

Date: June 2017

Consultee ID: 23

Matter 6

FYLDE LOCAL PLAN EXAMINATION

Matter 6 – General Development Principles

1. The following hearing statement is made for and on behalf of the Home Builders Federation. This statement responds to selected questions set out within Matter 6 of the *Inspector's Matters, Issues and Questions*.
2. The Inspector's Issues and Questions are included in bold for ease of reference. The following responses should be read in conjunction with our comments upon the submission version of the Local Plan, dated 22nd September 2016. The HBF has also expressed a desire to participate in the examination hearing sessions.

Issue 9 – Does the Plan provide a robust framework for the management and delivery of development across the Borough that is justified, effective and consistent with national policy?

Q23 & Q24:

3. The HBF has no further comments at this stage.

Policy M1

Q25: Policy M1 requires 'each allocated site' within the Strategic Locations for Development (SLD) to produce a masterplan and design code, to be approved by the Council and turned into SPDs.

- a. Is the policy justified and consistent with national policy?**
 - b. Have the timescales for producing masterplans and design codes for each allocated site been taken into account in considering the timescales for site delivery? Are there any implications for the housing trajectory?**
 - c. Is the policy consistent with the wording set out in Policies SL1-SL4 regarding masterplans and design codes?**
4. HBF considers this to be an overly onerous requirement, which could create significant delay in the delivery of the strategic sites. It is unclear why a masterplan would need to be adopted as an SPD.

Policy GD1 - Settlement boundaries

Q26: Policy GD1 refers to development being focussed on previously developed land within and immediately abutting the existing settlements. Does this relate to allocated sites and if so are settlement boundaries drawn around them? Are the boundaries around each settlement justified?

5. All allocations should be included inside the settlement boundaries.

Q27: Will some settlement boundaries be determined through Neighbourhood Plans? If so, does this need to be referenced in GD1?

6. The HBF consider that settlement boundaries should be dealt with through the local plan. This will ensure consistency of approach and ensure that all settlement boundaries are provided.

7. If Neighbourhood Plans are to consider settlement boundaries it should only occur where they wish to increase the boundary set within the plan. This would accord with the positive stance towards development identified for Neighbourhood Plans within the NPPF, paragraph 184.

Q28: The policy refers to 'settlement development targets'. Is this appropriate and consistent with national policy?

8. No, this would appear to suggest that a 'cap' would be placed upon development and applications refused if the target has been met. This would be clearly contrary to the NPPF.

9. The Government's aim of boosting significantly the supply of housing is clear from the NPPF. The inclusion of such a consideration would deliberately suppress the level of housing that would otherwise be delivered through the consistent application of the broad approach to housing distribution chosen by the Council. The HBF is unaware of any evidence to support such an approach and as such recommends the reference to settlement development targets be deleted.

Q29: Is it necessary to refer to agricultural land within a settlement boundary policy?

10. The HBF have no comment.

Q30: In relation to greenfield land within settlement boundaries paragraph 8.3 lists other matters that will be taken into consideration when considering

development proposals. Should these matters be included in the policy? Would this be justified?

11. The HBF is unclear why greenfield sites should be subject to additional criteria compared to their previously developed counterparts. The matters identified in paragraph 8.3 are, however, general policy issues which are in the main covered by other plan policies. In this regard their inclusion is considered neither justified nor required.

Policy GD2 – Green Belt

Q31 to Q33:

12. The HBF have no further comments at this stage.

Policy GD3 - Areas of Separation

Q34: Two Areas of Separation are proposed within the plan.

a. Are the areas of separation justified and is the policy consistent with the Framework?

b. How have the boundaries been determined and will they be effective?

c. Para 8.10 states that the policy will apply to all forms of development in the areas. Is this justified? Does the policy clearly define what development will and will not be acceptable within these areas? Is it clear what is meant by the use of the term ‘inappropriate development’? How will development proposals be assessed?

13. The HBF would welcome further clarity upon this issue and why it is justified that all new homes within the curtilage of existing dwellings should be resisted. This matter is covered within our comments upon the submission version of the plan, paragraphs 25 and 26.

Policies GD4 and GD5 – Development in the countryside

Q35: Do Policies GD4 and GD5 apply to the countryside, Areas of Separation and the Green Belt? Is this clear within the policy? Are the policies justified and consistent with national policy?

14. Further clarification upon this issue is welcomed.

Q36: Are both policies consistent with Policy S1 which includes allowing ‘minor infill development’ within rural areas?

15. It is considered GD4 should be amended to identify that minor infill development would be acceptable.

Q37 & Q38:

16. The HBF have no further comments.

Q39: Is it clear in GD5 what is meant by 'large developed sites'?

17. Further clarity would be welcomed.

Q40 & Q41

18. No further comments.

Policy GD6 – Promoting Mixed Use Development

Q42 to Q44:

19. No further comments.

Policy GD7 – Achieving Good Design in Development

Q45: Do the various criteria, particularly under the section on general principles of good design, provide a clear indication of how a decision maker should react to development proposals? Are the requirements justified?

20. The principal concerns of the HBF relate to criteria 'n' and 'r' of the policy. Our concerns in relation to part 'r' (climate change) are dealt with within our comments upon the submission version of the plan, paragraphs 37 and 38. Part 'n' relates to the optional housing standards. These are discussed below.

Q46: The Ministerial Statement (MS) of 25 March 2015 set out a new approach for the setting of technical standards for new housing comprising new additional Building Regulations on water and access and a new national space standard. The MS states 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 the impact on viability has been considered ...'. Policy GD7 requires all new homes to 'comply with all relevant design and quality codes in the National Technical Standards'. Is this approach justified and based on robust evidence of identified need? Has the impact of applying these standards on viability and land supply been considered? (Also refer to Policy H2)

21. The HBF has considerable concerns in relation to the wholesale introduction of the National Technical Standards implied in the policy within Fylde. Following our general comments, each optional standard is considered in turn below.

General comments

22. The Housing Standards Review was launched in order to simplify and rationalise the raft of housing standards which local authorities applied to development. At the heart of the review was a desire to reduce developer costs and create attractive conditions to significantly boost housing delivery. The industry was heavily involved in the review.
23. The introduction of the enhanced standards has the potential to have significant implications in terms of product range, build cost, affordability and consumer choice, cumulative policy burden, viability and ultimately housing delivery. The Government was aware of this issue and therefore agreed that the enhanced standards were intended to be optional and that they would only be needed and viable in certain local circumstances. Otherwise, they would have been made mandatory in Building Regulations across the country. The enhanced standards were therefore introduced on a '*need to have*' rather than on a '*nice to have*' basis and policy safeguards were put in place. This background needs to be borne in mind when considering the introduction of the optional standards.

Optional Water Efficiency Standard

24. The Council's own evidence, *Specialised Housing Background Paper* (ED029, page 34) clearly identifies that the optional standard for water efficiency cannot be justified and as such it should be explicit that part 'n' of the policy does not require compliance with this standard.

Optional Accessibility Standards

25. In respect of mainstream market housing the policy provides no guidance in relation to whether it is anticipated that dwellings should comply with M4(2) or M4(3). The only guidance relates to accommodation specially designed for older persons. Policy H2 does, however, place a requirement for 20% of all such accommodation be provided for older persons.
26. Whilst the Council's *Specialised Housing Background Paper* (ED029) does discuss the need for older person accommodation it does not indicate that any other form of accessible housing is required. Neither does it identify a need, beyond that for older persons. In this regard it is recommended that the policy wording be amended and relate solely to the requirements set out within Policy H2 if these can be justified.
27. I also refer the Inspector to our response to Matter 5, Policy H2.

Nationally Described Space Standard (NDSS)

28. The HBF is unaware that the Council has produced any evidence, particularly in relation to need, to justify the introduction of the NDSS. This is directly contrary to the MS and the PPG (ID 56-020). On this basis the NDSS cannot be introduced.
29. Our comments upon the submission version of the plan (paragraphs 30 to 33) outline our key concerns relating to the introduction of the NDSS in this manner. In addition the industry is concerned that the introduction of the NDSS may impact upon rates of delivery throughout the plan period. As previously discussed¹ the blanket introduction of the space standards is likely to reduce choice within the market. This in turn will impact upon rates of delivery, as they are predicated on a range of issues including ensuring market affordability at relevant price points and maximising the absorption rates of sites. Sales rates on many sites currently in the system or about to be submitted will be predicated on current market sales. The optional internal space standard will effectively remove many of the starter products from the range (i.e. smaller 2, 3 and 4 bed properties). This is likely to reduce sales levels due to affordability issues. If there are reduced sales rates anticipated delivery rates upon which the plan is based could be comprised. Given the persistent under-delivery within Fylde such an intervention is considered to be unsound.
30. The Council's *Economic Viability Assessment addendum* (SD006) does include additional costs to take account of the optional standards. It is, however, difficult from this document to identify how the additional costs of the NDSS have been factored into the assessment. The earlier draft of the study (ED016a) identifies, table 3.19, that the construction cost assessments assume compliance with current building regulation requirements. The dwellings sizes that have been assumed for the purpose of our testing accord to the requirements of the NDSS. Whilst this is initially reassuring we are concerned in how this is translated into costs.
31. The *Economic Viability Assessment* (ED016a) applies a linear relationship between house size and house price (table 5.3), by applying a multiplier of sales value upon build size, this effectively means that the increase in size is solely passed onto the purchaser and as such would not impact upon viability. Indeed the approach taken is likely to have a positive effect upon viability. The HBF consider

¹ Paragraph 33, HBF comments upon submission version of plan

such an approach to be overly simplistic and one which pays no regard to market price caps across differing areas.

32. In contrast to the approach within the *Economic Viability Assessment* the study undertaken by EC Harris in September 2014² on behalf of the Department for Communities and Local Government (para 4.3.16) concludes that the percentage of costs recovered via additional value declines as the amount of space grows, declining to 60% for an additional 10sq.m or more. Whilst the EC Harris work is yet to be fully verified by real examples it does confirm our assertion that it is not a linear relationship as identified in the original EVS. In the absence of any further evidence we suggest that 60% cost recovery is applied as an assumption within the EVS for considering viability. Given this alternative evidence the current conclusions of the EVS are considered to over-estimate viability.

33. In the unlikely event that the Council can justify the inclusion of the NDSS the policy, will need to provide a reasonable transitional period from adoption to implement the NDSS. To take account of existing land acquisitions and the time taken to negotiate the planning process it is recommended this is at least 24 months from adoption.

Q47: The policy includes reference to advertisements. Is the policy adequate in this regard taking into account that the Advertisement Regulations state that “A local planning authority shall exercise its powers under these Regulations in the interests of amenity and public safety”?

34. No comment.

Yours sincerely,

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² EC Harris (2014) Housing Standards Review: Cost Impacts