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Dear Sir / Madam,

## **HAMBLETON LOCAL PLAN: PUBLICATION DRAFT (Reg 19)**

Thank you for consulting with the Home Builders Federation on the Publication Draft Hambleton Local Plan Regulation 19 document.

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 Council will be aware that the HBF provided comments upon the previous drafts of the plan. We would like to submit the following comments upon selected policies within the consultation document. These responses are provided in order to assist Hambleton Council in the preparation of the emerging local plan. The HBF is keen to ensure that the Council produces a sound local plan which provides for the housing needs of the area.

### **S2: Strategic Development Needs**

*Policy S2 is not considered to be sound as it is not positively prepared or justified for the following reasons:*

This policy states that provision will be made for at least 6,615 new homes over the period 2014 to 2035.

Paragraph 60 of the NPPF 2019 states that *'to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals'*.

The HBF have considered the local housing need (LHN) using the Standard Methodology set out in PPG, it can be calculated as follows:

#### Step 1 - Setting the baseline

2014-based household projections in England average annual household growth over a 10 year period, with the current year being used as the starting point. The household projection for 2019 is 39,872 and in 2029 it is 41,435, therefore the growth equals 1,563, giving an average of 156 dwellings each year.

#### Step 2 - An adjustment to take account of affordability

The most recent median workplace-based affordability ratio for Hambleton is 2018 at 9.09.

Where an adjustment is to be made, the formula is:

$$\text{Adjustment factor} = \left( \frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

For Hambleton this would be: Adjustment Factor =  $\left( \frac{(9.09 - 4)}{4} \right) \times 0.25 + 1 = 1.32$

Minimum annual local housing need figure = (adjustment factor) x projected household growth

For Hambleton this would be: Minimum annual local housing need figure =  $1.32 \times 156 = 206$  dpa.

#### Step 3 - Capping the level of any increase

The Hambleton Core Strategy was adopted more than 5 years ago, therefore the local housing need figure is capped at 40% above whichever is the higher of: the projected household growth for the area over the 10 year period identified in step 1; or the average annual housing requirement figure set out in the most recently adopted strategic policies.

The Hambleton Core Strategy had a stepped housing requirement from the Regional Spatial Strategy ranging from 320dpa in 2004-2011 to 260dpa in 2016-2021. 40% above 260 would be 364dpa. The capped figure is greater than the minimum annual local housing need figure and therefore does not limit the increase to the local authority's minimum annual housing need figure.

It should be noted that the Standard Method identifies a minimum annual housing need figure, it does not produce a housing requirement figure. It should also be noted that the Government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The Standard Method provides a minimum starting point, and there may be circumstances where it is appropriate to consider whether the actual housing need is higher than the Standard Method indicates. PPG (ID: 2A-010) goes on to states that these circumstances can include: growth strategies for the area; strategic infrastructure improvements; previous levels of delivery; or where previous assessments of need (such as the Hambleton Housing and Economic Development Needs Assessment (HEDNA)) are significantly greater than the outcome from the Standard Method.

The Local Plan sets out how the Council have commissioned SHMAs in 2016 and the HEDNA in 2018. The HEDNA 2018 suggests that there is an objectively assessed need (OAN) of 315 dwellings per annum (dpa) or 6,615 homes over the period. This is the figure that the Council has chosen to use as the housing requirement.

Hambleton is part of the York, North Yorkshire and East Riding Enterprise Partnership, their latest Local Growth Deal was published in July 2016 this is a deal with Government to support key capital investments that deliver jobs and growth. The Growth Deal is currently valued at £145.9m to be delivered between 2015 and 2021. The Enterprise Partnership aims to deliver at least 5,000 new homes annually across all types and tenures, supported through their Growth Deal and Housing Strategy. This suggests there is potential to increase the housing requirement further.

The Hambleton Economic Strategy 2014-24 seeks to create 3000 jobs over the 10 year period. It is noted that the Economic Led Housing Need as set out in the HEDNA suggests that the CE forecasts result in an employment growth of 165 jobs per annum over the period 2016-2035. This is below the level sought in the Economic Strategy, which suggests there may be potential for a further increase in the housing figure to support the Strategy.

The HBF support the Council in using a figure over and above the figure identified by the LHN identified by the Standard Method, however, it is considered that there is potential to increase the housing requirement further.

The HBF support the Council in the use of the words 'at least' 6,615 new homes, which allows for additional homes over and above the requirement. However, it is considered the policy would be benefit from the inclusion of 'net' new homes.

### **HG1: Housing Delivery**

*Policy HG1 is not considered to be sound as it is not positively prepared or justified for the following reasons:*

Policy HG1 sets out the housing allocations for Hambleton. The HBF does not wish to comment upon the acceptability or otherwise of individual sites. It is, however, important that all the sites contained within the plan are deliverable over the plan period and provide a range of development opportunities. The Council's assumptions on sites in relation to delivery and capacity 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.

The HBF consider that it is important that the spatial distribution of sites follows a logical hierarchy, provides an appropriate development pattern and supports sustainable development within all market areas.

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 considers that the policy should be modified as follows in order to make the document sound:*

- *The HBF recommend a 20% buffer of sites be included within the plan and identify additional sites for housing.*

## **HG2: Delivering the Right Type of Homes**

*Policy HG2 is not considered to be sound as it is not positively prepared or justified for the following reasons:*

This policy states that all new residential development should assist in the creation of sustainable and inclusive communities through the provision of an appropriate mix of dwellings in terms of size, type and tenure.

The HBF understands the need for a mix of dwelling types and is generally supportive of providing a range and choice of homes to meet the needs of the local area. It is, however, important that any policy is workable and ensures that housing delivery will not be compromised or stalled due to overly prescriptive requirements; requiring a mix that does not consider the scale of the site; or the need to provide additional evidence.

*The HBF recommends a flexible approach is taken regarding housing mix which recognises that needs and demand will vary from area to area and site to site; ensures that the scheme is viable; and provides an appropriate mix for the location.*

It is not clear how the Council will apply criteria a and b, again it is considered that the requirements could be overly onerous and potentially limit delivery of homes.

*The HBF recommends that criteria a and b are deleted.*

The second part of the policy states that 'proposals for housing development will be supported where' and then provides four criteria. It is not entirely clear if this would mean that development that does not meet these criteria would be refused. But it is assumed it would be considered contrary to the development plan. Therefore, the HBF have a number of concerns with the proposed criteria.

Part f looks for development to reflect the housing needs as identified in the SHMA or successor documents. It should be noted that the SHMA or success documents will only ever form a snapshot in time and may not be up to date or appropriate for the site proposed for development. It is also not clear if the following line in relation to local housing need or market conditions is an 'or' or an additional requirement. The flexibility the second part of this criterion appears more appropriate, providing that the

evidence required to support it is not overly onerous. *As set out above, the HBF recommend that this part of the policy is amended to ensure that it is appropriately flexible.*

Criteria g requires of all homes to meet the Nationally Described Space Standards (NDSS). 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. The HBF consider that standards can, in some instances, have a negative impact upon viability, increase affordability issues and reduce customer choice. The HBF consider that if the Government had expected all properties to be built to NDSS that they would have made these standards mandatory not optional. The HBF do not consider that the Council currently has the evidence to demonstrate that this standard is necessary and it has not appropriately considered the implications of introducing such a standard.

*The HBF considers that the policy should be modified as follows in order to make the document sound:*

- *The HBF recommend this criterion is deleted.*
- *If the Council can provide the appropriate evidence, including viability, consideration and this policy is to be retained, then the HBF recommend that the policy should ensure an appropriate transitional period is included.*

Part h looks for all homes to meet building regulation requirement M4(2) across all tenures. It goes on to require that within a large scale development (defined as 200 or more homes or 4ha or more) a proportion of homes must meet building regulation requirement M4(3) (wheelchair adaptable dwellings). The policy does not set out what proportion this should be, although the justification states that this should be 9% of new market homes and around 30% for affordable homes but it goes on to state that precise levels of need will vary in response to circumstances at the time a planning application is determined. It is not clear what these circumstances may be, and whether this proportion is determined by Council evidence or developer evidence.

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. 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. It is incumbent on the Council to provide a local assessment evidencing the specific case for Hambleton which justifies the inclusion of optional higher standards for accessible and adaptable homes in its Local Plan policy.

*The HBF considers that the policy should be modified as follows in order to make the document sound:*

- *The HBF recommend this criterion is deleted.*
- *If the Council can provide the appropriate evidence, including viability, and this policy is to be included, then the HBF recommend that the policy should:*
  - *take into account site specific factors such as vulnerability to flooding, site topography and other circumstances which may make the site less suitable for M4(2) and M4(3) compliant dwellings as set out in PPG;*
  - *ensure that if step-free access is not viable that M4(2) and M4(3) should not be applied; and*
  - *ensure an appropriate transitional period is included.*

Criteria i requires at least 10% of dwellings are two bedroom bungalows on major developments (defined as 10 or more homes or an area of 0.5ha or more). It is not clear what the evidence is for this or how this proportion was determined.

*The HBF considers that the policy should be modified as follows in order to make the document sound:*

- *The HBF recommend that criterion i is deleted unless there is clear evidence that there is a need for this element of the policy and that it is viable.*

The HBF have concerns in relation to the viability of these policy requirements, the cumulative impacts of the policy requirements in the Local Plan and the CIL. It is clear from the Whole Plan Viability Report (June 2019) that there are issues with a number of brownfield typologies, apartments and allocations. For example, paragraph 6.37 in relation to Zone 2 states that *'the results of our testing suggests that at the present time it may be difficult to achieve 30% affordable housing together with all Local Plan requirements and CIL'*.

### **HG3: Affordable Housing Requirements**

*Policy HG3 is not considered to be sound as it is not positively prepared or justified for the following reasons:*

This policy seeks to maximise the delivery of affordable housing in order to meet identified requirements. The HBF are concerned in relation to the use of the word 'maximise', which gives a suggestion that the Council may seek a proportion over and above the requirement.

The policy states that on all developments for new market housing, the Council will seek the provision of 30% affordable housing on sites of 10 or more dwellings or 5 or more in designated rural areas. The policy sets out the types of affordable housing to be provided as 1/3 of each affordable rented, social rented and intermediate dwellings. It also provides a viability clause.

The HBF does not dispute the need for affordable housing within Hambleton and indeed supports the need to address the affordable housing requirements of the borough. The HEDNA (June 2018) identifies a need for 55 affordable homes per annum in Hambleton. It is not clear however, how this requirement has led to the requirement for 30% affordable homes on sites of 10 or more homes, this proportion potentially appears to be over and above the identified need.

The NPPF is, however, clear that the derivation of affordable housing policies must not only take account of need but also viability. As set out in response to Policy HG2 that HBF has concerns in relation to the viability of this policy, the cumulative impacts of the policy requirements in the Local Plan and the CIL. The Whole Plan Viability Report (June 2019) identifies that there are issues with a number of brownfield typologies, apartments and allocations. The HBF have concerns that this policy will lead to the non-delivery of homes in the Borough. It should be noted that Paragraph 34 of the NPPF (2019) establishes the importance of viability to ensure that development identified in the Plan should not be subject to such scale of obligations and policy burden that their ability to be delivered might be threatened.

*The HBF considers that the policy should be modified as follows in order to make the document sound:*

- *Further consideration is given to*
  - *the proportion of affordable homes required to meet the identified needs' and*
  - *the viability of the affordable housing requirements.*

### **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 participate in any relevant hearing sessions at the Examination to discuss any issues relevant to the house building industry.

The HBF would like to be kept informed of all forthcoming consultations upon the Local Plan and associated documents, the submission of the Local Plan, the publication of the Inspector's Report and the adoption of the Local plan. Please use the contact details provided below for future correspondence.

Yours sincerely,



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