



THE HOME BUILDERS FEDERATION

Consultation,
Town Hall and Civic Offices,
Westoe Road,
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South Shields,
NE33 2RL

Date: 10th July 2015

Email: local.plan@southtyneside.gov.uk

Sent by Email only

Dear Sir / Madam,

South Tyneside Strategic Growth Scenarios

1. Thank you for consulting with the Home Builders Federation (HBF) on the Strategic Growth Scenarios.
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. The HBF is supportive of the Council in identifying the need to update its adopted Core Strategy. If done correctly this will ensure that the Council has a robust planning framework which provides certainty for the Council, development industry and residents alike. The HBF is keen to work with the Council to ensure a robust up to date plan can be adopted as quickly as possible.
4. We would like to submit the following comments, which generally follow the format and the issues raised within the questionnaire.

Question 1: Growth option

5. It is difficult to provide a definitive answer upon which option the HBF would prefer without figures to assist in the interpretation of each of the options. It is clear that 'option a' should be discounted as this would be contrary to national policy and the aspirations of the Council. The HBF would support a housing and economic growth scenario which not only addresses the full housing needs of the area but also provides an element of aspirational

growth through job creation and the reversal of population decline which has been prevalent for a number of years.

6. The HBF is mindful of the need to provide sustainable development and to consider the impact of development upon the wider environment. Therefore, whilst it is difficult to quantify the options, and as such make an informed choice, it appears that our preference would sit somewhere between 'options b and c'. In order to clarify our position the HBF would welcome the opportunity to discuss more detailed options with the Council in due course.

Question 2 / 3: Reasons for preferred option

7. The HBF is primarily concerned with the housing requirement and associated policies and as such that is our focus for the remainder of this response. The housing requirement is, however, inextricably linked to the economic growth aspirations of the plan. Indeed housing development is a key driver of economic growth. The HBF has produced a report on the economic footprint of house building, this can be accessed via our website (www.hbf.co.uk), this national report will shortly be augmented by further local reports in the near future. These reports may assist the Council in considering the benefits of housing development within South Tyneside.

8. The National Planning Policy Framework (NPPF) and the supporting National Planning Policy Guidance (PPG) set out the relevant policy and guidance upon how to objectively assess future housing need. The PPG is clear that Government household projections are a starting point for identifying housing need, but that they may require adjustment by plan makers and decision takers. The guidance states:

'The household projections are trend based, i.e. they provide the household levels and structures that would result if the assumptions based on previous demographic trends in the population and rates of household formation were to be realised in practice. They do not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour' (Paragraph 2a-015).

9. In terms of South Tyneside the most recent projections (2012 sub national household projections) identify an annual requirement of 343dpa over the period 2012 to 2037. To ensure that the full needs for the area are considered the HBF recommends 2012 is used as the start date of the plan. If a later start date is chosen the Council would need to demonstrate how the need accrued since 2012 has been addressed.

10. The starting point of 343dpa is higher than the currently adopted housing requirement and as such an increase to address objectively assessed needs will be required. The scale of this increase requires determination. The PPG is clear that because the household projections do not take account of factors such as economic growth, the implications of past policy decisions or previous delivery rates further steps are necessary. These are economic growth assumptions and market signals.

11. Paragraph 2a-018 of the PPG identifies the need to take account of economic growth. This is a central step in determining the full objectively assessed housing needs of the area and should not be considered a 'policy-on' position. A recent appeal decision in the Cotswolds clarifies this issue. In this case the inspector stated;

'The Council argues that the advice in the PPG does not require local planning authorities to increase their figure for OAN to reflect employment considerations, but only to consider how the location of new housing or infrastructure development could help address the problems arising from such considerations. I disagree. In my view, the PPG requires employment trends to be reflected in the OAN, as they are likely to affect the need for housing. They are not "policy on" considerations but part of the elements that go towards reaching a "policy off" OAN, before the application of policy considerations' Fairford Appeal Decision (para 19,APP/F1610/A/14/2213318).

12. In considering employment considerations the HBF recommend that a variety of past employment trends and economic projections are utilised. This will ensure any assumptions are based upon firm foundations.
13. Market signals are addressed in paragraph 2a-019 of the PPG which recommends analysis of various trends and comparison with other similar areas. If there is a worsening trend in any indicator this will require an upward adjustment to the housing needs of the area. The Council must also consider its performance in relation to previous development rates. In doing so it is important this is considered over an extended period of time due to the influence these will inevitably have had upon the trend based household projections. An upwards adjustment should be made to address past under-delivery.
14. Furthermore delivery of the quantified affordable housing need is a further consideration, the recent Satnam High Court decision ([2015] EWHC 370) makes this very clear. It is noted that the most recent Strategic Housing Market Assessment identified an annual affordable housing requirement of 138 units for South Tyneside.
15. Finally the Council will need to consider whether any further adjustments are required to the objectively assessed needs to meet the 'policy-on' aspirations of the Council. This may be through policy interventions such as increased rates of economic growth or to reverse the population decline which has occurred over recent years.
16. Whilst the HBF has not undertaken an assessment of housing need within South Tyneside it is clear that they are likely to require a significant increase upon those identified within the adopted Core Strategy. It is for these reasons that the HBF consider that, dependent upon the actual numbers, 'options b / c' appear the most appropriate.

Question 4: Other local plan issues

17. The HBF is keen that the Council produces a plan which can deliver against its housing requirement. To do this it is important that a strategy is put in place which provides a sufficient range of sites to provide enough sales outlets to enable delivery to be maintained at the required levels. The HBF also strongly recommend that the plan allocates more sites than required to meet the housing requirement. This buffer should be sufficient to deal with any under-delivery which is likely to occur from some sites. Such an approach would be consistent with the NPPF requirements for the plan to be positively prepared and flexible.

18. The plan must also be viable. This is a particularly important consideration in relation to the policies proposed to be included within the plan as well as the location of sites. The HBF is willing to assist the Council in producing a whole plan viability assessment to ensure that any assumptions made are founded upon credible local evidence.

Further Consultations

19. The HBF would like to be kept informed of all forthcoming consultations upon the Local Plan and associated documents. Please use the contact details provided in the footer to this response.

Yours sincerely,

MJ Good

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