



THE HOME BUILDERS FEDERATION

Local Plan Consultation,
Yorkshire Dales National Park Authority,
Yoredale,
Bainbridge,
North Yorkshire,
DL8 3EL

Date: 1st May 2015

Email: localplan@yorkshiredales.org.uk

Sent by Email only

Dear Sir / Madam,

Yorkshire Dales National Park Selective Consultation upon Housing and Infrastructure

1. Thank you for consulting with the Home Builders Federation (HBF) on the Local Plan: Housing and Infrastructure selective consultation.
2. The HBF is the principal representative body of the house building industry in England and Wales and our representations reflect the views of our membership of multinational PLCs, through regional developers to small, local builders. Our members account for over 80% of all new housing built in England and Wales in any one year including a large proportion of the new affordable housing stock.
3. We would like to submit the following comments upon the questions posed by the consultation. These responses are provided in order to assist the Yorkshire Dales National Park Authority (YDNPA) in the preparation of the emerging local plan. The HBF is keen to ensure that the YDNPA produces a sound local plan which provides for the housing needs of the area.

Question 1: Objectively assessed need

4. The objective assessment of housing need background paper identifies four possible scenarios. These are;
 - Option 1: meeting the projected household growth (40dpa);
 - Option 2: meeting household growth plus flexibility (55dpa);
 - Option 3: Higher level of growth (80+dpa)
 - Option 4: Do nothing.

5. The authority correctly discounts option 4 as this would not fulfil the policy objectives of the Management Plan or the Local Plan objective to increase the proportion of young adults and people of working age living in the Park. The HBF also consider such an option would be tantamount to planning for recession and population decline neither of which are consistent with the requirements of the NPPF.
6. The National Planning Practice Guidance (PPG) identifies that objectively assessed housing needs should utilise the most recent household projections as their starting point. Given that household projections are provided at local authority level and not disaggregated to national parks does make this more difficult for national park. The authority's background paper does, however, indicate that a rate of 40dpa would equate to the household projections, or at least the 2011 interim household projections. The PPG does, however identify that further adjustments are required to take account of various factors such as economic trends or projections and market signals in determining an objectively assessed need for housing. It is only after these tests have been undertaken that such needs can be identified. The HBF therefore consider that the 40dpa can, at best, only represent the starting point of need and that an uplift is required to take account of other factors (these are discussed in greater detail below). The robustness of the 40dpa is, however, questioned given that taking account of past migratory trends the requirement for the element of the park within Craven was estimated at 31dpa alone (table 7, background paper). It therefore appears likely that once the requirements from South Lakeland and Richmondshire are included a figure greater than 40dpa would be required.
7. The 40dpa has been derived from '*shadowing*' the trends in South Lakeland (paragraph 4.9, background paper). This is considered a flawed approach for a number of reasons. Firstly South Lakeland only covers an element of the national park and to assume that all of the park, which includes different housing market areas, will follow the same trends is considered overly simplistic. In addition as noted above the household projections are only the starting point for assessing need and other factors need to be taken into account. Finally the household projections have been heavily influenced by a period of recession and significant under delivery against the housing targets within South Lakeland. The effects of the recession combined with under-delivery will have had a negative effect upon the household projections and led to a propensity for reduced rates of household formation. Therefore the HBF does not consider the 40dpa to provide a robust starting point for assessing housing need within the park.
8. Similarly the 55dpa is simply based upon a moderate uplift upon the 40dpa figure to provide flexibility to account for the plan objective of attracting more young adults and people of working age to live in the park. There is no real assessment of whether this uplift would be sufficient to reverse the current trend, and as such the level is not justified. It is noted that the 55dpa figure is equivalent to past completion levels but this is not a material factor in identifying objectively assessed needs as it will have been heavily influenced by past policy decisions, which are restrictive in the park, and the availability

of land through the plan, much of which has proven to be unviable. Furthermore this does not accord with the NPPF requirement to boost significantly housing supply.

9. The assessment of housing need also does not adequately consider market signals. The PPG identifies that market signals are a fundamental element of determining the objectively assessed need for housing (PPG ID-2a-019-20140306) and provides a list of appropriate considerations. Two key signals include previous rates of delivery and affordability. In terms of delivery it is noted that all three authorities which make up parts of the national park area have under-delivered against targets in recent years. In such circumstances the PPG advises that;

'If the historic rate of development shows that actual supply falls below planned supply, future supply should be increased to reflect the likelihood of under-delivery of a plan.' (ID 2a-019-20140306)

10. In terms of affordability it is noted that there is an annual need for 90 affordable dwellings within the national park each year. This is greater than the overall proposed requirement. Paragraph 47 of the NPPF is clear that the full needs of both market and affordable housing should be met. The HBF acknowledge it is unlikely this scale of affordable housing can be viably or sustainably achieved in the national park. However, where the housing requirements of local authorities are unlikely to meet the objectively assessed affordable housing needs of the area the PPG (ID 2a-029-20140306) advises that

'...an increase in the total housing figures in the local plan should be considered..'

11. In conclusion the HBF consider that further evidence is required to enable a full assessment of the objectively assessed housing needs of the YDNP to be made. This should include a clear indication of the household projections, the uplift required to meet the objective of attracting younger families to the park and the effect of market signals. The HBF consider that the evidence currently available indicates a housing requirement of 80dpa or more is needed. Once the objectively assessed needs are identified the YDNPA can then consider if this level of housing can be sustainably delivered in the context of the park or whether assistance is required from neighbouring authorities.

Question 2: Viability

12. The financial viability of sites is key to ensuring the delivery of housing to meet the needs of the area. The financial viability appraisal, included in appendix 1 of the consultation document, clearly demonstrates that the current policy of 50% market housing, 50% affordable on larger sites (6 or more dwellings) is not viable within the national park. The stark realities of viability utilising this policy are further evidenced by the lack of commencements upon allocated sites. The continuation of such a policy will therefore ensure that the housing needs of the park are not met. This will

have significant implications for affordability and the retention of younger people to live and work in the park.

13. The HBF recommends greater flexibility with regards the policy mix and supports the intention to improve viability through the proposed 33/33/33 split. It is, however, notable that even at this level viability is still at best marginal. Scenario 5b, which represents the split, shows a residue of just £20,030 over the development. Such a small residue could easily be taken up by site abnormalities or other unanticipated costs. It is therefore recommended that the policy provide further flexibility to deal with such uncertainties
14. It is also unclear what assumptions have been used in the viability testing in relation to build costs, fees, profit, land values, etc. Without such information it is difficult to ascertain the realism of the viability analysis. For example it is unclear if the uplift in costs associated with the impending implementation of the zero carbon standard have been taken into account or the impact of other policy requirements.
15. To conclude the HBF supports the intention to improve viability but recommends that further flexibility be built into the policy to further accommodate site specific viability issues. It is also recommended that greater detail be provided upon the assumptions utilised within the viability analysis. These assumptions should be tested for their realism with developers and land agents currently active within the national park.

Question 3: Commuted sums

16. The HBF does not have any specific comments at this stage. It is, however, considered important that the policy provides flexibility to account for site specific viability issues.

Question 4: Local occupancy

17. The HBF support the proposals to widen the local occupancy restrictions placed upon new development. Given the age structure of the local population and the need for economic activity within the park the removal of the requirement for businesses to already be established is particularly welcomed as is the intention to widen the market area to include parts of the relevant district council area outside of the park boundary. It is, however, considered that additional flexibility could be provided by including a further clause to widen this to general market sale if the property remains unsold for a further period of time.
18. The viability report, included at appendix 1, clearly identifies that current occupancy criteria are overly restrictive. This in turn means that lenders are unwilling to provide mortgages in such circumstances. The outcome is that properties will only be affordable to either cash buyers or those with significant deposits, thus exacerbating the existing issues of affordability and retention of younger age groups. The criteria also mean that development is far less viable due to the substantial uncertainties this creates for a developer due to the limited market available for purchase.

Question 5: Density and house size

19. The HBF considers that the requirement for all homes to be an average of 90sqm across a site should be removed from all sites not just smaller sites, below 5 units. The viability report, included in appendix 1, indicates that the greatest need is from first time buyers who typically require one or two bedroom properties. The viability report concludes;

‘This in effect means that current policy encourages properties to be larger, more unaffordable and therefore less viable than they should be’.

20. The continued requirement is not therefore justified by either by need or viability considerations. In addition the authority will undoubtedly be aware of the recent ministerial statement on 25th March 2015, relating to housing standards. The intentions of the ministerial statement has been further clarified within the recent amendments to the PPG. In relation to space standards, which this policy effectively encapsulates, the PPG notes these can only be introduced through a local plan following examination (ID 56-020-20150327). The PPG also identifies the criteria against which such standards should be assessed. These include need and affordability, given the conclusions of the viability study it would not appear that the national park should not be continuing to require any sites to provide an average size of dwelling.

Information

21. The HBF would be happy to discuss these comments further with the national park prior to the next stage of consultation. We would also like to be kept informed of any future opportunities to comment upon this or any other local plan document.

Yours sincerely,

MJ Good

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