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**Sent by Email only**

Date: 17<sup>th</sup> July 2017

Dear Sir / Madam,

**Local Plan: Draft Development Management Policies DPD (Pre-Publication Consultation on proposed Main Changes)**

1. Thank you for consulting with the Home Builders Federation (HBF) on the Draft Local Plan: Development Management Policies DPD Pre-Publication Consultation on proposed Main Changes document. The following response also provides commentary upon the *Evidence Paper: Optional Housing Standards Update June 2017*.
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. The following comments have been restricted to the amended policies. We did, however, make further comments within our previous responses to the Development Management DPD which are still considered valid.

**Over-arching comments**

4. The Council will be aware that in our previous response to the Development Management DPD, dated 5<sup>th</sup> January 2017, we raised concern over the prescriptive nature and lack of flexibility inherent in the wording of the policies. The proposed changes whilst providing some improvement have not overcome our concerns.
5. The Council has significantly under-delivered against its housing requirement for a number of years. It is therefore important that it seeks to boost housing delivery wherever possible. The inclusion of a further raft of prescriptive inflexible policies is unlikely to assist in this regard. Furthermore if the Council wishes to encourage a wider range of developer interests into South Lakeland a more supportive and, where possible, flexible approach to policy is required.

6. The HBF is also disappointed that the long-awaited viability assessment of the plan policies still has not been published. This has limited our ability to make a fully informed response to the identified policy changes. The HBF is aware that a number of our members already struggle to grapple with the challenges of overly prescriptive policies which inevitably have time and cost implications. These policies combined with the requirements from Cumbria County Council are impacting upon delivery and effecting scheme viability. Whilst this can be challenged through a planning appeal this adds further time and cost implications both to the Council and developers.
7. The Council will also be aware of the '*housing delivery test*' suggested in the Government's recent Housing White Paper<sup>1</sup>. This will require action to be taken if delivery falls below 95% of the Council's annual housing requirement. Given the recent track record on delivery it appears inevitable the Council will have to consider how it intends to improve delivery levels in South Lakeland. The HBF considers a relaxation of some of the policy requirements would provide a useful starting point.

#### **Policy DM1: General requirements for all development**

8. The proposed changes to the policy are generally considered positive. The HBF does, however, remain concerned that the policy reads as a long-list of requirements which will be applied to every site irrespective of its applicability. Reference to economic viability should also be made either within the policy or supporting text.
9. It is also essential, for clarity and consistency, that the Development Management DPD clearly indicates which elements of existing policies will be replaced by this policy. The current wording "*Will replace many elements within current policies*" will create confusion and uncertainty.

#### **Policy DM2: Achieving High Quality Design**

10. The HBF is unclear why the policy retains reference to "*...significant weight..*" within the opening paragraph. This could create confusion over the relevance of other policies and the importance of delivering development.

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

11. Whilst the amendments to the policy are generally useful in aiding interpretation and it is recognised that the Council intends to produce a Supplementary Planning Document (SPD) to assist in its interpretation many of the requirements remain vague and could be easily misinterpreted. The Council should also ensure that the SPD is used to assist applicants gaining approval and is not used to place further burdens upon the development industry (NPPF, paragraph 153).
12. The requirement for large developments to provide character areas (criterion 5) lacks clarity. Further guidance upon what is meant by large developments and character areas should be provided.
13. The policy includes a number of new elements which will impact upon viability, such as the provision of electric vehicle charging points. These elements will need to be considered within the forthcoming Economic Viability Study of the plan. It is also important that this, and other policies, provide flexibility to enable developers to respond to individual site characteristics and viability challenges. The NPPF is clear that flexibility is a critical component of any plan (paragraphs 14, 21, etc.).

**Policy DM4: Green and Blue Infrastructure, Open Space, Trees and Landscaping**

14. This policy will have significant viability implications which will require rigorous testing in the viability assessment.

**Policy DM6: Flood Risk Management and Sustainable Drainage Systems**

15. The policy places significant requirements upon developers even at pre-application stage. This is considered unjustified and may simply put developers off using the pre-application route. This surely is not the Council's intention.
16. The policy appears to be a replication of the Cumbria County Council SuDs policy. The HBF and its members have concerns about the approach to surface water management and control, as advocated by the LLFA (Cumbria CC). Current proposals exceed the non-statutory national standards on many counts, without justification. This is undoubtedly impacting on delivery across Cumbria.
17. The HBF is currently attempting to meet Cumbria CC to discuss a number of surface water drainage issues associated with their SuDS policy, albeit with little success at present. The current approach by the LLFA is creating confusion and conflict and is impacting upon the ability of our members to deliver housing schemes. The HBF cannot, therefore, support any related planning policy in respect

of SuDS until such time that we have discussed with Cumbria CC the shortcomings of the present policy and the outcome thereof is known.

18. The HBF is also concerned that, through the policy, the Council are trying to influence the point of connection to the public foul sewer network. This is contrary to the absolute right to connect to the nearest public foul sewer under S106 of the Water Industry Act, a right that has been upheld in the Supreme Court. In this context, the present policy can therefore be considered ultra vires and should be removed and/or amended accordingly.

### **Policy DM11: Accessible and Adaptable Homes**

19. The draft policy retains the requirement for all new properties to meet the optional Building Regulations accessibility standard M4(2) category 2. A further 5% of dwellings on sites of 40 or more will be required to meet the optional M4(3A) standard. The Council still does not have any viability evidence to support the introduction of the optional standards. This is a key element of the PPG requirements (ID 56-007).
20. 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 policy as amended 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). 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.
21. The HBF notes that the Council has updated its evidence which is now contained within the *Evidence Paper: Optional Housing Standards Update June 2017* (hereafter referred to as the 2017 Evidence Paper). Whilst this additional evidence is noted it remains unclear how the percentages identified in the policy have been derived, or why all new build dwellings should meet M4(2). The 2017 Evidence Paper clearly indicates that by 2039, which is beyond the plan period, **37%** of the population will be over 65. Even if every person over 65 required an M4(2) compliant dwelling, which is unlikely, it is difficult to see why a figure greater

than 40% compliance is required. However, the vast majority of older people, nearly 80%, want to stay in their current home and will not be seeking to purchase a new market property. Therefore from the evidence supplied less than 8% of the population in 2039 would be over 65 and actively seeking to move to a new property. In terms of M4(3A) dwellings it is noted that a supply equivalent to 3% to 4% annually of the current housing requirement is identified (paragraph 2.59). However, this appears to assume that all of this requirement will arise from those seeking to move property, once again this is unlikely. This figure also presumes no double counting with the over 65 population is taking place.

22. The outcome of this is that the vast majority of new home purchasers would effectively be paying more for something they may not need or desire. This will have a detrimental impact upon affordability.
23. In terms of the accessibility and adaptability of existing housing stock, figure 6 of the Evidence Paper, indicates that a number of adaptations are required. It is, however, unclear how many properties this actually relates too as many are likely to be double counted. There is also no assessment of the stock which meets future needs.
24. In terms of economic viability this still needs to be addressed, in detail, through the forthcoming viability assessment. Until this is produced and verified the Council cannot rely upon the overly simplistic assumptions contained within the Evidence Paper. The Evidence Paper currently assumes that because the Lifetime Homes standard was included within the initial viability assessment only the difference need be applied. This is considered overly simplistic, not least because build costs have risen since the publication of the Government's impact analysis contained in the Evidence Paper. It is also noted that paragraph 2.47 suggests that because of the increase in size this will attract additional sales revenues. Whilst this may occur to some extent there is a market driven price cap within areas. Therefore, it is unlikely developers will be able to achieve the linear relationship between additional size and additional revenue assumed in the viability analysis. Any consequent increase in price will also have a negative impact upon affordability which is already problematic within the area. The background report appears to ignore this issue.
25. Furthermore the Evidence Paper completely ignores the fact that 35% of the homes will also be affordable homes. The Council will be aware that there is very little opportunity for the development industry to recoup any of the additional costs

from these properties. The 'for sale' element can only be sold at prices set annually by the Council and unless it is intended the Council will increase prices to reflect these standards, then no offset can be achieved. On the rented element it is also unlikely Registered Providers will be willing to pay anymore to buy enhanced sizes as their rent levels are unchanged by an increase in floor area as they are bedroom driven.

26. The justification for the introduction of the accessibility standards makes significant reference to the London Plan. The relevance of this to South Lakeland appears tenuous. A better comparison may be North Tyneside where the Inspector directly challenged the Council on the blanket introduction of the M4(2) accessibility requirement and sought to reduce this.

27. In conclusion whilst the HBF does not dispute the aging nature of the population in South Lakeland or the evidence on wheelchair users the blanket introduction of M4(2) dwellings appears unjustified. The Council should reconsider its evidence base and provide a more realistic need calculation. Further evidence regarding the 5% requirement for M4(3A) dwellings is also needed. The Council's viability evidence will be crucial to identifying whether this policy is justified.

28. The Evidence Paper also considers the optional space and water efficiency standards. These are dealt with separately below.

### **Optional Nationally Described Space Standard**

29. At this stage the Council is not seeking to introduce the optional nationally described space standard (NDSS). This is supported. The introduction of the NDSS would not only have significant impacts upon affordability (paragraph 3.2, Evidence Paper), which is already problematic, across South Lakeland but will also have significant impacts upon viability.

30. The evidence provided by EC Harris in September 2014<sup>2</sup> 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 suggested by the Evidence Paper.

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<sup>2</sup> EC Harris (2014) Housing Standards Review: Cost Impacts

31. The introduction of the NDSS would also reduce choice. This is because many developers have entry level two, 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, due to family or other requirements, but who are unable to afford larger larger two, three and four bed properties. The consequent increase in costs and reduction in variety would have a further detrimental effect upon affordability and delivery. The HBF therefore strongly agrees with the Council's reasoning at paragraph 3.21 of the Evidence Paper. In this regard the HBF strongly advise against the introduction of the NDSS within South Lakeland.

#### **Water Efficiency**

32. The HBF agrees with the Council's conclusions at paragraph 4.6 of the Evidence Paper.

#### **Information**

33. I trust that the Council will find the foregoing useful. I would be happy to discuss the above comments in more detail if required.

34. The HBF would like to be kept informed of progress upon the Development Management document as well as any other planning documents. As the regional representative for planning issues across the north of England I would be pleased if you would ensure that my contact details are retained for such purposes.

Yours sincerely,



**Matthew Good**  
**Planning Manager – Local Plans**

