

Leeds Core Strategy Selective Review
Publication Draft Consultation
Policy and Plans Group
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Dear Sir / Madam,

LEEDS CORE STRATEGY SELECTIVE REVIEW: PUBLICATION DRAFT PLAN

Thank you for consulting with the Home Builders Federation on the Leeds Core Strategy Selective Review.

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.

Plan Period

The plan period appears to be set to 2033. Given that we are already in 2018 it appears unlikely that this will allow the Council to achieve a 15-year time horizon post adoption. The Council will be aware that the NPPF, paragraph 157¹, identifies a preference for a time horizon of at least 15 years. The HBF suggests that the Council consider further extending the plan period to accord with the NPPF and the evidence base.

Policy SP6: Housing Requirement

Policy SP6 is not considered sound as it is not positively prepared, justified or effective for the following reasons.

¹ And retained within Paragraph 22 of the 2018 draft NPPF

This policy sets a housing requirement of 51,952 (net) dwellings over the period 2017 to 2033, with a target for 3,247 dwellings to be provided each year. This is significantly below the current Core Strategy which sets the City Council's housing target at 70,000 (net) homes between 2012 – 2028, which equates to an average of 4,375 dwellings each year. Although the current SP6 did have a lower figure at the start of the plan period of at least 3,660 dwellings per year from 2012/13 to 2016/17, the plan stated that *'this lower figure relates specifically to delivery and does not alter the assessment made in relation to the overall level of need over the Plan period'*.

Completions within the plan period are below those set in the current Core Strategy, with 13,824 dwellings completed in the six-year period of 2012/13 to 2016/17. This is below the 18,300 dwellings that should have been completed based on the 3,660 dwellings proposed in policy SP6, and significantly below the 21,875 dwellings based on the overall housing requirement. It is also below the 3,247 dwellings per annum set in the proposed Core Strategy Selective Review.

To date the Core Strategy has failed to deliver against its requirements. Therefore, the HBF have concerns in relation to housing delivery, and would seek assurances that the Council will actually work to ensure the delivery of the housing requirement, through an appropriate strategy for development and developable supply of housing allocations.

The Council commissioned consultants Arc4 and Edge Analytics to undertake a complete Strategic Housing Market Assessment (SHMA) for Leeds in January 2017. The SHMA identified a demographic baseline of 2,534 adjusted to 2,765 to take account of higher rates of household formation amongst the 25-44 age group. The SHMA identifies an Objectively Assessed Need (OAN) dwelling range of between 44,240 to 60,528 dwellings over the plan period 2017-2033. The SNPP 2014 baseline scenario supported by the REM 2017 jobs growth and a market signals adjustment equates to 3,478 dwellings each year or 55,648 dwellings over the plan period, whilst the High Growth economic scenario equates to 3,783 dwellings each year or 60,528 over the plan period.

The HBF have concerns that the proposed housing requirement does not represent the OAN identified within the Council's own evidence particularly with reference to the economic growth scenarios considered. Therefore, the HBF recommends that the Council utilise this evidence, particularly those that consider the economic growth scenarios, as the basis for calculating the housing requirement.

'Planning for the right homes in the right places' sets out a proposed standard methodology for calculating the housing need for each Borough. The consultation paper states that the starting point for calculating housing need in an area should continue to be a demographic baseline, which is then modified to account for market signals (the affordability of homes). MHCLG has used this methodology to calculate a baseline housing need figure for Leeds of 2,649dpa, or 42,384 over plan period. However, the 2018 consultation on the Planning Practice Guidance (PPG) in relation to the standard method makes it clear that the need figure generated is to be considered as the minimum starting point and that the method relies on past growth trends, which in the case of Leeds may have been affected by the lack of site

allocations and poor housing delivery. It goes on to highlight circumstances where an uplift will be appropriate such as where growth strategies are in place (for example the Northern Powerhouse) or where funding is in place to facilitate growth such as Housing Deals or the Housing Infrastructure Fund. It is therefore clear that in the case of Leeds an uplift would very much be considered appropriate.

HBF propose that the policy is modified as follows:

- That the housing requirement set out in this policy is increased to reflect the evidence provided in the 2017 SHMA and to support the jobs growth proposed in the city.

Policy H5: Affordable Housing Policy

Policy H5 is not considered sound as it is not positively prepared, justified or effective for the following reasons.

This policy looks for development of 10 or more new dwellings to provide affordable housing with different proportions required within different zones identified in the area. It increases the target for zone 3 and 4 from 5% to 7% and reduces the threshold to 10 dwellings.

The HBF does not dispute the need for affordable housing within Leeds and indeed supports the need to address the affordable housing requirements of the borough. The NPPF is, however, clear that the derivation of affordable housing policies must not only take account of need but also viability. Paragraph 173² of the NPPF established the importance of viability testing to ensure that the sites and scale of development identified in the Plan should not be subject to such scale of obligations and policy burden that their ability to be developed might be threatened.

The Economic Viability Study Update 2018 concludes that the review of the Core Strategy including the affordable housing policy is viable. However, tables showing the impact of the policy options for affordable housing identify significant issues with sites in Zone 2 for both brownfield and greenfield sites, and for small sites and large sites within Zone 4. Paragraph 13.3 and 13.5 go on to highlight that Option 2 which increases the affordable housing target could lead to viability issues if introduced with other changes set out in the Core Strategy Review. It is also noted that the actual policy taken forward is not one of the options assessed. The Council should be mindful that it is unrealistic to negotiate every site on a one by one basis because the base-line aspiration of a policy or combination of policies is set too high as this will jeopardise future housing delivery. Therefore, site by site negotiations on these sites should occur occasionally rather than routinely.

HBF propose that the policy is modified as follows:

- Further consideration is given to the viability of the policy, and that the affordable housing requirement is amended.

² And retained within paragraph 34 of the 2018 draft NPPF

Policy H9: Minimum Space Standards

Policy H9 is not considered sound as it is not justified, effective or consistent with national policy for the following reasons.

This policy sets minimum space standards, gross internal floor areas are set based on the number of bedrooms and bed spaces.

Housing Standards

In 2013, the Housing Standards Review (the Review) was launched which sought to simplify and rationalise the raft of housing standards which local authorities applied to development. At the heart of the Review was a desire to reduce developer costs and create attractive conditions to significantly boost housing delivery. The industry was heavily involved in the Review.

The outcome of the Review was the establishment via Building Regulations of mandatory baseline standards which apply nationwide to all developments. The Government also created a series of enhanced Optional Standards relating to access and water, along with a new optional national standard on internal space. All of these are implemented through planning but access and water are optional Building Regulations and Space Standards are planning only.

The Government have confirmed that the enhanced standards were intended to be optional and that they would only be needed and viable in certain local circumstances. Otherwise, they would have been made mandatory in Building Regulations across the country. The standards could only be introduced via a new Local Plan and to do so, clear evidence of need had to be demonstrated and impact upon viability had to be considered.

PPG (ID 56-020) identifies the type of evidence required to introduce such a policy. It states that 'where a need for internal space standards is identified, local planning authorities should provide justification for requiring internal space policies. Local planning authorities should take account of the following areas:

- **Need** – evidence should be provided on the size and type of dwellings currently being built in the area, to ensure the impacts of adopting space standards can be properly assessed, for example, to consider any potential impact on meeting demand for starter homes.
- **Viability** – the impact of adopting the space standard should be considered as part of a plan's viability assessment with account taken of the impact of potentially larger dwellings on land supply. Local planning authorities will also need to consider impacts on affordability where a space standard is to be adopted.
- **Timing** – there may need to be a reasonable transitional period following adoption of a new policy on space standards to enable developers to factor the cost of space standards into future land acquisitions'.

The Council will need robust justifiable evidence to introduce any of the optional housing standards, based on the criteria set out above.

It is noted that the Permitted Dwelling Size Measurement Exercise 2017 considered 683 dwellings (representing 2,417 dwellings) over a four-year period, this is less than 20% of the dwellings built over this period. The sample used identified that 38% of dwellings completed were smaller than the National Described Space Standards (NDSS), it suggests that this provides strong evidence that the policy is necessary. It is not clear how this was concluded. There is no evidence that the properties have not sold, or that those living within these properties consider that they do not meet their needs.

The HBF consider that standards can, in some instances, have a negative impact upon viability, increase affordability issues and reduce customer choice. In terms of choice some developers will provide entry level two, three and four-bedroom properties which may not meet the optional nationally described space standards but are required to ensure that those on lower incomes can afford a property which has their required number of bedrooms. The industry knows its customers and what they want, our members would not sell homes below the enhanced standard size if they did not appeal to the market.

The HBF does not consider that this policy is required, it is considered that local needs can be met without the introduction of the nationally described space standards. However, if the Council decides to continue with this policy the HBF recommends the Council ensure that the appropriate evidence is available to support this policy in line with that set out in the PPG, and that consideration is given to the viability impacts of the requirements of this policy.

HBF propose that the policy is modified as follows:

- The policy should be deleted.
- If, the Council do not delete this policy, the HBF advise that: an appropriate evidence is provided to demonstrate need; information is provided to ensure there will not be any impacts on affordability; and that an appropriate transitional period is provided to allow for the standards to be factored into any future land acquisitions.

Policy H10: Accessible Housing Standards

Policy H10 is not considered sound as it is not justified, effective or consistent with national policy for the following reasons.

PPG (ID 56-07) identifies the type of evidence required to introduce a policy for accessible and adaptable homes, including the likely future need; the size, location, type and quality of dwellings needed; the accessibility and adaptability of the existing stock; how the needs vary across different housing tenures; and the overall viability. It is incumbent on the Council to provide a local assessment evidencing the specific case for Leeds which justifies the inclusion of optional higher standards for accessible and adaptable homes. Evidence of an ageing population or those with a disability as set out in the Accessible Housing Need Assessment 2018 document does not in itself justify the requirements of this policy, without appropriate evidence the HBF would not support the introduction of this policy.

PPG is also clear that policies should also take into account site specific factors such as vulnerability to flooding, site topography and other site-specific circumstances which may make certain sites less suitable for M4(2) or M4(3) development. This is not evident within the policy as presently drafted.

PPG also states that policies for wheelchair accessible homes should be applied only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling (ID: 56-009). Therefore, there will need to be a clear policy for how the Council will work with developers and housing associations to deliver these homes.

As with other policies the Economic Viability Study Update 2018 concludes that the review of the Core Strategy including the adaptable and accessible housing policy is viable. However, tables showing the impact of the policy options for adaptable and accessible housing identify significant issues with sites in Zone 2 for both brownfield and greenfield sites.

The HBF does not consider that this policy is required, it is considered that local needs can be met without the introduction of the optional housing standards. However, if the Council wish to pursue this policy the HBF recommends the Council ensure that an appropriate evidence base is available to support this policy in line with that set out in the PPG, that each of the requirements for consideration as set out in the PPG are contained within the policy and that appropriate viability and feasibility clauses are provided.

HBF propose that the policy is modified as follows:

- The HBF recommend that this policy is deleted in its entirety.
- If the policy is to be retained, the HBF strongly recommend that the Council ensure they have the appropriate evidence to support this policy; that the elements that are not justified are deleted from the policy and that the policy is amended appropriately.

Policy G4: Green Space in Residential Development

This policy sets out the requirements for green space in residential development based on a sqm per dwelling or bedspace. The impact of this policy is considered in the Economic Viability Study Update 2018, again it is evident that there are viability issues in zone 2, and that these are compounded by the greenspace policy. Again, it is noted that the policy taken forward is not one of the options assessed and that although paragraph 11.15 states that the assessment was re-run, it is not evident in the tables provided.

Policy EN1: Climate Change

Policy EN1 is not considered sound as it is not justified or consistent with national policy for the following reasons.

This policy looks for all developments of 10 dwellings or more, to provide a minimum of 10% of the predicted energy needs of the development from low carbon or renewable energy.

The HBF is generally supportive of the use of low carbon and renewable energy, however, it is queried whether this policy is in line with the Governments intentions as set out in Fixing the Foundations and the Housing Standards Review, which specifically identified energy requirements for new housing development to be a matter solely for Building Regulations with no optional standards.

The Deregulation Act 2015 was the legislative tool used to put in place the changes of the Housing Standards Review. This included an amendment to the Planning and Energy Act 2008 to remove the ability of local authorities to require higher than Building Regulations energy efficiency standards for new homes. Transitional arrangements were set out in a Written Ministerial Statement in March 2015.

It is considered that the requirements of this policy could have the potential to add costs to the delivery of housing development, and could have implications for the viability of sites. There are concerns that requirements such as these could lead to the non-delivery of homes.

HBF propose that the policy is modified as follows:

- The HBF recommend that this policy is deleted in its entirety.

Policy EN2: Sustainable Design and Construction

Policy EN2 is not considered sound as it is not justified or consistent with national policy for the following reasons.

This policy requires new dwellings to meet the optional higher national housing standard for water consumption.

All new homes already have to meet the mandatory national standard set out in the Building Regulations (of 125 litres/person/day). PPG (ID: 56-010) states that where there is a clear local need, local planning authorities can set out policies requiring new dwellings to meet the tighter Building Regulations optional requirement of 110 litres/person/day.

In order to introduce the policy the local planning authority must establish a clear need based on: existing sources of evidence; consultations with the local water and sewerage company, the Environment Agency and catchment partnerships; and consideration of the impact on viability and housing supply of such a requirement.

The PPG goes on to suggest the types of evidence which might support a tighter water efficiency standard including the identification of areas of serious water stress, or a river basin management plan which highlights the pressure that the water environment faces. The HBF is unaware of any evidence to support the introduction of the optional standards.

HBF propose that the policy is modified as follows:

- ~~Residential developments of 10 or more dwellings (including conversion) where feasible are required to meet a maximum water consumption standard of 110 litres per person per day.~~

Policy EN8: Electric Vehicle Charging

Policy EN8 is not considered sound as it is not justified for the following reasons.

This policy looks for new development to provide electric vehicle charging infrastructure, for residential development at 1 charging point per dedicated charging point. Whilst the HBF do not oppose the provision of electric charging points, the policy as worded is currently considered to be overly onerous. An element of flexibility would be beneficial and is considered to make the policy compliant with the NPPF, paragraph 35.

HBF propose that the policy is modified as follows:

- *'All applications for new development which include provision of parking spaces ~~will be required to~~ **should seek to** meet the minimum standard of provision of electric vehicle charging points, **where practical**. This requires:
i) Residential: 1 charging point per dedicated parking space and where parking spaces are unallocated (for example visitor parking) 1 charging point per 10 spaces'.*

Monitoring

The Core Strategy Selective Review as currently drafted does not appear to include an updated monitoring framework. The HBF recommends that a monitoring framework is included and that it includes specific monitoring triggers, such triggers could include, but not be restricted to; persistent failure to meet the housing requirement, a lack of a five-year housing supply, and additional household growth information identifying an increased need for new housing.

Future Engagement

I trust that the Council will find these comments useful as it continues to progress its Local Plan. I would be happy to discuss these issues in greater detail or assist in facilitating discussions with the wider house building industry.

The HBF would like to be kept informed of the examination, publication of the Inspector's report and the adoption of the Local Plan and associated documents. Please use the contact details provided below for future correspondence.

Yours sincerely,



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