



# THE HOME BUILDERS FEDERATION

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 Consultee ID: 16

## ALLERDALE BOROUGH COUNCIL LOCAL PLAN PART 1: INSPECTOR'S MAIN MATTERS

The HBF would like to submit the following further comments in respect of the main matters identified by the inspector. The following comments are additional to those included in our submission representation dated 14<sup>th</sup> June 2013 and are based upon further evidence which has been published since submission of the Allerdale Local Plan Part 1, new information or the major modifications proposed. The further representations do not supersede any of the issues raised within our original representations.

### **Matter 1 – Duty to Co-operate**

The Council's compliance statement with regards the duty to co-operate is set out within examination documents CD10 and CD10a. These documents provide details of meetings attended and the respective minutes. They also indicate joint working upon a number of key elements of the evidence base. It is, however, much more difficult to interpret how these minutes and discussions have been transposed into material actions informing plan preparation. For example; Appendix 1 of CD10 indicates a county-wide approach to evidence and methodology in relation to identifying a housing requirement has been developed. However, as discussed in our representations upon the submission version and in further comments against matters 3 and 4 below, a consistent approach to the actual choice of the housing requirement has not been adopted.

Modelling work undertaken by GVA, on behalf of Cumbria County Council in 2011, identifies several housing growth scenarios for West Cumbria. These are summarised in the table below;

Scenario	Projected dwelling requirement	Dwelling requirement per year		
		West Cumbria	Allerdale	Copeland
Zero net migration	2837	189	75	114
5 year migration trend	3340	223	111	112

10 year migration trend	5277	352	186	166
Employment baseline	9230	615	497	118
Nuclear New Build	11046	736	516	220

In determining its housing requirement the neighbouring West Cumbria authority of Copeland, which is functionally connected to Allerdale, has chosen a figure of 230 dwellings per annum based upon the potential for Nuclear New Build. In contrast Allerdale has sought an arbitrary figure which sits at the mid-point between the '5 year migration trend' and 'Employment Baseline' scenarios. This inconsistency in target setting between two closely related authorities has meant that the modelled requirement for the 'Employment Baseline' scenario in West Cumbria of 615 net dwellings per annum will not be met. The HBF is unaware that any agreement has been reached with any other neighbouring district to take any of the unmet housing need from Allerdale and therefore the HBF concludes that the duty has not been meaningfully fulfilled due to a lack of material actions.

The identification of material actions is an important element of demonstrating compliance with the duty. The recent draft National Planning Practice Guidance (NPPG) on this issue 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'*.

The guidance is echoed in recent concerns raised by inspectors over compliance with the duty. The plans of Coventry, Hart, Kirklees and North West Leicestershire Councils are such examples. In all cases the inspector noted that compliance with the duty needs to go beyond merely consulting with neighbouring authorities, but rather it should implement actions and have evidence of high level agreements to tackle strategic issues, including meeting the housing needs of the wider market area.

## **Matter 2 – The extent of the Plan period**

Major modifications MM1 and MM4 proposed by the Council have extended the plan period by a further year from 2028 to 2029. The Council indicate this has been done to ensure that the plan period covers a full 15 years. The HBF is generally supportive of this change, but it is not considered to go far enough. Whilst the change will provide a full 15 years for the Core Strategy, presuming it is adopted in 2014, many important elements of the plan are delegated to the subsequent Site Allocations document. The Council's most recent Local Development Scheme (CD11) published September 2013 identifies the important Site Allocations document will not be adopted until March 2016 at the earliest. This will effectively mean that many elements of the plan, such as the review of settlement boundaries and housing allocations, will only have a maximum time horizon of 13 years. It should also be noted that the timescale for adoption of the Site Allocations document has already

slipped significantly since the previous June 2012 LDS and therefore the suggested adoption date needs to be viewed with a degree of caution.

The HBF recommends that given the complexity of bringing sites forward, the time taken to prepare planning applications, secure permission and build out developments (especially if these need to be co-ordinated with significant infrastructure investments) and to ensure conformity with the NPPF preference for a 15 year time horizon (paragraph 157) a plan period beyond 2031 should be provided.

### **Matter 3 – The scale of the Housing Requirement**

The overall plan housing requirement has been increased from 5,167 to 5,471 by proposed Major Modification 12. This is solely due the extension of the plan period from 2028 to 2029. The annual requirement of 304 net new dwellings per annum remains consistent with the submitted Core Strategy figure.

Following submission of the Core Strategy the Council has published a further note upon the derivation of the housing requirement entitled '*Housing Growth Topic Paper Update, October 2013*' (TP4a). This document provides an update to the previous topic paper on this issue (TP4) and attempts to provide further clarity to the derivation of the chosen housing requirement.

The topic paper correctly notes that the chosen housing requirement compares favourably with both the 2008 based and 2011 based interim household projections. Albeit the 2008 based projections for Allerdale included in the '*What Homes Where*' toolkit, an independent and free to use resource analysing official government statistics, identifies an annual requirement of 280 dwellings per annum over the plan period. This is just 24 dwellings short of the Council's chosen annual requirement. The more recent 2011 interim projections identify a greater contrast. These figures should, however, be viewed with caution as they are only interim, do not represent the full plan period, are based upon a hybrid dataset and are borne through a period of recession. A recent PAS paper by Alan Holmans '*New estimates of housing demand and need in England, 2011 to 2031*' identifies much of the suppressed household formation rate contained within the 2011 figures is due to the economic recession. Therefore under more favourable economic conditions, expected in future years, it is highly likely there will be a return to higher rates of household formation. This issue of using the 2011 interim household projections has recently raised by the Inspectors of both the Lichfield Local Plan and South Worcestershire Local Plan who both note that Councils **should not** plan on the basis of the 2011 headship rates as to do so would be tantamount to planning for recession.

Whilst the HBF is generally supportive of the Council in seeking a housing requirement greater than the household projections these only provide a starting point for the consideration of an objectively assessed housing need. The recent draft guidance contained within the National Planning Practice Guidance (NPPG) as well as the PAS good practice guidance upon identifying an objectively assessed housing requirement ('*Ten key principles for owning*

*your housing number - finding your objectively assessed needs*) both acknowledge the importance of the Strategic Housing Market Assessment and economic aspirations in determining the scale of housing need. It is in this regard that the HBF considers the housing requirement to be inadequate.

The baseline economic forecast for West Cumbria included within the 2011 GVA study '*West Cumbria Evidence Base Projections Paper*' identifies an overall housing requirement for West Cumbria of 615 dwellings per annum. The combined housing requirements of Copeland and Allerdale (who form West Cumbria) is 554 dwellings per annum, some 61 dwellings per annum or 1,098 dwellings short of this requirement over the whole Allerdale Plan period. Whilst the background paper (TP4a) notes that the predicted rate of economic recovery identified in the baseline economic forecast has not yet been achieved in Cumbria (paragraph 13) the overall requirement is substantially short of the economic scenario and failure to meet the housing requirement will in itself hamper economic recovery.

There is also a mismatch between the proposed housing requirement and the proposed employment land requirement. The Council proposes to allocate 54ha of employment land (Policy S3 as amended by Major Modification 12) which equates to an annualised target of 3ha per annum. This scale of annualised target represents the higher end of the employment land requirement scenarios included within the updated Employment Land Review (EB6a, Figure 7.1). Whilst the HBF is supportive of the Council's aspirations in relation to employment land it is unclear why the same aspirations do not relate to the housing requirement.

The Council also dismisses the growth of the nuclear sector (paragraph 14, TP4a) due to uncertainties in terms of timing and effect on Allerdale. The Council suggests that the available modelling indicates that the uplift in employment and requirement for additional housing that may arise with Nuclear New Build is likely to be low in Allerdale, with the majority of impact taking place in Copeland Plan Area. Whilst the effects are predicted to be small on an annual basis (19 dwellings over the Economic Baseline scenario, see table included in matter 1), this accounts for 342 dwellings over the plan period over the 'Economic Baseline' scenario. However, as already discussed, the combined housing requirement of Allerdale and Copeland is 61 dwellings per annum short of the 'Economic Baseline' scenario and would fall 182 dwellings per annum short of the 'Nuclear New Build' scenario (3,276 dwellings over the Allerdale plan period). Whilst the Copeland plan does provide some flexibility if Nuclear New Build was to occur (70 dwellings per annum), no such flexibility is included in the Allerdale plan. This would therefore leave West Cumbria 112 dwellings short of the scenario per annum, or 2,016 over the Allerdale plan period. This lack of flexibility to accommodate such a potentially important national infrastructure project is particularly concerning.

The government places significant emphasis upon the Strategic Housing Market Assessment (SHMA) in identifying housing need (NPPF paragraph 159). As stated in our representations upon the submission version of the

plan, the 2011 SHMA (EB2) and subsequent 2013 update (EB2e) identify an annual need for 181 affordable dwellings (figure 5, EB2e) and 295 market dwellings (figure 21, EB2e) over the next 5 years. This equates to a requirement for 476 dwellings per annum. Given the importance that the government places upon the SHMA it is unclear why Allerdale has not sought to address this need in full (NPPF paragraphs 47, 159).

In addition to the housing requirement issues raised above it is noted that in paragraph 12 of the updated housing growth background paper (TP4a) the Council suggests that previous delivery rates indicate that the housing market could not achieve higher growth rates. Whilst the Council has not achieved its housing requirement for a significant period, having a shortfall of 857 dwellings against the now revoked Regional Spatial Strategy requirement (EB22, Annual Monitoring Report). These previous rates must be viewed in the context of the previous restrictive planning policies and a period of recession. The NPPF requires plans to be positively prepared and provide a significant boost (paragraph 47) to housing supply. The plan therefore is to be based within this context and as such previous delivery rates are not a matter for the plan to consider. Indeed the draft NPPG (ID 2a-004-130729) identifies that historic delivery rates are not a basis for identifying future needs. It is also worth re-iterating that the under-delivery issues noted on page 6 of our submission representations still have not been considered in the overall requirement.

In conclusion the HBF does not consider that the proposed housing requirement fulfils the objectively assessed needs of Allerdale or the wider West Cumbria area. The housing requirement figure should therefore be increased taking account of the need identified in the SHMA, previous under-delivery and the Councils aspiration for growth. It is recommended that an annual housing requirement nearer 500 new dwellings should be planned for.

#### **Matter 4 – Cross-boundary issues in housing provision**

The HBF representations upon the submission version of the Core Strategy identified a number of cross boundary issues in relation to housing. Since the submission of these representations the Council has produced a further note upon housing growth (TP4a) and Carlisle have undertaken further consultation upon their local plan.

The HBF is confused by the statement in the housing growth paper update (TP4a) which suggests that; *‘there are no strategic cross boundary issues in relation to housing delivery’* (paragraph 5). This statement is based upon the 20 housing market areas identified by the Cumbria Housing Group in 2006. This statement is, however, at odds with the close functional relationships with Copeland, due to the travel to work patterns and the close proximity of Whitehaven and Workington. The Council’s own Statement of Compliance with the duty to co-operate (CD10) identifies housing as a cross boundary issue and hence the joint housing growth work. The issues concerning housing growth and Copeland have been thoroughly discussed in our submission representation and against matter 3 above.

The statement of compliance (CD10) also identifies that the settlements of northern Allerdale ‘....provide a complementary role to Carlisle in terms of serving local housing, retail and employment markets.....’ (page 7, section 3.1). Since the submission of HBF comments upon Allerdale’s plan, Carlisle have undertaken further consultation upon their plan and identified a plan requirement of 600 dwellings per annum. Carlisle’s 2011 ‘Housing Needs and Demand’ report identifies (paragraph 11.15);

*‘.....around 545 homes would be required each year to maintain the working-age population, with 665 homes a year required to support forecast economic growth (based on Jan 2011 employment forecasts to 2025).....’*

The requirement for 665 homes per year to support economic growth would appear to be a realistic starting point for considering an objectively assessed need for housing. Carlisle has, however, chosen a lower figure of 600 per annum. The provision of only 600 new dwellings per annum effectively reduces the overall plan requirement by nearly 1000 homes. It is unclear how these additional homes will be accommodated but given the relationship between parts of northern Allerdale and Carlisle it may be appropriate to assume that some of this unmet need should be accommodated within Allerdale.

The current strategy for Allerdale does not account for any regional under-delivery or indeed, as noted against matter 2, the areas own housing needs. This leaves a significant quantum of housing undelivered. The importance of dealing with regional under-delivery was recently raised by the Inspector of the Mid Sussex Local Plan where the council had failed to take into account planned levels of provision by adjoining authorities. The Inspector identifies (with regards to housing provision);

*‘Whilst I understand it is not always easy to take an active approach in terms of considering the needs of other local planning authorities and also that localism has a role to play in any deliberations, those factors should not be seen as a reason to take a back seat and rely on others to seek solutions to cross-boundary problems’* (Inspectors final conclusions on the Duty to Co-operate, 2<sup>nd</sup> December 2013).

The HBF contend that the regional under-provision as well as Allerdale’s own under-provision need to be given due consideration. It is therefore recommended that Allerdale’s housing requirement be increased to meet at least part of this unmet need.

## **Matter 5 – The delegation of location decisions to subsequent documents**

The HBF provided numerous comments upon this issue within our submission representations, to aid brevity these will not be repeated here. It is, however, worth noting that the Council has not sought to address the concerns raised. These concerns were particularly aimed at the lack of identification of the revisions to settlement boundaries. Policy S5, as currently written, identifies

that development will be confined within the settlement boundaries. Therefore failure to identify these boundaries within the Core Strategy will effectively constrain development until 2016, at the earliest. This will undoubtedly impact upon the delivery of new housing and consequently the Council's ability to identify a five year supply of housing. Therefore in accordance with NPPF paragraph 49 the housing policies within the plan would be considered out of date. The identification of the revised settlement boundaries is a fundamental element of the strategy and should not be left until a later document. The delegation of such significant matters to a later document is also contrary to NPPF paragraph 153 which identifies that additional development plan documents should only be used where clearly justified.

The HBF considers that at the very least the revised settlement boundaries should be set within the Core Strategy.

## **Matter 6 - Viability of housing provision in low-market areas**

The Council's Housing Viability Studies (EB3a & EB3b) as well as the May 2013 Cumulative Viability Topic Paper (TP2) identify significant viability issues across Allerdale, particularly in the low market areas of Workington, Maryport and Wigton which are identified within policy S3 to take the majority of development.

The table at paragraph 40 of Cumulative Viability Topic Paper (TP2) identifies a number of scenarios. The most relevant of which is scenario 2A which tests current affordable housing and section 106 policy requirements under current market conditions. This indicates that of the sites tested only 8% were viable, with 90% identified unviable. This is a serious concern for the deliverability of the plan. The situation is likely to be worse than suggested as the study does not appear to pay any regard to the costs involved in the governments push towards zero carbon.

The Cumulative Viability Topic Paper update, October 2013 (TP2a) indicates in paragraph 6 that under an improving market (10% uplift) a potential supply of 1,624 dwellings would be available. Whilst this may be true, the plan needs to deliver from day 1 under current market conditions and cannot be reliant upon an improving market. Paragraph 6 also indicates that such a figure provides 5.3 supply of housing land based upon the proposed 304 annual housing requirement. This fails to take account of the need for a 20% buffer required by the NPPF for persistent under-delivery. Therefore even with a 10% uplift the plan would be unable to provide a deliverable 5 year supply as 1,824 dwellings would be required, if the current backlog against the revoked RSS target is considered the issue is significantly worse.

Figure 2 (TP2a) provides evidence that developments in low market areas have come forward and delivered affordable housing. Whilst this is

encouraging it is noted that not all of the developments identified have been able to provide the 20% affordable housing required. In addition these permissions are based upon current policy requirements and take no account of the cumulative impact of proposed policies contained within the plan and the government's push towards zero carbon.

In summary the HBF notes that development within the low market areas will be challenging and as such recommends that the Council reduces the policy burdens within these areas to provide the greatest opportunity for development to occur. The plan cannot wait for an uplift in the market as it needs to deliver from the date of its adoption. Comments made against policies S8, S21, S25, DM12 and DM14 in our submission representations are all relevant to this point. In addition the HBF suggests that the plan should be amended to ensure it contains sufficient flexibility in terms of allocations to ensure it can deliver the quantity of housing required. Given the viability issues apparent an allocations buffer of 20% over and above the plan requirement is suggested to account for under or none delivery from sites.

### **Matter 7 - The provision of Affordable Housing**

No further comments to those made against Policy S8 in our submission representations and against matter 6 above.

### **Matter 8 - The provision of housing for Gypsies and Travellers**

No comments.

### **Matter 9 - Developer contributions**

The comments made against matter 6 above and our submission comments made against Policy S21 are relevant to this matter. In addition the Council's 'Strategy for Infrastructure, April 2013' identifies a wide range of infrastructure requirements (section 7), many of which are at least partially reliant upon developer contributions. It appears unlikely given the viability issues within the area as well as the government's continued austerity measures that all of the identified requirements will be able to be funded. The HBF therefore advise that the Council prioritise the infrastructure necessary to promote development.

It is also noted that the Council is not yet committed to introducing a Community Infrastructure Levy (CIL). The current CIL regulations limit the use of pooled planning obligations collected through section 106 procedures to five from April 2015 or local adoption of CIL, whichever is sooner.

### **Matter 10 - Water supply and the effect of development upon water quality**

No comments.

### **Matter 11 - The Settlement Hierarchy: criteria for designation; transport sustainability**

No comments.



## **Matter 12 - The role of the Ports**

No comments.

## **Matter 13 - Energy provision: its role at national and local levels**

No comments.

## **Matter 14 - Protection of Employment Sites**

No further comments to those provided in the HBF submission representations against Policies S12 and DM3.

## **Matter 15 - The emphasis upon Previously-Developed Land**

The Council has identified a number of major modifications in relation to previously developed land. Major modifications 22, 27, 32, 36, 40 and 46 seek to encourage the re-use of previously developed land. The HBF is supportive of these modifications as they are considered to more accurately reflect paragraph 111 of the NPPF. These modifications do, however, appear at odds with major modifications 17, 80, 81, 97 and 98 all of which still seek to prioritise previously developed land and in the case of major modifications 97 and 98 to policy DM16 seek to apply a sequential test to windfall sites. This is considered inappropriate and contrary to the NPPF which seeks to encourage the re-use of previously developed land. The NPPF does not seek to prioritise its re-use or set a sequential test.

The HBF therefore recommends that major modifications 17, 80 and 81 are amended to encourage but not prioritise the use of previously developed land and policy DM16 be deleted.

## **Matter 16 - The treatment of Landscape Character and AONB**

No comments.

## **Matter 17 - The treatment of the World Heritage Site and the historic environment**

No comments.

## **Matter 18 - The treatment of the Natura 2000 site, and need for Appropriate Assessment**

No comments.

## **Matter 19 - The regard to be paid to Waste and Minerals in the Local Plan**

No comments.

I look forward to a debating these and other matters further at the forthcoming examination.

Yours sincerely

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