

Carole Crookes  
Independent Programme Officer Solutions  
9 Chestnut Walk  
Silcoates Park  
Wakefield  
West Yorkshire  
WF2 0TX

SENT BY EMAIL  
[carole.ipos@gmail.com](mailto:carole.ipos@gmail.com)  
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Dear Carole Crookes,

### **STOCKTON-ON-TEES LOCAL PLAN: INSPECTOR'S MATTERS, ISSUES AND QUESTIONS**

Thank you for consulting with the Home Builders Federation on the Stockton-on-Tees Local Plan.

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.

The HBF would like to submit the following comments on selected questions posed within the Inspector's Matters, Issues and Questions. Please note, that as previously mentioned, I will not be able to attend the first week of the examination, therefore please could the responses to matters 1, 2 and 3 be taken as the written response of the HBF.

Yours sincerely,



**Joanne Harding**  
**Local Plans Manager – North**  
Email: [joanne.harding@hbf.co.uk](mailto:joanne.harding@hbf.co.uk)  
Phone: 07972 774 229

## **Matter 1 – Compliance with the Act and Regulations, the Habitat Regulations and Strategic Flood Risk Assessment**

### **Issue 1 – Duty to Cooperate**

***Q1. What strategic, cross-border matters have arisen through the preparation of the Local Plan and what cooperation took place to resolve them? Has the cooperation between neighbouring authorities been constructive and proactive?***

***Q2. What actions were identified as a result of dialogue with neighbouring authorities? What were the outcomes and how did they shape the preparation of the Plan?***

***Q3. How were issues surrounding the provision of housing considered with local planning authorities across the Tees Valley? Have any neighbouring authorities asked Stockton-on-Tees to meet any unmet needs, and/or does the Plan rely on other areas to contribute towards meeting housing needs?***

***Q4. How were issues surrounding economic growth considered with local planning authorities across the Tees Valley, having particular regard to the Strategic Economic Plan ('SEP')? What actions were identified as necessary following publication of the SEP, and what were the outcomes from dialogue with neighbouring authorities?***

***Q5. What actions were identified as necessary following the creation of the South Tees Mayoral Development Corporation? Have any strategic cross-boundary issues been raised, and what were the outcomes?***

***Q6. How were issues surrounding the provision of transport infrastructure considered with local planning authorities across the Tees Valley, having particular regard to the growth aspirations of neighbouring authorities? What actions were identified as a result of dialogue and what were the outcomes?***

***Q7. Has the Duty to Cooperate under sections 22(5)(c) and 33A of the 2004 Act and Regulation 4 of the 2012 Regulations been complied with, having regard to advice contained in the National Planning Policy Framework (the 'Framework') and the National Planning Practice Guidance (the 'PPG')?***

- 1.1 The Plan states that the Council has worked with neighbouring authorities and other partners in the preparation of the Local Plan and will continue to do so.
- 1.2 The Duty to Cooperate Statement September 2017 identifies work that has been undertaken to translate the Objectively Assessed Need (OAN) into a housing requirement. However, the comments that are included make it clear that whilst the Council and other authorities understand the importance of working together there are no clear actions as to what work has been undertaken to ensure that housing delivery occurs and how the authorities are working together to make sure that happens. Compliance with the duty is an iterative process and requires more than meetings. The Council must demonstrate what actions have been taken and the outcome of these actions (PPG ID 9-010 and 9-011).
- 1.3 It is noted that Stockton on Tees is identified as being its own Housing Market Area (HMA) and therefore intends to meet its own housing needs. However, it is considered that it still shares strong cross boundary relationships with other neighbouring authorities. Indeed, the Tees Valley has previously been considered a single HMA.

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Therefore, there should be a clear understanding of what issues this may lead to and how they are being addressed by each authority.

- 1.4 The importance of identified actions resulting from fulfilment of the duty is clearly articulated within the National Planning Practice Guidance (PPG). The PPG states 'it is unlikely that this (the duty) can be satisfied by consultation alone' and that 'inspectors will assess the outcomes of the co-operation and not just whether local planning authorities have approached other' (ID 9-009 and ID 9-010 respectively). The key concern for the HBF is not necessarily the level of work that has been undertaken but more about the effectiveness and efficiency of the work and its translation into the plan.

## **Matter 2 – Objectively Assessed Need and the Housing Requirement (Policy SD2)**

### **Issue 1 – Housing Market Area ('HMA')**

**Q1. What evidence supports the use of a HMA for Stockton-on-Tees, having particular regard to household migration and travel to work patterns? Is the degree of containment sufficient to justify this approach? Does it accord with national guidance in the PPG?**

**Q2. The Stockton-on-Tees Strategic Housing Market Assessment 2016 – Report of Findings ('SHMA') concludes that OAN assessments do not have to be undertaken concurrently with other Tees Valley authorities. However, it also states that: "...there are risks of inconsistency in the evidence bases around areas such as economic activity rates and jobs forecasts which need to be addressed in producing OAN figures. For example, one local authority in an area may seek to provide more dwellings to reduce out-migration to neighbours, which is the situation with the Middlesbrough Local Plan. This has knock on implications for neighbouring councils which may not necessarily be factored into their own OANs."**

**How has this been considered in determining the OAN for Stockton? Where relevant, are assumptions consistent with assessments for other Tees Valley authorities?**

- 2.1 The TTWA (Census 2011) for Stockton extends to the north and east to include Middlesbrough and parts of Redcar and Cleveland. The travel to work patterns show that 64.8% of people who live in Stockton also work in the Borough, whilst 65.3% of those people who work in Stockton also live there.
- 2.2 Household migration information appears to show that 67.7% of all moves for people moving into Stockton moved there from within the Borough, and that 68.6% of those people moving out of Stockton moved to a new residence within the Borough. PPG (ID: 2a-011) identifies that analysis of migration flow patterns can help to identify the areas within which there is self-containment it establishes a figure of typically 70%. This suggests that the Stockton-on-Tees HMA is not self-contained and that there may be other areas that are more appropriate.
- 2.3 Whilst the HBF agree that evidence from other authorities needs to be considered and where possible inconsistencies avoided. The Council will also need to make a judgement as to what they think will realistically happen within their own area and bring their evidence forward on that basis.

### **Issue 2 – Population and Household Projections**

**Q1. Is the demographic starting point in the SHMA derived from 2012 or 2014-based household projections? Does the 2014-based data have any significant implications for the OAN and/or the housing requirement?**

**Q2. Why has the SHMA used 10 year migration trends, rather than 5 year trends? Why are 10 year trends more likely to be representative of what will happen over the plan period than 5 year trends?**

**Q3. Figure 12 of the SHMA shows a distinct, positive net change in migration between 1997-98 and 2002-03. What were the reasons behind this significant increase compared to previous years?**

**Q4. How does the SHMA consider household formation rates, what are they based on and are they robust? Would a return to (previously higher) household formation rates for younger people be reasonable and justified?**

**Q5. The SHMA states that a further variable to consider is the planned switch of Durham University's Stockton Campus to Durham. What implications will this have on student numbers in Stockton-on-Tees, and consequently, what affect will this have on the calculation of housing need?**

2.4 The demographic starting point appears to have been derived from the 2012-based household projections. The HBF were content that based on the timings of the production of the SHMA and that of the 2014-based projections that this was an appropriate response.

2.5 The HBF is, however, concerned that no adjustment has been made in respect of household representative rates (HRRs). The implication of this bias is that the latest projections continue to be affected by suppressed trends in HRRs associated with the impacts of the economic downturn, constrained mortgage finance, past housing undersupply and the preceding period of increasing unaffordability which particularly affected younger households (25 to 44). There is also evidence to show that HRRs for these groups are likely to recover as the economy improves (see Town & Country Planning Tomorrow Series Paper 16, "New estimates of housing demand and need in England, 2001 to 2031" by Alan Holmans).

2.6 The HBF notes that this group were particularly hard-hit by the recession and as such the HRRs 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 HRRs 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 not take account of such policy interventions by Government (PPG ID 2a-015).

2.7 An increase in HRRs for the 25 to 44 age group is supported not only by the NPPF requirements to boost housing supply but also the advice contained within the Local Plan Expert Group (LPEG) recommendations to Government.

2.8 It is noted that ORS consider that demographic adjustments are not necessary as this would deviate from their normal approach, and raise consistency issues. Whilst it is also noted that they 'explicitly count the impact of the growth in concealed families and add these to the OAN figures . . . an important consideration is not only concealed families, but also concealed individuals'.

**Issue 3 – Market Signals**

**Q1. The PPG advises that household projections should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. How does the evidence demonstrate that Stockton-on-Tees is performing with regard to:**

- Land prices;
- House prices;
- Rents;
- Affordability;
- Rate of development; and
- Overcrowding.

**Q2. What are the reasons behind the increase in the number of concealed families from 2001-11? How does Stockton-on-Tees compare with other neighbouring authorities across the Tees Valley in this regard?**

**Q3. What is the justification for making an uplift of 273 dwellings over the plan period to account for concealed families? What effect will this have?**

2.9 It is noted that the SHMA highlights that overall Stockton is less affordable than comparator authorities and that this affordability could be influenced by supply issues. It is also noted that other factors are typically better than the equivalent rates for England but not necessarily so in relation to comparator areas. It is therefore considered that the argument for not including an upward market adjustment is marginal and additional information may have been useful in order to draw a more evidenced conclusion.

2.10 The HBF consider that if an issue with concealed families has been identified, that this should be addressed. However, the HBF do not consider that the uplift to take account of concealed families will address the issue of the reduced household formation rates for young people and that this will still need to be addressed.

**Issue 4 – Future Economic Activity**

**Q1. The PPG advises that plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate. In response, paragraph 5.43 of the SHMA states that the figures for Stockton-on-Tees are based on economic forecasts. How do the figures compare to analysis of past trends? Are they robust?**

**Q2. Have the economic forecasts taken into account initiatives such as the Tees Valley Strategic Economic Plan ('SEP') or the regeneration of South Tees?**

**Q3. The SHMA identifies that the economically active population is likely to increase by 2,600 people over the plan period, but 4,700 additional jobs will be created. In seeking to justify how the additional jobs will be filled, the SHMA identifies that up to 500 roles will be taken by people holding more than one job. What is this based on, and is justified? How does it compare to the situation at present?**

**Q4. What assumptions are made regarding the suggested change in unemployment? What are they based on? Are they robust and justified?**

- 2.11 The Employment Land Review states that the Experian figures forecast an overall growth of 4,700 jobs (net) in Stockton-on-Tees over the 15-year study period, which is equivalent to around 315 net additional jobs per annum. It then states that *'for purposes of comparison, the Borough experienced an average increase of 460 jobs per annum over the 19-year period from 1997 to 2016'*. And goes on to state that *'more recently, ONS Job Density data indicates that the total number of jobs in the Borough increased by 5,000 between 2012 and 2014, whilst the Experian data records an increase of 4,000 jobs between 2012 and 2015. Within this context, it could be argued that growth of 4,700 jobs over the entirety of the Plan period appears somewhat conservative'*. The HBF would be inclined to agree that on the basis of this information the proposed employment forecasts are conservative and that there is scope for a higher figure to have been used.
- 2.12 Based on the information contained within the Employment Land Review it does not appear that initiatives such as the SEP have been taken into account. Paragraph 8.89 and 8.90 state that the scenarios are 'policy off' and take no account of policy objectives or interventions and that it does not reflect the growth aspirations set out within the Tees Valley SEP.
- 2.13 Whilst the HBF agree that double-jobbing is likely to occur, without appropriate and robust evidence it would not be appropriate to apply a figure. Again, whilst changes in unemployment are possible without robust evidence to support how this will be supported it is difficult to justify a figure. Therefore the HBF do not consider that the identified housing requirement will be sufficient to meet the economic growth.

**Issue 5 – Commuting Across Tees Valley**

**Q1. In addition to 'double-jobbing' and falling unemployment the SHMA states that changes in commuting patterns will result in a net addition of 1,400 jobs filled by commuting workers each day. How has this been calculated, and how does it compare to the situation at present?**

**Q2. Are the assumptions regarding commuting rates based on appropriate available evidence? Are they justified?**

**Q3. The SHMA also states that:**

***"...the majority of the changes in net commuting come from Middlesbrough and Redcar and Cleveland. This implies that the changes are from the same HMA...Therefore, in summary the 2,100 discrepancy between the number of additional workers projected for Stockton on Tees can be explained by changing commuting patterns within the HMA..." (paragraphs 5.46 and 5.47)***

**How does this conclusion resonate with the Council's answers above regarding the use of a Stockton-on-Tees HMA? Is the conclusion in the SHMA robust?**

**Q4. In response to the Inspector's Initial Questions the Council confirmed that Stockton-on-Tees and Middlesbrough met in December 2017 to agree a Statement of Common Ground relating to issues surrounding commuting patterns. Has this been prepared, and if so, what does it demonstrate?**

- 2.14 The SHMA identifies that the Stockton-on-Tees Employment Land Supply Study forecast a jobs growth for the area which is 2,100 more than this SHMA projects will be

the growth in the equivalent labour force of Stockton-on-Tees. Despite the guidance within the PPG no adjustment is made to the housing need calculation. The SHMA suggests that the difference in labour force will be made up by additional in-commuters from other districts<sup>1</sup>.

- 2.15 It is considered that commuting ratios are particularly difficult to control and in the case of Stockton on Tees are influenced by commuting to jobs in nearby centres. Given the aspirations of these areas it is not considered realistic that significant changes to the rate of commuting can be achieved. Furthermore, any changes to commuting patterns would require agreement under the duty-to-cooperate as this would have knock-on effects for the housing requirements in neighbouring authorities.
- 2.16 Confusingly and despite suggesting Stockton-on-Tees is its own HMA, earlier in the SHMA, on the issue of commuting the HMA boundary appears to be widened to include other authorities. This is inconsistent and raises issues of soundness. If indeed the HMA boundary does incorporate other authorities a SHMA and OAN for the whole HMA should be undertaken to ensure the study is compliant with the NPPF. It is not sound to simply assume needs will be met outside of the HMA without specific agreements and actions by the neighbouring authorities.
- 2.17 The HBF have concerns that the commuting patterns proposed do not happen in reality and that the housing requirement is not sufficient to provide the homes required to support the economic growth. The HBF would recommend that the housing requirement is increased to ensure that sufficient homes are provided to support the economic forecasts for the Borough.

### **Issue 6 – Housing Requirement**

***Q1. What is the justification for having a stepped approach to the housing requirement? Why does Policy SD2 set out a higher requirement in years 2017/18-2021/22 than it does for the remainder of the plan period?***

***Q2. Is the housing requirement justified and is it based on robust, up-to-date and available evidence? If not, what should the housing requirement be, and how have alternative figures been calculated?***

- 2.18 The Local Plan states that 'to meet the housing requirement of 10,150 new homes over the plan period a minimum of: 720 dwellings (net) will be delivered per annum 2017/18 to 2021/22; 655 dwellings (net) will be delivered per annum 2022/23 to 2031/32'.
- 2.19 In translating the OAN into a housing requirement that Council have applied an uplift to the OAN to address the needs of older people and to address the backlog of housing needs which were not met by housing delivered between 2014/15 and 2016/17. The Council have identified the need for older people to be in the order of 793 dwellings over the plan period. The Council have identified the backlog of dwellings which had not been provided as 332 dwellings. The Housing Requirement Topic Paper identifies

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<sup>1</sup> Paragraph 5.46



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the need to ensure that this is dealt with inside the first five years of the plan. This appears to be the reason for 720 dwellings per annum in the period 2017/18 to 2021/22. The HBF also consider that any under delivery should be addressed within the first five years, in consistency with the PPG (ID 3-035).

2.20 The HBF do not consider that the housing requirement is justified and is based on robust, up-to-date and available evidence. As set out in our response to these questions, there are a number of areas where the housing requirement has not reflected the evidence and is not considered justified, particularly in relation to household formation rates, market signals, economic forecasts, changes in employment and commuting and the need to provide affordable housing.

### **Matter 3 – Affordable Housing Needs (Policy H4)**

#### **Issue 1 – Definition of Affordable Housing**

- Q1. Does the Plan include a definition of affordable housing? If not, in order to be effective should one be included?**
- Q2. Should the Plan reflect potential changes to the definition of affordable housing, or refer to the definition as currently set out in the Framework?**
- Q3. What is the justification for referring to the "...Government's stated intention that 10% of all new dwellings should be affordable home ownership products..."? Does this reflect current national planning policy?**

3.1 The Plan does not appear to include a definition of affordable housing, it is considered that the plan would benefit from further clarity in relation to a definition or inclusion of a link to the definition contained within the NPPF.

#### **Issue 2 – Affordable Housing Need**

- 4) The SHMA states that there is a need to provide additional affordable housing for 3,502 households over the period 2017-32. This is equivalent to 233 households per year and represents 39.9% of the overall housing need. Allowing for vacancies and second homes the total affordable housing need is described as 3,635 additional dwellings, or 240 dwellings per annum.**
- Q1. Based on the requirements for qualifying developments to provide 20% affordable housing, how many affordable homes is the Plan expected to provide?**
- Q2. How does this compare to the identified need?**
- Q3. How does this compare to previous performance? How many affordable homes have been provided as a percentage of total output over the past 5-10 years?**
- Q4. What is the justification for requiring 20% affordable housing on qualifying sites? What is this based on, how was it calculated and what alternatives were considered?**
- Q5. The PPG states that an increase to the total housing figures should be considered where it would help deliver the required number of affordable homes (i.e. to deliver more market housing and therefore more affordable housing). Has an uplift to the housing requirement for this reason been considered? Is it necessary?**

3.2 The Plan is unlikely to provide the required number of affordable homes, based on the requirements for qualifying developments to provide 20% affordable homes. Indeed, the Council states within the Local Plan that their evidence has established that the Local Plan cannot fully meet the affordable housing needs as it is not viable to deliver more than 20% of units on site as affordable. This is also discussed in the Housing Requirement Topic Paper. The Council state within the Local Plan they have considered, but discounted, an uplift to the housing requirement to meet the affordable housing requirement but that this would have negative implications for the environment and infrastructure in the area.

3.3 Where affordable housing need cannot be met the PPG advises that an increase in the total housing included in a plan should be considered where it could help to deliver the required number of affordable homes (ID: 2a-029). Whilst, the Housing Requirement Topic Paper itself in considering the High Court decisions of Warrington and Kings

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Lynn, states that 'the High Court concluded that the consideration of an increase to help deliver the required number of affordable homes, rather than an instruction that the requirement be met in total is consistent with the policy in paragraph 159'.

- 3.4 Whilst the HBF would prefer to see the affordable housing requirement met in its entirety, and explanation and evidence as to why this is not possible appears limited (Housing Requirement Topic Paper 3.14-3.29). It is considered that there is no reason provided as to why a proportion of requirement in the form of an uplift to the housing figure cannot be provided in Stockton-on-Tees to deal with the need for affordable housing. We would expect the proportion to be evidenced, based on the assumption that all of the need should be met, and weighed against the constraints that have been identified by the Council.

## Matter 10 – Housing Land Supply

### **Issue 1 – The Five Year Housing Land Requirement**

**Q1. What is the basic five-year housing land requirement, what is it based on and how has it been calculated?**

**Q2. How does the five-year housing land requirement compare to previous rates of delivery in the Borough?**

**5) Paragraph 47 of the Framework states that to boost significantly the supply of housing, local planning authorities should identify and update annually a deliverable five-year supply of housing, with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and completion in the market for land. Where there has been a record of persistent under delivery this should be increased to 20% to provide a realistic prospect of achieving the planned supply and also to ensure choice and competition in the market for land.**

**Q3. Taking a longer-term view, how has the Council performed against previous annual housing requirements? Does this represent the 'persistent undersupply' defined by the Framework? In this context, should the buffer be 5% or 20%?**

**Q4. If a 20% buffer applies, should this be applied to the basic five-year requirement, or the five-year requirement and any undersupply?**

**Q5. If there has been an undersupply, should this be addressed within the next five years (the 'Sedgefield' method), or over the remainder of the plan period (the 'Liverpool' method)? Is the Council's approach consistent with the PPG which advises that local planning authorities should aim to deal with any undersupply within the first 5 years of the plan period where possible?**

**Q6. Taking the above into account, what is the five-year housing land requirement?**

10.1 The Publication Draft Local Plan identifies the housing requirement as 10,150 new homes over the plan period, with a minimum of 720 dwellings (net) to be delivered each year between 2017/18 and 2021/22 and 655 dwellings (net) to be delivered each year between 2022/23 to 2031/32. However, there are some noted inconsistencies with paragraph 4.6 highlighting that the OAN covers a period from 2014/15 and it suggesting that the plan period starting in 2016/17.

<b>Year</b>	<b>Net Dwelling Completions<sup>2</sup></b>	<b>Proposed Housing Requirement</b>	<b>Over / Under Supply</b>	<b>Cumulative</b>
2009/10	542	600 <sup>3</sup>	36	36
2010/11	459	600	-47	-11
2011/12	471	530 <sup>4</sup>	-59	-70
2012/13	616	530	16	-54
2013/14	358	530	-172	-226

<sup>2</sup> Taken from Figure 4 & Figure 10 of Housing Requirement Topic Paper (Sept 2017)

<sup>3</sup> Core Strategy requirement

<sup>4</sup> Core Strategy requirement

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2014/15	441	647 <sup>5</sup>	-206	-432
2015/16	364	647	-283	-715
2016/17	924	647	277	-438
<b>Total</b>	<b>4175</b>	<b>2954</b>	<b>-438</b>	

10.2 Table 1 above identifies the under delivery against the Core Strategy and OAN, this is in line with the Council's Housing Requirement Topic Paper where the Council has also identified that it has not delivered against the OAN or the proposed housing figure. Therefore, the HBF agrees with the Council that a 20% buffer of sites be included within the 5 year supply.

10.3 Given the plan period, there is no under or over supply identified at present. However, the HBF consider that should the need to consider any under supply arise it should be considered using the Sedgefield method. This is considered to be in compliance with the Governments ambitions to boost housing supply and the PPG (ID 3-035).

Table 2: Calculating the 5 Year Requirement		
A	Proposed Housing Requirement (2017/18 – 2031/32)	10,150
B	Annual Housing Requirement (720 dwellings 2017/18 and 2021/22 655 dwellings 2022/23 to 2031/32)	720
C	Five Year housing rate (= B x 5) (= 720 x 5)	3,600
D	Actual completions (Plan period) (Not started yet)	0
E	Proposed Housing Requirement expected Completions (= B x 3) (= 720 x 3)	0
F	Surplus / Shortfall in housing delivery (= D – E) (= 0 – 0)	0
G	Five Year Requirement (incorporating surplus / shortfall) (= C – F) (= 3,600 – 0)	3,600
H	Buffer (20%) (= G x 20%) (= 3,600 x 20%)	720
I	<b>Five Year Requirement (incorporating surplus / shortfall and buffer) (= G + H) (=3,600+720)</b>	<b>4,320</b>
J	Annual target for next 5 years (= I / 5) (= 4,320 / 5)	864

<sup>5</sup> Identified OAN from para 2.77 of the Housing Requirement Topic Paper

**Issue 2 – Components of Supply**

**6) The PPG states that planning permission or allocation in a development plan is not a prerequisite for a site being deliverable in terms of the five-year supply. Local planning authorities will need to provide clear evidence to support the deliverability of sites, ensuring that judgements on deliverability are clearly and transparently set out.**

**7) The PPG also advises that the size of sites will be an important factor in identifying whether or not a housing site is deliverable within five years. Plan makers should consider lead-in times and build-out rates to ensure a robust five-year housing land supply.**

**8) Taking the above into account:**

**Q1. What evidence is there to indicate that the sites with planning permission will come forward as illustrated in the SHLAA?**

**Q2. Are there any sites in the SHLAA which have a resolution to grant planning permission subject to the completion of a planning obligation? If so, how has this been taken into account in determining deliverability?**

**Q3. How does the SHLAA take into account sites with outline planning permission, compared to sites with full planning permission?**

**Q4. What lead-in times and build-out rates have been applied to sites with planning permission?**

**Q5. Have the same lead-in times and build-out rates been used for sites across Stockton-on-Tees? If so, is this appropriate and justified?**

**Q6. How has the Council calculated the deliverability of sites without planning permission? Have different lead-in times and build-out rates been used?**

**Q7. How has the SHLAA taken into account that some sites may not come forward due to unforeseen circumstances. Has a lapse-rate or allowance for non-deliverability been applied? If so, has it been applied to all sites?**

**Q8. Based on the latest SHLAA, is the estimated delivery of sites realistic, reasonable and justified?**

10.4 The HBF do not wish to comment on the deliverability, lead in times and build out rates of individual sites. However, the Council's assumptions on deliverability, lead-in times and delivery rates should be realistic, based on evidence, supported by the parties responsible for housing delivery and sense checked by the Council based on local knowledge and historical empirical data.

10.5 Where standardised lead-in times and build out rates are applied the HBF would expect the Council to be transparent as to how these rates have been determined and to provide the evidence that this has been based on, for example evidence of historic trends. Without this information it can be difficult to determine if the rates applied are realistic, reasonable and justified.

10.6 The HBF would normally expect a lapse rate to be applied to the sites that currently have planning permission and have not yet commenced, along with any sites that do not have permission. This lapse rate would allow for changing circumstances which may lead to some sites not being brought forward.

**9) Paragraph 48 of the Framework states that local planning authorities may make an allowance for windfall sites in the five-year supply if they have compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply. Any allowance should be realistic having regard to the SHLAA, historic windfall delivery rates and expected future trends, and should not include residential gardens.**

**10) Taking the above into account:**

**Q9. What allowance has been made for windfall sites coming forward over the first five years, and thereafter throughout the plan period?**

**Q10. What is this based on and is it justified on appropriate available evidence?**

**Q11. Having regard to the answers provided to the questions above, and questions regarding the OAN for housing under Matter 2, will there be a five-year supply of deliverable housing sites on adoption of the Plan?**

10.7 The SHLAA Report 2017 appears to suggest that a windfall allowance will be included within the supply from 2020/21, this would see two years of windfall included within the 5-year supply.

10.8 The HBF would expect the level of housing delivery from windfall development to decrease following the adoption of the Local Plan as more sites will have been identified and adopted in the plan. It is considered that the Council will need to monitor the provision that windfall development is making to the delivery of homes in the Borough to ensure that the supply remains and is continuing to provide additional flexibility and the opportunity to boost housing supply.

10.9 The HBF consider that further consideration may need to be given to the availability of a five-year supply, once further detailed consideration has been given to the sites identified, once an appropriate lapse is applied and the windfall allowance is reduced.

### **Issue 3 – Future Supply**

**11) Paragraph 47 of the Framework states that local planning authorities should also identify a supply of specific, developable sites or broad locations for growth for years 6-10, and, where possible, years 11-15.**

**12) In response the SHLAA identifies sites sufficient to provide 4,312 dwellings in years 6-10 and 2,848 dwellings in years 11-15.**

**Q1. How have the figures for years 6-10 and 11-15 been calculated?**

**Q2. What factors were taken into account in arriving at the figures in the SHLAA? Are they justified and based on appropriate available evidence?**

**Q3. Is there likely to be a sufficient supply of housing land throughout the lifetime of the plan?**

10.10 The HBF do not wish to comment on the developability of individual sites or broad locations. However, the Council's assumptions should be realistic, based on evidence, supported by the parties responsible for housing delivery and sense checked by the Council based on local knowledge and historical empirical data.

### **Issue 4 – Flexibility**

**Q1. What flexibility does the plan provide in the event that some of the larger sites (such as Policies H2 and H3 do not come forward in the timescales envisaged?**

**Q2. Is it necessary to have a review mechanism in the Plan to consider progress against these, and other sites, and to identify any appropriate steps to increase supply if required?**

**Q3. Would suggested modification SM/LP/0009 achieve this objective? Is it necessary in the interests of soundness? Would it be effective?**

**Q4. What is the justification for suggested modification SM/LP/0013? Is it necessary in the interests of soundness?**

10.11 The HBF consider that the supply should be more than the housing requirement, to allow for flexibility and respond to changes in circumstances. It is important that the plan should seek not only to provide sufficient development opportunities to meet the housing requirement but also to provide a buffer over and above this requirement. 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, to provide flexibility. A buffer of sites will therefore provide greater opportunities for the plan to deliver its housing requirement. The HBF recommend a 20% buffer of sites be included within the plan.

10.12 The HBF recommends that appropriate targets are introduced and that specific monitoring triggers are used, with actions identified along with appropriate timescales. This will help to ensure that action will be taken when a target is not met, and a policy needs reviewing.



## **Matter 11 – Provision of Affordable Housing (Policy H4)**

### **Issue 1 – Provision of Affordable Housing**

**Q1. What is the justification for the suggested modifications to Policy H4(3)? Are SM/LP/0040 and SM/LP/0045 necessary in the interests of soundness?**

**Q2. What is the justification for requiring a mix of affordable housing for ownership, rent and intermediate housing based on the "...most up-to-date evidence of local need..."? Is it clear to decision-makers, developers and local communities what is required of proposals for new housing?**

**Q3. How does the Plan ensure that the right type of affordable housing will be provided to meet identified needs?**

**Q4. Is it necessary to have a review mechanism in the Plan to consider progress against the delivery of affordable housing and to identify any steps to help increase supply, if appropriate?**

**Q5. Is it clear how decision-makers should react to proposals which are unviable subject to providing 20% affordable housing? Is the policy effective?**

**Q6. What is the justification for the suggested modification SM/LP/0042? Is it necessary in the interests of soundness?**

11.1 Proposed modification SM/LP/0040 is considered to be an improvement to the wording of the policy. However, the HBF would like there to be greater flexibility within the policy.

11.2 The HBF recommends that an appropriate review mechanism is included and that specific monitoring triggers are used, with actions identified along with appropriate timescales. This will help to ensure that action will be taken when a target is not met, and a policy needs reviewing. The HBF consider that monitoring the plan will be important particularly in relation to ensuring the appropriate delivery of homes, and to ensuring that any issues are addressed in a timely nature.

11.3 The HBF does not consider the policy currently provides clarity as to what action should be taken where a development is not viably able to provide the 20% affordable housing requirement or how this viability should be demonstrated by any applicant.

11.4 Proposed modification SM/LP/0042 is considered to be appropriate given the Council's acknowledgement that they will review their SPDs.

**13) Policy H4 states that "Affordable housing will normally be provided on-site as part of, and integrated within housing development to help deliver balanced communities. Unless the nature of affordable provision requires a different approach this should be distributed across sites in small clusters of dwellings."**

**Q7. Is it clear to decision-makers, developers and local communities under what circumstances the "nature of affordable housing" requires a different approach? Is the policy effective?**

**Q8. What is the justification for Policy H4(4)(a-d)? Is this consistent with the Framework which seeks to promote inclusive and mixed communities?**

**Q9. What is the justification for the suggested modifications to Policy H4(4)? Is SM/LP/0041 and SM/LP/0046 necessary in the interests of soundness?**

11.5 The HBF has no comments to make.

**Issue 2 – Viability**

**14) The Stockton-on-Tees Affordable Housing Viability Study states that “In the low value areas, case studies do not demonstrate potential to deliver any affordable housing”.**

**Q1. Based on the findings of the Viability Study, what is the justification for requiring all qualifying developments to provide 20% affordable housing, even in the low value areas? Is this justified?**

**Q2. In response to the Inspector’s Initial Questions the Council produced a list of allocations and commitments which fall within the low value area. Taking into account the evidence in the Viability Study, how many affordable homes are expected to be deliverable on these sites?**

11.6 Paragraph 3 requires 20% of new homes to be affordable on schemes of more than 10 dwellings or with a combined gross floorspace of above 1000 sqm. In general, the HBF supports the need to address the affordable housing requirements of the borough. This requirement is based upon the Affordable Housing Viability Study (2016). The study indicates significant viability constraints across Stockton-on-Tees and it is notable that a 20% affordable housing contribution is only viable in the highest value areas with a specific mix of dwellings. It is therefore extremely questionable whether a 20% requirement is justified. This situation will be significantly exacerbated by other elements of this policy, and other policy requirements across the Local Plan.

## **Matter 12 – Meeting Housing Needs (Policy H4 and SD3)**

### **Issue 1 – Meeting Housing Needs**

***Q1. How does the Local Plan address the need for different types of housing and the needs of different groups in the community? Is the Plan consistent with paragraphs 50 and 150 of the Framework?***

***Q2. What is the justification for specifying different house types on some, but not all of the residential allocations under Policy H4(13)?***

***Q3. Does the Local Plan make sufficient provision for inclusive design and accessible environments in accordance with paragraphs 57, 58, 61 and 69 of the Framework?***

***Q4. Is it clear to decision-makers, developers and local communities how development proposals will meet the “aspirations of communities”? How will this be determined? Is Policy H4(1) effective?***

***Q5. What is the justification for the suggested modifications to Policy H4(1)? Is SM/LP/0039 necessary in the interests of soundness?***

***Q6. Is it clear to decision-makers, developers and local communities how planning applications for student development will demonstrate that they are compatible with wider social and economic regeneration objectives? Are the objectives defined in the Plan? Is the policy effective?***

***Q7. What is the justification for suggested modification SM/LP/0044? Why is it necessary in the interests of soundness?***

12.1 Paragraph 50 of the NPPF looks for local authorities to identify housing of a size, type, tenure and range that reflects the local demand. Whilst the HBF generally supports the use of the most up to date evidence as set in part 1 of Policy H4 it is considered that in order to provide an appropriate mix this should sit alongside market requirements, aspirations and local demand. It is considered that modification SM/LP/0039 is an improvement.

12.2 Paragraph 13 requires allocations to deliver a suitable range and mix of house types, which are appropriate to their location and housing needs. The HBF generally supports the need to deliver a range and mix of housing to meet local needs, but would like to ensure that flexibility is built into this policy to reflect market demand and aspirations, not just housing need.

12.3 Paragraph 13 and 14 require identified allocations to provide a specific mix of house types. Whilst the HBF does not wish to comment upon individual allocations the mix of house types should be agreed with the relevant developer at the time of application rather than placed in policy. This will ensure that the plan can deal with changing circumstances.

### **Issue 2 – Housing Standards**

***Q1. The PPG states that local planning authorities have the option to set additional technical requirements exceeding the minimum standards required by Building Regulations in respect of access and water, and an optional nationally described space standard. It also advises that local planning authorities will need to gather evidence to determine whether there is a need for additional standards in their area,***

***and justify setting appropriate policies in their Local Plans. Has such an assessment been carried out in Stockton-on-Tees?***

***Q2. The PPG also states that local planning authorities should consider the impact of using optional Building Regulation requirements and the nationally described space standard as part of their Local Plan viability assessment. Has this been carried out? Have the standards in Policy H4(8) been tested to ensure that new residential development is still viable and deliverable?***

***Q3. What is the justification for suggested modification SM/LP/0043? Is it necessary in the interests of soundness?***

***Q4. How does Policy H4 take into account site specific factors, such as site topography, which may affect the implementation of part (8)(a)-(c)?***

12.4 Paragraph 8 introduces new housing standards including that 60% of homes to meet building regulation M4(2) 'accessible and adaptable dwellings'. The Written Ministerial Statement dated 25th March 2015 stated that 'the optional new national technical standards should only be required through any new Local Plan policies if they address a clearly evidenced need, and where their impact on viability has been considered, in accordance with the NPPG'. NPPG states that where a local planning authority adopts a policy to provide enhanced accessibility or adaptability they should do so only by reference to requirement M4(2) and / or M4(3) of the optional requirements in the Building Regulations and should not impose any additional information requirements (for instance provision of furnished layouts) or seek to determine compliance with these requirements, which is the role of the Building Control Body. This is to ensure that all parties have the clarity and certainty of knowing which standards they have to deal with and can factor these into their plans. For developers, this ensures that the design and procurement complications that previously arose from a series of different standards in different areas are avoided. It was recognised that it was not appropriate to apply Category 2 or 3 standards to all new homes as not all people who buy or move in to new homes need or wish to have such provision. Category 2 and 3 standards were therefore made "optional" with the position being that the case for requiring such standards in future new homes should be made through the adoption of local plan policies that have properly assessed the level of requirement for these standards in the local area, also taking into account other relevant factors including the impact on project viability.

12.5 The HBF is generally supportive of providing homes for older and disabled persons. However, if the Council wishes to adopt the higher optional standards for accessible & adaptable homes the Council should only do so by applying the criteria set out in the PPG. It is incumbent on the Council to provide a local assessment evidencing the specific case for Stockton-on-Tees which justifies the inclusion of optional higher standards for accessible / adaptable homes in its Local Plan policy. PPG (ID 56-07) identifies the type of evidence required to introduce such a policy, 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.

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- 12.6 The SHMA 2016 provides the Council's evidence for this policy. Unfortunately, this evidence is severely lacking on the majority of these elements. This lack of evidence does question how the percentages identified in the policy were derived.
- 12.7 Whilst the HBF does not dispute the ageing population identified by the SHMA, it is not clear how this ageing population and potential future need reflects in the need for 60% of all new homes to be provided at M4(2) standards. If it had been the Government's intention that generic statements identifying an ageing population justified adoption of the accessible & adaptable homes standards then the logical solution would have been to incorporate the M4(2) as mandatory via the Building Regulations which the Government has not done. The optional higher M4(2) standard should only be introduced on a "need to have" rather than a "nice to have" basis. Although there is evidence of an ageing population having regard to the PPG this does not amount to the justification required for the Council to include the optional standard on 60% of all new dwellings as specified in Policy H4.
- 12.8 No further information is provided in relation to the adaptability and accessibility of the existing stock, or the size, location, type and quality of dwellings needed based on future demand. The HBF may have expected to see information in relation to how the need is consistent across the Borough rather than in particular locations, whether there were any sizes or types of homes that were of particular need for example will it be single people, older couples or will it be family homes with facilities for older or disabled members. It is considered that the policy lacks finesse with no regard to the type or location of the housing being provided.
- 12.9 The SHMA also identifies that 3.3% of households have at least one wheelchair user using data taken from the CLG guide to available disability data. It goes on to note that rates are higher for those living in social housing and for older households. However, this is an England wide report, and again it could be queried why if this justification is sufficient Government had not introduced the standard as mandatory through the Building Regulation requirements. It is not clear if the Stockton housing survey is statistically viable but it is highlighted within the SHMA and it only identified 1% of the households surveyed requiring a wheelchair in the home. Therefore, it is not entirely clear if the CLG document is therefore an appropriate document to extrapolate from for the Stockton area. Figure 17 appears to be the evidence used to identify the proportion of market homes needing to meet M4(3)(2a) and affordable homes meeting M4(3)(2b). However, even allowing for our concerns regarding the use of national statistics, paragraph 5.14 of the SHMA part 2 makes it clear that much of this need identified in Figure 17, are households aged 75 or over and that these people may instead be catered for through specialist housing for older people.
- 12.10 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) and as highlighted in the SHMA. Therefore, there will need to be a clear policy for how the Council will work with developers and housing associations to deliver these homes.

12.11 Paragraph 173 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 Affordable Housing Viability Study (October 2016) highlights the marginality of sites once policy requirements are taken into consideration. The HBF consider that providing for genuine accessibility requirements needs to be balanced against other requirements from building standards, the wider aspirations of consumers for their homes (including affordability) and the other contributions which are sought from new housing towards community benefit. The Council will need to 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.

12.12 The NPPG is clear that *'local Plan policies should also take into account site specific factors such as vulnerability to flooding, site topography, and other circumstances which may make a specific site less suitable for M4(2) and M4(3) compliant dwellings, particularly where step free access cannot be achieved or is not viable. Where step-free access is not viable, neither of the Optional Requirements in Part M should be applied'* (ID: 56-008). This does not seem to have been taken into account within this policy.

12.13 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, including full viability testing, 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.

### **Issue 3 – Custom and Self-Build**

***Q1. Does the Plan provide sufficient support for self-build and custom housebuilding? Has a need been identified, and if so, how does the Plan meet this need?***

***Q2. How will the Council make land available for custom and self-build housing as identified in paragraph 5.45?***

***Q3. In what ways will the Council assist in facilitating the delivery of sites, and encourage applicants to consider incorporating custom and self-build plots on larger schemes as set out in Policy H4(9)? Is the policy effective in this regard?***

***Q4. What is the justification for suggested modification SM/LP/0010? Is it necessary in the interests of soundness?***

12.14 Many of our members will be able to assist the custom build sector either through the physical building of dwellings on behalf of the homeowner or through the provision of plots for sale to custom builders. We are, therefore, not opposed to the idea of increasing the self-build and custom build sector in Stockton. The HBF also agree that local planning authorities should keep their development plans up to date using the

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best possible data to assess their overall needs for housing and, within that context, the need for custom build dwellings.

12.15 The HBF consider that the text contained within 9b is generally appropriate and creates flexibility for developers to determine if the inclusion of custom and self-build plots is appropriate for them.

12.16 The HBF are generally supportive of the recognition for small and medium house builders found in suggested modification SM/LP/0010. This would be in line with the HBF report 'Reversing the decline of small housebuilders' and with the latest Government budget which provided a further £1.5 billion for the Home Building Fund to be targeted specifically at SME housebuilders and a £630 million fund to prepare small sites for development to deliver more new housing supply.

## **Matter 16 – Energy Efficiency and Renewable, Low Carbon and Decentralised Energy (Policies ENV1, ENV2 and ENV3)**

### **Issue 1 – Energy Efficiency (Policy ENV1)**

**Q1. What is meant by the “...the highest feasible environmental standards that are financially viable...” under Policy ENV1(1)? How will this be determined by decision-makers, and is it clear what is expected of proposals for new development? Is the policy effective?**

**Q2. The Written Ministerial Statement of 25 March 2015 states that local planning authorities should not set in their emerging Local Plans any additional local technical standards or requirements relating to the construction, internal layout or performance of new dwellings. Is Policy ENV1 consistent with national planning policy?**

**Q3. Have the requirements for domestic and non-domestic buildings in Policy ENV1 been assessed to consider viability? Notwithstanding Policy ENV1(1), will development proposals remain viable?**

**Q4. What is the justification for Policy ENV1(3), (4) and (5)? What are the thresholds based on?**

**Q5. Does Policy ENV1 apply to custom and self-build schemes where developers provide serviced plots to individuals?**

16.1 The HBF does not generally object to encouragement for the need to minimise the effects of climate change, or the reduction in carbon dioxide emissions or the inclusion of renewable energy sources, however, it is important that this is not interpreted as a mandatory requirement. The HBF agree that the starting point for the reduction of energy consumption should be an energy hierarchy as set out in part 1a of Policy ENV1, of: energy reduction; energy efficiency; renewable energy; and then finally low carbon energy. However, the HBF consider that Policy ENV1 should allow developers to select the most appropriate way to achieve the general aims of this policy. For example, it is possible that the general aims of the policy can be achieved by a fabric first approach using the integration of passive design and energy efficiency measures without resorting to renewable energy generation.

16.2 The HBF consider that any mandatory requirements would be contrary to the Government's 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. The HBF recommend that the Council ensure that this policy is justified and consistent with national policy.

16.3 The potential cost of the requirements of this policy needs to be taken into consideration. The HBF have highlighted issues with the viability and the deliverability of sites in previous comments to the publication draft. There are concerns that



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requirements such as these could lead to the non-delivery of homes in areas where development is intended to be focused. The HBF considers that this requirement should be removed.