



Strategic Planning
Chesterfield Borough Council
Town Hall
Rose Hill
Chesterfield
S40 1LP

SENT BY E-MAIL AND POST

27 February 2017

Dear Sir / Madam

CHESTERFIELD DRAFT LOCAL PLAN 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. We would like to submit the following representations and in due course appear at the Examination Hearing Sessions to discuss these matters in greater detail.

Duty to Co-operate

Under S110 of the Localism Act 2011 which introduced S33A into the 2004 Act the Council must co-operate with other prescribed bodies to maximise the effectiveness of plan making. The Duty to Co-operate requires the Council to "*engage constructively, actively and on an on-going basis*". The high level principles associated with the Duty are set out in the National Planning Policy Framework (NPPF) (paras 156, 178 – 181). In addition there are 23 paragraphs in the National Planning Practice Guidance (NPPG) concerning the Duty. In considering if the Duty has been satisfied it is important to consider the outcomes arising from the process and the influence of these outcomes on the Plan. One required outcome is the delivery of full objectively assessed housing needs (OAHN) for market and affordable housing in the housing market area (HMA) (NPPF para 47) including the unmet needs of neighbouring authorities where it is reasonable to do so and consistent with sustainable development (NPPF para 182).

The NPPF requires the Council to meet in full OAHN for market and affordable housing in the HMA as far as consistent with the policies of the NPPF. The NPPG defines a HMA as a geographical area reflecting the key functional linkages between places where people live and work.

It has been determined that Chesterfield District Council is a constituent part of the Northern HMA together with North East Derbyshire, Bolsover and Bassetlaw District Councils. However there is also an identified overlap between the Northern HMA and the Sheffield City Region HMA. At this time it is not known if Sheffield can fully meet the city's OAHN within its own boundaries and therefore whether or not unmet needs will have to be accommodated elsewhere. This unresolved strategic matter should be addressed sooner rather than later.

When the Plan is submitted for examination the Council will have to prepare a Statement of Common Ground explaining cross boundary working as proposed in the recently published Housing White Paper "*Fixing The Broken Housing Market*". The HBF may wish to submit further comments on the Council's legal compliance with the Duty and any implications for the soundness of the Local Plan during the pre-submission consultation.

OAHN and Housing Requirement

As set out in its Strategic Housing Requirement Review Paper the Council has estimated its OAHN for the plan period of 2016 – 33 as 4,629 dwellings (272 dwellings per annum) based on 4,148 dwellings (244 dwellings per annum) plus shortfall of 481 dwellings since 2011 when measured against the OAHN. **Policy CS1 – Spatial Strategy** makes provision for a minimum of 4,629 dwellings.

The Strategic Housing Requirement Review Paper refers to a number of alternative OAHN contained in various Reports. These are summarised as :-

- 240 – 300 dwellings per annum in the original SHMA ;
- 205 – 317 dwellings per annum after further sensitivity testing of Household Formation Rates (HFR) and migration assumptions (the Council's preference is Projection C 244 dwellings per annum) ;
- 273 – 276 dwellings per annum based on jobs baseline / residents in employment scenarios.

At this time the HBF is not convinced that the Council's calculation of OAHN and the proposed housing requirement will meet the housing needs of the Borough. There is particular concern about :-

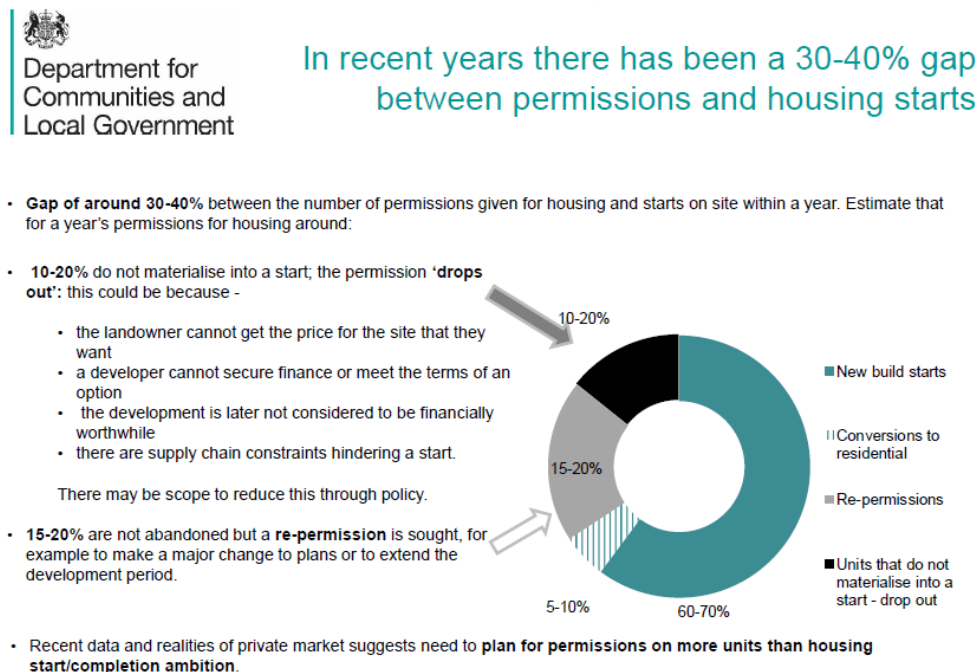
- support for the economic growth aspired to by both the Council and the Local Enterprise Partnership (LEP). The Council's preferred Sheffield City Region jobs-led steady scenarios identify 346 – 391 dwellings per annum which is above the proposed housing requirement. The Council is proposing to allocate 83 hectares of employment land in accordance with the LEP Growth Plan. At this time it is unclear whether or not the economic and housing strategies of the Council are aligned ;

- no adjustments for market signals ;
- delivering affordable housing needs ;
- the meeting of any unmet housing needs from elsewhere possibly from Sheffield.

The Council's current OAHN evidence will be somewhat dated by the anticipated time of the Local Plan Examination. At this time it is suggested that the Council updates its OAHN for the HMA with regard to the 2014 Sub National Household Projections (SNHP). The Council should confirm whether or not any meaningful change has been identified by the publication of the 2014 SNHP as set out in the NPPG (ID 2a-016-20140306). However before the Local Plan is submitted for examination it is possible that a standardised approach to assessing housing need will have been introduced as proposed in the Housing White Paper. The HBF will provide more detailed comments on OAHN and the housing requirement at the pre submission consultation stage when more up to date evidence is available.

Housing Land Supply (HLS)

The Council should allocate sufficient housing sites to meet its housing requirement during the plan period including sufficient headroom over and above this requirement as a contingency to provide sufficient flexibility to enable the Council to respond efficiently to changing circumstances. Moreover the housing requirement should not be seen as a maximum and therefore not treated as a ceiling to overall housing land supply. The HBF would always recommend as large a contingency as possible preferably at least 20%. The DCLG presentation slide from the HBF Planning Conference in September 2015 illustrates a 10 – 20% non-implementation gap together with a 15 – 20% lapse rate (see below). This slide suggests “*the need to plan for permissions on more units than the housing start / completions ambition*”.



Extract from slide presentation “DCLG Planning Update” by Ruth Stanier Director of Planning - HBF Planning Conference Sept 2015

The Local Plans Expert Group (LPEG) Report March 2016 also recommended that “*the NPPF makes clear that local plans should be required not only to demonstrate a five year land supply but also focus on ensuring a more effective supply of developable land for the medium to long term (over the whole plan period), plus make provision for, and provide a mechanism for the release of, developable Reserve Sites equivalent to 20% of their housing requirement, as far as is consistent with the policies set out in the NPPF*” (para 11.4 of the LPEG Report).

Policy CS10 – Flexibility in Delivery of Housing proposes a HLS of 69 site allocations for circa 3,980 dwellings, 4 reserve sites in Dunston for circa 952 dwellings and 5 regeneration Priority Areas & Strategic Sites for circa 3,931 dwellings.

The HBF would not wish to comment on the merits or otherwise of individual sites selected for allocation and included within the Council’s overall HLS, 5 YHLS calculation and housing trajectory but it is critical that the Council’s assumptions on lapse rates, non-implementation allowances, lead in times and delivery rates contained within its calculations are correct and realistic to provide sufficient flexibility in its land supply. These assumptions should be supported by parties responsible for delivery of housing and sense checked by the Council using historical empirical data and local knowledge. When allocating sites the Council is reminded that to maximize housing supply the widest possible range of sites, by size and market location are required so that house builders of all types and sizes have access to suitable land in order to offer the widest possible range of products. The key to increased housing supply is the number of sales outlets. The maximum delivery is achieved not just because there are more sales outlets but because the widest possible range of products and locations are available to meet the widest possible range of demand.

The HBF disagrees with the Council’s latest 5 YHLS calculation in particular the use of Liverpool approach to recouping shortfalls rather than the Sedgfield approach. At the time of adoption the 5 YHLS should be calculated against the housing requirement rather than the OAHN. Without a demonstrable 5 YHLS on adoption the Local Plan would be unsound for failing to be positively prepared and effective.

The Council should provide further information about trigger mechanisms for the release of reserved sites where there is no 5 YHLS.

Affordable Housing and Viability

If the Chesterfield Local Plan is to be compliant with the NPPF development should not be subject to such a scale of obligations and policy burdens that viability is threatened (paras 173 & 174). The residual land value model is highly sensitive to changes in its inputs whereby an adjustment or an error in any one assumption can have a significant impact on viability. Therefore it is important for the Council to understand and test the influence of all inputs on the residual land value as this determines whether or not land is released for development. The Harman Report highlighted that “*what ultimately matters for*

housing delivery is whether the value received by land owners is sufficient to persuade him or her to sell their land for development". At this time the Council has not provided any whole plan viability evidence. The HBF will provide further comments on viability at the pre-submission consultation stage of the Local Plan.

If the Council proposes to change from 15 dwellings to 11 dwellings site threshold for the provision of affordable housing in **Policy CS11 – Range of Housing** then this change should be fully justified.

Other Housing Policies

If the Council proposes to introduce a policy requirement for 25% adaptable and accessible homes plus wheelchair accessible homes in **Policy CS11 – Range of Housing** then this should be fully justified. The Written Ministerial Statement dated 25th March 2015 stated that *"the optional new national technical standards should only be required through any new Local Plan policies if they address a clearly evidenced need, and where their impact on viability has been considered, in accordance with the NPPG"*. If the Council wishes to adopt the higher optional standards for accessible & adaptable homes the Council should only do so by applying the criteria set out in the NPPG. It is incumbent on the Council to provide a local assessment evidencing the specific case for Chesterfield which justifies the inclusion of optional higher standards for accessible / adaptable homes in its Local Plan policy. The Council should also revise the policy as the NPPG confirms that *"Local Plan policies for wheelchair accessible homes should be applied only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling"* (ID 56-009-20150327).

Other Policies

Under **Policy CS18 – Design** The Council proposes to negotiate up to 1% of total development costs for public artwork to be secured by a legal agreement and / or conditions. The Council is referred to the NPPF (para 204), the Community Infrastructure Levy (CIL) Regulations (2010) and the NPPG (ID 23b-004-20140306) which states that *"planning obligations should not be sought – on for instance, public art – which are clearly not necessary to make a development acceptable in planning terms"*. It is recommended that this requirement is removed from **Policy CS18**.

Conclusions

For the Chesterfield Local Plan to be found sound under the four tests of soundness as defined by the NPPF (para 182), the Plan should be positively prepared, justified, effective and consistent with national policy. It is suggested that the Council gives further consideration to the above mentioned concerns in order to produce a sound Local Plan. Without further modifications the Local Plan would be unsound because of inconsistencies with national policy, not positively prepared, unjustified and therefore ineffective. The Local Plan is unsound in relation to :-

- the relationship between the Northern and Sheffield City Region HMAs with implications under the Duty to Co-operate ;
- the calculation of OAHN and its possible under-estimation especially by not supporting economic growth ;
- no mechanism by which to release reserve sites meaning there is insufficient flexibility in HLS ;
- no viability testing of proposed changes to site thresholds for provision of affordable housing or the introduction of accessible and adaptable housing standards.

It is suggested that the Council re-considers these matters in order to avoid submitting an unsound Plan for examination. In the meantime it is hoped that these representations are helpful in informing the next stages of the Chesterfield Local Plan. If you require any further assistance or information please contact the undersigned.

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



Susan E Green MRTPI
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