

Newcastle under Lyme Borough Council
Castle House
Barracks Road
Newcastle under Lyme
Staffordshire
ST5 1BL

24 January 2022

Dear Sir / Madam

NEWCASTLE UNDER LYME LOCAL PLAN – ISSUES & OPTIONS CONSULTATION

Introduction

Thank you for consulting with the Home Builders Federation (HBF) on the above-mentioned consultation. 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. The following responses to specific questions in the Newcastle under Lyme Local Plan Issues & Options document have been submitted via the Council's online consultation portal.

Question 3. Do you have specific comments to make with regard to Chapter 5 - Housing & Employment Need?

As set out in the 2021 National Planning Policy Framework (NPPF), strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need and any needs that cannot be met within neighbouring areas can be met over the plan period (para 66). The determination of the minimum number of homes needed should be informed by Local Housing Needs (LHN) assessment using the Government's standard methodology unless exceptional circumstances justify an alternative approach (para 61). In Newcastle under Lyme, there is no justification for the use of an alternative approach. The latest National Planning Practice Guidance (NPPG) sets out the standard methodology for calculating the LHN figure (ID 2a-004-20201216). Using the 2014 Sub National Household Projections (SNHP), 2021 as the current year and the 2020 affordability ratio of 5.93, the Council has correctly calculated that the minimum LHN for Newcastle under Lyme is 350 dwellings per annum representing 7,000 dwellings between 2020 - 2040. As set out in the NPPG, LHN is calculated at the start of the plan-making process, however, this number should be kept under review until the Local Plan is submitted for examination and revised when appropriate (ID 2a-



008-20190220). The minimum LHN for Newcastle under Lyme may change as inputs are variable.

Question 4. Which option for growth is the most appropriate to use in the Local Plan?

The Government's standard methodology identifies as a starting point, the minimum annual LHN, it does not produce a housing requirement figure (ID : 2a-002-20190220). The NPPG explains that "*circumstances*" may exist to justify a figure higher than the minimum LHN (ID 2a-010-20201216). The "*circumstances*" for increasing the minimum LHN are listed in the NPPG, but the NPPG emphasises that the listed "*circumstances*" are not exhaustive. The listed "*circumstances*" include, but are not limited to, situations where increases in housing need are likely to exceed past trends because of growth strategies, strategic infrastructure improvements, agreeing to meet unmet need from neighbouring authorities or previous levels of housing delivery / assessments of need, which are significantly greater than the outcome from the standard methodology.

Newcastle under Lyme and Stoke on Trent function as one housing market and economic area. The 2020 Housing & Economic Needs Assessment (HENA) by Turley's was jointly commissioned by both Council's. The HENA identifies that the standard methodology will not facilitate a continuation of economic growth and higher housing delivery experienced across the wider conurbation nor support growth aspirations for the Borough. More homes will be required to support a higher population and more diverse local labour market, thereby increasing prosperity and job creation.

The HENA sets out two scenarios :-

- Option 2 - Sustainable Growth of 8,200 dwellings (410 dwellings per annum) based on Experian baseline forecast, which seeks to align the number of proposed homes with the forecasted growth in jobs over the plan period ; and
- Option 3 - Greater Job Growth of 8,900 dwellings (445 dwellings per annum) based on economic growth forecasting by Experian and Cambridge Analytics. This Option positively adjusts forecasts in individual sectors where there are grounds for greater optimism.

Option 3 is the most appropriate Option for Growth. As set out in the NPPG, the Government is committed to ensuring that more homes are built and supports ambitious Councils wanting to plan for growth (ID 2a-010-20190220). Option 3 is ambitious but attainable. Historically in Newcastle under Lyme without an up to dated Local Plan in place, housing delivery has achieved 412 dwellings per annum (2016 – 2017). The identification of sites for housing in the new Local Plan will boost housing delivery.

Question 5. Do you agree with the proposed hierarchy of centres?

The Council's proposed six tiered hierarchy of centres comprises of :-

- Strategic Centre - Newcastle-under-Lyme ;
- Town Centre – Kidsgrove ;
- District Centres - Chesterton, Silverdale & Wolstanton ;
- Rural Centres ;
- Neighbourhood Centres ; and
- Key Villages.

The proposed Spatial Strategy will be aligned with the proposed hierarchy of centres. A greater proportion of development will be allocated in the larger centres including Newcastle under Lyme, Kidsgrove and the District Centres of Chesterton, Silverdale & Wolstanton. Within existing settlement boundaries of Rural Centres, Neighbourhood Centres and Key Villages, development will also be allowed. However, this proposed Spatial Strategy is complicated by the Green Belt constricting growth around the urban area of the Borough. Newcastle under Lyme and Kidsgrove are bounded by the Green Belt on all sides. There is very limited land supply within the development boundary of the urban area. There is virtually no land within the urban area that is not already built on, has planning permission for development, or is safeguarded for other uses. From all known suitable, available and deliverable sites within development boundaries, a maximum of only 2,500 dwellings is identified. The HBF agree that the Council should explore Spatial Strategy Options for Growth in the Green Belt and the rural area. As set out in 2021 NPPF, where fully evidenced and justified Green Belt boundaries can be altered in "*exceptional circumstances*" through the preparation or updating of Local Plans (paras 140 & 141).

Questions 8 & 9. Which option/s for expansion do you support / disagree with?

The Council has presented six potential Options for Growth Directions, where land adjacent to existing settlements could be developed as an urban or rural extension comprising of at least 1,000 dwellings. These are :-

- Growth Direction 1 - Development on large scale rural strategic sites outside the Green Belt. The Council consider that this Growth Direction is unreasonable but smaller scale development in the rural area may be appropriate ;
- Growth Direction 2 - Strategic Green Belt release for an urban extension on University Growth Corridor ;
- Growth Direction 3 - Green Belt release for development of strategic sites at Talke & Chesterton ;
- Growth Direction 4 - Green Belt release for development of strategic sites at Kidsgrove ;
- Growth Direction 5 - Green Belt release for development of strategic sites at Audley Rural ; and
- Growth Direction 6 - Combination of strategic sites across the Borough comprising both Green Belt release & sites outside the Green Belt.

The most likely preferred Spatial Strategy for Newcastle under Lyme is a combination of the potential Growth Directions as proposed under Option 6. The preferred Spatial Strategy should ensure the availability of a sufficient supply of deliverable and developable land to deliver the housing requirement. This sufficiency of housing land supply (HLS) should meet the housing requirement, ensure the maintenance of 5 Years Housing Land Supply (5 YHLS) and achieve Housing Delivery Test (HDT) performance measurements. An overly urban focussed Spatial Strategy limits the potential number of development sites. Large scale Sustainable Urban Extensions (SUEs) have long lead in times for the commencement of on-site development and build up to optimum delivery rates. SUEs should be complimented with smaller non-strategic sites, which will ensure a continuous HLS in the short to medium term.

The Council's overall HLS should include a short and long-term supply of sites by the identification of both strategic and non-strategic allocations for residential development. Housing delivery is optimised where a wide mix of sites is provided, therefore strategic sites should be complimented by smaller non-strategic sites. 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 diversified portfolio of housing sites offers the widest possible range of products to households to access different types of dwellings to meet their housing needs. Housing delivery is maximised where a wide mix of sites provides choice for consumers, allows places to grow in sustainable ways, creates opportunities to diversify the construction sector, responds to changing circumstances, treats the housing requirement as a minimum rather than a maximum and provides choice / competition in the land market. Under the 2021 NPPF, the Council should identify at least 10% of its housing requirement on sites no larger than one hectare or else demonstrate strong reasons for not achieving this target (para 69a). The Council should also provide some headroom between its minimum housing requirement and overall HLS. Whilst there is no numerical formula to determine the appropriate quantum of headroom, if the Local Plan is highly dependent upon one or relatively few SUEs and geographical locations then greater numerical flexibility is necessary than where HLS is based on a more diversified portfolio of sites.

Question 11. Should development in the rural area be spread equally across the Rural Centres? If not, how should growth be distributed in the rural area?

The preferred Spatial Strategy should meet the housing needs of both urban and rural communities. As set out in the 2021 NPPF "*to promote sustainable development in rural areas, housing should be located where it will enhance or maintain the vitality of rural communities. Planning policies should identify opportunities for villages to grow and thrive, especially where this will support local services*" (para 79). If development in the rural area is not spread equally across the Rural Centres, the Council's proposed distribution should be fully justified by supporting evidence.

Question 14. Should the Local Plan set an alternative target for affordable housing to the national minimum (10%), and how is this justified?

An alternative target for affordable housing above the national minimum of 10% would be difficult for the Council to justify. The 2020 HENA identified a need for only 28 affordable houses per annum.

Question 15. Do you agree with the general ratio of 5% social rented, 2.5% first homes and 2.5% flexibility to make up the composition of affordable homes on qualifying sites?

The Council's Affordable Housing Policy should comply with the 2021 NPPF expectation that proposals make provision for at least 10% of the overall number homes is available for affordable home ownership (para 65) and the 21 May 2021 Written Ministerial Statement requirement that at least 25% of all affordable homes delivered through developer contributions will be First Homes.

Question 16. How should the Local Plan help to deliver accommodation for older and disabled people and the specific needs of other groups?

The Council should ensure that appropriate sites are allocated to meet the housing needs of specifically identified groups of households. The Local Plan should ensure that suitable sites are available for a wide range of different types of development across a wide choice of appropriate locations. The Council should consider allocating sites for older persons subject to criteria such as the proximity of sites to public transport, local amenities, health services and town centres.

The Council should support Self & Custom Build Housing. The NPPG sets out the key role that the Council should play in bringing forward suitable land for self & custom build housing (ID 57-025-20210508). The Local Plan should provide a wide range of different self & custom build housing opportunities across the Borough. Appropriate policy mechanisms include the allocation of small and medium scale sites specifically for self & custom build housing and permitting self & custom build outside but adjacent to settlement boundaries on sustainable sites especially if the proposal would round off the developed form.

Question 21. Do you think the development boundaries should be reviewed? If so, through the Local Plan or through Neighbourhood Plans?

As the Council intends to include a policy on development boundaries in the Local Plan, all existing development boundaries should be reviewed and updated. The HBF agree that where a new site allocation is proposed on the edge of an existing development boundary, the boundary should be redrawn to include the allocation thereby confirming that the principle of development in that location has been established through the Local Plan.

Question 28. Do we need additional measures in the Local Plan to support national policies and guidance including the National Model Design Code on the design of development?

The Council's policy approach on design should accord with the 2019 NPPF, the latest NPPG, the National Design Guide and National Model Design Code. The preferred policy approach should provide specific local guidance rather than just repeating national policy or guidance.

Question 29. Do you agree that the Local Plan should set out identified areas for ecological recovery?

The Council's policy approach to biodiversity net gain should align with the 2021 Environment Act including a mandatory national requirement for 10% biodiversity gain, targeted exemptions for brownfield sites and transitional arrangements. In the Government's opinion, 10% strikes the right balance between the ambition for development and reversing environmental decline whilst providing certainty in achieving environmental outcomes, deliverability of development and costs for developers. There are significant additional costs associated with biodiversity gain, which should be fully accounted for in the Council's Viability Assessment. The Government also intends to make provision for a transition period of two years to give time to provide clear guidance on what will be required and when. The Council should make use of Natural England's Biodiversity Metric, which is used by the Government (DEFRA) to measure changes to biodiversity under net gain requirements established in the Environment Act.

Question 33. Is a Local Plan policy on transport required? If so, what should a policy on transport contain?

It is unnecessary for the Council to have a policy requirement for Electric Vehicle Charging Points (EVCPs). The Department of Transport Consultation Response : EVCPs in Residential & Non-Residential Buildings dated November 2021 sets out that from June 2022 new dwellings with associated parking will have at least 1 EVCP per dwelling.

Question 34. What measures would you like to see in a Local Plan policy on renewable energy?

The Council's policy approach should reflect the Government's intention of setting standards for energy efficiency through the Building Regulations. The key to success is standardisation and avoidance of individual Council's specifying their own policy approach to energy efficiency, which undermines economies of scale for product manufacturers, suppliers and developers. The Council should not need to set local energy efficiency standards to achieve the shared net zero goal because of the higher levels of energy efficiency standards for new homes set out in the 2021 Part L Interim Uplift and proposals for the 2025 Future Homes Standard.

Conclusions

For the Newcastle under Lyme Local Plan to be found sound under the four tests of soundness as defined by the 2021 NPPF (para 35), the Local Plan must be positively prepared, justified, effective and compliant with national policy. It is hoped that these responses are helpful to the Council in preparing the next stages of the Newcastle under Lyme Local Plan. As the Local Plan preparation progresses, the HBF look forward to submitting further representations during later consultations, in the meantime if any further assistance or information is required please contact the undersigned.

Yours faithfully
for and on behalf of **HBF**



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