



# THE HOME BUILDERS FEDERATION

Planning Policy,  
Eden District Council,  
Mansion House,  
Penrith,  
CA11 7YG  
Email: loc.plan2015@eden.gov.uk  
**Sent by Email only**

Date: 30<sup>th</sup> November 2015

Dear Sir / Madam,

## **Eden Local Plan: Submission Version**

1. Thank you for consulting with the Home Builders Federation (HBF) on the Eden Local Plan.
2. 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.
3. We would like to submit the following comments. **The HBF would also like to attend the examination in public to debate these matters further.**

### **Duty to Co-operate**

There is insufficient evidence to indicate that the Council has fully discharged its requirements under the Duty to Cooperate.

4. The August 2015 '*Duty to Cooperate Statement of Compliance*' clearly identifies that the Council has engaged with the relevant prescribed bodies. The statement does, however, lack any real substance in relation to how the issues identified have fed into the production of the plan and the decisions made. The Council will be aware of the the National Planning Practice Guidance (PPG) which in relation to the duty states '*it is unlikely that this (the duty) can be satisfied by consultation alone*' and that '*inspectors will assess the outcomes of the co-operation and not just whether local planning authorities have approached others*'.
5. The principal concern for the HBF is in relation to strategic housing issues. In this regard it is noted that all neighbouring authorities identify that they intend to meet their own development needs within their own boundaries

(appendix 1 to 8 of the DtC statement) and that there are no cross boundary issues in relation to housing supply.

6. Whilst we do not doubt the Council has undertaken considerable work in order to discharge its requirements the wider implications of the Strategic Economic Plan (SEP) and its ambition to deliver 30,000 new homes between 2014 and 2024 (appendix 9) is not resolved. The HBF recognise that the Council is intending to deliver a proportion of this requirement (2,000 dwellings over the 10 year period) but the combined totals of all Cumbrian LEP authorities falls significantly short of this total. The following table sets out the adopted, or most recently published, housing requirements for each of the districts. This shows the maximum planned capacity within Cumbria over the period 2014 to 2024.

Table 1: Housing growth amongst Cumbrian LEP authorities

Local Authority	Housing targets 2014 to 2024
Carlisle	4,770 <sup>+</sup>
Allerdale	3,040
Barrow	1,800
Copeland	3,000*
South Lakeland	4,000
Eden	2,000
<b>Total</b>	<b>18,610</b>

+ utilising the proposed stepped approach; \*based upon the maximum growth provision within the plan

7. The SEP growth is undoubtedly ambitious, but it is clear that local plans are significantly short of achieving the suggested housing growth identified. Whilst the HBF is not suggesting that Eden should meet all of this shortfall it remains unclear how the SEP target has influenced the plan and what if any agreements have been made in relation to the housing targets set out within the SEP.

## Vision and Objectives

8. The HBF generally supports the vision and objectives which underpin the plan. We particularly welcome the objectives focusing upon ‘Decent Homes for All’ and ‘A Strong Economy’. It is, however, important to ensure that these ambitions are closely aligned to housing delivery. 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](http://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.

## Policy LS1: Locational Strategy

This policy is considered unsound as it is not positively prepared or justified.

9. The HBF is supportive of focusing the majority of development within the larger towns and settlements because these are likely to be the most

sustainable locations. The policy is, however, considered unsound in relation to its approach to 'Key Hubs' and 'Smaller Villages and Hamlets'.

10. The Key Hubs section of the policy places an arbitrary 10% cap, based upon the increase in village size, upon individual sites. Whilst the need for development to respect the setting and character of a settlement is agreed, and supported, the cap pays no regard to the individual characteristics of sites, whether they represent the most sustainable locations for growth or the positive benefits, such as infrastructure, that the development of a larger site may bring. The HBF therefore recommend the following amendments to the policy wording;

**Key Hubs** – *Twenty-eight key hubs will be the focus for development to sustain local services appropriate to the scale of the village, including new housing, the provision of employment and improvements to accessibility. ~~New housing developments which would increase the size of a village by more than 10% on a single site will not normally be supported, and p~~Proposals will only be acceptable where they respect the historic character and form of the village.*

11. In respect of Smaller Villages and Hamlets the policy wording effectively prioritises the redevelopment of previously developed land. This is contrary to the NPPF, paragraph 111, which seeks to encourage its re-use. The HBF recommend that the following amendments are made;

*Development of an appropriate scale will be permitted in these villages and hamlets, to support the development of diverse and sustainable communities. ~~Development in these locations will be permitted in the following circumstances:~~*

- ~~• Where it reuses previously developed land~~
- ~~• Where it delivers new housing on greenfield sites to meet local demand only~~

## **Policy LS2: Housing Targets and Distribution**

The policy is considered unsound as it is not positively prepared, justified or effective by the evidence.

12. The HBF is supportive of the reference to the housing target as a minimum requirement. This conforms with the NPPF which seeks to boost housing supply and for plans to be positively prepared. This expression of the housing target as a minimum, should however, be utilised in the housing targets for all subsequent settlements (Policies PEN1, AL1 etc). This is not currently the case.
13. The overall housing target of 200dpa (and affordable housing requirement) is, however, considered unsound. Our reasoning is set out below.

## **Housing Target**

14. Whilst being supportive of the target being a minimum the policy should also provide clarity that it is a net requirement and not a gross requirement. Notwithstanding our comments regarding the 200dpa, below, it is therefore recommended that the policy wording be amended to read;

*'A minimum of 200 homes per year (a total of 3,600 **net of demolitions**) will be built in Eden over the eighteen years between 2014/15 and 2031/32....'*

15. The HBF generally agrees with the steps employed in identifying the objectively assessed housing needs of the district. We do, however, have a number of specific comments on particular elements of the evidence base presented within the Council report *'Taking Stock: Strategic Housing Market Assessment, September 2015'* (2015 SHMA). These issues are largely consistent with our previous correspondence, dated 24<sup>th</sup> August 2015, upon the draft version of this report.

#### Population and Household Growth

16. The HBF agrees that the most recent household projections produced by government should be utilised as the starting point for considering the objectively assessed needs of the area. In the case of Eden the SHMA identifies this starting point as 120 new households between 2014 and 2032.

17. In considering the differences between the 2008 and 2012 projections, paragraph 4.38 of the SHMA correctly identifies that the 2012 household projections will have an element of suppression included within them, this is true for both household formation rates and migration. The SHMA, however, makes no substantive allowance for this in either the representation rates or migration. In relation to migration the report clearly identifies that the fall in migration is the main contributing factor to the reduced projections, it therefore appears strange that this phenomena is carried forward with little consideration of the likelihood or consequences.

18. The period immediately prior to the 2012 projections, upon which they are heavily biased, is characterised by low levels of economic growth and limited housing growth within Eden. Whilst the comments in 'explanation five' are noted the lack of deliverable sites will have played a part in the poor delivery within the area over this period. The impact of low rates of economic growth and new housing provision will have severely limited migration opportunities into the area during this period.

19. Given that migration is such a key component of the housing needs of the area it is unclear why the results of the POPGROUP projections, table 3, are not considered in greater detail. This table identifies stark differences between the three projections (zero net population, 5 year migration trends and 10 year migration trends).

20. The zero net population scenario is wholly unrealistic and only useful for contextual purposes. The five year migration trend indicates an annual dwelling requirement of 53dpa, compared to 152dpa for the 10 year trend.

The HBF consider the 10 year trend to be far more robust as this takes account of peaks and troughs in the economy as well as housing delivery. As noted above the 2012 household projections for Eden are likely to include a significant suppression of need. It is therefore recommended that the full 2012 projections are run against the 10 year migration trend scenario to identify a more realistic starting point.

21. The HBF agrees that the Council should take account of vacancies and second homes in applying a conversion from households to dwellings. This is understood to require an 8.9% increase, presuming this remains constant and vacancies do not increase from their current low position.

### Market Signals

22. The PPG, paragraph 2a-019, identifies a series of market signals which should be considered. These include land prices, house prices, rents, affordability, rates of development and overcrowding. According to the PPG a worsening trend in **any** indicator requires an upward adjustment to planned housing numbers compared to ones based solely on household projections (paragraph 2a-020). The SHMA correctly identifies each of these in turn.
23. A key indicator within the PPG is the rate of development. The SHMA discounts this signal, paragraph 4.44, arguing within Eden that previous targets were set with economic growth in mind. Whilst this may be true, the clear facts are that Eden significantly under-supplied against these levels, so much so that it is arguable that they were not meeting the current understanding of objectively assessed needs throughout any of the preceding 10 years. The effects of under-delivery can be seen in other factors, such as affordability, over-crowding and the effect on house-prices over the longer term.
24. In terms of other signals it is noted that Eden has the second worst affordability ratio at 6.46 (which is above the national average) and second highest median house prices in Cumbria (based upon CLG statistics). This indicates a strong demand in Eden and suggests a need to increase the housing figure to improve affordability. Only South Lakeland has higher median house price and affordability ratio.
25. Paragraph 4.71 of the SHMA suggests that the Council does not consider any signal warrants an uplift in the needs of the area when compared against the results of neighbouring authorities. Whilst the PPG does discuss the need for comparators to be made it is clear that a worsening in **any** trends should result in an increase to the housing numbers. This is, however, slightly confused by paragraph 4.50 which suggests a 10% increase is warranted to take account of under-delivery, falling in-migration and over-crowded households. The SHMA is correct in identifying that there is no firm guidance at this stage upon the rate of uplift which should be applied. However, recent examinations such as Eastleigh and Uttlesford have applied a 10 to 20% uplift. The HBF considers that a more pronounced uplift could be justified within Eden, of up to 20%, given the levels of previous

under-delivery and significant affordability issues. The issue of migration, and longer term trends should be dealt with separately to this uplift.

### Economic Growth

26. The PPG identifies economic signals are a key component to determining the objectively assessed housing needs of an area (paragraph 2a-018). The study considers four different methods of calculating jobs growth and its associated housing requirement. The dwelling requirements for each are usefully summarised in the table within paragraph 4.110 of the SHMA.

27. The various projection methods identify a range of 179 to 307dpa based upon different calculation methods. The Council favours 'Method 1' which identifies a range of 186 to 204dpa. This conclusion is based upon the fact that the Council considers this method to be based upon the most comprehensive data sets. This method does by the Council's own admission have significant limitations and flaws and is not entirely robust (paragraph 4.100). The HBF would wish to see further analysis between the various data sets prior to such a conclusion being drawn. Particular areas of concern with 'Method 1' are the fact that it does not take account of the propensity of those filling jobs (usually younger migrants) to either begin or have existing dependent children who over time would require housing. This is particularly important within Eden due to significant aging of the population. This is likely to mean that 'Method 1' will under-estimate needs based upon jobs growth as the fertility rates of younger age groups are not factored into the calculations.

28. From the methods identified the HBF favours 'Method 2'. This method utilises the POPGROUP model to forecast the housing growth required based upon Experian data. This method has been successfully used at numerous local plan examinations and takes account of varying fertility rates amongst different age cohorts. This method produces an annual housing requirement of 307dpa. The Council discounts this method on a number of grounds, not least due to the numerous assumptions made. Whilst the HBF does not dispute such issues exist, the same is true of all modelling including the process within 'Method 1'. To minimise errors in any assumptions a range of recognised economic projections could be utilised, such as those from Oxford and Cambridge Econometrics. An analysis of each would provide a reasonable basis upon which to plan for housing growth associated with employment growth.

### Affordable Housing

29. The affordability issues within Eden are significant, with an affordability ratio of 6.46 it is the second worst within the region and is above the national average. The SHMA usefully summarises the issues of affordable needs within the bullets at paragraph 4.136. This identifies a total need of 3,524 affordable dwellings over the plan period. The plan requires at least 30% of the proposed housing requirement of 200dpa, to meet its needs. The Council justifies that such a figure is achievable based upon affordable housing delivery rates over the previous five years. A simplistic analysis of this data

suggests an average of 28.5% of the net dwellings completed were affordable. If these past rates of affordable housing delivery were carried forward over the plan period a dwelling requirement of at least 204dpa would be needed. However, in common with our previous comments upon the draft SHMA, the Council recognise at paragraph 4.38, bullet 3, that previous delivery rates must be viewed with caution. Not least due to the fact that the data can be heavily skewed in certain years due to issues such as 100% affordable housing schemes coming forward. The figures are heavily influenced by one outlier year (2012/13) when approximately 53% of all net dwelling completions were affordable.

30. The figures for completions within the SHMA also do not accurately tally with those within the Council’s 2014/15 ‘*Housing Land Supply*’ report or the September 2015 consultation document ‘*Housing Land Assessment*’ which show gross completions to be at 788 units over the five year period. This is lower than the reported net completions in the table at paragraph 4.138 (790 dwellings). Given net completions are invariably lower, and never higher, than gross completions this draws into question the validity of the data presented. The problem appears to be within the data for April 2011 to March 2012.

31. It is also notable that in only one year did the number of dwellings meet the proposed plan requirement (200dpa), as such it is difficult to determine if such levels of affordable housing would hold true if higher delivery rates were achieved. The table below illustrates that if the percentages from all other years are considered the annual delivery is consistently around 17 to 18% of net completions. If gross completions are considered and removing the anomalous year 2011/12 they stand slightly lower.

Date	Affordable Units	Net Units		Gross Units	
		All	% affordable	All	% affordable
Apr 2010 – Mar 2011	22	129	17	141	16
Apr 2011 – Mar 2012	22	121	18	105*	21*
Apr 2012 – Mar 2013	125	237	53	238	53
Apr 2013 – Mar 2014	32	174	18	175	18
Apr 2014 – Mar 2015	24	129	19	129	19
Total	225	790		788	

Source: Eden District Council (Taking Stock, Housing Land Supply, Housing Land Assessment)

32. The above table suggests that based upon recent trends an 18% delivery rate would appear realistic. If a longer term view is taken part 5 of the SHMA identifies that between 2003 and March 2015 a total of 1,916 dwellings were completed of which 407 were affordable (paragraph 5.86), this equates to an average delivery of 21%. It therefore appears highly likely that the affordable housing requirements will not be met. In such cases the PPG suggests;

*‘.....An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes. (ID2a-029)’*

### **Recommendation**

33. Taking account of our analysis, provided above, it is recommended that the overall housing figure be increased from 200dpa. A figure closer to the 'Method 2' jobs led figure would not only ensure that the economic prosperity of the area will be enhanced but will also enable the Council to deal with the significant affordable housing needs within the district.

### **Distribution Targets and Proportions**

34. The HBF does not wish to comment upon the distribution included within the table referenced in Policy LS2, page 24 of the plan. It is, however, noted that the columns upon units completed, already under construction or permitted and left to allocate only provide exactly 3,600 dwellings over the plan period. There does not appear to be any allowance for demolitions, or under-delivery from permissions or allocations.

35. In terms of the overall supply of sites we recommend that the Council consider providing a buffer of sites over and above the plan requirement. The reason for the application of a buffer of sites is two-fold. Firstly the plan housing requirement should be identified as a minimum to conform to 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.

36. The HBF note the five year supply statement provided by the Council, indicates a supply of 6.21 years. Whilst we have not analysed the supply in any significant detail it is noted that there is no discount for potentially unimplemented consents and it is reliant upon 397 units coming forward from sites without permission (existing allocations, windfalls, SHLAA sites, S106). Whilst some of these sites may deliver some housing within the first five years, any non-implementation of permissions or a lack of delivery from any of these sources without permission would make the five year supply position much more precarious.

37. To improve delivery and maintain a five year supply it is recommended that the plan seek to promote a wide variety of sites which appeal to different sections of the market in current economic conditions. This will include large scale developments and small scale urban or village sites.

### **Recommendation**

38. Due to the lack of delivery over recent years and the potential for the lack of a five year housing land supply a 20% allocations buffer over the supply is recommended.

### **Paragraphs 3.2.5**

39. The HBF supports the inclusion of contingency sites and a 20% buffer of additional sites in the first five years to account for under-delivery. This is considered consistent with the NPPF requirements for flexibility and the need for a buffer set out within paragraph 47. In common with our comments upon Policy LS2 we recommend this approach be extended to the full plan period.



## **Policy DEV5 - Design of New Development**

The policy is not considered sound as it is not justified nor consistent with national policy.

40. The HBF is supportive of the Building for Life (BfL) standard, indeed we are one of the main partners within its production. It is also clear that many of our members actively employ the principles of BfL in site design. It should, however, be recognised that it is not, and was never intended to be, a mandatory standard for all developments. It is intended to assist the facilitation of discussions. It is also unclear if the Council has the resources and expertise to adequately consider such assessments.
41. The supporting text (paragraph 4.6.6) identifies that all residential development will be expected to perform well against it, this lacks clarity and certainty. The implementation table, page 63 of the plan, indicates that the majority of schemes should achieve an above average score, again this is not particularly helpful.
42. The HBF appreciate and support the need for flexibility but as currently worded the policy and supporting text provide little comfort for developers. It is, therefore recommended that the Council amend the policy wording and supporting text to recognise that the Building for Life criteria will be utilised as a tool to facilitate discussions upon design and that specific scores will not be used as a target for achievement.

## **Policy HS1 - Affordable Housing**

The policy is unsound as it is not justified by appropriate evidence. It is also not consistent with national policy.

43. The policy identifies a requirement for 30% affordable housing within all settlements based upon a 4 unit threshold. Sites below 4 units will be considered for financial contributions. The HBF does not dispute the need for affordable housing within Eden and indeed supports its provision.
44. Notwithstanding our comments upon the overall housing requirement, set out against Policy LS2 above, we note that the percentage target is an approximation of the percentage required as identified through the SHMA. We do, however, have a number of concerns with respect to the viability implications of the proposed targets.
45. Within our comments upon the preferred options of the local plan, dated 22<sup>nd</sup> September 2014, we expressed concerns relating to the evidence base, these concerns remain unaddressed. The evidence is largely contained within the 2009 *Economic Viability Assessment* and subsequent 2013 update. The evidence base needs updating to ensure it is in conformity with the NPPF as well as the guidance provided by the NPPG and *Viability Testing Local Plans* (2012) produced by the Local Housing Delivery Group.
46. We remain of the opinion that the assumptions used within the 2013 refresh remain 'out of kilter' with the recommendations contained within the

Local Housing Delivery Group document and new issues affecting the market. Issues such as the welfare reforms which have had profound effects upon the risk involved with affordable housing, build costs, the push towards zero carbon, the costs of sales and marketing, as well as numerous other assumptions are not considered up to date. The net effect is that the costs are likely to over-inflate the viability of sites. This is a serious flaw which should be addressed.

47. Furthermore the study does not consider the cumulative impact of plan policies and obligations, such as those inherent within Policies DEV5, HS5, ENV5, COM2 and the affordable housing requirement. This is directly contrary to the NPPF. In addition the PPG is clear that national requirements such as the costs associated with the Government's push towards zero carbon be factored into the local plan viability evidence (ID 10-008).
48. Even with these failings the study identifies viability issues associated with the affordable housing target in many sites and locations. The 2013 evidence update identifies that a number of developments have been unable to achieve the required 30% affordable housing contribution (paragraph 4.10) and that sites at Alston Moor and most brownfield development would be unviable (paragraph 4.7 and 4.8 respectively). Given the existing viability issues and the additional requirements from new policies it is likely that proposed policy requirements will need to be adjusted to ensure sustainable development can occur. Such an approach would be consistent with the NPPG (ID 10-007).
49. The continuation with the proposed levels, even with the viability clause in paragraph 3, is therefore considered unjustified and unsound.
50. The policy should also reflect upon the emerging requirements within the Housing and Planning Bill for the provision of 'Starter Homes'.

### **Policy HS2 - Housing to Meet Local Demand**

The policy is unsound as it is not considered to be justified or consistent with national policy.

51. The policy, part 2, identifies an arbitrary size threshold for new dwellings which cannot be exceeded. The reasoning for this or the setting of the specific threshold is unjustified, as such it is recommended this be removed.
52. The policy also effectively prioritises previously developed land, as developments on such land will not be subject to local occupancy criteria, whereas those on greenfield sites will be. Whilst we do not disagree with the lack of local occupancy criteria on previously developed land we consider that this should also be extended to other sites.

### **Policy HS4 - Housing Type and Mix**

The policy is considered unsound as it will not be effective.

53. The need to provide a mix of dwelling types and sizes to reflect local needs is recognised. This is consistent with the NPPF, paragraph 50. In this respect the criteria within Policy HS4 are not challenged. It is, however, equally important that economic viability is also considered to ensure that the policy is effective.

54. It is therefore recommended that part 5 of the policy be amended to state;

*‘Current housing market conditions **and viability**’*

### **Policy HS5 – Accessible and Adaptable Homes**

The policy is considered unsound as it is not justified by the evidence.

55. The HBF support the provision of accommodation for older persons and indeed many of our members are either active within this area or provide products which are capable of adaptation. However, to implement either of the optional accessibility standards the Council must justify their inclusion within the plan, not least in terms of viability. The PPG paragraph 56-007 provides the relevant guidance and criteria which are;

- *the likely future need for housing for older and disabled people (including wheelchair user dwellings).*
- *size, location, type and quality of dwellings needed to meet specifically evidenced needs (for example retirement homes, sheltered homes or care homes).*
- *the accessibility and adaptability of existing housing stock.*
- *how needs vary across different housing tenures.*
- *the overall impact on viability.*

56. Whilst the issue of an ageing population is noted the 2015 SHMA does not adequately cover many of these issues, and the impact of these policy requirements remain untested within the Council’s viability study.

57. It is noted that the policy is subject to practicality and viability considerations, which are supported, however this should not be used in an attempt to justify an unsustainable policy position. It is therefore recommended that the Council reconsider this policy in light of updates to its evidence base. If unjustified the Council should not attempt to impose the optional standard upon new development.

### **Policy ENV5 – Environmentally Sustainable Design**

The policy is considered unsound as it is not justified or consistent with national policy.

58. Paragraph 4.28.3 of the plan correctly recognises that;

*‘...As a result of the Government’s National Standards Review, which was finalised in March 2015, local authorities can no longer apply additional*

standards relating to the construction, internal layout or performance of new dwellings.....’

59. Despite this context part 4 of the policy requires developments to integrate renewable energy into schemes. The energy requirements from a development are solely for Part L of the Building Regulations and as such the plan should not be seeking to place such requirements upon developers. This is directly contrary to the Housing Standards Review.
60. It is therefore recommended that part 4 of the policy either be deleted or it be made clear that this does not relate to residential development.

### **Information**

61. I would like to be kept informed of the progress of this document. In particular I would like to be made aware of the following;
- Submission of the plan for examination;
  - The publication of the examiner’s recommendations and any publicly available correspondence regarding the plan; and the
  - Adoption of the plan
62. I would also like to be kept informed of any other planning documents within Eden and therefore request that my details are retained on your consultation database.

Yours sincerely,

*MJ Good*

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