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24/03/2017

Dear Sir / Madam,

## **Lancaster Local Plan (Part 2): Review of Development Management Policies**

1. Thank you for consulting the Home Builders Federation (HBF) on the Local Plan (Part 2). We have also made comments upon the Local Plan (Part 1).
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 wish to make the following comments upon this draft document.

### **Policy DM2: Housing Standards**

4. The policy seeks to introduce the optional housing standards for space and accessibility. The enhanced standards, as introduced by Government, are intended to be optional and can only be introduced where there is a clear need and they retain development viability. As such they were introduced on a 'need to have' rather than a 'nice to have' basis.
5. It is noted that the Council is currently undertaking further work to identify if the introduction of the standards is justified. The HBF is keen that the Council actively engages the industry in this evidence base work so that the full implications of the standards are known.
6. The current draft of the policy would require all new residential dwellings to meet the optional nationally described space standard and a 10% requirement to meet the optional accessibility standard M4(2). These are discussed in turn below.

## **Nationally Described Space Standards (NDSS)**

7. The evidence required to introduce the NDSS is set out within the PPG (ID 56-020). The need should not just cover the type of property delivered in the past but if and why NDSS compliant properties are required across the whole of the plan area. The Council's evidence should consider the impact across different housing market character areas and differing tenures. For example whilst the adoption of the NDSS may prove acceptable for the higher market areas, it may seriously harm regeneration initiatives and the redevelopment of previously developed land. A one-size fits all approach to the evidence base would not capture the impact that the standard would have across the different market areas, in terms of viability and the need for the standard.
8. The evidence should also take account of whether the NDSS should be applied across all forms of residential development, whether new build, extension or conversion. Similarly the evidence should consider the impact upon all types of tenure be it general market family housing, affordable housing, flats and apartments. The Council should demonstrate an understanding of the delivery model for these different forms of new housing and the likely effect of standards upon them.
9. The blanket introduction of the NDSS may actually reduce choice. This is because many developers have entry level three and four bed properties, some of which may not currently meet the space standard. These types of properties provide a valuable product for those with a need for a certain number of bedrooms but who are unable to afford larger three and four bed properties. The consequent increase in costs and reduction in variety could have a detrimental effect upon affordability and delivery, particularly in more marginal areas. Given that the Council is already failing to meet its affordable housing needs in full this should be a key consideration.
10. It should also be noted that the recently published Housing White Paper<sup>1</sup> questions the blanket use of the NDSS. Paragraph 1.55 states that;

*"...the use of minimum space standards for new development is seen as an important tool in delivering quality family homes. However the Government is concerned that a one size fits all approach may not reflect the needs and aspirations of a wider range of households. For example, despite being highly*

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<sup>1</sup> DCLG (2017): Fixing our broken housing market

*desirable, many traditional mews houses could not be built under today's standards. We also want to make sure the standards do not rule out new approaches to meeting demand, building on the high quality compact living model of developers such as Pocket Homes. The Government will review the Nationally Described Space Standard to ensure greater local housing choice, while ensuring we avoid a race to the bottom in the size of homes on offer..."*

11. The above confirms the Government's intentions to review NDSS, demonstrating its unease with a one size fits all approach and its desire to ensure greater local housing choice. It should also be noted that the annual HBF customer satisfaction survey of new home buyers identified that in 2016 86% of buyers were satisfied with the quality of their new home and 92% were satisfied with the internal layout. The full report can be accessed at [www.hbf.co.uk](http://www.hbf.co.uk). It is therefore clear that the vast majority of new home buyers are very happy with the homes currently being built and they meet their needs.
12. If a clear need can be demonstrated the Council will have to consider testing if the enhanced standards are viable, bearing in mind cumulative policy burden. It should not be simply assumed that the full extra cost will be met by the purchaser, with obvious implications for affordability, due to market price caps across areas. The increase in size will also impact upon the cost of affordable dwellings which will have a negative impact upon development viability.
13. It also should not be assumed the NDSS would have no impact upon development density. Whilst the impact may be minimal on some sites, those in areas of high density or apartment schemes are likely to suffer. Once again this will impact upon viability.
14. Furthermore the introduction of the NDSS will inevitably lead to an increase in the cost of individual dwellings. These costs will in many cases have to be borne, at least in part, by the end purchaser. This will impact upon the affordability of new homes across Lancaster and as such may have consequential impacts upon the need for affordable housing. Given that the area is already struggling to deliver its affordable housing need this should be given careful consideration.
15. This impact upon affordable housing and affordability will be compounded by the introduction of the NDSS. This is because the additional costs associated with delivering larger properties and incremental reductions in development density are

likely to reduce the delivery of affordable housing. In our members experience the delivery of the levels of affordable housing required, in combination with high education contributions, is already extremely challenging. The introduction of the optional housing standards will only assist in further eroding development viability and as such this will lead to the delivery of less affordable housing.

16. If the introduction of the NDSS can be justified the HBF would recommend flexibility in its application. This is required to enable local and site specific needs and constraints to be taken into account as development is brought forward.

17. Finally the PPG requires a reasonable transitional period following the adoption of the policy to enable developers to react to the new requirements. If the introduction of the space standards can be justified the HBF recommends that the Council discuss the length of the transitional period with the industry. Given the time taken to negotiate land deals and prepare applications for submission a period of up to 3 years may be required post document adoption.

### **Accessibility Standards**

18. The HBF is supportive of providing homes for older and disabled persons. We also do not dispute the evidence provided within the Strategic Housing Market Assessment (SHMA) in relation to the likely future needs of older and disabled people. It is, however, considered that the draft policy lacks finesse by requiring blanket requirements with no regard to the type or location of the housing being provided. This is a key element of the evidence base identified within the PPG (ID 56-07).

19. The policy as currently drafted would apply equally to retirement homes near urban centres, apartments within the urban area, family housing and executive housing in suburban or rural locations. This blanket requirement does not take account of the needs or requirements of these various groups or the desirability of older and disabled persons to be situated closer to services and facilities. The flexibility in the final paragraph is noted, and supported, however this does not overcome the issues noted above.

20. Once again, like the NDSS, the cumulative impacts upon viability, density and affordability will require detailed consideration.

### **Policy DM3: The Delivery of Starter Homes and Affordable Housing**

21. The policy will need to take account of the proposed changes to the definition of affordable housing suggested within the Housing White Paper as well as the proposal to seek a minimum of 10% of all homes on individual sites for affordable home ownership products. The White Paper is suggesting a transitional period for policy review, and seeks to bring the new proposals into force by April 2018.
22. Whilst it is recognised that the affordable housing target ranging from 40% in to 20% largely replicates the existing policy DM41 (adopted Development Management DPD) it should not be simply assumed this should be 'rolled forward'. This is because the evidence base upon which policy DM41 was based is now somewhat out of date and the Council is intending to introduce further policy burdens upon the industry, such as the optional housing standards and the significant education contributions requested across the area (see paragraphs 13 to 15 above). The introduction of a new policy, even though similar to the old, will need justification.
23. Paragraph 5.21 of the consultation document suggests that the Council may seek to vary the thresholds identified within the policy below 11 units. This would be contrary to national guidance, set out within the November 2014 Written Ministerial Statement and PPG (ID 23b-031). The HBF also notes the recent Inspector's report into the Cornwall Local Plan which dismisses the Council's attempt to try and impose lower thresholds (paragraph 155).

#### **Policy DM27: Sustainable Design**

24. The supporting text correctly recognises that energy efficiency in new housing is solely dealt with through Part L of the Building Regulations. As such the policy, as drafted seeks to encourage rather than require developers to go beyond this requirement. The policy, in itself, cannot be used to refuse otherwise policy compliant planning applications for housing. The need for the policy is therefore questioned. However, if the Council wishes to retain the policy it should be made clear within the supporting text that housing proposals will not be required to go beyond the Building Regulations in this regard.
25. The policy references the now defunct Code for sustainable homes. The Council will be aware that alongside the introduction of the Governments Housing Standards Review the code was scrapped. It is therefore recommended it is deleted from the policy.

## Information

26. The HBF is keen to remain involved in the Lancaster Local Plan process and as such wish be kept informed of the next stage of consultation upon this document and other documents. I am happy to discuss further any of the comments made within this representation.

Yours sincerely,

*MJ Good*

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