



Strategic Planning
Chesterfield Borough Council
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Dear Sir / Madam

CHESTERFIELD PRE SUBMISSION LOCAL PLAN 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 Chesterfield Local Plan pre-submission consultation and in due course appear at the Examination Hearing Sessions to discuss these matters in greater detail.

Duty to Co-operate

To fully meet the legal requirements of the Duty to Co-operate Chesterfield Borough Council should engage on a constructive, active and on-going basis with its neighbouring authorities to maximise the effectiveness of plan making. The Chesterfield Local Plan should be prepared through joint working on cross boundary issues such as where housing needs cannot be wholly met within the administrative areas of individual authorities. As set out in the 2019 National Planning Policy Framework (NPPF) the Chesterfield Local Plan should be positively prepared and provide a strategy which as a minimum seeks to meet its own local housing needs in full and is informed by agreements with other authorities so that unmet need from neighbouring areas is accommodated (para 35a). The meeting of unmet needs should be set out in a Statement of Common Ground (SoCG) signed by all respective authorities in accordance with the 2019 NPPF (paras 24, 26 & 27). The Local Plan should be based on effective joint working on cross boundary strategic matters that have been dealt with rather than deferred as evidenced by a SoCG (para 35c). One key outcome from co-operation between authorities should be the meeting of housing needs in full. A key element of Local Plan Examination is ensuring that there is certainty through formal agreements that an effective strategy is in place to deal with strategic matters such as unmet housing needs when Local Plans are adopted.



It has been determined that Chesterfield Borough Council is a part of the North Derbyshire & Bassetlaw Housing Market Area (HMA) together with North East Derbyshire, Bolsover and Bassetlaw District Councils. There is also an identified overlap between this HMA and the Sheffield City Region HMA with recognised functional economic links between the two HMAs. Chesterfield is a constituent member of the both the Sheffield City Region Local Enterprise Partnership (LEP) and the Derbyshire & Nottinghamshire D2N2 LEP. Chesterfield acts as a sub-regional employment centre providing jobs for local residents and residents from surrounding areas with the Travel to Work Area (TTWA) covering North East Derbyshire, Bolsover, Derbyshire Dales and Sheffield. The Council is seeking to maintain and even strengthen this sub-regional employment role (see para 2.5 Employment Requirement 2018 – 2033 Paper).

At the time of the pre-submission consultation no SoCG explaining cross boundary working were available on the Chesterfield Borough Council website. From attendance at recently held Local Plan Examinations for North East Derbyshire and Bolsover it is known that the Council has entered into signed SoCG. It is also known that the Council has previously received requests to meet unmet needs from both Derbyshire Dales and Sheffield. The Council should provide further evidence on the outcomes of cross boundary working. If further evidence is provided by the Council post submission of the Local Plan for examination the HBF may wish to submit further comments on the Council's legal compliance with the Duty to Co-operate and any implications for the soundness of the Local Plan in written Hearing Statements or orally during the Hearing Sessions.

Housing Need

Policy LP1 : Spatial Strategy proposes housing growth for a minimum of 4,374 dwellings (292 dwellings per annum) between 2018 – 2033 which represents an objective assessment of need (OAN) of 265 dwellings per annum between 2014 – 2033 less 661 completed dwellings between 2014 – 2018 as set out in Table 1 of the pre-submission Plan.

The figure of 265 dwellings per annum is derived from North Derbyshire & Bassetlaw OAN Update Final Report dated October 2017 by G L Hearn. It is based on a demographic calculation comprising of 2014 Sub National Population Projections (SNPP) plus adjustments for 10 year migration trends & household formation rates in younger age groups (see Tables 14, 19 & 92). There are no uplifts associated with market signals or economic growth (see Table 30 Baseline job growth (1,700 jobs) scenario).

The Local Plan will be submitted for examination after 24th January 2019 so it will be examined under 2019 NPPF and revised National Planning Practice Guidance (NPPG). As set out in the 2019 NPPF the determination of the minimum number of homes needed should be informed by a local housing need assessment using the Government's standard methodology unless exceptional

circumstances justify an alternative approach (para 60). In summary the standard methodology comprises (revised NPPG ID 2a-004) :-

- 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 = $(1 + \text{adjustment factor}) \times \text{projected household growth}$.

Using this methodology, the Council refers to two different figures. These figures are 252 dwellings per annum (see updated OAN Report Table 93) assumed to be based on 2014 Sub National Household Projections (SNHP) & 2017 affordability ratio of 5.4 and 248 dwellings per annum (see Monitoring Report on 5 YHLS 1 April 2018 – 31 March 2023) assumed to be based on 2016 SNHP & 2018 affordability ratio of 5.7. The correct figure is 257 dwellings per annum based on 2014 SNHP & 2018 affordability ratio of 5.7 which correlates with methodology set out in the revised NPPG (ID 2a-004 & 2a-005) published on 20th February 2019.

It should be remembered that this figure is only the minimum starting point. Any ambitions to support economic growth, to deliver affordable housing and to meet unmet housing needs from elsewhere are additional to the local housing need figure. The Government's objective of significantly boosting the supply of homes remains (para 59). It is important that housing need is not underestimated. The Council's alternative calculation of OAN only exceeds this minimum starting point by 8 dwellings per annum.

It is noted that there is a disconnection between the Council's proposed housing and economic strategies. The Council's economic growth strategy for an employment land requirement of 44 hectares as set out in **Policy LP1** is based on jobs growth of 4,200 jobs. The demographic led OAN of 265 dwellings per annum exceeds the baseline job growth (1,700 jobs) scenario of 251 dwellings per annum but is 65 dwellings per annum less than the 330 dwellings per annum resulting from an alignment of the housing growth and the jobs-led (4,200 jobs) scenario (see Updated OAN Report Table 31).

The Borough is recognised as a sub-regional employment centre providing jobs for local residents and residents from surrounding areas. If the Council is seeking to maintain and even strengthen its sub regional employment role (see para 2.5 Employment Requirement 2018 – 2033 Paper) then the missed opportunity for more housing growth should not harm economic growth ambitions. It is noted that the Sustainability Appraisal also included under Option 2 the LEPs aspirational growth of 345 dwellings per annum. As set out in the 2019 NPPF in achieving sustainable development the overarching economic and social objectives should be pursued in mutually supportive ways (para 8). The positive and proactive encouragement of sustainable economic

growth should address potential barriers to investment such as inadequate housing (paras 81a & 81c).

The HBF have three further concerns about Table 1 of the pre-submission Local Plan which the Council should resolve :-

- The 2019 NPPF states that strategic policies should look ahead over a minimum 15 year period from adoption to anticipate and respond to long term requirements (para 22). The Council's proposed plan period is 2018 – 2033. If the Local Plan is adopted in 2019/20 then the remaining plan period will be less than the 15 year period set out in the 2019 NPPF ;
- Table 1 resets the plan start date at 2018 rather than 2014 and sweeps up past housing under delivery shortfalls using a Liverpool approach. Under the revised NPPG (ID 3-044) if the Council wishes to deal with past under delivery over a longer period than 5 years (Sedgefield approach) then this should be considered as part of the Local Plan Examination ;
- At the North East Derbyshire and Bolsover Local Plan Examinations it was revealed that dwellings were counted as complete if “wind and water tight” rather than the MHCLG definition of ready for occupation. It was implied that this definition of a completed dwelling is used across all Derbyshire authorities. If the Council has used this definition then the number of completions will have been over-stated (see Inspector's Interim Note from Bolsover Local Plan Examination).

Before submission of the Local Plan for examination the HBF encourages the Council to have more ambitious plans for housing growth in order to support economic growth. There would be no penalty for a more ambitious housing requirement to support economic growth as the Housing Delivery Test (HDT) is measured against the lowest denominator. The proposed housing requirement is an absolute minimum figure. If post consultation the local housing need calculation and / or housing requirement change the HBF may wish to submit further comments of the soundness of the Local Plan in any subsequent written Examination Statements or orally at Hearing Sessions.

Housing Land Supply (HLS)

As set out in the 2019 NPPF the strategic policies of the Local Plan should provide a clear strategy to bring sufficient land forward and at a sufficient rate to address housing needs over the plan period by planning for and allocating sufficient sites to deliver strategic priorities (para 23). The Council should have a clear understanding of land availability in the plan area by preparing a Strategic Housing Land Availability Assessment (SHLAA) which should be used to identify a sufficient supply and mix of housing sites taking into account availability, suitability and economic viability. The policies of the Local Plan should identify a supply of specific deliverable sites for years 1 – 5 of the plan period and specific developable sites or broad locations for growth for years 6 – 10 and where possible years 11 – 15 (para 67). The identification of

deliverable and developable sites should accord with the definitions set out in the 2019 NPPF Glossary. The Council should also identify at least 10% of the housing requirement on sites no larger than one hectare or else demonstrate strong reasons for not achieving this target (para 68). The Local Plan should include a trajectory illustrating the expected rate of housing delivery over the plan period. A minimum 5 years supply of specific deliverable sites including a buffer should be maintained (paras 73 & 74).

Policy LP4 : Flexibility in Delivery of Housing proposes thirty six housing site allocations for circa 4,150 dwellings as set out in Table 4 of the pre-submission Local Plan. There is a wide range of sites by both size (circa 15% of proposed site allocations are less than 1 hectare) and market locations providing access to suitable land for small local, medium regional and large national housebuilding companies. The offer of the widest possible range of products should provide all households with access to different types of dwellings to meet their housing needs. Housing delivery is maximised where a wide mix of sites provides choice for consumers, allows places to grow in sustainable ways and creates opportunities to diversify the construction sector.

There are six strategic sites proposed under **Policies SS1 to SS6 : Strategic Sites** including development at Staveley & Rother Valley corridor for circa 1,500 dwellings (**Policy SS5**) and land at Dunston for circa 800 dwellings (**Policy SS6**). The large complex brownfield strategic sites at Waterside and Staveley & Rother Valley corridor are not expected to come forward until middle / end of the plan period and beyond. Six regeneration areas are proposed under **Policy RP1 : Regeneration Priority Areas** including at Barrow Hill (circa 50 dwellings), Duckmanton (circa 400 dwellings), Holme Hall (circa 300 dwellings), Mastin Moor (circa 400 dwellings) and Poolsbrook (circa 100 dwellings).

The HBF would not wish to comment on the merits or otherwise of individual sites selected for allocation but it is critical that the Council's assumptions on lapse rates, non-implementation allowances, lead in times and delivery rates contained within its overall HLS, 5 YHLS and trajectory are correct and realistic. These assumptions should be supported by parties responsible for delivery of housing and sense checked by the Council using historical empirical data and local knowledge.

It is noted that there is no trajectory illustrating the expected rate of housing delivery over the plan period included in the pre-submission Local Plan. The Council should incorporate a housing trajectory before the Local Plan is submitted for examination.

As set out in Table 3 of the pre-submission Local Plan the Council is proposing an overall HLS of 5,450 dwellings comprising of 550 dwellings from existing commitments (less 10% non-implementation rate) and 4,900 dwellings from proposed allocations (4,150 dwellings from Housing Site Allocations H1 – H36 plus 750 dwellings from Strategic Sites SS1, SS5 & SS6). The Regeneration Priority Areas are excluded. A windfall allowance is also excluded.

The Council's overall HLS provides some flexibility to respond to changing circumstances, to treat the housing requirement as a minimum rather than a maximum and to provide choice and competition in the land market. The HBF acknowledge that there can be no numerical formula to determine the appropriate quantum for a flexibility contingency but where a Local Plan is highly dependent upon one or relatively few large strategic sites or a specific settlement / locality greater numerical flexibility is necessary than in cases where HLS is more diversified. The HBF always suggests as large a contingency as possible (at least 20%) because as any proposed contingency becomes smaller so any built-in flexibility reduces. If during the Local Plan Examination any of the Council's assumptions on lapse rates, windfall allowances and delivery rates are adjusted or any proposed housing site allocations are found unsound then any proposed contingency also reduces.

The Council's Monitoring Report 5 YHLS 1 April 2018 – 31 March 2023 confirms the persistent under delivery of housing and the appropriateness of a 20% buffer applied to both the housing requirement and any shortfall. The HBF agrees with both these conclusions. The results of the recently published HDT confirm provision of both a 20% buffer and a Housing Action Plan in Chesterfield. It is noted that in the pre-submission Local Plan the Council proposes a Liverpool approach to the delivery of past shortfalls. The HBF disagrees with this proposal. As set out in the revised NPPG (ID 3-044) if the Council wishes to deal with past under delivery over a longer period than 5 years (a Sedgefield approach) then this should be considered as part of the Local Plan Examination.

At the time of the pre-submission consultation no housing trajectory or 5 YHLS position at the time of adoption were available on the Chesterfield Borough Council website. The Council should provide further evidence on these matters. If further evidence is provided by the Council post submission of the Local Plan for examination the HBF may wish to submit further comments on the Council's housing trajectory and 5 YHLS in written Hearing Statements or orally during the Hearing Sessions.

Housing Policies

Under **Policy LP5 : Range of Housing** on sites of 10 or more dwellings up to 20% affordable housing will be sought by negotiation informed by the charging zones set in the Council's Community Infrastructure Levy (CIL). Where the provision of affordable housing would adversely impact on the viability of development, the developer will be required to submit evidence demonstrating this and justifying a lower contribution or alternative tenure mix.

As set out in 2019 NPPF the housing needs for different groups should be assessed to justify any policies on the size, type and tenure of housing including a need for affordable housing (paras 61 & 62). It is unclear if there is any need for up to 20% affordable housing on sites of 10 or more dwellings. The Updated OAN Report is somewhat confusing by setting out an affordable housing net need of only 42 dwellings per annum and a surplus of 44 affordable homes by

the end of the plan period (see Table 48). The Council should fully justify its proposed affordable housing provision.

As set out in the 2019 NPPF the Local Plan should set out the level and type of affordable housing provision required together with other necessary infrastructure but such policies should not undermine the deliverability of the Local Plan (para 34). The cumulative burden of policy requirements should be set so that most development is deliverable without further viability assessment negotiations (para 57).

The Council's viability evidence is set out in Whole Plan Viability Assessment dated December 2018 by Bailey Venning Associates. The assessment uses BCIS build costs but discounted for economies of scale on schemes of 40 dwellings and above by between 3% - 11%. There is no evidence to justify these discounts. 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 on the viability or otherwise of development. It is important that the Council understands and tests the influence of all inputs on viability as this determines if land is released for development. The Harman Report highlighted that "*what ultimately matters for housing delivery is whether the value received by land owners is sufficient to persuade him or her to sell their land for development*". Any upward re-adjustment of build costs may have a significant negative effect on the viability of development in the Borough.

The Council's Whole Plan Viability Assessment concludes with recommendations for a differentiated provision for both affordable housing provision and CIL rates in four Value Areas across the Borough. The proposed up to 20% affordable housing provision is only viable in Value Areas 3 and 4. Value Area 1 and 2 are recommended for affordable housing provision of 0% and 10% respectively. Site specific appraisals on former Staveley Works and Waterside strategic sites demonstrate viability challenges so development on a policy compliant basis is not viable. Therefore it is highly likely that viability negotiations will be routinely rather than exceptionally undertaken. Under 2019 NPPF it is the Council's responsibility to robustly viability test the Local Plan in order that the cumulative burden of policy requirements are set so that most development is deliverable without further viability assessment negotiations (para 57) and the deliverability of the Local Plan is not undermined (para 34).

It is assumed that the 2019 NPPF definition of affordable housing will be applied by the Council. It is also assumed that 10% of up to 20% affordable housing provision will be affordable home ownership as required by 2018 NPPF (para 64). The Council should not be specifying shared ownership to the exclusion of other forms of affordable home ownership.

If affordable housing provision is needed the percentage requirement for affordable housing should be changed to reflect the Council's own viability evidence for a differentiated provision across the Borough. The restriction on affordable housing tenure should also be removed. As proposed **Policy LP5** is

unsound because it is unjustified, ineffective and inconsistent with national policy.

Under **Policy LP5 : Range of Housing** on sites of 10 or more dwellings 25% adaptable and accessible housing will be sought. All affordable dwellings should be built as adaptable and accessible homes and within this 10% of the affordable dwellings should be built as wheelchair user homes subject to site suitability.

If the Council wishes to adopt the higher optional standards for Building Regulations Part M Category 2 accessible and adaptable homes (M4(2)) and Category 3 wheelchair user homes (M4(3)) then this should only be done in accordance with the 2019 NPPF (para 127f & Footnote 42). The Written Ministerial Statement (WMS) dated 25th March 2015 stated 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 their impact on viability has been considered, in accordance with the NPPG”*. Footnote 42 of 2019 NPPF states that planning policies for housing should make use of the Government’s optional technical standards for accessible and adaptable housing where this would address an identified need for such properties. Furthermore the Council should apply the criteria set out in the NPPG (ID 56-005 to 56-011).

All new homes are built to Building Regulation Part M Category 1 (M4(1)) standards which include level approach routes, accessible front door thresholds, wider internal doorway and corridor widths, switches and sockets at accessible heights and downstairs toilet facilities usable by wheelchair users. These standards are not usually available in the older existing housing stock (if built circa more than 10 years ago) and benefit less able-bodied occupants. The population aged 65+ in Chesterfield is increasing (see Updated OAN Report section on Disability & Older population) but if the Government had intended that evidence of an ageing population alone justified adoption of the higher M4(2) and M4(3) optional standards then such standards would have been incorporated as mandatory in the Building Regulations which the Government has not done.

It is incumbent on the Council to provide a local assessment evidencing the specific case for Chesterfield which justifies the inclusion of optional higher standards and the quantum thereof in **Policy LP5**. As set out in the 2019 NPPF all policies should be underpinned by relevant and up to date evidence which should be adequate and proportionate focussed tightly on supporting and justifying the policies concerned (para 31). The Council’s evidence set out in Ecory Report dated 2012 and Accessible & Adaptable Housing Background Report dated 2016 do not justify the proposed policy requirements. This evidence is somewhat out of date and provides limited information based on national data not locally derived data. The analysis is based on adapting existing dwellings rather than newly constructed dwellings and there is no consideration of new dwellings as a proportion of the total housing stock.

The Council is reminded that the requirement for M4(3) should only be required for dwellings over which the Council has housing nomination rights as set out in the NPPG (ID 56-008). Any requirement for higher optional standards especially M4(3) should be thoroughly viability tested. In September 2014 during the Government's Housing Standards Review EC Harris estimated the cost impact of M4(3) per dwelling as £15,691 for apartments and £26,816 for houses. These costs are not included in the Council's viability testing.

The requirements for M4(2) and M4(3) in **Policy LP5** should be amended. As proposed the policy is unsound because it is not fully justified or viability tested.

Other Policies

Policy LP3 : Presumption in favour of sustainable development

In **Policy LP3** the Council sets out the presumption in favour of sustainable development. The 2019 NPPF confirms that Local Plans should avoid unnecessary duplication including repetition of policies in the NPPF itself (para 16f). The presumption in favour of sustainable development is clearly set out in the 2019 NPPF (para 11). In attempting to repeat national policy there is a danger that some inconsistencies creep in and lead to small but critical differences between national and local policy causing difficulties in interpretation and relative weighting.

Policy LP3 is unnecessary. It is suggested that this policy is deleted.

Policy LP14 : Managing Water Cycle proposes adoption of the higher water efficiency standard of 110 litres per person per day.

All new dwellings achieve a mandatory level of water efficiency of 125 litres per day per person under Building Regulations which is higher than that achieved by much of the existing housing stock. The WMS dated 25th March 2015 confirmed 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 their impact on viability has been considered, in accordance with the NPPG*". The Council should justify the requirement for the higher water efficiency standard in **Policy LP14** in accordance with the criteria set out in the NPPG (ID 56-013 to 56-017). The Housing Standards Review was explicit that reduced water consumption was solely applicable to water stressed areas. The Council has provided no evidence in a Water Cycle Study that Chesterfield is a water stress area.

The requirement for the higher water efficiency standard should be deleted. This requirement is unsound because it is unjustified and inconsistent with national policy.

Policy LP21 : Design proposes to negotiate up to 1% of total development costs for public artwork to be secured by a legal agreement and / or conditions.

The Council is referred to the 2019 NPPF (paras 54 - 56) concerning planning conditions and obligations. A planning obligation for public art is not necessary to make a development acceptable in planning terms.

This requirement should be deleted because it is unsound as it is unjustified and inconsistent with national policy.

Policy LP23 : Influencing the Demand for Travel proposes electric vehicle charging points as set out in Appendix C of the pre-submission Local Plan.

This requirement should be fully justified by the Council including engagement with the main energy suppliers to confirm existing network capacity to accommodate any adverse impacts if all allocated dwellings have a re-charge facility. If re-charging demand became excessive there may be constraints to increasing the electric loading in an area because of the limited size and capacity of existing cables and new sub-station infrastructure may be necessary. Such costs have not been included in the Council's viability testing which may have an adverse impact on housing delivery. It is the HBF's opinion that the promotion of electric vehicles should be undertaken nationally in a standardised way implemented via Building Regulations after the Government's proposed future consultation to be undertaken by the Department of Transport. The HBF is wary of Council's seeking to impose locally derived policy requirements for the provision of electric charging points.

This requirement should be deleted because it is unsound as it is unjustified and not robustly viability tested.

Conclusions

For the Chesterfield Local Plan to be found sound under the four tests of soundness as defined by the 2019 NPPF (para 35) the Plan should be positively prepared, justified, effective and consistent with national policy. In summary the Local Plan is unsound (not positively prepared, unjustified, ineffective and inconsistent with national policy) because of :-

- No supporting evidence on cross boundary working to confirm whether or not the Duty to Co-operate has been satisfied ;
- A proposed plan period of less than 15 years on adoption of the Local Plan ;
- A misalignment of housing and economic growth strategies so that a low housing requirement may stifle economic growth (**Policy LP1**) ;
- No housing trajectory ;
- An unknown 5 YHLS position on adoption of Local Plan and a proposed Liverpool approach to recouping past housing shortfalls between 2014 – 2018 ;
- The unnecessary repetition of the presumption in favour of sustainable development under **Policy LP3** ;
- An unviable affordable housing policy (**Policy LP5**) ;

- Unjustified policy requirements for accessible / adaptable housing standards (**Policy LP5**), higher water efficiency standards (**Policy LP14**), financial contributions to public art (**Policy LP21**) and electric vehicle charging points (**Policy LP23**).

It is hoped that the Council will consider these representations and undertake modifications to the Local Plan before submission for examination. If any further assistance or information is required please contact the undersigned.

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

A handwritten signature in blue ink, appearing to read 'Susan E Green', written in a cursive style.

Susan E Green MRTPI
Planning Manager – Local Plans