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Dear Sir / Madam

## **Strategic Housing and Economic Land Availability Assessment: Housing development and delivery assumptions**

Thank you for consulting the HBF upon the '*Housing development and delivery assumptions*' questionnaire.

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 including a large proportion of the new affordable housing stock.

### **General Comment**

Whilst the HBF does not doubt the accuracy of the information it would have been preferable for the Council to provide further detail upon the applications it has used to determine the various assumptions within the consultation document. This would have enabled participants to undertake a thorough analysis of the evidence base and provide more informed comments.

The following comments to the questions posed are based upon the information provided and our extensive experience of these issues nationally. The Council will also be aware that the HBF provided comments, dated 24<sup>th</sup> September 2015, upon the earlier consultation in respect of the HELAA. These comments are still considered valid.

The HBF would like to re-iterate our previous comment that standard assumptions, whilst acceptable in principle, should only be used for generic purposes where detailed information from the site developer or promoter is not available. They should not be seen as an alternative to the detailed information which can be provided by developers and promoters. This is due to the differing nature and requirements inherent in all sites.

### **Density**

#### **Question 1(a)**

##### **Do you agree with the proposed densities by land type and spatial area?**

No, the HBF considers that in many cases the densities are likely to be too high. The most recent version of the national Land Use Change Statistics identify that nationally densities are, on average, 32dph (net) across all sites including high density town / city centre schemes. On previously developed land the average density was 37dph and on greenfield land the average density was 26dph.

#### **Question 1(b)**

**If you answered no to the question above (1a) please state:**

- a) Which spatial area density you disagree with;**
- b) Why you disagree with the density; and**

### c) An alternative density (including reasons)

#### General Comments

There are several references to apartment schemes within the Council's proposed densities table. Due to the lack of data to analyse it is unclear whether these references are the only instances within the analysis. To provide a more realistic set of assumptions the HBF recommends that apartment schemes are provided a separate category and only included within the HELAA where there is strong justifiable evidence that they will be developed as such. The inclusion of apartment schemes within generic density assumptions can lead to an unrealistic bias in the data which will not hold true for the majority of schemes.

It is also notable that, other than Chester, there is no differentiation between city / town centre developments and those on the edge. The HBF would anticipate that city / town centre developments will have a higher density than those on the edge. To ensure that the likely densities upon edge of centre developments are not artificially raised the Council should consider making further adjustments to the categories proposed. This lack of differentiation may also account for the reasoning why, other than city centre schemes, the sites analysed in Chester tend to be lower density on average.

Finally without the information upon the sites analysed it is not possible to ascertain how the average has been derived, be it simply an average of all sites or whether it takes account of the number of units on each site. If the former a small number of sites delivering a few units at a high density would have an undue influence upon the results.

Spatial area density	Reason / Comments	Proposed change (incl. reasons)
Chester city centre – previously developed land (130dph)	The density figure appears high, this is presumably based upon apartment schemes or student accommodation. If student accommodation is included this should be discounted as it is unlikely to be typical of other types of residential schemes. The Council will also need to consider if such schemes are likely to continue within the city centre.	Recommend further consideration of type of schemes likely to be brought forward. The previous assumptions of 50dph appear more realistic.
Chester urban area (beyond city centre) – previously developed (40dph)	It is noted that there is a significant variation in the density of the schemes analysed, between 21 and 110dph, creating an average density of 42dph. The upper end of the spectrum is an age restricted apartment scheme, once removed the average density is 37dph which accords with the national average for schemes on previously developed land. The age-restricted scheme should be discounted as it is not reflective of the mix of house types and tenures which will be required on the majority of sites. Where age restricted schemes are known specific assumptions can be used.	A figure of 35dph is proposed. This figure is based upon removing the age restricted apartment scheme and providing a small discount to ensure that over-estimates of site capacity do not occur. This is considered more reflective of the majority of sites likely to be brought forward.
Ellesmere Port Greenfield (40dph)	The density within this category is significantly higher than within all other settlements including Chester. The	30dph, this would bring Ellesmere Port into line with the other

	HBF is unclear why this would be the case, although it is notable there is no centre / beyond centre split, which may have a bearing. Once again the figure is in part artificially raised by an age-restricted apartment scheme (once removed it reduces to 38dph). Furthermore there is a large variance in the densities analysed 22 to 100dph. The Council should give further consideration to where in the range the majority of sites within the HELAA are likely to fall. This should take account of the housing mix required on such sites.	settlements and is considered more likely given the housing mix and market demand. As a minimum the age-restricted apartments should be discounted as they are not reflective of the majority of sites.
Ellesmere Port Previously Developed (55dph)	Similar to our comments above this category is significantly higher than for all other settlements.	35dph, this would appear more realistic and align with our comments upon Chester.
Northwich Previously Developed (45dph)	This category appears high, particularly when compared to Chester. This may be due to town centre developments being included within the analysis, providing a bias. The HBF agree with the removal of the apartment scheme from the calculations.	35dph, this would appear more realistic and align with our comments upon Chester.
Winsford Greenfield (35dph)	This figure appears marginally too high. A reasonable range is noted in the sites analysed.	30dph, to align with our comments upon the other towns.
Winsford Previously Developed (45dph)	The upper end of the density range analysed 71dph, is presumably an apartment scheme. This is likely to bias the overall density and as such it is recommended it is removed	35dph, this would appear more realistic and align with our comments upon Chester.
Key ServiceCentre Previously Developed (40dph)	Once again, the figure appears on the high side. This may be partially due to the effect of apartment schemes, or sites sampled.	35dph, this would appear more realistic and align with our comments upon Chester.

## Developable Site Areas

### Question 2(a)

#### Do you agree with the proposed developable site area calculations in the table above?

No, the HBF consider that in general the developable site areas are too high and that different category splits should be utilised. The Council will also note that in our previous response, September 2016, to consultation upon the HELAA we recommended that rather than using a percentage ratio for larger sites additional work should be undertaken which considers site characteristics and known infrastructure requirements. The Council may be able to attain such information from the site developer / promoter as well as its own evidence and site surveys. The developable area should include the likelihood of constraints such as flood risk, the need for infrastructure and site topography.

In determining the percentages for developable site area it is also important that the Council consider whether the sites utilised within the analysis had the same infrastructure requirements, including open space, as current policies would dictate. If not then further discounts should be applied.

### Question 2(b)

If you answered no to the question above (2a) please state:

- a) Which site area you disagree with;
- b) Why you disagree with the developable area calculation; and
- c) An alternative developable area calculation (including reasons)

Gross (ha) and developable (% site area)	Reason / Comments	Proposed change (incl. reasons)
1ha – 9.9ha (80%)	The data indicates a distinction between sites below 5ha and those above. An average reduction of 18% is noted for sites of 1 to 4.9ha and 25% for sites of 5 to 9.9ha. The analysis suggests sites above 5ha are more closely aligned to sites of 10 to 14.9ha which show a 24% reduction.	Based upon the information provided the HBF recommends the following splits and percentages.  <1ha (90%) 1 to 4.9ha (80%) 5 to 14.9ha (75%)* 15ha and above (60%)*
10ha to 19.9ha	Similar to our comments above, there is a significant distinction between sites of 10ha to 14.9ha (24% reduction), which are more closely aligned with those of 5 to 9.9ha, and those of 15ha or above (38% reduction). The sites above 15ha appear to more closely align with those above 20ha (39% reduction)	The current splits would artificially raise the housing capacity of larger sites, which would have a disproportionate effect upon the overall HELAA outputs. For example using a density of 30dph; a 2ha site with an average 18% reduction (as noted in the analysis) would lead to an assumed 49 dwellings, the 20% reduction would lead to an assumed 48 dwellings (a 2% difference). An 8ha site would yield 180 dwellings with a 25% reduction, or 192 dwellings with a 20% reduction (a 7% difference). The effect on sites of 15ha or above is significantly more pronounced.
>20ha	It is unclear why 70% has been chosen when the analysis clearly suggests a 39% reduction.	

\* based solely upon the information provided. However it is considered in many cases the developable area of larger sites may be significantly less due to infrastructure requirements.

## Lead-in timescales

### Question 3(a)

**Do you agree with the proposed lead-in timescales in the table above?**

No, the Council will be aware that the HBF and others provided detailed comments upon the lead-in times at the previous consultation. Whilst the HBF is pleased to note some of our comments have been incorporated a number are still outstanding.

### Question 3(b)

If you answered no to the question above (3a) please state:

- a) Which timescale(s) you disagree with;
- b) Why you disagree with the timescale(s); and
- c) An alternative timescale (including reasons)

### General comments

It is unclear whether the lead-in times suggested are based upon an assessment of the actual process within Cheshire West and Chester, or are simply assumptions. The timescale from pre-application to sign-off of Section 106 agreements and pre-commencement conditions vary significantly between authorities. To simplify the table the Council could clearly identify its assumptions for the likely timescales for; full, outline and reserved matters applications, signing off pre-commencement conditions, drafting, preparation and signing section 106 agreements and site preparation for different sized sites. This could then be assessed against actual timescales.

Larger sites will inevitably have a longer lead-in time due to the additional site preparation and infrastructure works required, as well as the greater complexity of applications. This should be factored into the individual site assessments and wherever possible based upon discussions with the developer.

Permission status and timescale	Reason / Comments	Proposed change (incl. reasons)
Outline permission	Achieving delivery within 18 months is likely to be a challenge given the need to apply for reserved matters and discharge pre-commencement conditions prior to starting on site.	Development to start year 3 with full year completions. This is considered to better reflect likely lead-in times. This would also more closely align with outline permissions subject to S106 agreements.
Application pending decision	<p>Outline – this is inconsistent with the category ‘outline permission subject to S106’ which shows a half year of completions in year 3, as opposed to the full year in this category. This is inconsistent as this category still has further stages to progress prior to work commencing on site.</p> <p>Full – this is the same timescale as the ‘full permission subject to S106’ category. However there are more stages for this category to negotiate.</p>	<p>Outline - Development to start half way through year 3, to make consistent with other outline categories. It is however important to consider the likely timescale still to run on the application as this may push the start into year 4.</p> <p>Full – as with the outline category it is important to consider the likely timescale still to run on the application as this may push the start into year 3.</p>
Local plan allocation (without permission)	A lead-in time should only be provided where there is clear developer interest and an application is anticipated imminently. Other allocations should be placed in later phases of the plan trajectory (i.e. years 6 onwards)	Development to start year 5. The current timescale suggests such sites will be brought forward in the same timescale as a site which is awaiting a S106 attached to an outline permission. This is considered unrealistic.

No application	The inclusion of this category requires further substantiation. A lead-in time should only be provided where there is clear developer interest and an application is anticipated imminently. Even then caution is required due to the uncertainties of gaining permission.	The HBF recommend this category be removed from the five year supply due to the significant uncertainties involved.
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### Question 3(c)

**The Housing and Planning Bill 2015-2016 is proposing “permission in principle” for suitable development sites.**

**If this section of the Housing and Planning Bill 2015-2016 is enacted, how do you envisage it working in practice, and how would it affect lead-in timescales?**

The HBF support the proposals for a ‘permission in principle’ which should assist in speeding up the planning process and as such lead-in times are likely to reduce for qualifying sites. However until the full details of the proposals are known it is difficult to identify the likely implications in terms of reduced timescales. It is therefore recommended that any changes to timescales are not made until the relevant legislation and regulations are in place.

## Delivery Rates

### Question 4(a)

**Do you agree with the proposed delivery rates in the table above?**

No, in considering local delivery rates across the plan area the Council will need to take into account any exceptionally high rates which were due either to the completion of apartment / extra care schemes as well as the impact of funding contracts on delivery rates and discount these from its calculations. It is noted that a high proportion of units delivered in 2014/15 were subject to HCA contracts. It is unclear if and how these have affected the results of the Council’s analysis.

### Question 4(b)

**If you answered no to the question above (4a) please state:**

- a) Which delivery rate(s) you disagree with;**
- b) Why you disagree with the delivery rate(s); and**
- c) Alternative delivery rate(s) (including reasons)**

### General comment

The table identifies that a multiplier factor will be utilised where there is more than one developer on site. Whilst it is reasonable to make such an assumption this should only be used where the Council has clear evidence that more than one developer will operate on a site. It should not be simply assumed that because a site is above a certain size threshold more than one developer will be present. It is noted that the uplift in rate will be dependent upon individual site characteristics and delivery constraints. Providing this is clearly justified on a site by site basis this is considered preferable to a standard multiplier.

Site type and proposed delivery rate	Reason / Comments	Proposed change (incl. reasons)
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Greenfield extension / edge of settlement	Whilst the completion rates are encouraging it is unclear whether these are consistent with rest of area and whether they have been unduly influenced by other factors. Whilst it is recognised that 36dpa appears conservative, based upon the figures supplied it is recommended a more conservative figure be provided.	Further evidence be considered to identify if the rates provided are realistic. Until more detailed evidence is provided a figure closer to those originally identified by the HPG is recommended.
Large scale / strategic site	The rate of 36 is derived from only two sources. It is unclear whether or not this are representative of delivery rates on such sites.	Further evidence be considered to identify if the rates provided are realistic. This should include discussion with developers. Until more detailed evidence is provided a figure closer to those originally identified by the HPG is recommended.

**Question 4(c)**

**Amendments to the definition of affordable housing to include Starter Homes have been proposed in the recent consultation on amendments to the National Planning Practice Guidance.**

**How, if at all, do you think the introduction of the Starter Homes initiative and inclusion within the definition of affordable housing will affect housing delivery rates?**

It is difficult to assess the impact at this stage and whilst it may lead to increased delivery rates it is not recommended that the Council include any changes until the effects of the changes enacted and monitored.

I trust that the Council will find the foregoing comments useful in the preparation of the HELAA.

Yours sincerely,

*MJ Good*

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