

Regeneration and Planning
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Dear Sir / Madam,

LANCASTER LOCAL PLAN: PUBLICATION DRAFT (Regulation 19 Consultation)

Thank you for consulting with the Home Builders Federation on the Local Plan for Lancaster District.

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.

Duty to Co-operate

The HBF welcomes the references to the Duty to Co-operate in paragraphs 1.12 and 1.13 of the consultation document. There is, however, currently a lack of detail within the documents regarding the actions the Council has taken to meet its obligations under the duty.

The Duty to Cooperate Statement of Compliance (Feb 2018) sets out the shared issues and outcomes within Appendix B, this highlights that Wyre had asked Lancaster to take some of its housing growth and that this option had been declined. For other authorities, the table just suggests that information has been shared. The importance of identified actions resulting from fulfilment of the duty is clearly articulated within the National Planning Practice Guidance (PPG). The National

PPG 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 other' (ID 9-009 and ID 9-010 respectively). The primary concerns of the HBF are those associated with housing need and delivery and the role that Lancaster can play in meeting its own needs and potentially those of others.

The Government proposes that all Councils will have a Statement of Common Ground, if any Statements of Common Ground are prepared the HBF may wish to submit further comments on the Council's legal compliance with the Duty.

Plan Period

The Local Plan document states that the plan covers the period from 2011/12 to 2031/32, with the exception of the housing policy which cover the period to 2033/34. This appears to provide opportunity for confusion and it is considered that it may be more appropriate to move to a consistent plan period. It is also noted that the plan period will not ensure a 15-year time horizon post adoption as preferred by the National Planning Policy Framework (NPPF), paragraph 157¹. Whilst it is recognised this may have implications for the evidence base, site allocations and plan policies, the HBF recommends that the Council considers extending the end date of the Plan. It will be important that this longer plan period aligns with the housing requirements, with an appropriate supply of housing land for the same period. This could mean that additional sites need to be available, particularly in the short term.

PART ONE: STRATEGIC POLICIES AND LAND ALLOCATIONS DPD

Strategic Objectives

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

- SO1 - Delivery of a thriving local economy that 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 NPPF and accompanying National Planning Practice Guidance (PPG).

Policy SP6: The Delivery of New Homes

Policy SP6 is not considered sound as it is not positively prepared, justified or effective for the following reasons.

This policy seeks to deliver a net minimum of 522 new dwellings per annum (dpa). This is a reduction from the previous consultation where the housing requirement was identified as an average of 675dpa.

¹ And retained within Paragraph 22 of the 2018 draft NPPF.

The HBF are supportive of the policy wording in relation to the housing figure being a 'net minimum' which provides clarity.

The OAN Verification Study (February 2018) highlighted that the 2014-based household projections have increased the starting point when considering the OAN. It goes on to identify adjustments that are made to the demographic projections in relation to household formation rates and to reflect economic growth. However, the level of growth proposed to support the economic growth is lower in the 2018 study than the previous document. An adjustment to allow for market signals is also considered. The study suggests that the demographic trends will generate a need for around 605dpa, whilst the economic growth will create a need for between 584 and 617dpa. Paragraph 158 of the NPPF highlights the importance of integrating strategies for housing and employment. The OAN Verification Study continues to highlight that the demographic scenarios will not accommodate the level of jobs growth likely to occur and that there is a need for additional homes to be provided to meet the jobs growth. The Study identifies 617dpa as the housing needed to meet the economic growth identified in the Review of the Employment Land Position for Lancaster District (RELP) (baseline+ scenario). However, it is noted that paragraph 14 of this study states that *'the lowering in the scale of housing growth needed to support this jobs growth is not considered to justify a departure from the previously concluded OAN used to inform the emerging Local Plan'* and that *'the narrower range of 650 to 700 homes per annum can also be considered to remain broadly reasonable'*. The HBF consider that the Council should be planning for the housing requirements set out in own evidence.

'Planning for the right homes in the right places' sets out a proposed standard methodology for calculating the housing need for each Borough. The consultation paper states that the starting point for calculating housing need in an area should continue to be a demographic baseline, which is then modified to account for market signals (the affordability of homes). MHCLG has used this methodology to calculate a baseline housing need figure for Lancaster of 401dpa. However, the 2018 consultation on the PPG in relation to the standard method makes it clear that the need figure generated is to be considered as the minimum starting point and that the method relies on past growth trends. It goes on to highlight circumstances where an uplift will be appropriate such as where growth strategies are in place (for example the Northern Powerhouse) or where funding is in place to facilitate growth (for example Garden Villages or the Housing Infrastructure Fund). It is therefore clear that in the case of Lancaster an uplift would very much be considered appropriate.

The consultation document and the Assessing the Reasonable Alternatives paper set out that the Council do not consider that there is sufficient housing land supply to meet the objectively assessed need (OAN) in full. The HBF consider that there may be opportunities for further work with those in the housing industry to identify where there could be further supply available and developable within the plan period.

The HBF has already commented on the potential to extend the plan period in and the need to provide a 15-year plan period, an extended plan period would increase the overall requirement, this would need to be reflected in this policy. It will be

important that this longer plan period aligns with the housing requirements, with an appropriate supply of housing land for the same period. This could mean that additional sites need to be available, particularly in the short term.

HBF propose that the policy is modified as follows:

- That the Council give further consideration to the housing requirement and the potential for it to be increased.

Housing Allocations including Strategic Sites, Policy H1: Residential Development in Urban Areas and Policy H2: Housing Delivery in Rural Areas of the District

The HBF recommends that the plan allocates more sites than required to meet the housing requirement as a buffer. This buffer should be sufficient to deal with any under-delivery which is likely to occur from some sites. Such an approach would be consistent with the NPPF requirements for the plan to be positively prepared and flexible. The HBF recommends as large a contingency as possible (circa at least 20%) to the overall housing land supply to provide sufficient flexibility for unforeseen circumstances and in acknowledgement that the housing requirement is a minimum not a maximum figure.

The HBF does not comment on the merits or otherwise of individual sites therefore our representations are submitted without prejudice to any comments made by other parties on the deliverability of specific sites included in the overall HLS, 5 YHLS and housing trajectories. However, the HBF do have some concerns about the delivery of homes and seek assurance that the housing requirement will be delivered, particularly given the reliance on the delivery of larger, strategic sites and the use of a Broad Area of Growth for Bailrigg Garden Village which will require the production of a further DPD to bring it forward.

The HBF recommends that the monitoring framework includes specific monitoring triggers in relation to the delivery of the housing allocations including, but not be restricted to; persistent failure to meet its housing requirement, lack of a five-year housing supply, and additional household growth information identifying an increased need for new housing. There will also be a need for appropriate actions and timescales to be identified if targets are not met. Taking into consideration the timeframe for preparing a plan it is considered that the production of a revised plan may not be a quick solution to the non-delivery of sites and may therefore not be an appropriate resolution. A more appropriate approach would be to introduce further flexibility to the housing supply at this stage through the allocation of additional sites and through the identification of safeguarded land.

PART TWO: REVIEW OF THE DEVELOPMENT MANAGEMENT DPD

Policy DM1: New Residential Development and Meeting Housing Needs

Policy DM1 is not considered to be sound as it is not effective for the following reasons:

The HBF consider that the effective use of land is generally a positive way to contribute to sustainability, however, it should not compromise the delivery of housing to meet local needs and limit the delivery of sustainable sites. The HBF consider there are a number of amendments which are appropriate to further improve the policy.

The HBF understands the need for a mix of house types, sizes and tenures and is generally supportive of providing a range and choice of homes to meet the needs of the local area. It is, however, important that any policy is workable and ensures that housing delivery will not be compromised or stalled due to overly prescriptive requirements or the need to provide significant amounts of additional evidence. It should also be noted that the SHMA will only ever identify current deficits and reflects a snap-shot in time.

The HBF recommends a flexible approach is taken regarding housing mix which recognises that needs and demand will vary from area to area and site to site; ensures that the scheme is viable; and provides an appropriate mix for the location. The HBF would also highlight the need for creating a housing market that will attract investors to Lancaster, and to provide an element of aspiration to ensure working people and families are retained within the area.

HBF propose that the policy is modified as follows:

- *'Ensure that available land is used effectively, taking into account the characteristics of different locations, **the local market** and the specific circumstances of individual sites including viability'.*
- The HBF recommend that the policy makes it clear that there may be further reasons than those listed in part (iii) to (vi) for the full range of housing need not to be met. *'There may be circumstances where it would not be appropriate to provide for the full range of housing needs identified in the Strategic Housing Market Assessment, **this can include, but is not limited to the following examples for example:**'*

Policy DM2: Housing Standards

Policy DM2 is not considered to be sound as it is not effective, justified or consistent with national policy for the following reasons:

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.

Nationally Described Space Standard

This policy looks for all new dwellings (market and affordable) meet the Nationally Described Space Standard (NDSS) (or any future successor).

PPG (ID 56-020) identifies the type of evidence required to introduce such a policy. It states that 'where a need for internal space standards is identified, local planning

authorities should provide justification for requiring internal space policies. Local planning authorities should take account of the following areas:

- **Need** – evidence should be provided on the size and type of dwellings currently being built in the area, to ensure the impacts of adopting space standards can be properly assessed, for example, to consider any potential impact on meeting demand for starter homes.
- **Viability** – the impact of adopting the space standard should be considered as part of a plan's viability assessment with account taken of the impact of potentially larger dwellings on land supply. Local planning authorities will also need to consider impacts on affordability where a space standard is to be adopted.
- **Timing** – there may need to be a reasonable transitional period following adoption of a new policy on space standards to enable developers to factor the cost of space standards into future land acquisitions'.

The Council will need robust justifiable evidence to introduce any of the optional housing standards, based on the criteria set out above. The HBF consider that standards can, in some instances, have a negative impact upon viability, increase affordability issues and reduce customer choice. In terms of choice some developers will provide entry level two, three and four-bedroom properties which may not meet the optional nationally described space standards but are required to ensure that those on lower incomes can afford a property which has their required number of bedrooms. The industry knows its customers and what they want, our members would not sell homes below the enhanced standard size if they did not appeal to the market.

Adaptable Homes

This policy looks for at least 20% of new affordable and market housing on schemes of more than ten dwellings to meet Building Regulations requirement M4(2) for accessible and adaptable homes.

The HBF is supportive of providing homes for older and disabled persons. We also note the evidence provided within the SHMA (part 2) in relation to the likely future needs of older, people with long term health problems and disabilities, and disabled people. 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 PPG.

PPG (ID 56-07) identifies the type of evidence required to introduce such a policy, including the likely future need; the size, location, type and quality of dwellings needed; the accessibility and adaptability of the existing stock; how the needs vary across different housing tenures; and the overall viability. It is incumbent on the Council to provide a local assessment evidencing the specific case for Lancaster which justifies the inclusion of optional higher standards for accessible and adaptable homes.

Paragraph 173 of the NPPF established the importance of viability testing to ensure that the sites and scale of development identified in the Plan should not be subject to such scale of obligations and policy burden that their ability to be developed might be threatened. The Council should be mindful that it is unrealistic to negotiate every site on a one by one basis because the base-line aspiration of a policy or combination of policies is set too high as this will jeopardise future housing delivery. Therefore, site by site negotiations on these sites should occur occasionally rather than routinely.

The HBF does not consider that this policy is required, it is considered that local needs can be met without the introduction of the optional housing standards. However, if the Council wish to pursue this policy the HBF recommends the Council ensure that an appropriate evidence base is available to support this policy in line with that set out in the PPG and that an appropriate viability clause is incorporated within the policy.

HBF propose that the policy is modified as follows:

- That the policy is deleted in its entirety.

Policy DM3: The Delivery of Affordable Housing

Policy DM3 is not considered to be sound as it is not effective, justified or consistent with national policy for the following reasons:

This policy sets out the affordable housing requirements for different areas within the district it looks for greenfield developments to provide up to 40% affordable housing and brownfield developments to provide a minimum of 30%. The policy will need to take account of the proposed changes to the definition of affordable housing proposed within the draft NPPF and to the proposals within paragraph 65 which look for at least 10% of the homes to be available for affordable home ownership.

The HBF supports the need to address the affordable housing requirements of the borough. The NPPF is, however, clear that the derivation of affordable housing policies must not only take account of need but also viability. However, at present there does not appear to be a viability report available to support this document, and therefore it is not possible for the HBF to comment on the viability of this policy or others.

It is noted that a viability clause is included within this requirement, whilst this is supported it should not be used as a mechanism to justify an unsustainable affordable housing target.

HBF propose that the policy is modified as follows:

- The HBF recommends that further consideration is given to the viability of development in relation to the requirements of this policy and other policies within the Local Plan.

Policy DM30: Sustainable Design

The HBF is generally supportive of sustainable development and appreciates that this policy seeks to encourage sustainable design and construction, rightly, recognising within the supporting text that energy efficiency in new housing is solely

dealt with through Part L of the Building Regulations and should not be required through the planning process.

Policy DM58: Telecommunications and Broadband Improvements

Policy DM58 is not considered to be sound as it is not effective or consistent with national policy for the following reasons:

This policy requires all major development to enable Fibre to the Premises (FTTP). The HBF generally consider that digital infrastructure is an important part of integrated development within an area. However, the inclusion of digital infrastructure such as high-speed broadband and fibre is not within the direct control of the development industry, and as such it is considered that this policy could create deliverability issues for development and developers. Service providers are the only ones who can confirm access to infrastructure. Whilst, paragraphs 43 to 46 of the NPPF establishes that local planning authorities should seek support the expansion of electronic communications networks it does not seek to prevent development that does not have access to such networks. The house building industry is fully aware of the benefits of having their homes connected to super-fast broadband and what their customers will demand.

The HBF consider that in seeking to provide broadband and fibre to homes the Council should work proactively with telecommunications providers to extend provision and not rely on the development industry to provide for such infrastructure.

HBF propose that the policy is modified as follows:

- ~~'All major developments within the district will enable Fibre to the Premises (FTTP). For smaller schemes the Council will expect FTTP to be provided where practical'.~~

Whole Plan Viability

The Council have not published a whole plan viability assessment as part of this consultation. Therefore, it is not possible to consider whether policy requirements, infrastructure provision requirements and sites specific infrastructure requirements (e.g. Policies SG3, SG8, SG10, SG13) are viable. This lack of evidence is not considered acceptable as it fails to give the development industry the opportunity to submit comments on the viability of a plan prior to its submission. It also suggests that the cumulative impact of the plan on the viability of development did not inform its preparation and the Council cannot say at this point whether or not the plan is deliverable. Paragraph 173 of the NPPF requires Council to consider the implications on viability of policies in the local plan, therefore the HBF consider the viability assessment to be a key supporting document that should have been published as part of this consultation.

Future Engagement

I trust that the Council will find the foregoing comments useful as it continues to progress its Local Plan. I would be happy to discuss these issues in greater detail or assist in facilitating discussions with the wider house building industry.

The HBF would like to be kept informed of all forthcoming consultations upon the Local Plan and associated documents. Please use the contact details provided below for future correspondence.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Harding', with a stylized, cursive script.

Joanne Harding

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