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Dear Sir / Madam,

## **Draft Greater Manchester Spatial Framework**

1. Thank you for consulting the Home Builders Federation (HBF) on the Draft Greater Manchester Spatial Framework (GMSF).
2. The HBF is the principal representative body of the house building industry in England and Wales and our representations reflect the views of our membership of multinational PLCs, through regional developers to small, local builders. Our members account for over 80% of all new housing built in England and Wales in any one year including a large proportion of the new affordable housing stock.
3. These comments are made in our capacity as both a representative body for the house building industry as well as a key member of the *Housing the Powerhouse* campaign.

### **Overview**

4. The HBF is supportive of creating a joint local plan which aims to identify and meet the housing and employment needs across Greater Manchester. The aims and ambitions of the GMSF are also supported. It is considered that the GMSF provides a once in a generation opportunity to plan positively for the growth of Greater Manchester and enhance its role not only within the North West of England but within the UK and Europe. The HBF has made comments upon previous stages of consultation on the GMSF. We are pleased to note that a number of amendments have been made which reflect some of the concerns we raised. Unfortunately, however, a number of key issues have not been addressed which could in our view lead to the GMSF failing to deliver upon its economic potential and the plan being ultimately found unsound at examination. This is something the HBF and our members are keen to avoid and as such we urge the Greater Manchester Combined Authority (GMCA) to act upon our recommendations.

5. The HBF and our members are keen to continue to work with the GMCA to provide a plan which not only increases the rates of house building within Greater Manchester but also facilitates economic growth, ensuring the region claims its rightful place as a city of European significance at the heart of a thriving Northern Powerhouse. Since the previous consultation it is acknowledged that discussions have been held with the industry. Whilst welcomed, these opportunities have been infrequent and limited in scope. Given that the industry will be challenged with delivering significant elements of the aims and ambition of the GMSF greater engagement is not only necessary but fundamental to ensuring success of the plan. The HBF remains keen to explore with the GMCA how this engagement could occur.

## **Procedural Issues**

6. It is recognised that the GMSF is intended to be a joint statutory Development Plan Document between the 10 Greater Manchester local authorities. Whilst this is stated within the consultation document (paragraph 1.2.1) it is considered that a clear upfront statement of the role and status of the GMSF would aid transparency. This statement should clearly identify the relationship between the GMSF and the individual local authority local plans, both currently adopted and emerging. For example once adopted will the GMSF supersede existing Core Strategies, including those recently adopted, and which policies, if any, in existing plans will be saved.
7. The GMSF seeks to provide strategic allocations within the Green Belt, this is supported. However the urban areas do not benefit from the same treatment. Whilst it is recognised some local authorities have up to date local plans with allocations, others do not. It is therefore likely to be a deficit of allocations based upon the GMSF requirements, upon adoption of the GMSF. Unless, like Salford, other plans are twin-tracked with the GMSF process this will add further delay to achieving a much needed boost to housing supply within Greater Manchester.
8. Key elements of the evidence base are not included as part of this consultation. The absence of certain elements of the evidence base has limited our ability to provide constructive comments upon significant elements of the plan. It is essential that these key pieces of evidence are finalised prior to the next stage of consultation. Specific concerns in relation to the housing evidence base include; a consistent Greater Manchester wide Strategic Housing Land Availability Assessment

(SHLAA), economic viability evidence and a detailed Greater Manchester wide infrastructure delivery plan.

## **Duty to Co-operate**

9. The HBF is aware of the *Engagement with Neighbouring Authorities (October 2016)* background paper (hereafter referred to as the DtC Paper). This document provides a useful summary of the work undertaken in order to comply with the requirements of the Duty to Co-operate. Its, however, short on detail, actions and conclusions. This paper should be expanded prior to the next iteration of the plan being published for consultation.
10. In terms of housing need it is noted that Appendix 3 of the DtC Paper considers the role of neighbouring authorities in meeting the objectively assessed housing needs of Greater Manchester. At this stage, and whilst it is recognised discussions are still on-going, it does not appear that the neighbouring authorities are able to assist Greater Manchester in any significant way. It is therefore clear that Greater Manchester will have to clearly demonstrate it can meet and deliver its own objectively assessed needs within the plan period. It is therefore essential that the GMSF is based upon a robust evidence base which ensures its housing needs will be met by a deliverable supply within Greater Manchester.
11. Furthermore, in common with our comments upon procedural issues above, a clear statement upon the need for consistency between the GMSF and lower order local plans is required. Any deviation away from the GMSF by individual local authorities will have implications under the Duty to Co-operate.

## **Vision and Strategy**

12. The HBF is broadly supportive of the vision and strategy set out within paragraphs 2.0.1 to 2.0.9 of the consultation document. We particularly welcome the ambition to;  

*“...see Greater Manchester driving growth within the North of England and providing a counterbalance to the strength of London and the South East...”*
13. Unfortunately we do not consider that the scale of growth proposed in the plan or the housing requirement will achieve this aim. The levels of growth within the draft GMSF are based the 2015 *Accelerated Growth Scenario* (AGS-2015). The AGS-2015 is predicated upon Greater Manchester playing a leading role within the

Northern Powerhouse and outpacing UK growth rates. Under this scenario, GVA growth is estimated to be 2.5% year-on-year, with employment growth increasing by 0.7% per year (October 2016 Economic Evidence Report). The over-arching principles are supported as Greater Manchester is a key driver of the northern economy generating nearly 40% of GVA in the North West of England and 19% across the North of England (October 2016, Economic Forecasting Summary).

14. The rate of employment growth planned is, in particular, considered to lack aspiration. It stands just 0.2% above the baseline forecast, which takes no account of Greater Manchester playing a leading role within the Northern Powerhouse. It is also considered low when compared to historic levels of employment growth. The *Economic Forecasting Summary* background paper identifies that between 1997 and 2014 employment growth averaged 0.7% or 0.6% (figure 3 and figure 5 respectively) dependent upon the figure used. A study by Frontier Economics<sup>1</sup>, submitted to the previous consultation upon the GMSF, identifies an employment growth rate of 0.76% between 1999 and 2014. Given that this period included the most prolonged and severe period of recession in almost a century an employment growth rate lower than 0.76% could not be considered transformational nor the step-change in growth anticipated under the Northern Powerhouse. It is also clear that the gap between Greater Manchester and London and the South East widened over this period.
15. Given these facts the 0.7% employment growth is effectively considered a 'business as usual' scenario. The limited employment growth ambitions are unlikely to see Greater Manchester driving growth within the North of England and providing an effective counterbalance to the strength of London and the South East as stated in the GMSF vision.
16. The AGS-2015 scenario also indicates that GVA in Greater Manchester will grow at 2.5% year on year between 2015 and 2035. This is above the 2.3% anticipated for the North of England identified in the 'Transformational' growth scenario discussed in the Northern Powerhouse Independent Economic Review<sup>2</sup> (NP IER). The *Economic Forecasting Summary* background paper suggests this

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<sup>1</sup> Frontier Economics (2016): The economics of Greater Manchester Spatial Framework. Growth over the period 2009 - 2014

<sup>2</sup> SQW (2016): Northern Powerhouse Independent Economic Review

higher rate of growth within Greater Manchester is consistent with the city region playing a leading role within the Northern Powerhouse.

17. It is, however, clear that the NP IER does not anticipate growth to be even across the North. The report clearly focuses upon the importance of the city regions. Given this focus upon cities and the infrastructure investment proposed in areas such as Greater Manchester it appears reasonable that GVA would generally be higher in these areas compared to smaller regional towns and rural areas. Furthermore if Greater Manchester is seeking to play a leading role in the Northern Powerhouse we would argue it should seek to accommodate significantly more growth than currently proposed.
18. Greater Manchester also has a significant competitive advantage to many of its northern counterparts due to the progress it has already made on its devolution deal with Government. The devolution deal will provide Greater Manchester with enhanced powers and responsibilities as well as increased access to funding. Given the scale of the devolution deal a 0.2% increase above the NP IER GVA figure does not appear ambitious.
19. It is also noted that a significant proportion of the anticipated growth is back-loaded in terms of the plan period. This means that growth over the early years of the plan is likely to be slow. Once again this would appear to lack aspiration and does not reflect the level of investment and powers being handed to Greater Manchester.
20. The *Housing the Powerhouse Campaign* commissioned a report by consultants Nathaniel Lichfield & Partners (NLP) to consider the level of growth which would be required to raise the growth rate of the North West to the national average with Greater Manchester being a key driver of the economy. This report<sup>3</sup> identifies that an annual average job growth rate of 1% is required. The report concludes that to ensure the housing and economic strategies align an average housing requirement of 16,643dpa would be required. This level of growth would ensure that Greater Manchester is playing a leading role within the Northern Powerhouse and outpacing UK growth rates, whilst ensuring the wider North West keeps pace with national growth rates. The HBF supports the conclusions and recommendations within this report, which are considered to provide a more realistic rate of growth to meet the

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<sup>3</sup> NLP (2016): Greater Manchester: The Engine Driving the Powerhouse? (<http://nlplanning.com/blog/greater-manchester-the-engine-driving-the-powerhouse/>)

identified ambitions. Further details upon the implications for the housing requirement are discussed in our comments upon Policy GM5, below.

21. The HBF supports the strategy to focus upon the existing urban area wherever possible, promoting regeneration, but also identifying the need to review and release Green Belt. If done appropriately this should ensure Greater Manchester has the capacity to grow. Whilst we have concerns over the levels of growth proposed the release of land from the Green Belt is considered essential to ensure that Greater Manchester has a positive and prosperous future.

## **Strategic Locations**

22. The HBF does not wish to provide detailed comments upon the acceptability or otherwise of the strategic locations for growth. It is, however, notable that the GMSF is heavily reliant upon a few areas delivering the majority of the growth. In terms of housing growth the city centre, covered by Policy SL1 is anticipated to deliver 40,000 net additional dwellings. The failure of any of these sites to deliver the quantum of development anticipated, for whatever reason, will put in jeopardy the overall strategy and growth ambitions. In common with the requirements of the NPPF it is strongly recommended that the plan contain flexibility enabling it to deal with changing circumstances. In this regard a buffer of housing sites, over and above the proposed housing requirement is recommended. This is discussed in greater detail within paragraphs 90 and 91 below.

## **Policy GM1: Delivering a Successful Greater Manchester**

23. The following comments should also be read in reference to Policy GM24 as they also apply equally to this policy.
24. The final paragraph of the policy seeks deliver **all** of the required infrastructure through developer contributions from the proposed allocations and states that land values should take this into account. Whilst it is usual for developments to take account of infrastructure requirements and land values reflect this it must be recognised that there is only a finite amount of costs and policy burdens that developments can withstand.
25. The final paragraph is particularly concerning because at the time of writing there is no clear evidence upon the viability of these sites, taking account of the policy burdens inherent within the plan and local plans. Furthermore the evidence

does not currently clarify the full infrastructure requirements of the plan. Until these key elements of the evidence base are provided it is impossible to be clear on whether the developments will be able to fund **all** necessary infrastructure. The NPPF requirement to provide competitive returns to a willing land owner and willing developer (paragraph 174) must also be borne in mind.

26. The final paragraph also seeks to pool developer contributions. The GMCA will be aware that the CIL regulations restrict the pooling of contributions to a maximum of five. It is therefore unclear how the proposed approach will be compatible with the regulations. It is noted that paragraph 4.04 discusses the potential of a Greater Manchester wide Community Infrastructure Levy (CIL), if its introduction is justified, this would be the appropriate mechanism for development contributions towards wider infrastructure needs.

## **Policy GM5: Housing**

27. The policy identifies a proposed housing requirement of 227,200 dwellings over the period 2015 to 2035. The HBF does not consider this requirement to meet the full objectively assessed needs of the area and will not ensure that Greater Manchester is driving growth within the North of England and providing a counterbalance to the strength of London and the South East.

28. The whole of Greater Manchester is also seen as a single Housing Market Area (HMA). Whilst it is recognised providing definitive boundaries at a lower scale is difficult the approach is considered to lack justification.

29. The housing requirement is proposed to be gradually phased increasing to 12,300 homes per annum from 2022. The policy also seeks to distribute the overall requirement between the constituent local authorities and identifies the proposed mix between houses and apartments. The issues of the HMA, housing requirement, phasing, mix and distribution are dealt with separately below.

### **Housing Market Area (HMA)**

30. *Background paper 1: Area of Assessment* produced alongside the GMSF: Strategic Options consultation provides a significant amount of data in attempt to justify Greater Manchester as a single HMA. Given the geographical size of Greater Manchester and the fact its outer boundaries are typified by open countryside separating it from other towns it is perhaps unsurprising that it scores highly as a self-contained HMA. This point is not lost on the study and indeed is discussed on

a number of occasions. Yet the background paper continues to advocate a large single HMA.

31. The size of the HMA does, however, mask substantial differences between the various parts of Greater Manchester. For example the data identifies very little commonality between the northern districts, particularly Oldham and Rochdale, with those in the south of Greater Manchester such as Trafford and Stockport. This is apparent not only in terms of migrant movement but also house prices and commuting. Indeed the background paper acknowledges at paragraphs 5.96 and 5.206 that the northern districts generally show high levels of self-containment. The 2016 *Greater Manchester Strategic Housing Market Assessment (2016 SHMA)* also clearly identifies significant differences in market dynamics, particularly on house prices, affordability, stock and tenure.
32. A single Greater Manchester HMA also runs counter to more detailed work within district SHMAs such as the recent Rochdale and Wigan SHMAs both of which identify that the districts are self-contained and functioning HMAs and the Oldham SHMA (2010) which recognises Oldham as part of a larger SHMA area covering the North East of Greater Manchester. The Oldham SHMA accords with previous work undertaken at the Greater Manchester level which identified four distinct HMAs (*AGMA 2010; Greater Manchester Strategic Housing Market Assessment*). The earlier AGMA SHMA work is discredited within the background paper as being overly complex and providing arbitrary boundaries. Whilst boundary issues may be apparent the HBF consider it provides a better reflection of the actual market within Greater Manchester compared to a single HMA.
33. The suggestion that the whole of the area acts as a single HMA ignores the reality that many people want to stay in areas they are familiar with, around friends and family. Crucially the current strategy risks an over focus on the potential of the 'Regional Centre' (Manchester and Salford city centres and immediate surroundings) to deliver new homes, which may only cater for certain demographic and economic needs. Not meeting needs where they arise could also place additional pressures upon infrastructure by increasing commuting rates.
34. The HBF recommends that whilst Greater Manchester may be used as a strategic HMA lower level assessment at district or combined district level are required to ensure their needs are met in full and are not met in a part of Greater



Manchester which has little, if any, connection to it. This approach would, in our opinion, better reflect the reality of the housing market in Greater Manchester.

### **Housing Need / Requirement**

35. The housing need and housing requirement whilst different entities (one being policy off, the other policy on) appear to be considered as the same figure within the draft GMSF and supporting evidence base. Within our comments below, we do draw a distinction.
36. The draft GMSF expresses a need to deliver "...around 227,200..." dwellings. A more positive statement would be to express the requirement as 'at least 227,200'. This would more closely align with the NPPF requirements for plans to be positively prepared and boost significantly housing supply.
37. The key elements of the evidence base used to derive the housing figure are the 2016 SHMA and a number of background reports including the 2016 *Economic Evidence Report*, *Economic Forecasting Summary* and *Accelerated Growth Scenario*. The HBF has not, at this stage, undertaken any of its own demographic analysis and rather has sought to provide comments based upon the information contained within these key documents. We are, however, aware of other studies submitted in response to this consultation which support our view.
38. The figure of 227,200 dwellings is an increase upon the previous iteration of the GMSF, this is welcomed. It represents a 10% uplift to the previously proposed housing target and an 18% uplift on the latest household projections. The housing target is directly related to the 2015 *Accelerated Growth Scenario* (AGS-2015). We have a number of concerns with the derivation of housing need, these are expressed in greater detail against the component elements of identifying an objectively assessed housing need and requirement below.

### Demographic issues

39. The PPG (ID 2a-015 and 2a-016) advises that the most recent population and household projections, published by the Office of National Statistics (ONS) and Department and Communities and Local Government (CLG) respectively, should be used as the starting point in estimating housing need. The most recent projections were the 2014 based sub-national population and household projections (2014 SNPP and SNHP). The HBF is therefore supportive of the 2016 SHMA in utilising these projections as its starting point, paragraph 8.27.

40. The PPG further notes that amendments to the demographic starting point may be required. This is because;

*“...The household projections are trend based, ie they provide the household levels and structures that would result if the assumptions based on previous demographic trends in the population and rates of household formation were to be realised in practice. They do not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour.*

*The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends...”* (PPG ID 2a-015)

41. In this regard the 2016 SHMA considers long-term migration rates and changes to household formation rates. In terms of migration it is noted that the long-term migration rates produced lower growth across Greater Manchester as a whole and as such the 2014 SNPP are preferred (SHMA paragraph 8.25). This is supported and is consistent with the NPPF requirements to boost housing supply and the advice contained within the Local Plan Expert Group (LPEG) recommendations to Government<sup>4</sup>.

42. With regards household formation rates the 2016 SHMA seeks to increase the rates, based upon the 2014 SNHP, to a mid-point between the 2014 and 2008 SNHP rates for 25 to 44 year olds. This is consistent with the LPEG recommendations and is considered a necessary adjustment. The HBF notes that this group were particularly hard-hit by the recession and as such the household representation rates are likely to have been significantly depressed. Indeed by 2014 the proportion of 25 to 34 year olds who were home-owners had dropped to 35%, from 59% a decade earlier. The HBF considers it would be prudent to consider an uplift in headship rates amongst this group, to reverse this negative trend. It is also notable that the Government is actively trying to boost home ownership, particularly amongst younger age groups through initiatives such as ‘*Help to Buy*’ and ‘*Starter Homes*’. Help to Buy is already having an impact with 81% of purchasers using the product being first time buyers. The PPG notes that the household projections do

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<sup>4</sup> Local Plan Expert Group (2016): Report to the Communities Secretary and to the Minister of Housing and Planning

not take account of such policy interventions by Government (PPG ID 2a-015). The HBF is therefore supportive of the changes to household formation rates included within the 2016 SHMA.

43. In summary the HBF is supportive of the changes made to the demographic starting point as outlined by the 2016 SHMA.

Economic Issues

44. The preferred housing requirement is based upon the AGS-2015. Whilst the HBF is supportive of aligning housing need with economic projections we do have a number of concerns with the assumptions used in relation to economic activity rates, unemployment and overall economic growth.

45. The level of population growth within the AGS-2015 is below that identified in the NP IER transformational scenario as a whole (0.5% compared to 0.6%). This difference would obviously impact upon housing need. The reasoning and rationale for this difference is not fully explained. It is likely that this is largely due to the assumptions made concerning resident employment rates. The following table highlights the differences in the AGS-2015 assumption compared to the GMFM baseline assumptions and the equivalent UK forecasts.

**Assumed resident employment rates (16-64 year olds)**

	AGS-2015	GMFM Baseline	2015 UK
2015	70.1%	70.1%	73.5%
2035	74.3%	72.8%	75.4%
<b>Difference</b>	<b>4.2%</b>	<b>2.7%</b>	<b>1.9%</b>

Source: GM Accelerated Growth Scenario

46. Whilst it is recognised the overall resident employment rate within the AGS-2015 remains lower than its UK counter-part it suggests a significantly higher growth rate, over twice the national rate. This is considered unrealistic given that Greater Manchester currently ranks 6<sup>th</sup> out of the 10 Core Cities. The HBF does concur that with improved employment opportunities it would be legitimate to assume an increase in the resident employment rate and if Greater Manchester is to out-perform the UK average this could be above national averages. It must, however, be recognised that it may take time, through relevant training programmes to match the skills of the existing resident population with the newly created jobs. Prior to this

occurring many of the jobs will need to be filled by appropriately skilled migrants. The GMFM baseline already provides this and is 0.8% above the national average. This is still considered ambitious but maybe a more realistic assumption which is more reflective of the need to upskill the economically inactive workforce. The HBF recommend further evidence is provided to justify the resident economic activity rates.

47. The AGS-2015 also anticipates a significant increase in the 65 and over age group taking up or retaining employment. Whilst it is recognised it is from a low starting point, compared to the national average, the realism of the scale and rate of growth in this age group is questioned. The *Greater Manchester Accelerated Growth Scenario* background paper identifies that 10% of all the jobs created will be taken by those 65 and over. The background evidence provides very limited information upon why such an assumption is considered realistic. The HBF queries this realism given many of the identified areas of growth, such as digital creative industries, are traditionally heavily reliant upon younger employees. Again further evidence should be provided to justify the claims in the GMSF and its supporting evidence base.

48. We also query the economic ambition of the plan. Within our comments upon the 'Vision and Strategy' above (paragraphs 12 to 20) we outline our concerns and alternative evidence which suggests a 1% per annum employment growth rate to be more appropriate. This higher growth rate would ensure Greater Manchester rightfully fulfils its role as a leader of the Northern Powerhouse and is an effective counter-balance to London and the South East. Whilst it is recognised this would be a 'policy on' scenario we consider it reflect an appropriate adjustment to the housing need in order to achieve the stated vision of the GMSF.

49. In summary the HBF has significant concerns with the economic assumptions identified within the AGS – 2015 scenario. The effect of these assumptions are to artificially depress housing need. It is therefore recommended they are reconsidered and further evidence is provided to ensure any assumptions are soundly based. In addition if the GMSF is to meet its own vision and be the engine of the Northern Powerhouse we consider a more ambitious growth strategy as outlined within our comments is required.

## Market Signals

50. The 2016 SHMA correctly considers each of the various market signals identified within the PPG. This is a fundamental element of determining the objectively assessed need for housing (PPG ID 2a-019) and a worsening trend in any of these indicators will require upward adjustment to planned housing numbers (PPG ID 2a-020). Despite the clear signs of market stress and worsening trends amongst many of the signals considered the SHMA concludes at paragraph 5.118 that;

*“...there is insufficient evidence to justify an uplift in the housing requirements of any districts in Greater Manchester compared to their projected/forecast need...” and “...It is questionable whether any of the indicators have been ‘worsening’ over the last few years when compared to how a well-functioning housing market would be expected to perform...”*

51. The justification for this conclusion is concerning. The evidence is clear that house prices and rents have risen faster across Greater Manchester than the North West average or any of the northern comparators (figure 5.3 & figure 5.25, 2016 SHMA). Both the median and lower quartile income to house price affordability ratio has also worsened (figure 5.26, 2016 SHMA). The Greater Manchester figures also mask some very real local problems with affordability, such as Trafford where it is significantly worse than the national average. In terms of overcrowding, whilst better than some comparators, Greater Manchester still fares worse than many regional comparators and the national average.

52. The 2016 SHMA also clearly identifies that Greater Manchester has in growth terms delivered less dwellings than the national average and was well below the targets identified within the now revoked Regional Spatial Strategy. This alone is a cause for concern as it is recognised that nationally the levels of housing delivery have not been sufficient and have led to the current housing crisis. A failure to match national levels is therefore considered a problem which should be addressed.

53. Given the above market signals and the analysis undertaken the HBF struggle to understand how the SHMA can conclude that no adjustment is required and none of the indicators have been worsening. The HBF concludes from the market signals information available an uplift to the housing need figure is required.

54. It is also notable that the 2016 SHMA identifies a net shortfall of 4,794 units per annum. This represents over 40% of the proposed overall housing requirement. It is unclear why the affordable needs for individual districts varies quite significantly

from those identified in local authority level SHMAs. This is a concern which questions the reliability of the evidence used. However presuming the 2016 SHMA is correct the PPG advises in areas of high affordable housing need;

*'An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes'. (ID 2a-029)*

55. The HBF therefore considers that an uplift to the housing need calculation can be justified by the identified need for affordable housing.

56. The level of potential uplift is addressed within Appendix 3 of the 2016 SHMA. The appendix utilises the LPEG recommendations to Government on how to determine an objectively assessed housing need. Whilst no firm decision has yet been made by Government upon whether this methodology should be accepted it does provide a useful basis to consider the scale of uplift required due to market signals and affordable housing pressures. It should, however, be recognised that the PPG, as it currently stands, does require uplifts to deal with market signals and affordable housing pressures. Furthermore the 2016 SHMA shows a lack of consistency in the application of the LPEG recommendations, providing the uplift for headship rates but ignoring the market signals and affordable housing uplifts. Therefore whilst the scale of uplift may, at this stage, be open to debate we consider the need for an uplift is clear.

57. Appendix 3 of the SHMA indicates that once the relevant uplifts are included for market signals and affordable housing the housing need is identified as an annual average of 14,622 dwellings. The HBF consider the uplifts identified in appendix 3 to be a fair reflection of the uplift required and represent a robust and sound approach towards identifying objectively assessed housing need. This approach would be consistent not only with the LPEG recommendations but also the PPG.

### Conclusions

58. The HBF does not consider the identified objectively assessed need and housing requirement to be robust nor sufficiently aspirational. Given the evidence provided in the SHMA and other supporting documents we consider the objectively assessed housing need to be somewhere in excess of the 14,622 dwellings per

annum, as identified in appendix 3 of the SHMA. We suggest a figure in excess of this due to the overly optimistic assumptions upon resident economic activity rates.

59. In terms of a housing requirement we do not consider the AGS-2015 scenario to be sufficiently aspirational and consider it would fail to meet the aspiration set out within the vision. We refer to the work undertaken by NLP on behalf of the *Housing the Powerhouse Campaign* which identifies an annual average of 16,643 dwellings is required to ensure that Greater Manchester rightfully fulfils its role as the key city driving growth within the North of England and providing a counterbalance to the strength of London and the South East.

### **Phased Housing Requirement**

60. The policy identifies a housing requirement which is phased in the following manner;

- 6,100 in 2015/16
- 7,400 in 2016/17
- 8,700 in 2017/18
- 10,000 in 2018/19
- 11,000 in 2019/20
- 11,900 in 2020/21
- 12,200 in 2021/22
- 12,300 each year over the period 2022-2035

61. The only rationale given for this phasing is due to the required masterplanning work, uncertainty surrounding Brexit and the fact that the construction continues to recover from the recession.

62. It should be noted that the industry continues to increase output year on year and whilst the effects of Brexit will need to be monitored current evidence suggests it has had little impact upon delivery to date. Indeed the last three years has seen an unprecedented increase in housing delivery increasing by 52% in the last three years. In 2015/16 gross supply exceeded 200,000 homes. Down playing delivery early in the plan period therefore appears unjustified given the facts upon delivery. It will also stall delivery and hamper the economic growth potential of Greater Manchester, at least in the short-term.

63. The HBF acknowledges that the proposed Green Belt sites will take time to commence delivery, due to the need for them to be formally released and applications submitted, there is no justification for the phasing proposed or why other sites will not enable higher rates of delivery earlier in the plan period. It is also notable that the early years actually represent lower levels of delivery than currently provided by adopted or out of date plans across Greater Manchester. Given the GMSF is building upon these plans and seeking to accelerate growth this is unjustified and counter-intuitive
64. It is also unclear how the phasing approach relates to the housing requirements for individual local authorities. The GMSF only provides a vague statement that it will be taken into account. This is unsatisfactory and leaves a significant amount of ambiguity. It is also notable that the Salford Draft Local Plan, which is concurrently out for consultation, identifies an equal distribution to meeting its portion of the housing growth requirements over the period 2015 to 2035 (Policy H2, Salford Draft Local Plan).
65. The HBF, therefore, recommends that the phasing of the housing target be deleted in favour of an equal distribution over the plan period. If the GMSF is to persist with a phased requirement this will need to be justified by appropriate evidence.

### **Housing Mix**

66. The plan places a heavy reliance upon the delivery of apartments, particularly in Manchester and Salford. Overall the delivery from apartments is anticipated to be around 40-45% of the overall housing requirement. Whilst apartments will undoubtedly form part of the housing needs over the plan period this does appear to run counter to the need to provide for working families and retain them within Greater Manchester, or the aspiration of younger persons to start a family. This statement is also contrary to evidence from many sources including the *Manchester Independent Economic Review* which shows that there is a dire need to address the current limitations of Greater Manchester's housing stock by providing more family homes. This is essential if the region is to retain and attract more of the labour force that will drive the economy.
67. The high reliance upon apartments should also be considered in the application of the nationally described space standard and optional accessibility standards, discussed in Policy GM19. Furthermore it is notable that some areas of Greater



Manchester have failed to deliver significant numbers of apartments in the past, calling into question the deliverability of 40-45% across Greater Manchester overall. Given this uncertainty it is recommended that an appropriate buffer of sites, over and above the housing requirement is provided. This is discussed in greater detail within our comments upon Policy GM25 below (paragraphs 90 and 91).

## **Proposed Amended Green Belt**

68. The HBF supports the decision to amend the Green Belt as part of the GMSF process. We do, however, have concerns in relation to the quantum of release. This concern is based upon our comments in relation to the housing need / requirement above. Indeed it is noted that without such releases the amount of new development that could be planned would be low, this would lead to significant reliance upon neighbouring authorities agreeing to take any unmet needs. As discussed within our comments upon the Duty to Co-operate, above, the likelihood of neighbouring authorities being able to accommodate such need is extremely unlikely.
69. The NPPF, paragraph 83, requires exceptional circumstances to be demonstrated when altering Green Belt boundaries through a local plan. The October 2016 background paper '*Approach to Accommodating the Land Supply Shortfall*' identifies why exceptional circumstances may exist at paragraph 9.2. It is, however, essential that further work is undertaken in terms of the supply through a Greater Manchester wide SHLAA to ensure that the exceptional circumstances test is adequately demonstrated.
70. The areas of Green Belt proposed for release are identified in figures 16.1 and 16.2 of the plan, the only exception to this is the 'North Bolton Area of Search'. The reasoning behind this latter approach is unclear but appears an anomaly with regards to the plan. It is recommended this be addressed prior to the next stage of consultation. A lack of clarity at publication will slow down potential delivery from this area and may place overall delivery in jeopardy.
71. The draft GMSF is also unclear whether the Green Belt alterations proposed will need to be ratified by lower order local plans and whether they will be further supplemented with localised alterations. This should be clarified and evidence upon need for further releases and potential supply provided through a comprehensive SHLAA identifying all sources of provision across Greater Manchester.

72. The plan does not currently include any Safeguarded land designations. The NPPF, paragraph 85 identifies that where necessary plans should identify safeguarded land. It is noted that the *Approach to Accommodating Supply Shortfall Paper*, paragraph 7.1, suggests the plan seeks to;

*“Defer the issue of allocating safeguarded land to the subsequent masterplanning phase which will be undertaken prior to publication. Many of the sites put forward are strategic in nature and will be delivered over a considerable time period. Detailed assessment is required to ascertain what impact this could have on the level of safeguarded land that is needed.”*

73. The provision of safeguarded land is strongly supported to provide certainty to both residents and developers over the long-term development of Greater Manchester. In terms of the quantum the NPPF, paragraph 85, identifies that where necessary local plans should provide safeguarded land to meet longer term development needs stretching “...well beyond the plan period...” and that local authorities should satisfy themselves that Green Belt boundaries “...will not need to be altered at the end of the development plan period...”. Given that the NPPF, paragraph 157, advocates a 15 year time horizon for Local Plans it would appear appropriate to ensure that the Greater Manchester Green Belt boundaries are capable of enduring until at least 2050.

### **Policy GM19: Design**

74. The policy requires all new dwellings to comply with the nationally described space standards (NDSS) and optional Building Regulation Part M4(2), each is discussed separately below. The HBF does not consider that either of these requirements have been justified and considers that their blanket introduction may actually hinder housing delivery and the mix of properties being delivered. Given the evidence requirements to introduce the optional standards, not least viability, it is considered this should be a matter for individual local authorities to consider within their lower order local plans.

#### Space Standard (NDSS)

75. The policy seeks to introduce the NDSS, unless other local standards exist. This is contrary to the March 2015 Written Ministerial Statement which sought to stem the proliferation of local standards and ensure, where justified, the national standards were used. The statement specifically requires that;

*“From 1 October 2015: Existing Local Plan, neighbourhood plan, and supplementary planning document policies relating to water efficiency, access and internal space should be interpreted by reference to the nearest equivalent new national technical standard.”*

76. It is therefore clear that local space standards should no longer be applied.
77. The NDSS can only be applied where there is a local plan policy. The evidence required to introduce the optional space standards through the local plan is set out within the PPG (ID 56-020). Given the geographical scale and differing market conditions covered by the GMSF a one-size fits all approach should be avoided. The evidence should consider the impact of implementing the NDSS across different areas of Greater Manchester and differing tenures. For example whilst the adoption of the internal space standard may prove acceptable for the higher market areas, it may seriously harm regeneration initiatives and high density development. Given the high reliance upon apartments (40-45%) this sector will require detailed consideration. Failure to do so could place the plan at serious risk.
78. The HBF is unaware of any evidence which points towards a need or the viability of implementing the NDSS across Greater Manchester. Whilst the SHMA considers property type and number of bedrooms there is no consideration of the size of new dwellings or the impact that the implementation of the NDSS may have upon affordability. Given the complete lack of evidence it is unclear how such a policy requirement has been included within the consultation document.
79. Furthermore the blanket introduction of the space standards may actually reduce choice. This is because many developers have entry level two, three and four bed properties, some of which may not currently meet the space standard. These types of properties provide a valuable product for those with a need for a certain number of bedrooms but who are unable to afford larger properties. The consequent increase in costs and reduction in variety could have a detrimental effect upon affordability and delivery, particularly in more marginal areas. Given the acute affordable housing needs across Greater Manchester this should be a key consideration.
80. It also appears to be assumed that the NDSS will have no impact upon development density or conflict with other policies, such as housing mix. Whilst the

impact may be minimal on some sites, those in areas of high density or apartment schemes are likely to suffer and may not be deliverable.

81. It should be noted that the HBF undertakes an annual customer satisfaction survey of new home buyers. The most recent survey identified that 86% of buyers were satisfied with the quality of their new home and 92% were satisfied with the internal layout. The full report can be accessed at [www.hbf.co.uk](http://www.hbf.co.uk). It is therefore clear that the vast majority of new home buyers are very happy with the homes currently being built and they meet their needs.

82. If the introduction of the space standards can be justified the HBF would recommend flexibility in its application. This is required to enable local and site specific needs and constraints to be taken into account as development is brought forward.

#### Accessible and Adaptable Homes

83. The following comments equally apply to Policy GM23 which also seeks to introduce the optional accessibility standard.

84. The HBF is supportive of providing homes for older and disabled persons. We also do not dispute the evidence provided within the SHMA in relation to the likely future needs of older and disabled people. It is, however, considered that the policy lacks finesse by requiring blanket requirements with no regard to the type or location of the housing being provided. This is a key element of the evidence base identified within the PPG (ID 56-07). The policy as currently identified would apply equally to retirement homes near urban centres, apartments within the urban area, family housing and executive housing in suburban or semi-rural locations. This blanket requirement does not take account of the needs or requirements of these various groups or the desirability to be situated closer to services and facilities. There is also no flexibility within the policy to take account of local site characteristics.

85. It is also unclear why all new build dwellings should meet optional standard M4(2). The SHMA, figure 6.4, clearly acknowledges that most Greater Manchester authorities have relatively high proportions of younger people. Indeed SHMA figure 6.6 indicates that across Greater Manchester the amount of over 65s is lower than the national or regional averages. Figure 6.16 and 6.17 further indicate that the growth in the over 55 population and households will be small and as such it is considered unjustified to require every new property to comply with the optional

standard. Not all buyers will require this standard and making it a mandatory requirement for every dwelling effectively means purchasers will pay more for something they may not need or desire.

86. Furthermore key pieces of the evidence base required by the PPG (ID 56-07) are missing. There is no assessment of the impact the requirement may have upon viability. Likewise there is no information relating to the accessibility and adaptability of existing housing stock. Without these key parts of the evidence base it is impossible to draw conclusions upon whether the policy, and in particular the requirement for all new properties to meet the standard, are proportionate and justified.

87. The HBF therefore recommends that the requirement either be deleted or further evidence is provided by the GMCA and the policy amended accordingly.

#### **Policy GM24: Infrastructure**

88. Refer to our comments upon Policy GM1, above.

#### **Policy GM25: Allocations**

89. The HBF does not wish to comment upon the acceptability, or otherwise, of individual sites. It is important that the sites are deliverable and there is in-built flexibility to provide for any under delivery from allocations or other sources of supply.

90. The HBF consider it prudent that the plan contain a buffer of sites to counter any under or none delivery from allocations or windfalls. This is considered particularly important given the high reliance upon the apartment market. The reasons for the inclusion of such a buffer are two-fold. Firstly the NPPF is clear that plans should be positively prepared, aspirational and significantly boost housing supply. In this regard the housing requirements set within the plan should be viewed as a minimum requirement, this interpretation is consistent with numerous inspectors' decisions following local plan examination. Therefore if the plan is to achieve its housing requirement as a minimum, it stands to reason that additional sites are required to enable the plan requirements to be surpassed. Secondly, it is inevitable, due to a variety of reasons, some sites will either under-perform or fail to deliver during the plan period. A buffer of sites will therefore provide greater opportunities for the plan to deliver its housing requirement.

91. Paragraph 10.14 of the 2016 SHMA suggests that an 8% buffer over and above the requirement is provided. Whilst the provision of a buffer is supported. The actual level of the buffer is considered too low. We also question whether the 8% buffer has been robustly calculated due to the incompatibility of the various SHLAA documents across Greater Manchester. For example the Salford *Housing and economic land availability assessment; 1 April 2016 to 31 March 2035* (published November 2016) identifies a total net supply of 35,727 dwellings over the period April 2016 to March 2035 (table 6). Once completions for the period April 2015 to March 2016 have been added this increases to 36,825 over the GMSF plan period. This is somewhat short of the 38,726 identified in the 2016 GM SHMA (figure 10.5).
92. The Local Plan Expert Group<sup>5</sup> recommendations to Government suggest a 20% buffer of reserve sites be provided to ensure that the plan can maintain a five year supply and respond flexibly and rapidly to change. Given the issues of delivery and the uncertainties discussed earlier the HBF agrees with this stance.
93. The 2016 SHMA also considers existing supply this is identified in figure 10.3. This information is derived from the individual local authority SHLAA documents. The HBF is concerned over the compatibility of these documents and the inaccuracies they contain. Each SHLAA has been developed with a different methodology meaning that they cannot be simply totalled together. The HBF is concerned that not all of the sites within the individual SHLAA documents are truly deliverable.
94. There is also a significant possibility that double counting has occurred, particularly in relation to the small sites windfall allowance. Given these concerns and the need to identify a clear supply of sites it is strongly recommended that a comprehensive SHLAA be completed for the whole of the conurbation, or at least the methodologies of individual SHLAA documents be aligned. Without this key element of the evidence base it is impossible to accurately identify the additional land requirements that the GMSF is required to deliver.
95. Criteria 1 of the policy restricts development occurring upon any allocation until an SPD / Masterplan has been formally adopted by the relevant Council. Whilst the benefit of masterplans is understood this is considered unduly onerous and may stall development from being brought forward which is otherwise compliant with

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<sup>5</sup> Local Plan Expert Group (2016): Report to the Communities Secretary and to the Minister of Housing and Planning

GMSF and local plan policies. It is therefore recommended that a more flexible approach be taken and masterplans be developed as soon as practically possible.

96. Criteria A seeks to maximise affordable housing contributions, given that the affordable housing requirement is to be set in lower order local plans, this is considered an unnecessary element which simply duplicates local policy. The HBF does not dispute the need for affordable housing, indeed the 2016 SHMA identifies a net shortfall of 4,794 units per annum. This represents over 40% of the proposed overall housing requirement. As previously noted the actual quantum of affordable housing in the 2016 SHMA is at variance with the levels identified in local authority SHMAs. This is a concern which questions the reliability of the evidence used.

97. The policy seeks to maximise affordable housing contributions. This wording is not considered justified or consistent with national policy as it appears to suggest that locally set affordable housing targets should be surpassed. Such an approach would not provide any certainty for the development industry and may stall developments through protracted negotiations. The NPPF, paragraph 174, requires local authorities to;

*‘.....set out their policy on local standards in the Local Plan, including requirements for affordable housing.’*

98. It is also clear that to enable developers to assess site viability at an early stage affordable housing contributions should be set as maximum and not minimum requirements. This was confirmed by the recent decision of the Inspector dealing with the Blackpool Core Strategy in his report, dated 23<sup>rd</sup> November 2015.

*‘However, it is not appropriate for the policy to refer to 30% as a “minimum” requirement (and at the hearings the Council indicated that this had not been the intention of the policy) and thus **MM17** which removes this word is necessary for the policy to be justified....’* (Blackpool Core Strategy Inspectors Report, paragraph 56).

99. It is therefore clear that the affordable housing targets of individual local authorities must be identified as a maximum requirement. In setting an affordable housing policy the individual authorities must have regard to the cumulative viability impacts of all policies and obligations (NPPF paragraphs 173 to 177).

## **Information**

100. The HBF is keen to remain involved in the GMSF process and as such wish be kept informed of the next stage of consultation upon this document. I am happy to discuss further any of the comments made within this representation.

101. The HBF would also be pleased to facilitate further engagement with the house building industry in the development of the GMSF.

Yours sincerely,

*MJ Good*

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