

# Copeland Local Plan 2021-2038 Examination

## Hearing Statement on behalf of Story Homes (Respondent No. 79)

### Matter 5: Other Housing Requirements

**Issue: Whether the Local Plan has been positively prepared and whether it is justified, effective and consistent with national policy in relation to the provision for other housing requirements.**

#### ***5.2 Does Policy H7PU provide sufficient guidance to developers in terms of housing mix?***

- 1.1 Draft Policy H7PU outlines that development should make the most effective use of land and that the density of new development should reflect the shape and size of the site and the requirement for public open space and landscaping. This approach is in accordance with paragraph 119 of the NPPF.
- 1.2 The draft policy requires applicants to demonstrate how their proposals meet local housing needs and aspirations identified in the latest Strategic Housing Market Assessment (SHMA) and Housing Needs Assessment in terms of house types, sizes and tenures.
- 1.3 Story Homes response to the Regulation 19 consultation was submitted alongside a consortium response on CBC's Local Plan Viability Assessment (LPVA) (prepared by Keppie Massie (KM)). The consortium response was prepared by Cushman and Wakefield (CW). The CW response points to market evidence - that being KM's review of recently consented schemes - being a better marker for housing mix assumptions than the results of the SHMA.
- 1.4 CW have raised concerns that there is insufficient market demand for the form of development tested and consequently that the LPVA is not providing an accurate assessment of likely development in Copeland. It is recommended that the housing mix assumptions are reviewed in light of the market evidence and that there is closer alignment with the consented evidence. Story Homes agrees with CW and recommends that the mix and unit sizes are varied in line with the evidence from recently consented schemes in the different market areas.
- 1.5 Policy H7PU is a prescriptive policy in respect of seeking accordance with the SHMA and Housing Needs Assessment in terms of house type, size and tenure. The policy states: *"Alternative more up-to-date evidence will be considered only in exceptional circumstances where a developer demonstrates to the Council's satisfaction that the SHMA and Housing Needs Assessment is out of date."*
- 1.6 Story Homes does not consider this policy to be sound as currently drafted and recommends the following modification to the final sentence to allow for flexibility based on the location and market specifics of each scheme: *"The Council will consider each application on its own merits taking into account relevant evidence including ~~Alternative more up-to-date evidence will be considered only in~~*

~~exceptional circumstances where a developer demonstrates to the Council's satisfaction that the SHMA and Housing Needs Assessment is out of date."~~

***Q5.3 Is Policy H7PU [Housing Density and Mix] justified, effective and consistent with national policy, particularly in terms of the approach to densities?***

- 1.7 Draft Policy H7PU does not include minimum density standards as required by paragraph 125 of the NPPF. The supporting text of the draft policy states that Copeland Borough Council feel the most appropriate approach is for applicants to determine the most appropriate density for their developments.
- 1.8 Paragraph 125 of the NPPF makes clear that this point will be tested robustly at examination, and therefore Policy H7PU should be amended to include minimum density standards to ensure the plan meets the test of soundness relating to consistency with national policy.

***Q5.10 What is the evidence in relation to the viability of delivering affordable housing as part of market housing schemes? What does it show and does it justify the 10% requirement set out in Policy SP H8PU?***

- 1.9 The CW assessment has considered the affordable housing revenues, which are a key component of viability testing and must be set at a realistic level which are reflective of current market conditions. They have concluded that a number of assumptions used by KM, particularly in regard to transfer values, are insufficiently evidenced and/or not reflecting a realistic market-facing position. No actual evidence of any of the information sources referred to by KM are provided in order to allow an understanding of the supporting evidence base for the transfer value assumptions.
- 1.10 Furthermore, the Shared Ownership transfer value of 70% of OMV is regarded as excessive, particularly in light of changes to the model dating from 2021. It was recommended that KM consult a range of local RPs regarding the assumptions to test whether the assumed transfer values are considered acceptable under the new affordable housing regime.
- 1.11 Unless this is robustly tested, there is a chance that the viability of many sites in Copeland have been overstated which could compromise site deliverability and the delivery of affordable homes. In respect of Policy H8PU this may result in unrealistic policy requirements in respect of affordable housing provision.

***Q5.13 Is the policy [H8PU Affordable Housing] sufficiently flexible in relation to viability and the potential for off-site provision?***

- 1.12 Policy H8PU outlines that on sites of 10 units or more (or of 0.5ha or more in size), or on sites of 5 units or more within the Whitehaven Rural sub-area, at least 10% of the homes provided should be affordable. This approach is considered to be in accordance with paragraphs 64 and 65 of the NPPF.
- 1.13 Similarly, Story Homes also supports the reference to allowing a reduction in the level of affordable housing where a proposal involves the re-use or redevelopment of vacant buildings. This is in accordance with paragraph 64 of the NPPF.
- 1.14 However, it should be noted that there is reduced demand for housing within some of the smaller settlements in the Borough. It is therefore likely that scales of development in such locations, particularly on a site by site basis, may be below the threshold in the NPPF for the provision of affordable housing. Focusing development on the principal towns and key service centres, where demand is higher, will assist in delivering a higher number of affordable dwellings.

- 1.15 Story Homes also welcomes the recognition in the draft policy that a financial contribution in lieu of on-site affordable housing provision may be more appropriate in certain situations. Similarly, the flexibility to provide a viability assessment where affordable housing may impact the viability of a development is also supported by Story Homes. This approach is in accordance with paragraph 58 of the NPPF.

***5.14 Are suggested Main Modifications MA LP117-MA LP121 required in the interests of soundness?***

- 1.16 Story Homes supports the suggested modifications and considers MA-LP119 necessary to make the Policy sound in respect of the proposed affordable home split. The Main Modification requires 25% of the affordable housing provision to be for First Homes in accordance with the PPG<sup>1</sup>.
- 1.17 Notwithstanding this, Story Homes considers further modifications are required to make Policy H8PU sound (see response to Q5.13 above).

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<sup>1</sup> Paragraph 012 and 013 Reference ID: 70-012-20210524