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11th June 2018

Dear Sir / Madam

## **LICHFIELD LOCAL PLAN REVIEW – SCOPE, ISSUES & OPTIONS 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 responses to specific questions contained within the Council's Scope, Issues & Options consultation documentation.

### **Questions**

**Q1.** It is agreed that the proposed plan period of 2020 – 2036 for the new Local Plan is appropriate. This timeframe should provide a period of at least 15 years after the adoption date of the new Local Plan. The National Planning Practice Guidance (NPPG) advises that plan dates should be co-ordinated therefore the proposed timeframe should also be aligned with the plan periods of other Greater Birmingham Housing Market Area (HMA) authorities.

**Q2.** It is agreed that the Council's supporting evidence as set out in Appendix A should be renewed and updated. Any updating of evidence should be undertaken in the context of the Government's proposed changes to both the National Planning Policy Framework (NPPF) and the NPPG including the preparation of Statements of Common Ground, the standardised methodology for the calculation of objectively assessed housing needs (OAHN), Green Belt Review, the housing delivery test and whole plan viability assessment. The

Council's supporting evidence should also accord with the proposed plan period of 2020 - 2036.

**Q3 & Q12.** The new Lichfield Local Plan should be prepared on the basis of joint working on cross boundary issues such as where housing needs cannot be wholly met within individual authorities. It is agreed that meeting unmet housing needs which occur in the Greater Birmingham HMA is a cross boundary matter. To fully meet the legal requirements of the Duty to Co-operate the Council should engage on a constructive, active and on-going basis with the other Greater Birmingham HMA authorities to maximise the effectiveness of plan making. One key outcome from co-operation between the Greater Birmingham HMA authorities should be the meeting of OAHN in full across the HMA. The NPPG states that a key element of examination is ensuring that there is sufficient certainty through formal agreements that an effective strategy will be in place to deal with strategic matters such as unmet housing needs when Local Plans are adopted (ID 9-017). The meeting of unmet needs should be set out in a Statement of Common Ground signed by all respective Greater Birmingham HMA authorities. The Council should not sign any unilateral Memorandum of Understanding for contributions towards meeting unmet needs which provide no certainty that the overall combined sum of unilateral agreements will meet the unmet needs in full of the HMA. As identified by the Stratford upon Avon Local Plan Inspector's Final Report a "holistic approach" is required. The Greater Birmingham HMA authorities may wish to consider a statutory spatial plan for the sub region as a mechanism to deliver this key strategic cross boundary matter.

The Birmingham Development Plan adopted in January 2017 identifies an unmet need of 37,900 dwellings for the plan period 2011 – 2031 which to date the HMA authorities have failed to re-distribute. The Greater Birmingham & Black Country HMA Strategic Growth Study published in February 2018 identifies an updated housing need of 256,000 – 310,000 dwellings between 2011 – 2036 for the HMA. This latest assessment also identifies the potential for circa 22,000 dwellings of unmet need from the Black Country authorities. The adopted Lichfield Local Plan sets out a housing requirement of 10,030 dwellings for the plan period 2008 – 2029 which includes 500 dwellings for unmet needs from Tamworth and 500 dwellings at Rugeley to meet housing needs from neighbouring Cannock Chase District Council. The annualised housing requirement is 478 dwellings per annum of which 430 dwellings per annum meets Lichfield's own housing needs. There is also a signed Memorandum of Understanding dated October 2014 between Lichfield District Council, North Warwickshire Borough Council and Tamworth Borough Council concerning the delivery of a residual unmet housing need from Tamworth of 825 dwellings. The new Lichfield Local Plan should avoid any ambiguity or confusion by explicitly setting out the quantum of unmet needs from each respective neighbouring authority (Tamworth, Cannock Chase, Birmingham and Black Country) to be met.

By the time of the submission of the new Lichfield Local Plan for Examination the Government's standard methodology for the calculation of OAHN will have been implemented. The Government's proposed methodology is summarised as :-

- Demographic baseline based on annual average household growth over a 10 year period ;
- Workplace-based median house price to median earnings ratio ;
- Adjustment factor =  $\frac{\text{Local affordability ratio} - 4}{4} \times 0.25$  ;
- Local Housing Need = (1 + adjustment factor) x projected household growth.

Using this standardised methodology the OAHN for Lichfield is 340 dwellings per annum which is less than the adopted Local Plan housing requirement. However the standard methodology is only a minimum starting point. Any ambitions to support economic growth, to deliver affordable housing and to meet unmet housing needs from elsewhere are not negated by this lower figure. The Government's objective of significantly boosting the supply of homes remains. It is important that meeting housing needs is not underestimated or undermined.

**Q4, Q5, Q6 & Q7.** It is agreed that existing policies as set out in Appendix B should be either replaced, amended or not changed accordingly. The review of any policy in the new Local Plan should be undertaken in accordance with the Government's proposed changes to both the NPPF and NPPG.

**Q8, Q9 & Q10.** It is agreed that the fourteen listed main issues, the vision and strategic priorities set out in the adopted Local Plan remain relevant.

**Q11.** The HBF is supportive of the efficient use of land. It is appropriate to encourage the development of higher densities in suitable locations such as those benefiting from good public transport connections. However a "blanket" approach to increasing density across all or most areas should be applied with caution because it is unlikely to provide a variety of typologies to meet the housing needs of different groups. The Council should not under-estimate the challenge of encouraging households other than a transient population focussed on students and young professionals to embrace urban living in high density developments. The inter-relationship between density, house size (any implications from the introduction of optional space and accessible / adaptable homes standards), house mix and developable acreage on viability should also be carefully considered especially if future development is located in less financially viable areas.

**Q13 & Q14.** If the Council wishes to promote self / custom build it should do so on the basis of evidence of need. The Council should assess such housing needs in its SHMA work as set out in the NPPG (ID 2a-021) collating from reliable local information (including the number of validated registrations on the Council's Self / Custom Build Register) the demand from people wishing to build their own homes. The HBF is supportive of proposals to encourage self / custom build for its potential contribution to overall housing supply. It is noted that policies which encourage self / custom build have been endorsed in a number of recently published Inspector's Final Reports for East Devon Local Plan, Warwick Local Plan, Bath & North East Somerset Place-making

Plan and Derbyshire Dales Local Plan. The HBF is also supportive of the allocation of specific sites for self / custom build.

However the HBF is not supportive of proposals to seek a proportion of self / custom build plots on all or certain sized residential development sites. This approach only changes housing delivery from one form of house building company to another without any consequential additional contribution to boosting housing supply. If these plots are not developed by self / custom builders then these undeveloped plots are effectively removed from the housing land supply unless the Council provides a mechanism by which these dwellings may be developed by the original non self / custom builder in a timely manner. Before introducing any such policy the Council should give consideration to the practicalities of health & safety, working hours, length of build programme, etc. as well as viability assessing any adverse impacts. The NPPG confirms that *“different types of residential development such as those wanting to build their own homes ... are funded and delivered in different ways. This should be reflected in viability assessments”* (ID 10-009). Any policy requirement for self / custom build serviced plots on residential development sites should be fully justified and supported by evidence.

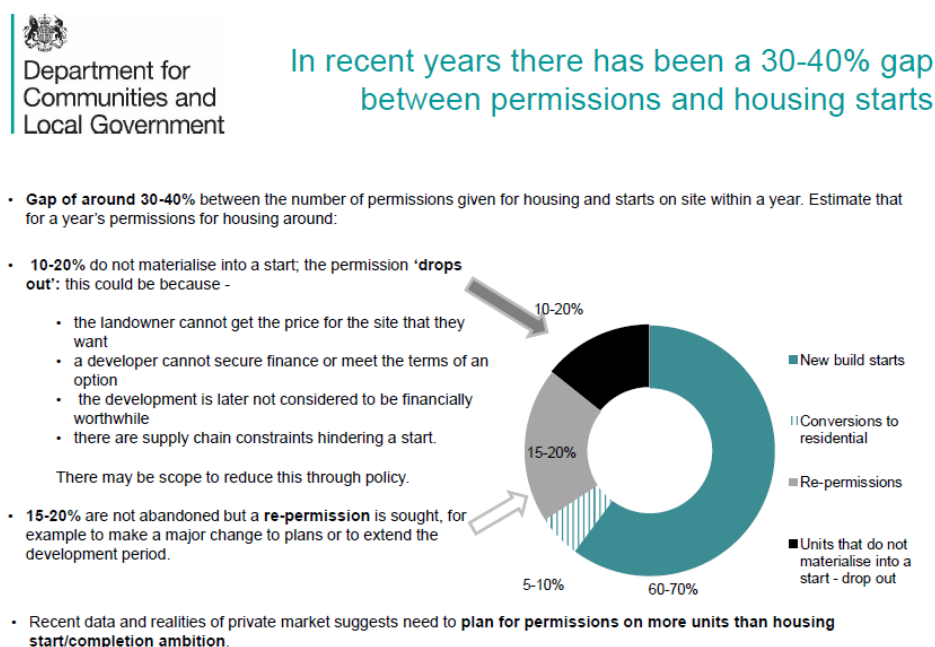
**Q21 to Q30.** In February 2018 the Greater Birmingham & Black Country HMA Strategic Growth Study was published. This study identifies updated housing need of 256,000 – 310,000 dwellings between 2011 – 2036 for the HMA. The Study also identifies potential Areas of Search. The Council has identified four Residential Growth Options for consideration during the preparation of the new Local Plan namely :-

- Option 1 – Town focussed development ;
- Option 2 – Town & Key Rural Villages ;
- Option 3 – Dispersed Development and ;
- Option 4 – New Settlements.

The inter relationship between the new Lichfield Local Plan and the Greater Birmingham & Black Country HMA Strategic Growth Study should be transparent. The distribution strategy of the Strategic Growth Study identifies six areas of search in Lichfield. Of the four identified Residential Growth Options it is unlikely that any one Option could meet the housing needs of the District and unmet needs from elsewhere in the HMA. It is acknowledged that not all housing needs can be met via brownfield and infill development.

There are associated risks with an over reliance on brownfield and infill sites because as a finite resource the availability of such sites will decline over time. Furthermore the artificial constraint of housing on greenfield sites will not ensure delivery of unviable brownfield sites nor will it assist with the delivery of affordable housing meaning that not all housing needs can be met. Similarly large urban extensions and / or new settlements may be a sustainable way to deliver housing but such options can take a long time to develop and cannot meet OAHN in full nor sustain rural communities. Therefore a combination of all Residential Growth Options including the six Areas of Search in the Strategic Growth Study should be considered as the best way to meet future housing needs.

The Council should also apply a flexibility contingency to its overall housing land supply (HLS) in order that the new Local Plan is responsive to changing circumstances and the housing requirement is treated as a minimum rather than a maximum ceiling on overall HLS. The HBF acknowledge that there can be no numerical formula to determine the appropriate quantum for a flexibility contingency but where a Local Plan or a particular settlement or locality is highly dependent upon one or relatively few large strategic sites greater numerical flexibility is necessary than in cases where supply is more diversified. As identified in Sir Oliver Letwin's interim findings large housing sites may be held back by numerous constraints including discharge of pre-commencement planning conditions, limited availability of skilled labour, limited supplies of building materials, limited availability of capital, constrained logistics of sites, slow speed of installation by utility companies, difficulties of land remediation, provision of local transport infrastructure, absorption sales rates of open market housing and limitations on open market housing receipts to cross subsidise affordable housing. Therefore the HBF suggests as large a contingency as possible (at least 20%) because as any proposed contingency becomes smaller so any in built flexibility reduces. If during the new Local Plan Examination any of the Council's assumptions on lapse rates, windfall allowances and delivery rates were to be adjusted or any proposed housing site allocations were to be found unsound then any proposed contingency would be eroded. The DCLG presentation slide from the HBF Planning Conference September 2015 (see below) which illustrates a 10 – 20% non-implementation gap together with 15 – 20% lapse rate. The slide also suggests *"the need to plan for permissions on more units than the housing start / completions ambition"*.



Extract from slide presentation "DCLG Planning Update" by Ruth Stanier Director of Planning - HBF Planning Conference Sept 2015

For the Council to maximize housing supply the widest possible range of sites, by size and market location are required so that house builders of all

types and sizes have access to suitable land in order to offer the widest possible range of products. The key to increasing housing supply is increasing the number of sales outlets whilst large strategic sites may have multiple outlets usually increasing the number of sales outlets available inevitably means increasing the number of housing site allocations. In Lichfield large existing strategic sites should be complimented by smaller scale non-strategic sites. This approach is also advocated in the Housing White Paper "*Fixing the Broken Housing Market*" because a good mix of sites provides choice for consumers, allows places to grow in sustainable ways and creates opportunities to diversify the construction sector.

The new Local Plan should also deliver new housing to meet the full range of local needs including affordable housing and specialist housing. The HBF recognise that all households should have access to different types of dwellings to meet their housing needs. When planning for an acceptable mix of dwellings types to meet people's housing needs the Council should focus on ensuring that there are appropriate sites allocated to meet the needs of specifically identified groups of households such as self / custom builders and the elderly without seeking a specific housing mix on individual sites. Indeed the housing needs of older people is a diverse sector so the new Local Plan should be ensuring that suitable sites are available for a wide range of developments across a wide choice of appropriate locations.

## **Conclusion**

In conclusion it is hoped that these responses are helpful to the Council in informing the next stages of the Lichfield Local Plan. In the meantime if any further information or assistance is required please contact the undersigned.

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



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