in relation to the allocated sites and the rate at which new homes are expected to come forward this policy cannot be considered to be sound.

28. Paragraph 8 under part D sets out that where the standard cannot be achieved for viability or technical reasons that offsetting will be permitted after all attempts have been made to reduce space heating and energy consumption standards. However, HBF would suggest that where this policy in combination with other policies in the local plan make development unviable, the use of offsetting does not offer sufficiently flexibly. Where meting this level of energy performance is unviable then the standard should not be applied.

29. Finally, paragraph 10 under part D states that for reporting purposes all development over 50 homes should complete in-use energy monitoring. However, it is not clear from the policy how this data will be used and what action could be taken should energy use exceed that set out in the policy. The way the occupants use a home is up to them and as such the Council would not be able to take any sanction on the home owner on this matter. This was a point considered by the inspectors examining the Wokingham Local Plan who have stated in their post hearing letter that a similar clause must be deleted as it was not considered to be an effective policy. HBF therefore recommend that paragraph 10 is deleted.

CC/WE: Water efficiency in new developments

30. It is recognised that in where there are exceptional pressures on water supply are inhibiting the delivery of new development in an area, the Government is supportive of introducing standards lower than those set out in Building Regulations. This was specifically noted in the Joint Statement on addressing water scarcity in Greater Cambridge with the draft NPPF also noting that there may be exceptional circumstances for introducing more stringent standards than those set out in building

regulations. The standard being proposed in "*Shared Standards in Water Efficiency for Local Plans*" was for 85 litres per person per day (lppd) which would be achieved through a fittings based approach. With regard to the 85 lppd requirement HBF remain concerned that the customer experience will be impacted by homes built to the standards. Many households will want a bath, higher capacity washing machine and more powerful shower. This policy will prevent house builders from offering such products, reducing customer satisfaction and potentially leading to these fixtures being replaced as it is unclear as to how the policy will prevent the owners of new homes from installing baths or different less water efficient appliances once they are in occupation. This is noted by the Future Homes Hub in the 'Water Ready' Report[1] which highlighted the perverse outcome of those moving into new homes scrapping perfectly serviceable washing machines.

31. However, the Council are proposing that development of over 100 dwellings will be required to meet a standard of 80 lppd. This lower standard would require development to introduce water recycling or water reuse. As the Council's evidence base notes there are still some concerns as to the legal implications of using reclaimed water for domestic purposes and this is the reason why a standard for of below 85 lppd that can be achieved through a fixtures led approach is being recommended in the shared standards report. These concerns are reflected in the 'Water Ready' report which notes in relation to water reuse systems that:

> "*… if they are not well designed and identified, they do increase the risk of cross contamination. There is therefore a need for a clearly defined standard approach to cover items such as layout options, differing pipework sizes or other mechanisms to readily identify these and prevent cross connections and materials; before any such systems can be mandated*."

32. While the policy states that the use of water reuse/ recycling is subject to amendments in relevant legislation, HBF suggests that until there is clarity as to the legal position on such matters and that there are clear national standards and guidance for installation on going stewardship/ maintenance the Council should not be seeking to require water reuse systems in order to achieve 80 lppd which is itself unjustified.

[1] Water Ready, Future Homes Hub (2024)

33. Finally, while we are not supportive of the lower standard in order to allow some homes to meet different demands HBF would suggest that the standard is an average across the site to allow homes that are able to go below this standard to offset a higher water usage in other units.

Policy CC/IW: Integrated water management, sustainable drainage and water quality Point 7 of

34. Part 6a of the policy states development must demonstrate that there is capacity for waste water treatment and adequate wastewater conveyancing infrastructure to support the whole development. HBF does not consider this approach to be sound on the basis that water infrastructure providers have a legal requirement to provide the necessary infrastructure to meet the needs of Greater Cambridge's current and future population and that it should not be for house builders and other developers to address the failings of water companies to upgrade infrastructure.

35. It is not sound for the council to ask developers to demonstrate that there is capacity. HBF does not consider this to be necessary as the capacity of the water supply infrastructure to be a land use planning matter for consideration on an application-by-application basis as Water companies are subject to statutory duties under S37 and 94 of the Water Industry Act 1991 (WIA 1991). Section 37 of the Act, set out below, imposes a statutory duty on all water companies to provide and maintain adequate infrastructure and potable water supplies.

> *"S37 General duty to maintain water supply system etc. (1) It shall be the duty of every water undertaker to develop and maintain an efficient and economical system of water supply within its area and to ensure that all such arrangements have been made— (a) for providing supplies of water to premises in that area and for making such supplies available to persons who demand them; and (b) for maintaining, improving, and extending the water undertaker's water mains and other pipes, as are necessary for securing that the undertaker is and continues to be able to meet its obligations under this Part. (2) The duty of a water undertaker under this section shall be enforceable under section 18 above— (a) by the Secretary of State; or (b) with the consent of or in accordance with a general authorisation given by the Secretary of State, by the Director."*

36. Consequently, it is inappropriate to include a policy in the local plan requiring a housebuilder, or other applicants for development, to assess the capacity or otherwise of the water company to provide connections as they are an attempt to get applicants to do things for which they are not legally responsible. Rather it is the responsibility of water companies, working with local

authorities and the Environment Agency, to plan for the future demand for water services relating to the development requirements proposed in local plans, not applicants. If the Council cannot show that there is sufficient water supply to meet the level of development set out in the local plan, then it cannot be considered to be deliverable.

CC/CS: Supporting land-based carbon sequestration

The policy is unsound as it is not effective.

37. Part 7 of this policy states that all major development proposals, including strategic sites, should seek opportunities to enhance the carbon sequestration potential of their proposals through green infrastructure and new habitat creation. It is not clear why this policy is necessary given that the Council already has policies with regard to urban greening, open space as well as development being required to deliver new and improved habitats as part of the requirement to deliver biodiversity net gains. HBF would therefore suggest that the opening sentence of part 7 is deleted. The second sentence should also be amended to "*The demonstration of meaningful carbon sequestration where there is a significant net gain within a proposal through nature-based solutions will be a material consideration and given significant weight in favour of development in the decision-making process.*" This ensures the policy will be used positively to support development.

Policy BG/BG: Biodiversity and geodiversity

Policy is unsound as it is inconsistent with national policy

38. Part 2 of the policy states that all major development should achieve a net gain in biodiversity of 20% unless exempt under the Environment Act 2021. HBF does not consider the policy requiring a major development to deliver 20% Biodiversity Net Gains (BNG). As the Council will be aware, the draft NPPF published for consultation at the end of last year indicates that the only time where it may be appropriate to seek more than 10% BNG through local policy relates to allocations, and even then, only where this is clearly evidenced and justified. This is a clear direction of travel with regard ot BNG that there should not be general requirements for development to deliver beyond hit 10% required by the Environment Act.

39. However, even if the approach being proposed in the draft NPPF is not taken forward HBF does not consider the approach to be justified. In considering the soundness of this policy it is necessary to consider paragraph 74-006-20240214 of PPG which states 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".*

40. It is important to note that the starting point 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 a very clear and robust justification that the area is significantly worse than the country as whole and that this decline is directly related to the new development rather than, for example, the result of changes in agricultural practices or industrial pollution. It is not sufficiently robust to highlight declines in species that whilst an important issue is not necessarily as a result of new homes being built.

41. However, HBF could not find any justification in the plan or evidence base as to why development in Greater Cambridge should be delivering more than the 10% statutory requirements. The HBF does not disagree that the UK has seen a loss in biodiversity not just in 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. However, it is important to recognise that in recent years new residential development has not been the driver of declining biodiversity either locally or nationally and in particular over the last 50 years.

42. The main drivers of declining biodiversity in England, as outlined in the State of Nature Report 2023 (State of Nature Partnership, 2023), as being "*Intensive management of agricultural land, largely driven by policies and incentives since World War II, has been identified as the most significant factor driving species' population change in the UK*". Therefore, whilst it is important for development to ensure that it improves the natural environment it is important to also recognise residential development is not a significant driver of biodiversity decline in Greater Cambridge. Similarly, the lack of national or internationally important, protected areas or low percentages of open access land and accessible open green space, as outlined in paragraph 3.25 of the topic paper does not indicate that there is a local need for new development to deliver beyond the 10% required by statute. These reflect long term agricultural practices and as such there is no justification for requiring new development to address a problem it has not created.

43. In considering this policy it is also necessary to consider NPPF 2026 which states "*Development plans should only set local standards for biodiversity net gain which are in excess of the statutory net gain requirement where this is for specific site allocations and is fully justified and deliverable. Local standards should not extend to categories of development which are exempt from statutory biodiversity net gain*". NPPF26 gives clarity as to the Government position with regard to net gains beyond the 10% requirement and that it should only apply to specific sites. Blanket increases such as that proposed in BG/BG are not considered to be appropriate and as such this expectation should be deleted from the both these policies. HBF recognise that this plan is being examined under the NPPF24 but NPPF26 is a material consideration and should be significant given that applications will be determined under the latest Framework and policies that are inconsistent with NPPF26 should be given limited weight.

44. The Council must also be able to show that the 20% net gain is viable and will not compromise the deliverability of sites or the local plan as a whole, and that if it is delivered wholly onsite there would be no material impact on the viability of development. However, what must be recognised by the Council with regard to BNG is that the approach to delivering either a 10% or 20% net gain in biodiversity is the type of habitat that is currently on site. On some sites it may be relatively simple to deliver 10% or 20% net gain. These could be on sites where there is minimal biodiversity or where the habitats are or low distinctiveness. However, on some sites this will not be the case. Habitats may be of a higher distinctiveness, and it may be more difficult to deliver BNG on site. In such cases meeting the 10% will be a challenge and 20% even more so with the likelihood that a significant proportion of the biodiversity units required to achieve 20% net gain will be delivered off site. Work undertaken by the HBF on the viability of development[2] found that on average housebuilders faced a cost of around £5,700 per home – much higher than the £1,793 per dwelling cost in the Council's viability assessment.

45. Where offsite delivery is required, it will mean costs increase due to the spatial risk multiplier. This does not appear to have been considered in the Viability Assessment with the consideration of costs relying on research undertaken to inform plan making in Essex, which relies heavily on the DEFRA impact assessment which significantly underestimates the cost of offsite credits and takes no account of the spatial risk multiplier. For example, offsite delivery in an adjoining local planning authority or national character area would require would increase the number of biodiversity units required by 1.5 and another part of England by 2. Given recent evidence from Biodiversity Units UK shows that offsite credits range from £25,000 to £190,000, the impact of

[2] Viability Crunch (HBF, 2026)

the multiplier could be significant if delivery of BNG cannot be onsite or within the Greater Cambridge area. As such without an understanding of the baseline biodiversity on a site it is difficult to know what impact a 20% BNG requirement will have on viability.

46. Due to the significant uncertainty over cost and the clear direction as to such policies in NPPF26 HBF would suggest that rather than seek to go beyond the statutory requirement the Council should be working with developers to ensure that 10% can be delivered in a manner that maximises the benefits for local people.

Policy H/AH: Affordable Housing

The policy is unsound as it is not justified or effective

47. As set out above HBF have some concerns as to the costs included in the Viability Report with regard to BNG and the higher energy efficiency standards being proposed by the Council. These are new standards and as such the actual cost of delivering these is still uncertain. With BNG this uncertainty is increased as until an assessment of biodiversity is completed it is not possible to know how much it will cost deliver the required uplift. In addition to these concerns HBF also notes that the viability assessment has not included an allowance for the Building Safety Levy which comes into effect from October 2026 and which will increase development cost by £25.44 m^2 on PDL and £50.87m^2 on greenfield sites in Cambridge and £18.98m^2 and £37.95m^2 in South Cambridge. HBF would also recommend that proposed increases in land fill tax are included in the assessment. HBF estimate that the proposed changes are likely to add £2,000 to the cost of building a new dwelling[3]. These additional costs must be included in the Viability Report if this policy, and indeed the deliverability of the plan overall, are to be considered justified.

48. When these additional costs are also considered against the potential impact of rising inflation in materials and labour costs (currently estimated by BCIS to be 3.8%[4]) that are in excess of inflation in house prices the ability of residential development to deliver this level of affordable housing alongside all the other policy costs will be challenging. As such it is essential that the Council are clearly indicate in the this policy open to reducing the level affordable housing provision required by the policy to take account of the changing financial circumstances faced by development in Greater Cambridge. While part 7 of this policy outlines where an offsite contribution will be permissible with part 7c referring to viability assessments HBF does not consider this to provide

[3] Viability Crunch (HBF, 2026)
[4] https://www.bcis.co.uk/insight/construction-inflation-reflecting-reality-with-project-cost-data/

the necessary clarity on this matter that better reflects paragraph 59 of the NPPF. HBF would recommend that an additional sub section is added to part 7 stating:

> "7d. *Where an applicant's viability assessment provides compelling evidence that the required level of affordable housing would not be viable then the Council will consider a reduced level of provision*".

49. In addition to wider viability concerns the Council also need to ensure the policy is sufficiently flexible take account of the difficulties house builders are facing in finding Registered Providers (RPs) to purchase affordable housing stock built as part of S106 agreements. Without contracts in place for these homes, housing delivery can come to a halt as developments are stalled, phased differently, rendered unviable or in some instances, Affordable Homes are left standing empty. Where this is the case, the Council must ensure that there is flexibility in the policy to allow for cascade mechanisms within the S106 agreement to provide reassurance that if an RP cannot be found, the Affordable Homes can be changed to an alternative tenure or as a last resort, a payment made to the LPA in lieu of the Affordable Housing.

50. For similar reason HBF does not consider part 6 of the policy to be effective as it lacks the necessary flexibility to ensure it is deliverable across the plan period. While some RPs may want smaller cluster of homes it may be more attractive to an RP for these to be proved in one location for ease of management. As such HBF that this provision should be caveated with the statement "*unless an alternative is required by a registered provider*". This will provide more scope to meet the variety of demands of different RPs.

H/SS: Residential Space Standards and accessible homes

<u>The policy is unsound as it is not justified or consistent with national policy</u>

51. Part 2 of the requires all new homes to be built to the Nationally Described Space Standards. These are then repeated in the policy itself. This is inconsistent with paragraph 16 of the NPPF which states that local plans should avoid duplication with national policies.

52. With regard to accessible housing this policy requires all homes to be built to M4(2) and 5% of market housing and 10% of affordable housing built to be M4(3) for wheelchair users. With regard to M4(2) the evidence supporting this policy in the Housing Needs of Specific Groups Update (HNSPU) report.

53. While HBF would agree that there is a need for some homes to be built to part M4(2) the evidence in the HNSPU relies on the fact that the projected change in the number of people mobility

problems is evidence of the need for all homes to be built to part M4(2). However, what does not appear to have been considered is that many of those whose needs change will already live in the Borough with their home being able to be adapted to meet their needs. Therefore, without clear evidence that all homes need to be built to M4(2) HBF would recommend that the Council adopt a policy that is in line with HO5 in NPPF26 and require no less than 40% of homes on major development to be delivered as M4(2).

54. In relation to wheelchair user housing the policy states that "*These homes should be delivered as Building Regulations M4(3)(a) 'wheelchair adaptable' dwellings unless the Council has identified a need for Building Regulations M4(3)(b) 'wheelchair accessible' dwellings*". This is not consistent with paragraph 56-009 of PPG which states that "*Local Plan policies for wheelchair accessible homes should be applied only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling*". Therefore, the Council can only require M4(3)(b) where it has nominating rights over who lives in the that house and not as the council suggests where they consider to be a need for such homes. This distinction must be made in the policy.

H/CB: Self and Custom Build Homes

55. Part 3 of this policy states that following a marketing period of 12 months they will be market for a time period as agreed with the local authority or transferred to a registered provider. HBF support the marketing period but *consider* the second part of this policy to be unsound. There is no justification as to why self-build plots should be retained on the open market following the 12-month period nor is there any justification for having to offer these to a registered provider. This was an issue considered at the examination of the Spelthorne Local Plan with the inspector requiring the Council to remove a similar phrase from their local plan due to the soundness concerns raised by the HBF.

56. The reason why this approach is unjustified is that these are plots that are provided for market housing with the only difference being that they are built out by an individual. As such if there is no demand for these plots after the 12-month market period they should return to the developers to be built out as market housing. The fact that no purchasers came forward within 12 months should be seen by the Council that their evidence overestimated the demand for self-build plots and that it should review the policy and reduce the number of self-build plots a developer is required to provide.

57. Even if the principle that these should offered to a registered provider was considered t be sound it is unjustified that these should be offered at affordable housing land values. If an RP wished to purchase these plots, given that they are plots for market housing it would need to be at market rates. HBF consider the following amendments are required to make the policy sound:

> "*Each plot must be marketed for at least a 12 month marketing period in accordance with a marketing strategy and valuation approved by the local planning authority at the outline or full planning application stage. Once plots have been marketed for the minimum period, they will transfer back to the developer to be built out as market housing. ~~either be further marketed for a period of time as has been agreed by the local planning authority or will be transferred to a Registered Provider for the provision of affordable housing at affordable housing land values~~*"

Conclusion

At present we do not consider the plan to be sound, as measured against the tests of soundness set out in the NPPF. I can therefore confirm that the HBF would like to participate in any hearing sessions held at the examination in public on the matters raised in our representations and that we would like to be kept informed of the submission and examination of the local plan.

Best regards



Mark Behrendt
Regional Planning Manager – South East and East of England