



THE HOME BUILDERS FEDERATION

Planning and Regeneration,
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Date: 30th November 2015

Email: Planningpolicy@lancaster.gov.uk

Sent by Email only

Dear Sir / Madam,

Lancaster Local Plan: People, Homes & Jobs

Thank you for consulting with the Home Builders Federation (HBF) on the People, Homes & Jobs consultation for the Lancaster Local Plan.

The HBF is the principal representative body of the house building industry in England and Wales and our representations reflect the views of our membership of multinational PLCs, through regional developers to small, local builders. Our members account for over 80% of all new housing built in England and Wales in any one year including a large proportion of the new affordable housing stock.

The HBF welcome the Council's intent to update its Local Plan and the objectively assessed housing needs of the area.

We would like to submit the following comments to the consultation questions.

- **Do you agree or disagree with the proposed vision?**

Whilst the overall thrust of the document is generally positive these do not easily translate into the vision which as worded is considered to lack sufficient aspiration. The growth ambitions, particularly in terms of the economy and housing, should be given greater emphasis. Lancaster also has a wider regional role which should be recognised, this does not come across within the proposed vision.

- **Do you agree or disagree with the proposed strategic objectives?**

The strategic objectives are generally considered appropriate. The HBF particularly welcome strategic objectives;

- SO1 - Delivery of a thriving local economy which fosters investment and growth and supports the opportunities to deliver the economic potential of the district; and

- SO2 - Provision of a sufficient supply, quality and mix of housing to meet the changing needs of the population and support growth and investment;

The reference within SO2 to not only meeting the changing needs of the population but also support growth is particularly important. The need to align housing delivery with economic growth is emphasised within the National Planning Policy Framework (NPPF) and accompanying National Planning Practice Guidance (PPG). We do, however, have concerns that the plan fails to adequately align its housing and economic growth strategies.

The delivery of housing also has wider social and economic benefits. The HBF has recently undertaken a study upon the economic impact of house building entitled '*The economic footprint of UK house building*' this report can be accessed via our website at www.hbf.co.uk. This report is also supplemented by a regional report which highlights the benefits provided to individual local authorities over the previous year.

- **Do you agree or disagree with the proposed spatial development strategy?**

The *People, Homes and Jobs Topic Paper* highlights ambitions for jobs growth of 9,500 additional jobs, equivalent to 475 jobs per annum over the plan period, (2011 and 2031) (paragraph 3.6). The reference to the next 18 years needs to be clarified as this does not tally with the plan period. This would, however, provide an annual rate of job creation equivalent to 528 jobs.

The proposed housing requirement is noted to be in the region of 13,000 to 14,000 over the full plan period, or 650 to 700 dwellings per annum (dpa). This represents an increase upon the 600 dpa suggested in the previous consultation. The HBF is supportive of this increase and the methodology employed within the 2015, *Strategic Housing Market Assessment* (SHMA). This document and the proposed increase in the housing requirement are considered to be in accordance with many of our comments, dated 28th July 2014, made at the previous stage of consultation. Whilst we are generally supportive of the increased housing requirement and overall methodology we do consider that the strategy is flawed. This is because the housing and economic strategies do not appear to be adequately aligned.

The planned annual rate of job creation, 475 jobs (whole plan period) or 528 jobs (next 18 years), are not tested within the SHMA. Rather annual rates of equivalent to 380 (Jobs-baseline scenario) and 425 (Jobs-baseline+ scenario) jobs are tested resulting in housing requirements of 639 to 802 dpa respectively. The tested scenarios are identified in figure 7.2 of the SHMA and vary due to sensitivity testing of headship and economic activity rates. The fact that the 9,500 jobs being planned has not been tested and aligned with the housing requirement is considered a flaw in the evidence base. The need to align economic and housing strategies is clearly articulated within the NPPF and PPG, as well as the recent PAS paper on objectively assessed housing need. Furthermore the HBF notes the interim views, dated 12th November 2014, of the Cheshire East Inspector who strongly criticises the Council for not aligning

these strategies. It is therefore recommended that the Council undertake additional work to assess the housing implications of the economic strategy prior to the next stage of consultation. This is required to ensure that the plan is based upon robust foundations.

In terms of the tested scenarios the proposed upper range of the Council's preferred housing requirement (700dpa) would only provide for a maximum of 380 jobs per annum, presuming that the application of the OBR economic activity rates can be justified. This is significantly less than the projected rate of jobs growth. The *Jobs-baseline+* scenario most closely represents the planned rate of jobs growth. This suggests a rate of housing growth of between 765 and 802dpa. The higher figure represents sensitivity testing of the headship rates. The HBF consider such testing to be appropriate within Lancaster due to the issues of under-delivery and other market signals, as noted by paragraph 7.30 of the SHMA. It is, however, recognised that there is no sensitivity testing of the OBR economic activity rates on the *Jobs-baseline+* scenario, which if justified would lower the housing figures under this scenario. However, as discussed above, such a reduction is likely to be off-set by the need to increase the housing requirement due to the number of jobs actually being planned for.

In conclusion, whilst direct evidence is not currently available, it would appear likely that to align its economic and housing strategies the Council will need to be planning for around 800dpa.

- **Do you agree or disagree with the options for the additional development sites?**

In terms of the options for additional development sites the HBF does not wish to comment upon the relative merits of individual sites and options. It is however, important that the chosen option is both viable and deliverable early in the plan period. This is essential if the Council is to achieve higher rates of housing delivery than over recent years. To increase levels of delivery across Lancaster the HBF recommends that the Council provide a wide portfolio of sites which are attractive to the market within the allocations document. The inclusion of a wide range of sites which appeal to different parts of the market will provide the Council with the greatest opportunity to provide the significant boost to housing supply required by the NPPF and to meet its housing requirement.

The 2015, *Strategic Housing Land Availability Assessment* (SHLAA) identifies potential to deliver 8,095 dwellings over the plan period (paragraph 6.3). This figure includes the 959 completions since 2011/12. It should be noted that we have not undertaken any analysis of the assumptions or development potential of sites contained within the SHLAA at this stage.

The *People, Homes and Jobs Topic Paper* therefore suggests that allocations for a further 5,000 to 6,000 dwellings are required. Notwithstanding our comments in relation to the alignment of the housing and economic strategies provided above, this is considered insufficient.

The combined total of the SHLAA potential plus an additional 6,000 dwellings would provide, as a maximum, just 95 dwellings over the higher end of the Council's preferred housing requirement range, or 1,095 above the lower end of the range. The HBF does, however, consider it important that flexibility be included within the plan to ensure it can deal with changing circumstances. This is also highlighted throughout the NPPF.

To provide such flexibility it is recommended that a buffer of sites be provided over and above the final housing requirement. Our reasoning for this is two-fold. Firstly the plan housing requirement should be identified as a minimum to conform to the NPPF requirements to boost supply and plan positively. It therefore stands to reason that the plan should seek to surpass this requirement. Secondly a buffer will provide a balance against the inevitable under or none delivery from some existing commitments or proposed allocations. To provide for such flexibility a 20% buffer or between 2,600 and 2,800 dwellings, based upon the proposed housing target, be provided.

- **Do you have any additional advantages or disadvantages to add to the potential sites?**

The HBF has no further comments at this stage.

- **Do you have any suggestions for alternative sites other ideas of alternative options?**

The HBF has no further comments at this stage.

- **Do you have any comments on the proposed Green Belt Review Methodology?**

During the examination of the Development Management DPD the HBF was generally supportive of the Council undertaking a Green Belt Review and subsequent release of Green Belt sites, presuming that exceptional circumstances can be justified. To enable exceptional circumstances to be justified it is important that the Council keeps its SHLAA up to date to ensure that all possible alternatives and sources of supply are adequately considered. The exceptional circumstances test has been addressed at a number of local plan examinations recently including Cheshire West and Chester and Gateshead and Newcastle.

The Green Belt Review must also be comprehensive and take full account of all Green Belt purposes providing a clear and transparent justification for any Green Belt releases. The interim views of the Cheshire East Inspector, dated 12th November 2014, provides guidance upon this issue. It is noted that the *Green Belt Review Methodology* highlights that all purposes will be assessed and provides assessment criteria in appendix B.

In relation to purpose 5 the Council may wish to consider the availability of deliverable previously developed land within the appropriate settlement, or part of settlement, as a test of the degree against which the parcel performs well against this purpose. Those with little or no deliverable previously developed land would be scored low etc.

A key task for the review will be the identification of individual Green Belt parcels. In undertaking this exercise it is imperative that the parcel sizes are kept to a minimum. Large parcels of land will often subsume very different Green Belt characteristics. This can lead to larger parcels which overall perform well against the assessment criteria, masking smaller areas of poorly performing Green Belt, and vice-versa.

Information

The HBF wish to be kept involved in the Local Plan preparation as well as the development of other planning documents. I trust the Council will find the comments useful and I would be happy to discuss them further prior to the next stage of consultation.

Yours sincerely,

MJ Good

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