

Strategic Planning
Copeland Borough Council
The Copeland Centre
Catherine Street
Whitehaven
Cumbria
CA28 7SJ

SENT BY EMAIL
ldf@copeland.gov.uk
12/11/2020

Dear Sir / Madam,

COPELAND LOCAL PLAN: PREFERRED OPTIONS

1. Thank you for consulting with the Home Builders Federation (HBF) on the Copeland Local Plan Preferred Options document.
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 would like to submit the following comments upon the proposed options for the Local Plan. These responses are provided in order to assist the Council in the preparation of the emerging local plan. The HBF is keen to ensure that the Council produces a sound local plan which provides for the housing needs of the area.

Vision and Objectives

4. The HBF considers that the vision is generally positive and support the reference to creating inclusive, resilient communities where everyone has access to high quality housing.
5. The HBF generally supports the objective in relation to the improved housing market which seeks to enable a balanced housing market which ensure housing is of high quality and design, and is situated in attractive locations that responds to differing needs and aspirations.

Policy DS3PO: Settlement Boundaries

6. This policy generally supports development within the settlement boundaries, whilst generally looking to restrict development outside of settlement boundaries except in certain circumstances. For housing development to be accepted it has to directly adjoin the settlement boundary for a town or local

service centre; and have safe pedestrian links to the settlement; and the Council need to be unable to demonstrate a five year supply or to have had 3 years of under-delivery of housing or be for a specific type of housing supported by Policies H14,15 or 17 (Rural Exceptions, Dwellings for Rural Workers and Replacement Dwellings).

7. The HBF supports the Council in supporting development within settlement boundaries. The HBF also supports the Council in identifying that there may be circumstances in which it is acceptable to build homes outside of the settlement boundaries. However, the HBF is concerned that the current criteria provided are too limited and may not provide the flexibility the Council require to ensure that their housing needs are met and to ensure that sustainable developments come forward.
8. The HBF would recommend that the policy is amended to state:
'Where the proposal is for housing and;
 - a) *the site **is well related to a settlement** directly adjoins the settlement boundary of a town or local service centre; and*
 - b) *the site is or can be physically connected to the existing settlement by safe pedestrian links; and*
 - c) *the Council is unable to demonstrate a 5 year supply of deliverable housing sites; or*

~~9. there has been previous under delivery of housing against the requirement for 3 years or more~~

~~10. the proposal is for a specific type of housing supported by Policies H14, H15 or H17.'~~

Policy H1PO: Improving the Housing Offer

11. The HBF generally supports this policy which sets out how the Council will make Copeland a more attractive place to live, including allocation a range of housing sites to meet local needs and aspirations and approving housing development on appropriate windfall sites.

Policy H2PO: Housing Requirement

12. This policy sets out that the housing requirement is for a minimum of 2,520 net additional dwellings (an average of 140 dwellings per annum (dpa)) to be provided between 2017 and 2035.
13. The HBF is generally supportive of the Council utilising a figure over and above the local housing need (LHN) identified by the current standard method. The latest LHN calculated using the standard method is 11.3dpa, the full calculation can be found in Appendix 1. It should be noted that the local housing need figures calculated by the standard method are the minimum starting point in determining the number of homes needed in the area, it does not produce a housing requirement figure. It should also be noted that the Government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. Circumstances where housing need may be higher, include where there are growth strategies; strategic infrastructure improvements; meeting an unmet need; where previous levels of

housing delivery are higher; or previous assessments of need, which may mean that housing requirement should be a higher figure than the LHN indicated by the standard method.

14. It is noted that the 'Changes to the current planning system' (August 2020) document proposes changes to the standard method for assessing local housing need. These changes include consideration of the existing housing stock and an affordability adjustment that takes into account changes over time. This new method identifies an indicative housing figure of 154dpa for Copeland, again the consultation identifies that the standard method provides the starting point and not the final housing requirement. This suggests that the Council may need to consider a higher housing requirement than is currently proposed.
15. The Strategic Housing Market Assessment (SHMA) 2019 states that it would be reasonable to conclude that an economic based Objectively Assessed Need (OAN) for Copeland would be for up to 198dpa. The HBF is generally supportive of a plan seeking to align job growth and housing needs and would suggest that the housing requirement for Copeland is higher than the figure currently proposed.
16. The policy also suggests that in order to plan positively the plan will provide a supply of housing sites, which will provide a minimum of 3,600 dwellings over the plan period (average of 200dpa). The HBF would generally support a level of housing land supply which would identify a sufficient number of sites to meet the housing requirement plus an additional 20%, to create flexibility and choice within the range of sites, and would help to ensure that the housing requirement can be met. However, as the HBF consider that the housing requirement is likely to be higher than the figure currently proposed, this may also mean that the level of supply also has to increase proportionately.

Policy H3PO: Housing Delivery

17. This policy sets out what the Council will do if housing development is not being delivered as anticipated. The HBF is not convinced that most of the content of this policy, is necessary to be policy, it reads much more as a statement of intent than a policy.
18. The HBF is also concerned that some of the language used is not appropriate and not in line with the NPPF. For example, criteria 1 refers to '*significant persistent under-delivery*', in terms of the NPPF this is defined as where the Housing Delivery Test (HDT) figure was below 85%. However, the NPPF states that an Action Plan should be prepared where the HDT is below 95%, therefore, the HBF considers that the reference to significant persistent under-delivery is not appropriate. The HBF is also not clear why the need to wait for 3 years after the adoption of the plan, if homes are not being delivered the Council should be preparing an Action Plan in line with the requirements of the NPPF. It is also likely that any Action Plan prepared will look for the Council to engage with the development industry at the earliest opportunity, so again it is

not clear why the Council would wait three years from adoption for this to start to happen.

19. The policy also states that where housing delivery has exceeded expectations within a particular tier of the settlement hierarchy the Council will consider carrying a review of the Plan. The HBF does not consider that this is appropriate and considers that additional housing development should continue to be supported once the housing requirement figures have been met for the lower tiers of the settlement hierarchy, this would be in line with the NPPF which seeks to boost housing supply.

Policy H4PO: Distribution of Housing

20. This policy along with the accompanying table provides the distribution of housing, it sets out the maximum amounts that will be supported in the Sustainable Villages and Other Rural Villages. The HBF does not consider that this form of moratoria is in line with the NPPF and the Government's aim to boost the supply of housing. The HBF considers that the Council should remove reference to development being 'limited' within the policy and to 'maximum' within the table.

Policy H5PO: Housing Allocations

21. The HBF is keen that the Council produces a plan which can deliver against its housing requirement. To do this it is important that a strategy is put in place which provides a sufficient range of sites to provide enough sales outlets to enable delivery to be maintained at the required levels throughout the plan period. The widest possible range of sites by both size and market location are required so that small, medium and large housebuilding companies have access to suitable land to offer the widest possible range of products. A mix of sites provides choice for consumers, allows places to grow in sustainable ways and creates opportunities to diversify the construction sector. Under the NPPF, the Councils should identify at least 10% of the housing requirement on sites no larger than one hectare or else demonstrate strong reasons for not achieving this target (para 68). The HBF and our members can provide valuable advice on issues of housing delivery and would be keen to work proactively with the Council on this issue.
22. 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. Such an approach would be consistent with the NPPF requirements for the plan to be positively prepared and flexible.
23. The HBF does not wish to comment upon the acceptability or otherwise of individual sites. It is, however, important that all the sites contained within the plan are deliverable over the plan period and planned to an appropriate strategy. The HBF would expect the spatial distribution of sites to follow a logical hierarchy, provide an appropriate development pattern and support sustainable development within all market areas.

24. The Council's assumptions on sites in relation to delivery and capacity should be realistic based on evidence supported by the parties responsible for housing delivery and sense checked by the Council based on local knowledge and historical empirical data.

Policy H7PO: Housing Density and Mix

25. This policy states that when determining appropriate densities consideration should be given to the shape and size of the site, the appropriate housing mix and the character of the area, amongst other elements. The HBF generally supports this element of the policy, which is considered to provide suitable guidance in considering the density of development.
26. The policy also states that applicants must demonstrate to the satisfaction of the Council how proposals meet local housing needs and aspirations identified in the latest Strategic Housing Market Assessment (SHMA) and Housing Needs Assessment in terms of house type, size and tenure.
27. 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. However, it should be noted that the SHMA or Housing Needs Assessment documents will only ever form a snapshot in time and may not be up to date or appropriate for the site proposed for development. Therefore, the HBF considers that alternate evidence should also be considered, this could include information provided by the developer or by others for example the housing waiting list. The HBF also considers it is important that any policy is workable and ensures that housing delivery will not be compromised or stalled due to overly prescriptive requirements or the need to provide significant amounts of additional evidence. The HBF would also highlight the need for creating a housing market that will provide an element of aspiration to ensure working people and families are retained within the area.

Policy H8PO: Affordable housing

28. This policy looks for sites of 10 or more houses (or 0.5ha or more in size), or of 5 or more in the Whitehaven Rural sub-area, to provide at least 10% of the homes as affordable. It sets a tenure split of 40% affordable home ownership and 60% as affordable or social rent.
29. The SHMA 2019 sets out an affordable housing need of 23dpa, or 49dpa if the need were to be addressed over the first five years. However, it does also highlight that if the level of housing delivery were to be increased to 198dpa rather than using the CLG baseline projections of 10dpa that the affordable housing need would increase, it suggests to a figure of 83dpa. It suggests that affordable housing need increases by about 32% for every additional dwelling (on top of the 10dpa). Therefore, a housing requirement of 140dpa would give an affordable housing requirement of 65dpa¹. However, it is noted that this affordable housing need also includes the Lake District National Park, and that of the 83dpa only 76dpa are within the Plan area, this would suggest that

¹ $(130 \times 0.32) + (23) = 64.6$

based on the 140dpa housing requirement and the affordable housing need of 65dpa that 59dpa of this need is within the Plan area.

30. The NPPF² states that where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership. This suggests that if 100 homes were to be built, based on this policy 10 of those homes should be available for affordable home ownership. Based on Policy H8PO: 10% of homes should be affordable, of which 60% should be for affordable or social rent and 40% should be for affordable home ownership and other affordable products, therefore if 100 homes were to be built 10 of them would be affordable and 4 of those would be for other affordable products including affordable home ownership. Therefore, the HBF does not consider that the policy is consistent with national policy. The tenure split set out in the policy should be amended and should ensure that the requirements of the NPPF are met, unless the Council can demonstrate that this would significantly prejudice the ability to meet the identified affordable housing need of specific groups.
31. NPPF³ is clear that *'Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan'*. There does not appear to be a viability report available with this document and therefore at this point it is not possible for the HBF to comment on the viability of this policy or others within the document. The Council should be mindful that it is unrealistic to negotiate every site on a one by one basis because the base-line aspiration of a policy or combination of policies is set too high as this will jeopardise future housing delivery. Therefore, site by site negotiations on these sites should occur occasionally rather than routinely.

Policy N2PO: Biodiversity Net Gain

32. This policy states that all development must provide a minimum 10% biodiversity net gain.
33. It is the HBF's opinion that the Councils should not deviate from the Government's proposals on biodiversity gain. In 2019 Spring Statement, the Government announced that it would mandate net gains for biodiversity in the forthcoming Environment Bill. This legislation will require development to achieve a 10% net gain for biodiversity. It is therefore likely that this policy will not be required.
34. It is the Government's opinion that 10% strikes the right balance between the ambition for development and reversing environmental decline. 10% gain provides certainty in achieving environmental outcomes, deliverability of development and costs for developers. 10% will be a mandatory national

² Paragraph 64

³ Paragraph 34 NPPF

requirement, but it is not a cap on the aspirations of developers who want to voluntarily go further or do so in designing proposals to meet other local planning policies. The Government will use the DEFRA Biodiversity Metric to measure changes to biodiversity under net gain requirements established in the Environment Bill. The mandatory requirement offers developers a level playing field nationally and reduced risks of unexpected costs and delays.

35. The Government will introduce exemptions applicable to only the most constrained types of development. Exemptions will be set out in secondary legislation.
36. The Environment Bill will introduce new duties to support better spatial planning for nature through the creation of Local Nature Recovery Strategies (LNRSs). LNRS will detail existing areas of high biodiversity value as well as those areas where habitat creation or restoration would add most value. The intention is that the whole of England will be covered by LNRSs with no gaps or overlaps. Each LNRS will include a statement of biodiversity priorities for the area covered by the strategy and a local habitat map that identifies opportunities for recovering or enhancing biodiversity. Each LNRS will be produced locally, with a relevant public body appointed as the responsible authority by the Secretary of State. This will achieve the best combination of local ownership and knowledge and national consistency and strategy. Such spatial environmental mapping will help developers to locate their sites strategically to avoid biodiverse sites that would be difficult to achieve net gain on.
37. The Government will require net gain outcomes to be maintained for a minimum of 30 years and will encourage longer term protection, where this is acceptable to the landowner. The Government will legislate for Conservation Covenants in the Environment Bill.
38. The Government will not introduce a new tariff on loss of biodiversity. The Environment Bill will make provision for local decision makers to agree biodiversity net gain plans with developers. Where offsite compensation is required, Councils will be able to review developers plans to deliver compensation through local habitat creation projects. Where suitable local projects are not available, there will be the option for investment in nationally strategic habitats through a Government offering of biodiversity units set at a standard cost. The Government will make provision for these 'statutory biodiversity units' in the Environment Bill. By not instating a rigid tariff mechanism, the Government will make it easier for Councils, landowners and organisations to set up habitat compensation schemes locally, where they wish to do so, where this is not the case the Government will still provide a last-resort supply of biodiversity units. The Government's proposals for statutory biodiversity units will provide a recourse for developers and Councils, where local habitat compensation schemes are not available, therefore preventing delays to development.
39. There are significant additional costs associated with biodiversity gain, which should be fully accounted for in the Councils viability assessment. The DEFRA

Impact Assessment⁴ sets out regional costs (based on 2017 prices) in the North West of £18,952 per hectare of development based on a central estimate but there are significant increases in costs to £65,265 per hectare for off-site delivery under Scenario C. There may also be an impact on gross / net site acreage ratio. The Government is committed to continued engagement with the housebuilding industry to address concerns and risks. The Government has confirmed that more work needs to be undertaken to address viability concerns raised by the housebuilding industry in order that net gain does not prevent, delay or reduce housing delivery.

40. The Government will make provision in the Environment Bill to set a transition period of two years. The Government will work with stakeholders on the specifics of this transition period, including accounting for sites with outline planning permission, and will provide clear and timely guidance on understanding what will be required and when.

Future Engagement

41. I trust that the Council will find these comments useful as it progresses 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. Please keep the HBF informed of any future consultations on this document, using the details below.

Yours sincerely,



Joanne Harding

Local Plans Manager – North

Email: joanne.harding@hbf.co.uk

Phone: 07972 774 229

⁴ DEFRA Biodiversity Net Gain & Local Nature Recovery Strategies: Impact Assessment Table 14: Net Gain Delivery Costs (Residential)
(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/839610/net-gain-ia.pdf)

Appendix 1: Standard Methodology for calculating the Local Housing Need

Using the standard method and the latest figures the local housing need can be calculated as follows:

- Step 1 – Setting the baseline
Using the 2014-based household projections to calculate the average annual household growth over the 10-year period from 2020 to 2030, which is **11.3 dwellings**⁵.
- Step 2 – An adjustment to take account of affordability
Adjust the average annual household growth figure based on the affordability of the area, using the following formula

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

$$\text{Adjustment factor} = ((2.78 - 4 / 4) \times 0.25) + 1 = \mathbf{0.92375}$$

Local housing need = 11.3⁶.

- Step 3 – Capping the level of any increase
A cap can be applied which limits the increases a local authority can face. Where the relevant strategic policies for housing were adopted more than 5 years ago (as is the case for Copeland), the local housing need figure is capped at 40% above whichever is the higher of:
 - a. The projected household growth for the area over the 10-year period (15.82⁷); or
 - b. The average annual housing requirement figure set out in the most recently adopted strategic policies (322⁸).

The latest LHN is below both the potential caps, and therefore remains at **11.3 dwellings**.

⁵ 2020 – 30,809, 2030 – 30,922, Change – 113

⁶ 11.3 x 1 = 11.3

⁷ 11.3+(11.3x0.4) = 15.82

⁸ 230+(230x0.4) = 322