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Dear Sir / Madam

LICHFIELD LOCAL PLAN REVIEW (LPR) PRE-SUBMISSION CONSULTATION

Introduction

Thank you for consulting with the Home Builders Federation (HBF) on the above mentioned consultation. 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. We would like to submit the following representations to the pre-submission consultation and in due course participate in Examination Hearing Sessions to discuss our concerns in greater detail.

Duty to Co-operate

As set out in the 2021 National Planning Policy Framework (NPPF), the Council is under a Duty to Co-operate with other Local Planning Authorities (LPA) and prescribed bodies on strategic matters that cross administrative boundaries (para 24). To maximise the effectiveness of plan-making and fully meet the legal requirements of the Duty to Co-operate, the Council's engagement should be constructive, active and on-going. This collaboration should identify the relevant strategic matters to be addressed (para 25). Effective and on-going joint working is integral to the production of a positively prepared and justified strategy (para 26). The Council should demonstrate such working by the preparation and maintenance of one or more Statements of Common Ground (SoCG) identifying the cross-boundary matters to be addressed and the progress of co-operation in addressing these matters. Therefore, as set out in the 2021 NPPF, the LPR should be positively prepared and provide a strategy, which as a minimum seeks to meet its own housing needs in full and is informed by agreements with other authorities so that unmet need from neighbouring areas is accommodated (para 35a).



The National Planning Practice Guidance (NPPG) explains that a SoCG sets out where effective co-operation is and is not happening throughout the plan-making process. The NPPG confirms that a SoCG is a way of demonstrating that the Local Plan is deliverable over the plan period and based on effective joint working across LPA boundaries. It also forms part of the evidence required to demonstrate compliance with the Duty to Co-operate (ID 61-010-20190315). The Inspector will use all available evidence including SoCG to determine whether the Duty to Co-operate has been satisfied (ID 61-031-20190315).

To provide communities and other stakeholders with a transparent picture of collaboration, the NPPG sets out that authorities should have a SoCG available on their website by the time of publication of their Draft Plan. Once published, the Council will need to ensure that any SoCG continues to reflect the most up-to-date position of joint working (ID 61-020-20190315). The HBF note that there is no SoCG accompanying the Lichfield pre-submission Local Plan consultation.

Lichfield is part of Greater Birmingham & Black Country Housing Market Area (GB&BCHMA). It is common knowledge that Birmingham and the Black Country authorities have unmet housing needs, which need to be redistributed by agreement across neighbouring District Councils (para 4.20 of LPR). The Council's supporting evidence includes the GB&BCHMA Position Statement No.3 published in July 2020. This document is not a SoCG. Indeed, the Position Statement No.3 confirms that "*the purpose of this statement is to provide a starting point from which future Statements of Common Ground, as required by the revised 2019 NPPF, can develop*" (para 1.2).

The GB&BCHMA Position Statement No.3 is a monitoring tool, which seeks to demonstrate that the housing need can be met across the sub-region for the period 2011 - 2031. The HBF disagree with the Council's statement that unmet needs arising from Birmingham have now been met (para 4.21 of LPR). Position Statement No.3 is somewhat misleading by under-estimating housing need, over-estimating Housing Land Supply (HLS) and taking a short term perspective to 2031. The Lichfield LPR extends beyond 2031 to 2040.

The housing shortfall of only 2,597 shown in Table 5 : Housing Shortfall for GB&BCHMA 2011 – 2031 is a comparison of an updated HLS against an out of date minimum housing requirement of 207,979 dwellings (based on Strategic Growth Study re-based 2014 household projections model plus a contribution to Coventry & Warwickshire HMA). This is below the adopted housing requirements and unmet housing needs set out in Table 2, which is also an under-estimation of housing need because of the exclusion of the identified shortfall in the Black Country. The Draft Black Country Plan (Regulation 18) consultation being held between 16 August – 11 October 2021 sets out in Table 2 of the Plan, an unmet housing need of 28,239 dwellings, which will be exported through the Duty to Co-operate. The housing needs set out in Position Statement No.3 are out of date. As set out in the NPPG, housing need in future LPRs will be calculated based on the Government's revised standard methodology including the Cities & Urban Centres uplift of 35%, which is

applicable in Birmingham and Wolverhampton (ID 2a-004-20201216). Furthermore, post January 2022, the cap on Birmingham's housing need will be removed.

The estimated HLS in 2019 of 205,382 dwellings set out in Table 3 relies upon data, which is not publicly available. Therefore, it is difficult for third parties to scrutinise allowances from allocations in adopted plans, proposed allocations in emerging plans, additional urban supply and windfalls. There are also inconsistencies with non-implementation rates between constituent authorities. Table 6 : Changes in Housing Capacity 2017 – 2019 also identifies a 27% increase of 13,942 dwellings in Birmingham. There is a concern that completed and consented development typologies may be mismatched with actual demand for 1 & 2 bedroomed dwellings. The adopted Birmingham Development Plan Policy TP30 requires only 45% provision of 1 & 2 bedroomed dwellings yet monitoring data shows that since 2011/12 68% of completions are 1 & 2 bedroomed dwellings. Furthermore, the continued deliverability of these residential development typologies will be dependent upon the viability of previously developed land and the demand for high density city living post Covid-19.

Position Statement No.3 is not a robust evidence base for the long-term strategic planning of the GB&BCHMA nor sufficient justification for the reduction of Lichfield's contribution to unmet needs from 4,500 dwellings in Position Statement No.3 to 2,665 dwellings in the pre-submission LPR. The HBF understands that other parties, who are HBF Members, have undertaken detailed critiques of Position Statement No.3 in relation to both housing need and HLS, which demonstrate pre and post 2031 significant unmet housing needs above 2,597 dwellings.

The LPR Spatial Strategy set out in **Strategic Policy 1 (SP1)** proposes that by 2040 a minimum of 9,727 dwellings consisting of 7,062 dwellings to meet Lichfield's local housing needs (LHN) and 2,665 dwellings towards meeting the unmet housing needs arising from the GB&BCHMA will be planned. Of the 2,665 dwellings to meet unmet housing needs from GB&BCHMA, a capped contribution of 2,000 is made for the Black Country's needs starting after 2027 to assist with the identified shortfall up to 2040 (para 4.22 of LPR). Under **Strategic Policy 12 (SP12)**, the Council will plan, monitor and manage the delivery of a minimum of 9,727 dwellings between 2018 - 2040 to deliver around 321 homes per annum between 2018 - 2027 and 526 homes per annum between 2027 - 2040. However, there is no justification for the Council's proposed deferred housing delivery. Housing need including unmet housing need in the GB&BCHMA is arising now, it is not staggered. The meeting of housing need should not be deferred.

There is a long history of on-going engagement between the GB&BCHMA authorities but to date there is no conclusive outcome from this engagement in relation to the strategic cross-boundary matter of redistribution of unmet housing needs from Birmingham and Black Country authorities, which indicates that this engagement is not a sound basis for plan-making. The LPR confirms

that “*whilst the final distribution of unmet need has not been determined there is an onus on LPAs to address need through the local plan process. Lichfield District is committed to engaging with its neighbours under the Duty to Co-operate to help to meet the needs within the HMA*” (para 2.10). Four years since the adoption of the Birmingham Development Plan in January 2017, which identified an unmet housing need of 37,900 dwellings, there is no agreement on meeting in full the housing needs of the GB&BCHMA. The HBF acknowledge that the Duty to Co-operate is not a duty to agree but as stated in the recently published North Warwickshire Local Plan Inspector’s Final Report dated 20 July 2021 “*the exercise of the Duty to Co-operate is not a matter of process without effect*” (para 22). There is every likelihood that reaching a consensus on this strategic matter will be a lengthy disharmonious process between the GB&BCHMA authorities.

The current piecemeal approach to independently preparing separate SoCG between individual authorities during the preparation of each Local Plan is unacceptable and provides no certainty that unmet housing needs will be met. The approach should be holistic. As a matter of urgency, the GB&BCHMA authorities should be prepared a Joint SoCG. Without a Joint SoCG, there is no real commitment to resolving the redistribution of unmet housing needs in full across the GB&BCHMA. The GB&BCHMA authorities should set out where unmet housing need will be met. A Joint SoCG should confirm that :-

- each authority will meet its own LHN calculated using the Government’s revised standard methodology (except Birmingham City Council and Black Country authorities) and a defined amount of unmet LHN. This cumulative figure will be the housing requirement figure for each authority respectively ; and
- an acknowledgement by the GB&BCHMA authorities that additionality in HLS may be required to ensure deliverability and flexibility.

After publication of a Joint SoCG, the HBF will submit further comments on the Council’s compliance with the Duty to Co-operate and the soundness of the LPR in written Examination Hearing Statements and / or orally at Examination Hearing Sessions.

Local Housing Need (LHN) and Housing Requirement

Strategic Policy 1 (SP1) proposes that by 2040 a minimum of 9,727 dwellings consisting of 7,062 dwellings to meet Lichfield’s local housing needs and 2,665 dwellings towards meeting the unmet housing needs arising from the GB&BCHMA will be planned. Of the 2,665 dwellings to meet unmet housing needs from GB&BCHMA, a capped contribution of 2,000 is made for the Black Country’s needs starting after 2027 to assist with the identified shortfall up to 2040 (para 4.22 of LPR). Under **Strategic Policy 12 (SP12)**, the Council will plan, monitor and manage the delivery of a minimum of 9,727 dwellings between 2018 - 2040 to deliver around 321 homes per annum between 2018 - 2027 and 526 homes per annum between 2027 - 2040.

As set out in the 2021 NPPF, strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period (para 66). The determination of the minimum number of homes needed should be informed by LHN assessment using the Government's standard methodology unless exceptional circumstances justify an alternative approach (para 61). In Lichfield, there are no exceptional circumstances to justify an alternative approach. The latest NPPG sets out the standard methodology for calculating the LHN figure (ID 2a-004-20201216).

The Council's latest assessment of LHN is set out in Housing & Economic Needs Assessment Update (HENA) November 2020 by GL Hearn. The LHN for Lichfield is calculated as minimum 322 dwellings per annum based on 2014 SNHP, 2020 as the current year and 2019 affordability ratio of 9.1 (see Appendix A – Lichfield Roll Forward to 2040). As set out in the NPPG, the LHN is calculated at the start of the plan-making process, but this number should be kept under review and when appropriate revised until the LPR is submitted for examination (ID 2a-008-20190220). The minimum LHN for the District may change as inputs are variable. Using the standard methodology, the minimum LHN for Lichfield based on 2014 SNHP, 2021 as the current year and 2020 affordability ratio of 9.27 increases to 373 dwellings per annum.

The NPPG clearly states that the standard methodology is the minimum starting point in determining the number of homes needed. It is important that the housing needs of Lichfield are not under-estimated. The NPPG explains that "*circumstances*" may exist to justify a figure higher than the minimum LHN. The "*circumstances*" for increasing the minimum LHN are listed in the NPPG including, but not limited to, situations where increases in housing need are likely to exceed past trends because of growth strategies, strategic infrastructure improvements, agreeing to meet unmet need from neighbouring authorities or previous levels of housing delivery / assessments of need, which are significantly greater than the outcome from the standard methodology. The NPPG indicates that if previous housing delivery has exceeded the minimum LHN, the Council should consider whether this level of delivery is indicative of greater housing need (ID 2a-010-20201216). It is noted that the 2020 Housing Delivery Test (HDT) Results identify housing completions of 573 in 2017/18, 740 in 2018/19 and 581 in 2019/20, which significantly exceed the proposed minimum LHN for Lichfield of 321 dwellings per annum and the adopted Local Plan housing requirement of 278 dwellings per annum. The HBF consider that there are "*circumstances*" in Lichfield to justify a housing requirement above the minimum LHN.

The HBF note that there is no uplift from the minimum LHN starting point to support economic growth. The 2021 NPPF seeks to achieve sustainable development by pursuing economic, social and environmental objectives in mutually supportive ways (para 8). The Council should be seeking to support the long-term sustainability of the District by achieving a sustainable balance between employment and housing growth. The Council has modelled two

employment forecasts together with a calculation of number of dwellings required between 2017 – 2036 :-

- baseline forecast produced by Oxford Economics (jobs growth of 1,600 per annum / 258 dwellings per annum) ; and
- adjusted growth scenario (jobs growth of 3,180 per annum / 323 dwellings per annum).

The Council has also estimated that the minimum LHN of 321 dwellings per annum would support 1,639 jobs per annum. On this evidence, the Council concludes that there is no need for additional homes above the standard methodology to support the local economic growth potential in the District. However, the Council has also identified that the higher proportion of older people means there is a smaller working age population (16-64) within the District, which since 2010 is decreasing at a faster rate (3%) than both the West Midlands (1.3%) and Great Britain (1.6%) (para 2.6 of LPR). The Council should ensure that there is enough workforce to meet their economic ambitions.

The Council should recognise economic benefits of housing development in supporting local communities as highlighted by the HBF's latest publication Building Communities – Making Place A Home (Autumn 2020). The Housing Calculator (available on the HBF website) based on The Economic Footprint of House Building (July 2018) commissioned by the HBF estimates for every additional house built in Lichfield, the benefits for the local community include creation of 3 jobs (direct & indirect employment), financial contributions of £27,754 towards affordable housing, £806 towards education, £297 towards open space / leisure, £1,129 extra in Council tax and £26,339 spent in local shops.

Lichfield is an attractive commuter area for Birmingham and the wider West Midlands conurbation, therefore the affordability of housing is a significant issue. House prices across the District are approximately £70,000 higher than the average for the West Midlands (para 2.8 of LPR). In 2020, the median house price to medial earnings ratio was 9.27. Appendix A: Lichfield Roll Forward to 2040 of the HENA Update identifies social / affordable rent housing need of 219 dwellings per annum and need for between -32 - 130 dwellings per annum for Low-Cost Home Ownership (depending on supply assumptions). This is a significant proportion of the minimum LHN. The NPPG states that total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments. The Council's Viability Study dated September 2020 by Dixon Searle demonstrates that affordable housing provision of only 20% on brownfield sites, 35% on non-strategic greenfield sites and 20% - 35% on strategic housing allocations are viable. The Council's latest Monitoring Report (AMR 2020) also shows gross affordable housing completion rate of only 143 dwellings (Table 7.8). As set out in the NPPG, an increase in the total housing figures may be considered where it could help deliver affordable housing (ID 2a-024-20190220). The HBF acknowledge that the Council may not be able to meet all affordable housing

needs but a housing requirement above the minimum LHN will make a greater contribution to delivering more affordable housing.

It is understood that the proposed housing requirement of 9,727 dwellings includes a contribution of 2,665 dwellings towards meeting the unmet housing needs from the GB&BCHMA of which 2,000 dwellings are made for the Black Country's needs starting after 2027. Under **Strategic Policy 12 (SP12)**, the Council proposes a deferred delivery of circa 321 dwellings per annum between 2018 - 2027 and 526 dwellings per annum between 2027 - 2040. However, there is no explanation of the derivation of the quantum of the Council's contribution to unmet needs nor justification for its deferred delivery. There is also no SoCG (see HBF representations above under the Duty to Co-operate). As set out in the 2021 NPPF strategic matters should be dealt with rather than deferred as evidenced by a SoCG (para 35c). Unmet housing need is arising now and should be addressed as a matter of urgency across the GB&BCHMA.

As set out in the NPPG, the Government is committed to ensuring that more homes are built and supports ambitious Councils wanting to plan for growth (ID 2a-010-20201216). The NPPG states that a higher figure "*can be considered sound*" providing it "*adequately reflects current and future demographic trends and market signals*". However, the NPPG does not set any limitations on a higher figure, which is a matter of judgement. The Government's objective of significantly boosting the supply of homes set out in the 2021 NPPF remains (para 60).

The HBF believe that the Council should have been more ambitious. A housing requirement above the minimum LHN would support economic growth, deliver more affordable housing and make a greater contribution to unmet housing needs in GB&BCHMA. Before submission of the LPR for examination, the Council should re-consider its housing requirement.

Housing Land Supply (HLS)

The LPR's strategic policies should ensure the availability of a sufficient supply of deliverable and developable land to deliver a housing requirement, which meets Lichfield's LHN. This sufficiency of HLS should meet the housing requirement, ensure the maintenance of a 5 Year Housing Land Supply (YHLS) and achieve HDT performance measurements.

Across the District, growth will be directed towards sustainable locations in accordance with a five-tiered settlement hierarchy. **Strategic Policy 1 (SP1)** focuses the majority of development in :-

- Lichfield city centre and urban area ;
- land north east of Lichfield (**Strategic Policy SHA1**) ;
- Burntwood town centre and urban area ;
- within larger service villages of Armitage with Handsacre, Fazeley, Mile Oak & Bonehill, Fradley, Little Aston, Shenstone and Whittington

including strategic housing allocations (**Strategic Policies SHA2, 3 & 4**);

- within settlement boundaries of remaining large villages & smaller rural villages ; and
- proportionate scale development to meet local needs in smaller service villages, smaller rural villages & wider rural area.

Strategic Policy 12 (SP12) – Housing Provision proposes Strategic Housing Allocations at :-

- Land to the North-east of Lichfield for 3,300 dwellings ;
- Land West of Fazeley for 800 dwellings ;
- Land off Huddlesford Lane in Whittington for 75 dwellings ; and
- Land off Hay End Lane in Fradley for 500 dwellings.

The HBF have no comments on individual sites, therefore these representations are submitted without prejudice to any comments made by other parties. It is critical that an accurate assessment of availability, suitability, deliverability, developability and viability is undertaken. The Councils assumptions on lead in times and delivery rates should be correct and supported by parties responsible for the delivery of housing on each individual site.

The HBF support the Council's proposed changes to Green Belt boundaries around Fazeley and Whittington set out in **Strategic Policy 11 (SP11) Protecting Green Belt Land**. However, the HBF would not wish to comment on individual sites selected for release from the Green Belt. As set out in 2021 NPPF, where fully evidenced and justified Green Belt boundaries can be altered in "*exceptional circumstances*" through the preparation or updating of Local Plans (paras 140 & 141).

The Council's overall HLS is 13,360 dwellings comprising of :-

Settlement	Net completed dwellings (01/04/2018 - 31/03/2020)	Committed supply of dwellings (at 01/04/2020)	Strategic housing allocations	Total
Lichfield City	741	3,304	3,300	7,345
Burntwood	172	400	0	572
East of Rugeley	0	800	0	800
North of Tamworth	83	1,000	0	1,083
Alrewas	8	169	0	161
Armitage with Handsacre	4	204	0	200

Fazeley, Mile Oak & Bonehill	7	130	800	937
Fradley	189	966	500	1,655
Shenstone	0	55	8	55
Whittington	1	20	75	96
Other rural	140	262	0	402
Total	1,321	7,310	4,675	13,306

There is a headroom of 3,579 dwellings (27%) between the overall HLS of 13,306 dwellings and Lichfield's housing requirement of 9,727 dwellings. The HBF always advocates as large a contingency as possible to provide optimum flexibility. There is no numerical formula to determine a quantum for flexibility but where HLS is highly dependent upon one or relatively few large strategic sites and / or localities then greater numerical flexibility is necessary than if HLS is more diversified. In Lichfield, 4,675 dwellings are allocated on Strategic Development Allocations (SDA) representing 35% of the overall HLS and 10,083 dwellings (76%) are located in Lichfield, North of Tamworth and Fradley.

Housing delivery is optimised by the widest possible range of housing site sizes and market locations, which provides suitable land buying opportunities for small, medium and large housebuilding companies. On SDAs, there may be long lead in times before the commencement of on-site development and build up to optimum delivery rates. To ensure a continuous short to medium term HLS, SDAs should be complimented by smaller non-strategic sites. The widest mix of sites provides choice for consumers, allows places to grow in sustainable ways, creates opportunities to diversify the construction sector, responds to changing circumstances, treats the housing requirement as a minimum rather than a maximum and provides competition in the land market. A diversified portfolio of housing sites also offers the widest possible range of products to households to access different types of dwellings to meet their housing needs. As set out in the 2021 NPPF at least 10% of the housing requirement should be accommodated on sites no larger than one hectare or else demonstrate strong reasons for not achieving this target (para 69a). For Lichfield, 10% of the housing requirement is 973 dwellings. From the Council's evidence, the number of sites of less than 1 hectare is unclear. Therefore, it is not evident if the LPR is consistent with national policy.

The 2021 NPPF sets out that strategic policies should include a trajectory illustrating the expected rate of housing delivery over the plan period and if appropriate to set out the anticipated rate of development for specific sites (para 74). The Council's Housing Trajectory is set out in Appendix A, which shows a graphic representation of yearly completions from SDAs, Local Plan 2040 sites, Local Plan Allocation sites, small sites (1 – 4 dwellings) and windfall allowance.

The Council's Housing Trajectory is not site-specific, which provides insufficient detail to check the realism of the Council's delivery assumptions, which may be overly optimistic. The Council has not provided the clear evidence necessary to satisfy the 2021 NPPF Glossary definition of deliverable. The insertion of a more detailed housing trajectory would assist in the annual monitoring of housing delivery from SDAs and non-strategic sites.

The Council's proposed housing trajectory is stepped as illustrated in Appendix A and set out in **Strategic Policy 12 (SP12)**. There is no justification for this deferment. The 2020 HDT shows between 2017 – 2020 completions significantly exceeding the minimum LHN and the Council's HLS includes existing commitments of 7,310 dwellings. Housing need is arising now, which should be met and not deferred until later in the plan period.

Before the LPR is submitted for Examination, the Council should confirm that 10% of its housing requirement will be accommodated on sites of less than 1 hectare, remove the proposed stepped housing trajectory and insert a detailed non-stepped housing trajectory.

Deliverability & Viability

In plan-making, viability is inseparable from the deliverability of development. At Examination, viability will be a key issue in determining the soundness of the Lichfield LPR. The viability of individual developments and plan policies should be tested at the plan making stage. As set out in the 2021 NPPF, the contributions expected from development including the level & types of affordable housing provision required and other infrastructure for education, health, transport, flood & water management, open space, digital communication, etc. should be set out in the LPR (para 34). As stated in the 2021 NPPF, development should not be subject to such a scale of obligations that the deliverability of the LPR is threatened (para 34). Viability assessment should not be conducted on the margins of viability especially in the aftermath of uncertainties caused by the Covid-19 pandemic and Brexit. Without a robust approach to viability assessment, the LPR will be unsound, land will be withheld from the market and housing delivery targets will not be achieved.

The Council's viability evidence is set out in Viability Study dated September 2020 by Dixon Searle. This Viability Study assesses generic site typologies and tests strategic site allocations separately. The Council's Viability Study should accurately account for all costs for affordable housing provision, CIL, S106 contributions and sought policy requirements. Viability assessment is highly sensitive to changes in its inputs whereby an adjustment or an error in any one assumption can have a significant impact. The HBF submit the following comments on assumptions in the Council's Viability Study :-

- the generic typology assessments exclude any costs for abnormal, which given the significant proportion of brownfield sites in the Council's HLS is an unrealistic basis for plan wide viability testing. The Council's approach implies that all abnormal costs should be fully deducted from

the assumed Benchmark Land Value (BLV). The reduction of BLV to account for site-specific abnormal costs is only valid where that reduction maintains a sufficient incentive for the landowner to sell as required by the NPPG (ID 10-013-20190509), which states that the BLV should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The NPPG confirms that the premium above the Existing Use Value (EUV) should provide a reasonable incentive for the landowner to sell. Whilst the NPPG (ID 10-014-20190509) requires the BLV to reflect the implication of abnormal costs and site-specific infrastructure costs, this reflection is not equitable to full deduction because this may result in insufficient incentive for a landowner to sell, which will stagnate land supply as landowners will not bring land forward for development. The HBF acknowledge that BLV should reflect the implications of abnormal costs in accordance with NPPG, however, there is a tipping point beyond which the land value cannot fall as the landowner will not be sufficiently incentivised to release their site for development ;

- Build costs are based on latest BCIS. However, these costs do not include additional costs for 2021 Part L Building Regulations or 2025 Future Homes Standard. The Government's aim is for the interim Part L Building Regulations to be regulated for in late 2021 and to come into effect in 2022. To ensure as many homes as possible are built in line with new energy efficiency standards, transitional arrangements will apply to individual homes rather than an entire development and the transitional period will be one year. The Future Homes Standard : 2019 Consultation on changes to Part L (conservation of fuel and power) and Part F (ventilation) of the Building Regulations for New Dwellings, estimated the additional cost for 2021 interim uplift as £4,847 per dwelling. The impact of additional costs associated with the 2021 interim uplift and 2025 Future Homes Standard on viability should be assessed by further sensitivity testing. The HBF assume that compliance with mandatory requirements of Building Regulations will satisfy the following policies, **Strategic Policy SP10 – Sustainable Development Bullet Point 7** and **Local Policy SD1 – Sustainable Design & Master Planning – Energy efficiency & carbon reduction** ;
- The Environment Bill will require development to achieve a 10% net gain for biodiversity, which will be a mandatory national requirement. There are significant additional costs associated with biodiversity gain. The DEFRA Biodiversity Net Gain & Local Nature Recovery Strategies : Impact Assessment Table 16 : Net gain delivery costs per greenfield development (residential) West Midland cost of £1,003 per dwelling (based on 2017 prices and the central estimate) and Table 17 : Net gain delivery costs per brownfield development (residential) West Midland cost of £268 per dwelling (based on 2017 prices and the central estimate). However, there are significant cost increases for off-site delivery under Scenario C to £3,496 and £864 per dwelling respectively. There may also be an impact on the ratio of gross to net site acreage. The impact of additional costs associated with biodiversity net gain on viability should be assessed by further sensitivity testing. The HBF

assume that compliance with mandatory requirements of the Environment Bill will satisfy the following policies, **Strategic Policy SP10 – Sustainable Development Bullet Point 10** and **Local Policy NR2 – Habitats & Biodiversity** ;

- As set out in the Department of Transport consultation on Electric Vehicle Charging in Residential & Non-Residential Buildings (ended on 7th October 2019), the Government's preferred option is the introduction of a new requirement for EVCPs under Part S of the Building Regulations. The Department for Transport estimated an installation cost of approximately £976 per EVCP plus any costs for upgrading local electricity networks, which under the Government's proposal automatically levies a capped figure of £3,600 on developers. The impact of additional costs associated with EVCPs on viability should be assessed by further sensitivity testing (also see HBF representations to **Strategic Policy SP3 & Local Policy LT1** below) ; and
- The Council's affordable housing tenure mix should comply with the 2021 NPPF expectation that at least 10% of homes will be available for affordable home ownership (para 65) and the 24 May 2021 Written Ministerial Statement requirement for 25% of affordable housing to be First Homes. The impact of First Homes on viability should be assessed by further sensitivity testing (also see HBF representations to **Local Policy H2** below).

Most sites should be deliverable at planning application stage without further viability assessment negotiations. Viability negotiations should occur occasionally rather than routinely. Trade-offs between policy requirements, affordable housing and infrastructure provision should not be necessary. However, if the viability of sites is overstated, policy requirements will be set at unrealistic levels. Landowners and developers will have to submit site-specific assessments to challenge assumptions in the Council's Viability Study. Such negotiations at planning application stage causes uncertainty for both the Council and developers, which may result in significant delay to housing delivery or even non-delivery.

Before the LPR is submitted for examination, further viability work should be undertaken to sensitivity test the above-mentioned assumptions.

Housing Policies

Strategic Policy 12 (SP12) – Housing Provision

Under **Strategic Policy 12 (SP12)**, residential development will be expected to incorporate high quality design in line with the Council's adopted Supplementary Planning Documents (SPD).

The reference to alignment with the Council's adopted SPDs should not be interpreted by the Council's Development Management Officers as conveying the weight of a Development Plan Document (DPD) onto these SPDs, which have not been subject to examination and do not form part of the LPR. The

Town and Country Planning (Local Planning) (England) Regulations 2012 are clear that development management policies, which are intended to guide the determination of applications for planning permission should be set out in policy in the Local Plan. To ensure a policy is effective, it should be clearly written and unambiguous so it is evident how a decision maker should react to development proposals. The Council's requirements should be set out in sufficient detail to determine a planning application without relying on, other criteria or guidelines set out in a separate SPD. National policy clearly defines the scope and nature of an SPD in the planning process as providing more detailed advice and guidance on adopted Local Plan policies. The NPPG confirms that an SPD cannot introduce new planning policies nor add unnecessarily to the financial burdens on development (ID: 61-008-20190315). Before the LPR is submitted for examination, this reference should be deleted from **Strategic Policy 12 (SP12)**.

Local Policy H1 – Achieving a Balanced Housing Market & Optimising Housing Density

Under **Local Policy H1**, new residential development will include an integrated mix of dwelling types, sizes and tenures based upon the latest assessment of housing needs within the District. All new residential development should seek to achieve the following mix of housing :-

	1 bed	2 bed	3 bed	4 bed
Market homes	5-10%	30-35%	44-45%	5-15%
Affordable homes (ownership)	10-20%	35-45%	30-40%	5-15%
Affordable homes (rented)	20-30%	25-30%	35-40%	5-10%

Proposed mixes of dwelling types and tenures differing significantly from the above must be justified through evidence of identified housing need (including reference to the Housing Register), the character / nature of the site and the wider area (including detailed design considerations) and financial viability.

All households should have access to different types of dwellings to meet their housing needs. As well as evidence from the Council's latest assessment of housing needs and the Housing Register, market signals are important in determining the size and type of homes needed. The Council's policy approach should be flexible rather than overly prescriptive. The Council should acknowledge that not all sites will be able to meet an overly prescribed housing mix requirement because of site size, development typology, site specific circumstances and viability.

To meet the needs of specifically identified groups of households, the LPR should allocate appropriate sites rather than prescribe specific housing mixes for individual sites. The LPR should ensure that suitable sites are available for a wide range of different types of development across a wide choice of appropriate locations. The Council should consider allocating sites for older persons and other specialist housing subject to criteria such as the proximity of

sites to public transport, local amenities, health services and town centres. The Council should also consider allocating sites for Self & Custom Build housing.

Local Policy H1 also expects residential proposals to make efficient and effective use of land and to be developed at the optimum density. New housing development will be expected to achieve a minimum net density of 35 dwellings per hectare, except in Lichfield city and Burntwood, where densities of 50 dwellings per hectare should be achieved in locations benefiting from good public transport links. In exceptional circumstances, lower densities in rural locations may be acceptable if required to be compatible with good design, reflecting the existing settlement pattern and character of the area.

The setting of residential density standards should be undertaken in accordance with the 2021 NPPF (para 125), whereby in the circumstances of an existing or anticipated shortage of land for meeting identified housing needs then a minimum net density in suitable locations such as town centres and those benefiting from good public transport connections may be appropriate. The proposed “two size fits all” other than in exceptional circumstances policy approach to housing density will not provide development that is in keeping with the character of the surrounding area nor sufficient variety in house typologies to create balanced communities with the right types of new homes to meet the housing needs of different groups. A nuanced range of residential densities specific to different areas of the District is needed to ensure that any proposed density is appropriate to the character of the surrounding area.

Before the LPR is submitted for examination, **Local Policy H1** should be modified.

Local Policy H2 – Affordable Housing

Under **Local Policy H2**, all brownfield sites between 10 - 500 dwellings will provide 20% affordable housing. Non-strategic greenfield sites of 10 – 500 dwellings will provide 35% affordable housing. Strategic (over 500 dwellings) greenfield sites will provide at least 20% affordable housing subject to individual open book viability assessments. Allocated strategic sites at North East Lichfield, West of Fazeley, Land at Hay End Lane in Fradley and Land at Huddlesford Lane in Whittington have been individually assessed as part of the plan wide viability appraisal and will provide affordable housing provision of 20%, 20%, 20% and minimum 35% respectively. The HBF is supportive of the Council’s differentiated policy approach to the provision of affordable housing, which is justified by the Council’s Viability Study.

Under **Local Policy H2**, the type of affordable housing provision will be negotiated having regard to the Government’s policy on affordable home ownership tenures, the need for affordable housing, affordability and size / type / tenure of housing in the area. The Council’s policy approach to affordable housing mix and tenure is ambiguous. The 2021 NPPF states that policies should be clearly written and unambiguous so that a decision maker knows how to react to a development proposal (para 16d). To be effective, the Council

should provide further clarification of its requirements, which should be justified by supporting evidence.

Furthermore, it is unclear if the Council's Viability Study has tested an affordable housing tenure mix, which complies with the 2021 NPPF expectation that at least 10% of homes will be available for affordable home ownership (para 65) and the 24 May 2021 Written Ministerial Statement requirement for 25% of affordable housing to be First Homes (see para 2.6.2). The impacts of First Homes on viability should be fully considered. There will be an increased cost to developers selling First Homes in terms of marketing plus an increased risk as they will not be able to sell First Homes in bulk to a Registered Provider thus obtaining a more reliable up front revenue stream. The 6% developers return for affordable housing does not reflect this risk. Furthermore, First Homes may impact on the ability of developers to sell similarly sized open market units. First Homes may dampen the appetite of first-time buyers for 1, 2 & 3 bedroomed open market dwellings as some households, which would have opted to purchase a home on the open market will use the discounted First Homes route instead. This may result in slow sales of similar open market units, increased sales risk and additional planning costs (if sites have to be re-planned with an alternative housing mix). These impacts should be assessed in the Council's Viability Study by further sensitivity testing.

Before the LPR is submitted for examination, **Local Policy H2** should be modified.

Other Policies

Strategic Policy 3 (SP3) – Sustainable Travel

Under **Strategic Policy 3 (SP3)**, the Council will seek to increase sustainable travel by supporting the development of infrastructure to serve electric and hybrid vehicles, and vehicles using other alternative forms of non-fossil fuel.

Local Policy LT1 – Parking Provision

Under **Local Policy LT1**, proposals for development should recognise an overall need to reduce the use of private cars and in considering the level of parking provision the Council will have regard to encouraging the use of low emission vehicles as part of the proposal, including the ability to provide electric public and private vehicle charging points.

The HBF recognise that electric vehicles will be part of the solution to transitioning to a low carbon future. As set out in the Department of Transport consultation on Electric Vehicle Charging in Residential & Non-Residential Buildings (ended on 7th October 2019), the Government's preferred option is the introduction of a new requirement for EVCPs under Part S of the Building Regulations. The inclusion of EVCP requirements within the Building Regulations will introduce a standardised consistent approach to EVCPs in new buildings across the country.

Until the introduction of proposed changes to Part S of the Building Regulations, the HBF consider that the physical installation of active EVCPs is inappropriate. The evolution of automotive technology is moving quickly therefore a passive cable and duct approach is a more sensible and future proofed solution, which negates the potential for obsolete technology being experienced by householders. A passive cable and duct approach means that the householder can later arrange and install a physical EVCP suitable for their vehicle and in line with the latest technologies. The Council's policy approach of encouragement should be unambiguous in its support for passive cable and duct provision.

The HBF and its Members have serious concerns about the capacity of the existing electrical network in the UK. The supply from the power grid is already constrained in many areas across the country. Major network reinforcement will be required across the power network to facilitate the introduction of EVCPs and the move from gas to electric heating as proposed under the Future Homes Standard. These costs can be substantial and can drastically affect the viability of developments. If developers are funding the potential future reinforcement of the National Grid network at significant cost, this will have a significant impact on their businesses and potentially jeopardise future housing delivery. It is noted that the Council's Viability Study excludes any costs associated with provision of EVCPs or upgrading electricity networks. The Department for Transport - Electric Vehicle Charging in Residential & Non-Residential Buildings consultation estimated an installation cost of approximately £976 per EVCP plus any costs for upgrading local electricity networks, which under the Government's proposal automatically levies a capped figure of £3,600 on developers. If the Council's policy intention is to encourage more than cable and duct provision, additional costs should be included in viability testing. The Government's mandatory requirements under proposed changes to Part S of the Building Regulations should also be assessed in further viability sensitivity testing.

Local Policy LT1 also requires that development proposals make appropriate provision for off-street parking in accordance with parking standards set out in Supplementary Planning Documents (SPD).

The policy wording reference to "*in accordance with parking standards set out in SPDs*" should not be interpreted by the Council's Development Management Officers as conveying the weight of a Development Plan Document (DPD) onto these SPDs, which have not been subject to examination and do not form part of the LPR. The Town and Country Planning (Local Planning) (England) Regulations 2012 are clear that development management policies, which are intended to guide the determination of applications for planning permission should be set out in policy in the Local Plan. To ensure a policy is effective, it should be clearly written and unambiguous so it is evident how a decision maker should react to development proposals. The Council's requirements should be set out in sufficient detail to determine a planning application without relying on, other criteria or guidelines set out in a separate SPD. National policy clearly

defines the scope and nature of an SPD in the planning process as providing more detailed advice and guidance on adopted Local Plan policies. The NPPG confirms that an SPD cannot introduce new planning policies nor add unnecessarily to the financial burdens on development (ID: 61-008-20190315). Before the LPR is submitted for examination, this reference should be deleted from **Local Policy LT1**.

Conclusion

For the Lichfield LPR to be found sound under the four tests of soundness as defined by the 2019 NPPF (para 35), the LPR must be positively prepared, justified, effective and consistent with national policy. The afore-mentioned policies are considered unsound. If any further information or assistance is required, please contact the undersigned.

Yours faithfully
for and on behalf of **HBF**



Susan E Green MRTPI
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