



THE HOME BUILDERS FEDERATION

SPD Consultation
Planning Policy
Stonecross
Northallerton
DL6 2UU

Date: 8th June 2015

Email: planning.policy@hambleton.gov.uk

Sent by Email only

Dear Sir / Madam,

Size, Type and Tenure of New Homes SPD

1. Thank you for consulting with the Home Builders Federation (HBF) on the Size, Type and Tenure of New Homes SPD.
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 which have been set out in accordance with the structure of the SPD.

General Issues

4. The HBF generally supports the provision of a wide range of house types and sizes across a plan area to meet identified needs and increase housing supply. However, the introduction of rigid requirements based on an out of date plan and a limited evidence base is not supported. This is likely to create additional unjustified burdens upon development at the very time the government is seeking to significantly boost housing supply.
5. The SPD is based upon policies contained within the adopted Hambleton Core Strategy and Development Policies DPD. The Core Strategy was adopted in 2007 and the Development Policies DPD in 2008 as such they both significantly pre-dated the National Planning Policy Framework (NPPF) and more recent National Planning Practice Guidance (NPPG). In such cases paragraph 215 of the NPPF clearly states that policies contained within such plans can only be given weight according to their degree of consistency with the NPPF.

6. The policies contained within both documents were not based upon an assessment of plan viability, taking account of the cumulative impacts of all policies and obligations, as required by paragraphs 173 to 177 of the NPPF. Whilst it is recognised a viability report has been produced on behalf of the Council, by Aspinall Verdi in May 2014, this report does not consider the implications of the SPD on viability, principally concerning the mix and requirement for bungalows. Furthermore the viability study does not appear to take account of the costs associated with the impending implementation of the government's zero carbon agenda nor has it been subject to rigorous testing as part of a local plan examination.
7. The SPD also draws heavily upon the 2011 North Yorkshire Strategic Housing Market Assessment (NYSHMA). This document is now 4 years old and is not considered fully NPPF / PPG compliant. The economic climate at the time of the NYSHMA production is significantly different to now and as such the current validity of the information is also debatable.
8. The role and scope of an SPD is to aid an applicant in making a successful application. The NPPF, paragraph 153, is clear that they should not be used to add financial burdens to development. The HBF considers that this SPD will add to the burdens and constraints upon development by seeking to include a requirement for bungalows, indicate a specific housing mix, and promote smaller dwellings. It is therefore concluded to be inappropriate to introduce such requirements through an SPD.
9. The Size, Type and Tenure SPD is one of a number of SPDs the Council is currently producing. The HBF is concerned that the Council is placing significant resource into documents which are ultimately designed to provide advice upon pre-NPPF policies as opposed to the much needed review of the Local Plan.

Context

10. The context section makes a number of significant assumptions based upon limited or incomplete evidence. The 'Type, Size and Tenure' and later 'Older Persons' subsections identify that almost half of all households under-occupy properties and such households require 1 or 2 bedroom properties. The HBF does not dispute under-occupation is apparent within Hambleton but this does not mean that such property owners will either require or want smaller properties. The SPD does not consider any up to date evidence upon the percentage of such occupiers who are wishing to down-size nor the aspirations of other households currently occupying smaller properties. Furthermore, page 15 of the SPD, identifies that the NYSHMA indicates, with the exception of singles, those looking to move '*showed a strong expectation for three bedroom properties...*' and that over half of all families aspired to a four bedroom property. It is therefore apparent that many households wanted larger, not smaller, properties.
11. In addition whilst it is recognised that the number of overcrowded households is relatively low in Hambleton there is no commentary upon this

issue nor the needs of such households. This should be provided to ensure a balanced approach to the SPD is maintained.

12. The 'Owner Occupation' sub-section notes that affordability is an issue within Hambleton. Once again the HBF does not dispute this fact, however within the discussion regarding the mortgage market the SPD completely fails to consider the impact that government initiatives such as the introduction of *Help to Buy*, the *Right to Buy* proposals and the *Mortgage Market Review* have had and will have upon the ability to attain a mortgage and own a property.
13. The SPD focuses upon the market delivering 'too many' larger households but completely ignores the fact that the market responds to demand. In addition there is no discussion upon the impact that under-delivery against housing targets has had upon the type of housing provided and affordability. This raises the more significant issue that there has not been an NPPF / PPG compliant assessment of the objectively assessed housing needs of the area. Given that the annual affordable housing needs identified in the NYSHMA (320dpa) are greater than the full housing requirement it would appear likely that the current housing requirement is inadequate. This will only serve to compound the issue of affordable housing within Hambleton. Without such a detailed assessment through an up to date SHMA the HBF is unconvinced upon the justification for the ratios of house sizes introduced later in the SPD.
14. The HBF consider that the above issues should be clarified by an up to date evidence base. The current drafting of the SPD creates a bias towards the Council's desire to provide a greater quantity of smaller properties without considering the full range of issues which effect the size, type and mix of properties to be provided within Hambleton.

Type, Size and Tenure Challenges

15. The 'Future Housing Demand' subsection repeats many of the same points noted earlier within the context section. However, further assumptions are made regarding the growth in households. The SPD states that where the head of the household is 25 to 34 this '*...is likely to result in a requirement for smaller properties and for these to be mainly in the private rented market or in intermediate tenures*'. This statement is not qualified or quantified and appears to ignore the impact of government interventions such as *Help to Buy* or the recently announced *Starter Homes Initiative*. Many within this age group will either be considering, or starting, a family and as such may be looking for housing which can accommodate these needs. The aforementioned government schemes will assist such buyers to access the property market.

Improving our Housing Offer

16. The HBF agrees with the need to ensure that the housing market caters for the needs of the area. Indeed providing a mix of dwelling types will ensure that larger sites appeal to a wider cross-section of the market and hence improve the sales capacity upon such sites. It should, however, be

recognised that these needs will vary over time and geography. The table, page 16 of the SPD, provides a very specific mix of properties which it suggests will be sought on all sites over 25 dwellings. This mix identifies that 80% of properties should be three bedrooms or less. This will not provide the mixed communities that the Council is seeking to achieve as it will essentially provide a development of smaller properties which will only appeal to certain elements of the market. Furthermore the mix cannot be readily translated from the evidence base nor is there any recognition concerning site viability, the needs of the area or site constraints. Indeed as noted within paragraph 13 above without a detailed assessment of the objectively assessed needs of the area it is difficult to justify such a split until the full implications of the likely demographic and economic profile of the population going forward is understood.

17. Paragraph 50 of the NPPF does require local planning authorities to *'identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand'*. The HBF consider these to be matters of policy and as such should be set out in a Local Plan to allow full debate and to test the rigour of the evidence and impact upon viability. They should not be set out within an SPD.
18. The SPD further considers space standards for new housing. The ministerial statement, 25th March 2015, and PPG (ID 56-020-20150327) clearly indicate the introduction of the internal space standards should be justified and examined through a local plan. It is therefore inappropriate to simply introduce the standards through either this or the Affordable Housing SPD as inferred on page 17. The introduction of the space standards will require the assessment of relevant criteria, including impact upon viability and affordability, the HBF is unaware that the Council can currently provide such evidence.
19. The HBF is supportive of meeting the needs of older persons. In this regard the SPD notes; *'Market intelligence indicates that most of our older people (but not all) are seeking to downsize to a 2 bed bungalow that is either new or in walk-in condition on a mixed age development but that the market is not providing for them'*. This statement appears to include a lot of assumptions and is not qualified. It is unclear what *'market intelligence'* is being referred too or indeed the quantum of those wishing to downsize. The Council will undoubtedly be aware that many HBF members already provide a range of accommodation suitable for older persons and it clearly is not a case that one size fits all.
20. The SPD also includes a requirement that all sites of 10 or more dwellings include a 10% requirement for bungalows. Once again this is not justified by any clear evidential link and pays no regard to site viability or characteristics. The HBF is also unclear upon the policy basis, within the adopted plan, for such a specific requirement. Again the Council is reminded that targets and thresholds should be set out within the local plan, not an SPD (NPPF, paragraph 174)

Specialist Housing

21. This section of the SPD includes a subsection on 'Tenure Choice' and refers to the Development Policies DPD Policy DP15 which has a target of 50% social rental and 50% intermediate tenures. The SPD, alongside the Affordable Housing SPD, seeks to amend the split to 70% affordable rent and 30% intermediate tenures. This change is beyond the scope of an SPD as it is amending adopted policy. Policy changes must be subject to scrutiny through a Local Plan examination. The NPPF (paragraph 174) is clear that local standards, including those for affordable housing must be set out within the Local Plan. Therefore the rewording of a policy within an SPD is not appropriate.

22. It is also notable that the policy wording in DP15 varies from the NPPF definition (see NPPF Annex 2) of affordable housing and consequently draws into question the weight which can be applied to this policy.

Information

23. I trust that the Council will find the foregoing comments useful in the preparation of the Size, Type and Tenure SPD and the review of the Local Plan. I would happy to discuss these comments further if required. I also wish to be kept informed of any future consultations upon the Local Plan and associated matters.

Yours sincerely,



Matthew Good
Planning Manager – Local Plans
Email: matthew.good@hbf.co.uk
Tel: 07972774229