

Examination of the Lancaster District Strategic Policies & Land Allocations Development Plan Document and Development Management Development Plan

Statement in relation to **Matter 3:** Spatial Strategy

Prepared by Nexus Planning on behalf of Homes
England

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Introduction

- 1.1 Nexus Planning have prepared this Hearing Statement on behalf of Homes England, who are the Ministry of Housing, Communities & Local Government's non-departmental public body. They bring together land, money, expertise, and planning and compulsory purchase powers, with a clear remit to facilitate delivery of sufficient new homes, where they are most needed, to deliver a sustained improvement in affordability.
- 1.2 This Hearing Statement relates specifically to Matter 3 and Homes England's land interests at Lundsfield Quarry in Carnforth, for which policies SP6, SG11 and SG13 are of most relevance.
- 1.3 For clarity, this statement responds to the updated Submission Version of the DPD (Examination reference SD_001.2), along with any associated evidence base.

Matter 3: Spatial Strategy

Main Issue: Whether the Council's spatial strategy for development within the District is sound?

- a. **Is the spatial strategy as set out in policies SP1, SP2, SP3, SP4, SP5 and SP6 and their supporting text soundly based? Is the settlement hierarchy soundly based? Would the spatial strategy be sound if no provision was made for any unmet housing need for Lancaster District either within the District or within the wider Strategic Housing Market Area?**

2.1 Homes England now provide a response in relation to each part of the question in turn.

Is the spatial strategy as set out in policies SP1, SP2, SP3, SP4, SP5 and SP6 and their supporting text soundly based?

2.2 Homes England support the inclusion of the Lundsfield Quarry site as a residential Strategic Development site under Policy SP6. However, whilst it is acknowledged that the delivery of new dwellings is expressly referred to as a minimum requirement, Homes England request that the housing yield for the Lundsfield Quarry site is increased from 200 to 250 dwellings. This ensures consistency with the planning application that is being prepared, as the pre-application discussions with Lancaster City Council to date have always related to 250 dwellings and this is also the basis upon which the EIA Screening Opinion was prepared and then issued.

2.3 At the time of writing, the planning application is due to be submitted to Lancaster City Council imminently and it is anticipated that it will be in the process of being determined at the time of the Hearing session for Matter 3. Homes England can provide further updates on this planning application as required by the Inspector.

2.4 Furthermore, Homes England wish to bring to the Council's attention that the increase in the number of units at Lundsfield Quarry from 200 to 250 could further contribute towards meeting their full OAN and satisfying the 'positively prepared' limb of the soundness test.

Is the settlement hierarchy soundly based?

- 2.5 Homes England support the Lancaster District Settlement Hierarchy set out at Policy SP2 as it relates to Carnforth. As a market town with access to a wide range of services and facilities, Carnforth should rightly be a key focus to help meet the strategic growth needs of the district and accommodate a greater proportion of new housing and economic development than smaller and less sustainable settlements in the district.

Would the spatial strategy be sound if no provision was made for any unmet housing need for Lancaster District either within the District or within the wider Strategic Housing Market Area?

- 2.6 Homes England have no specific comments to make in response to this question.

b. Policies SG11, SG12 and SG13 (South Carnforth): is the need and location for this mixed-use developments soundly based on, and justified by, the evidence assembled by the Council in support of the DPDs? How has the site been defined?

- 2.7 By way of background, land at Lundsfield Quarry, which is the subject of Policy SG11, is currently identified as a Housing Allocation under Policy H6 of the Lancaster District Local Plan and a previous outline planning application for 200 dwellings submitted by Redrow was approved (Ref: 07/01653/HYB) on 20th December 2013. The majority of the site is brownfield and it lies entirely within the existing settlement boundary of Carnforth. As such, the principle of residential development is already established at the site and can come forward irrespective of its inclusion as part of the wider South Carnforth Strategic Allocation proposed in this DPD.
- 2.8 Despite this, a reserved matters application was not subsequently submitted within three years and the application lapsed in December 2016. Consequently, Homes England, as part of their remit to significantly increase the delivery of housing by unlocking stalled sites, purchased the Lundsfield Quarry site in 2017. The intention is to de-risk the site through the planning process by obtaining outline planning permission and carry out the necessary survey work that informs the abnormal costs associated with the delivery of housing at the site. Subject to the receipt of the necessary planning consent, Homes England will then bring the site to the market with a view to getting houses built within the shortest possible timeframe.

The partnership working with Lancaster City Council and the local community is (and has been) critical to this process.

- 2.9 As confirmed earlier in this statement, Homes England have been preparing an outline planning application at the Lundsfield Quarry site for up to 250 dwellings. Over the course of the last 18 months, intrusive ground investigations, detailed ecological survey work and the full suite of technical surveys necessary to accompany a planning application of this scale and nature has been undertaken. Homes England and their project team have also held a public consultation event and have also kept Carnforth Town Council informed of progress at the site.
- 2.10 This context is important, because whilst Homes England support the identification of Lundsfield Quarry as a Housing Allocation, flexibility needs to be allowed for within Policies SP11 and SP13 to take account of viability considerations when determining planning applications at the site. Concerns regarding the ability of the site to deliver infrastructure in addition to affordable housing has been reflected in past representations made by Homes England to previous stages of the Local Plan.
- 2.11 This matter is of particular concern to Homes England, because the detailed survey work undertaken to inform the abnormal costings associated with housing development at the site has revealed serious concerns in respect of viability. As such, Savills has been appointed by Homes England to undertake a detailed viability appraisal and it has indeed confirmed that the development of the Lundsfield Quarry must take viability in to account when considering infrastructure requirements at the site. Accordingly, Policies SP11 and SP13 ought to be adjusted to introduce flexibility in the scale and nature of wider strategic infrastructure delivery, where this would threaten the viability of the Lundsfield Quarry site.
- 2.12 Policies SG11 and SG13 contain a substantial list of infrastructure requirements deemed necessary as part of a Development Brief that is intended to be produced for the site. Whilst Homes England are generally supportive of the need to ensure that local infrastructure requirements and needs are met, particularly the delivery of affordable housing, these policies cannot simply ignore genuine viability concerns, especially when evidence has been provided to that effect. It is however accepted that it is only recently that Lancaster City Council has been party to this detailed viability work and Homes England are continuing to liaise with the Council and their viability advisors in this regard.

- 2.13 Alongside the general requirement to insert specific wording within Policies SG11 and SG13 that refers to viability considerations being a material consideration in respect of the determination of planning applications at the Lundsfield Quarry site, Homes England offer the observation that in specifying a threshold of 40% affordable housing, Policies SG11 and SG13 are simply not realistic. Homes England request that a target is not included, or a specific caveat is inserted, confirming that affordable housing is encouraged to be delivered at the site, but only at a level deemed viable in line with a Viability Appraisal that is to be submitted with any planning application and then verified.
- 2.14 The submission of a planning application at the Lundsfield Quarry site will set out the site specific circumstances which will dictate the level of infrastructure and affordable housing the site can deliver, in accordance with Paragraph 57 of the National Planning Policy Framework and Paragraph 010 of Planning Practice Guidance.
- 2.15 Homes England have no other specific comments to make in respect of Policy SG12, which relates specifically to Land South of Windermere Road, other than to say that as this site forms part of the wider South Carnforth allocation, Homes England have engaged positively with Lancaster City Council and the adjoining landowners/promoters to ensure that the development of the wider South Carnforth allocation is not prejudiced in any way.