



THE HOME BUILDERS FEDERATION

Local Plan Consultation,
Directorate Support Springfield House,
Kings Road,
Harrogate,
HG1 5NX
Email: planningpolicy@harrogate.gov.uk
Sent by Email only

Date: 28th August 2015

Dear Sir / Madam,

Harrogate District Local Plan: Issues and Options Consultation July 2015

1. Thank you for consulting with the Home Builders Federation (HBF) on the Harrogate Local Plan: Issues and Options.
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 to selected questions posed in the consultation document.

Question 1: Does the emerging vision respond to the most important planning issues for the district?

4. The vision is considered to cover the pertinent issues within Harrogate.

Question 2: Does the emerging vision achieve the right balance between being aspirational yet being realistic and achievable? Please explain the reasons for your answer.

5. The emerging vision should be more aspirational particularly in terms of housing delivery. The vision should indicate that increased levels of housing delivery have been achieved to meet the full needs of the area. An increase upon past rates of housing delivery is required to ensure Harrogate can meet its own needs and consolidate its position as a key driver of the North Yorkshire economy. A failure to achieve this in the past, in the face of strong demand, has led to housing shortages and increased affordability issues.

Question 3: Do the emerging objectives support the delivery of the vision and set out appropriate goals for the Local Plan? Please give your reasons and any aspects that you consider should be added.

6. The HBF is generally supportive of the objectives, but recommend that the following issues are addressed;

- Objective 2 - whilst the objective to allocate land of lesser environmental value is generally supported the objective is contrary to the National Planning Policy Framework (NPPF) which seeks to encourage rather than prioritise the use of previously developed land. The majority of residential development still occurs on previously developed land with latest government statistics indicating 60% of all completions nationally where on such land (*Land use change statistics 2013 to 2014*), in Harrogate between 2004 and 2014 this figure was 74% (*Annual Monitoring Report, December 2014*). The desire to re-use such land must be balanced against the dire need to increase the supply of housing to meet needs. The Government is currently considering various ways in which this balance can be achieved through encouragement. Schemes such as the Starter Home Initiative, Local Development Orders, Local Authority Brownfield Land Registers and Housing Zones all promote and incentivise the re-use of previously developed land. The Council should be seeking to build upon such mechanisms to encourage the re-use of previously developed land rather than prioritising its use which could have implications for delivering its overall housing needs.
- Objective 3 - should be more positively worded by referring to the need to increase the supply and delivery of new housing to meet the needs of the area. In a similar vein to objective 9 it could also refer to the need to provide sufficient deliverable land to enable the housing needs of Harrogate to be met. The reference to price is not an issue which the plan can seek to control and as such its inclusion is unnecessary.

Question 5: Are there any additional economic issues you wish to put forward and why?

7. In addition to the issues identified within '*Chapter 3: Supporting the District's Economy*' the Council should also consider the positive economic benefits which are provided as a result of house building and the additional jobs which could be provided locally if an increase to housing delivery were to be achieved. The HBF has recently undertaken a study upon the economic impact of house building entitled '*The economic footprint of UK house building*' this report can be accessed via our website at www.hbf.co.uk. This report will shortly be supplemented by a regional report which highlights the benefits provided to individual local authorities over the last year.

Question 9: Do you consider the housing need figure for the Local Plan, as set out in the above table, to be appropriate for the district? If you answered no, please give reasons for your answer.

8. No, the HBF considers that the proposed housing need figure of 621dpa, or 13,041 homes, will be insufficient to meet the needs of the area over the plan period. The HBF notes that the housing need figure is based upon the 2015

Strategic Housing Market Assessment (2015 SHMA) produced by GL Hearn on behalf of the Council. Whilst the HBF agrees with many of the fundamental steps taken within the 2015 SHMA towards the identification of a housing need figure it is considered that there are several areas which require further work and analysis prior to the next stages of plan preparation. Whilst the HBF has not undertaken this analysis it is considered they are likely to lead to the conclusion that a higher overall housing need is required within Harrogate. Our reasons for considering why a higher housing needs figure is required are outlined below.

- **Demographic signals**

9. The 2015 SHMA utilises the 2012 sub-national population projections (2012 SNPP) as its starting point and then factors in a variation upon headship rates using the 2008 and 2011 interim household projections. It should be noted that these have since been superseded by the 2012 household projections. The HBF agrees, in conformity with the PPG (paragraph 2a-015), that the most recent projections should form the starting point of assessing housing need. The PPG is, however clear that;

The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing. The assessment will therefore need to reflect the consequences of past under delivery of housing. As household projections do not reflect unmet housing need, local planning authorities should take a view based on available evidence of the extent to which household formation rates are or have been constrained by supply. (PPG paragraph 2a-015).

10. In terms of Harrogate the supply has been suppressed significantly on a number of fronts. The Council's 2014 Annual Monitoring Report indicates a failure to meet the housing target for Harrogate since 2008/9 and over the last 10 years accrued a significant shortfall over that period. This alone is will have suppressed household formation within Harrogate.
11. The aforementioned housing target was set at 390dpa by the now revoked Yorkshire and Humber Regional Spatial Strategy (RSS). However this target did not reflect the needs of the area and as such the suppression of household formation within Harrogate was been further compounded. The Council's *Duty to Co-operate Initial Statement* for the Sites and Policies DPD examination (May 2013, ref no: LCD04) acknowledged that that the 390dpa housing requirement was significantly below the district's household projections of the time, which were of the order of 650 to 800dpa. Therefore over the last 10 to 12 years the Council only been meeting a small proportion of its housing needs. The HBF therefore consider that the impact upon the suppression of the household and population projections will be significant. The 2015 SHMA fails to deal with these issues.

12. The housing needs figure contained within the SHMA has a starting date of 2014. This is inconsistent with the projections which start at 2012. Given that the Council has failed to meet its demographic projections over this period, it is unclear how the unmet needs accrued from these 'lost' two years will be dealt with. The HBF consider that the 2015 SHMA should either address this point or the housing need figure be based upon a 2012 start date.

Market Signals

13. The PPG, paragraph 2a-019, identifies that a range of market signals should be considered in identifying the housing requirement and that a worsening of any signal would warrant an uplift upon the household projections. The 2015 SHMA correctly acknowledges this and considers the different signals in turn. This analysis indicates that the district has seen the rate of house price rises outstrip the regional and national averages and is the highest of all areas considered in the 2015 SHMA (figure 42), it also has the highest mean rents and worst affordability ratio, at 8.86 compared to a national average of 6.72 and regional average of 7.38. Furthermore affordable housing need has increased from an annual requirement of 208 dwellings in the previous SHMA (published in 2011) to 339 in the 2015 SHMA.
14. Whilst the 2015 SHMA provides an uplift to take account of these factors, this is considered insufficient due to the scale of the indicators identified and the amount of suppression evident within the household projections.

Economic signals

15. The 2015 SHMA correctly considers the impact of economic-led factors upon the housing requirement, utilising the Regional Econometric Model (REM) baseline forecast for Harrogate. Whilst it is recognised that the REM is the standard econometric model used across Yorkshire and the Humber, it is recommended that other models, such as those produced by Oxford and Cambridge are also considered to corroborate, or otherwise the outputs from the REM. This will ensure that the projections are more robustly quantified. In addition a time series from the REM should be considered to identify variations within the model. This is particularly important when the varying outputs from the REM are considered. For example the 2010 run of the REM, utilised in the 2011 SHMA, highlighted a predicted 5,100 jobs would be created between 2014/15 and 2023/24 or an average of 510 annually (Figure 3.14). The 2015 SHMA utilising a later run of the REM suggests 4,220, or an average of just 422, over the same period (Table 34). This difference will have a significant impact upon the housing needs of the area.
16. The economic led projections also identify a baseline position with no adjustment for active policy interventions to boost employment growth. The Council should consider whether a 'policy on' approach is also required prior to finalising its housing requirement. This is particularly important given that the plans vision aims for Harrogate to;

'...consolidate its position as a key driver of the North Yorkshire economy whilst the south-east of the district has exploited opportunities arising from its position between the West Yorkshire conurbation and York, in part through improvements to the Harrogate rail line, to ensure that the district has also remained an important part of the Leeds City Region economy...'

Yet the REM forecast utilised only identifies a 0.5% annual increase in workforce jobs and a 1.9% increase in GVA. Both of these lag behind the national and regional averages (Table 30, paragraph 7.9) and as such would not appear to assist the Council in meeting its vision nor objectives.

Question 10: Should the Local Plan set a specific annual target for the provision of affordable housing?

17. The plan should identify an affordable housing requirement which provides targets and thresholds for negotiation upon sites. The NPPF, paragraph 174, clearly states that;

'Local planning authorities should set out their policy on local standards in the Local Plan, including requirements for affordable housing.....'

18. The identification of such a target must take into account up to date evidence upon development viability as well as the costs associated with all obligations and standards, including those associated with forthcoming changes to the Building Regulations. It is also crucial that all policies with an implication upon development viability are thoroughly considered. This would include policies on housing mix, which can have a significant impact upon the viability of development. It is recommended that the Council work with the development industry in undertaking evidence upon development viability to ensure that appropriate assumptions and figures are used. The HBF would be willing to assist in this regard.
19. Whilst a policy target is advocated an annual target for the amount of affordable housing provided is not. This is because affordable housing delivery will vary year to year dependent upon a significant number of factors, such as site availability, development opportunities and viability. However, the Council may wish to include such a target within the monitoring section of the plan.

Question 11: In considering what an appropriate plan target should be, have the full range of issues been considered? Please rank the issues in order of importance.

20. The NPPF and PPG are both clear that the Government expects Councils to boost significantly the supply of housing and meet the full objectively assessed needs within the Housing Market Area (HMA). Whilst it is noted that issue 11 indicates the housing target could be 'lower or higher' the issues identified largely focus upon constraints rather than opportunities. To balance 'issue 11' consideration should be given to other issues such as

encouraging economic growth, revitalisation of services and facilities, infrastructure provision (including transport, green space and social infrastructure) and meeting the needs of current and future generations. These are all equally important issues which should not be lost in the focus upon potential constraints.

21. In terms of ranking this is a difficult exercise as the importance of each is very dependent upon the scale and nature of the issue. It also should not be forgotten that many of these issues will be variably influenced by the spatial distribution. For these reasons the HBF has not sought to rank the identified issues.
22. If the Council seeks to reduce its plan target it will need to not only demonstrate sound reasons for reducing its housing requirement, including why the scale of any reduction is valid, but also identify co-operation with neighbouring authorities. The Council will be aware that this was a key failing of the withdrawn *Sites and Policies DPD*. In his letter to the Council the inspector noted;

'The need for joint working and collaboration where development requirements cannot wholly be met within individual local authority areas is emphasised in the NPPF (paragraphs 178 -181). As explored at the Hearing, although I appreciate the joint working which has being and is being undertaken with other Councils, it is unlikely that other local authorities will make allowances for housing needs arising in Harrogate. Based on the most up-to-date available evidence it is therefore apparent that the Council's plan would probably fail by a considerable margin to meet the housing needs of the area.'

23. Given that many of the neighbouring authorities either have, or are at an advanced stage of, adopting a housing requirement such collaboration is likely to be problematic. It is, as the Inspector noted, a key consideration in the plan making process. The HBF would therefore strongly recommend that the Council does not seek to reduce its housing requirement but rather considers the benefits that additional development could bring.

Paragraphs 4.6 to 4.8

24. Paragraphs 4.6 to 4.8 of the consultation document suggest 407 homes have been built since 2014 and there are permissions for 3,687 homes and a further 1,036 dwellings have been identified upon sites likely to deliver over the next five years. Whilst the HBF has not analysed these figures it is questionable whether all of the permissions and identified sites will be brought forward in the period anticipated. Footnote 7 of the consultation document suggests a 10% discount is applied for non-completion. Whilst the HBF is supportive of applying such a discount this should be based upon evidence upon implementation rates and the deliverability of the identified sites.
25. The plan also suggests a windfall allowance of 130 homes per annum, or 2,444 dwellings over the plan period. This is a significant proportion of the

overall housing requirement. It is noted that the Council will be providing additional evidence on its windfall assumption at a later date (paragraph 4.7). This additional work should not only consider past rates of completions but also the likelihood of this continuing in the future. Particular regard should be paid to the fact that past completions were likely to be significantly higher than in the future due to the lack of an up to date plan and associated evidence base. It is also unclear whether there is any double counting between the windfall allowance and the permissions and identified sites. The HBF recommends that if the Council considers it is justified in applying a windfall allowance a conservative estimate be provided as an over-reliance could jeopardise the delivery of the housing requirement.

26. The conclusion of these paragraphs is that the plan will only be seeking to deliver housing land for 6,364 dwellings. This provides a surplus of just 697 dwellings, or 5%, over the proposed housing requirement. Notwithstanding our concerns regarding this figure the HBF suggest the plan should allocate more land than is required, to provide a buffer of sites. The reasons for the inclusion of 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 requirement set within the plan should be viewed as a minimum, 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 requirement to be surpassed. Secondly, it is inevitable, due to a variety of reasons, some sites will either under-perform or fail to deliver during the plan period. A buffer of sites will therefore provide greater opportunities for the plan to deliver its housing requirement. The HBF recommend a minimum 20% buffer of sites be included within the plan.

Question 12: How should the council plan for the specific housing needs of the elderly and other vulnerable groups?

27. The HBF is supportive of providing for the needs of older people and other specialist needs. The needs of such groups are not, however, homogeneous and as such a 'one size fits all' policy response would be inappropriate. In this regard the Council should consider flexible policies which enable provision to be made, where relevant, for such groups. This may be through the allocation of sites specifically aimed at delivering products for those with particular needs to mainstream housing which offer opportunities for down-sizing.

Question 16: Do you think that clusters of villages should be identified which, based on their collective services and facilities, could represent a sustainable approach to new housing in rural areas. If yes, how should clusters be defined?

28. Yes, dependent upon the scale of the villages and the services which they support. Any clusters would need to be closely related and between them provide access to essential services, either within the cluster of settlements or within close proximity.

Question 17: Do you think that even in the district's smaller villages there should be some small scale new housing development. If yes, should this be restricted to 100% affordable housing or allow for a mix of both market and affordable?

29. Yes, to enable the housing needs of those villages to be met. The approach to 100% affordable housing must be considered with regard to development viability. The HBF recommends a flexible approach which allows schemes to be brought forward with an element of market subsidy to ensure that sites remain deliverable.

Question 20: Which of the development limit options (6-9) do you support and why?

30. The HBF support a loosening of the development limits, be this either option 7, 8 or 9. A tight boundary will inhibit flexibility within the plan meaning that it cannot respond to changing circumstances without a full or partial review. The NPPF, paragraph 14, clearly outlines the need for plans to be flexible. The HBF consider that development limits should be drawn based upon issues such as sustainability and character of the settlement rather than it simply being the boundary for existing or proposed development. Any development limit would naturally need to incorporate proposed allocations, any unallocated land within a more loosely defined development limits boundary could be subject to specific criteria which limit the potential for such land being brought forward unless specific criteria are met, such as the lack of a five year housing supply or the need to provide additional development land due to changes in needs. Such an approach would also provide opportunities for development beyond the plan period, ensuring that the development limits do not need to be altered at plan review. This will provide greater longevity of the proposed limits and provide greater certainty for developers and residents alike, working in a similar way to safeguarded land.

31. If the Council were to choose option 9, no development limits, providing there were adequate criteria based policies this need not lead to inappropriate development in the countryside as indicated within the negative implications for this option.

Question 21: Should the council undertake a review of the Green Belt in order to plan for sustainable growth? Please provide any comments

32. Yes, the existing Green Belt boundary places significant constraints upon the key settlements of Harrogate and Knaresborough. These settlements alongside Ripon are correctly identified within 'Issue 14' as the most sustainable settlements within the district. It is therefore appropriate that these settlements provide a significant proportion of the overall development needs of the district. Given the constraining nature of the Green Belt upon these settlements a review of the Green Belt should be considered.

33. The NPPF, paragraph 83, clearly provides the Council with the opportunity to amend the Green Belt boundary through the local plan process where exceptional circumstances exist. The need to meet the housing needs of an area in a sustainable manner has been demonstrated to meet such

criteria within numerous recent local plan examinations including Leeds, Gateshead and Newcastle as well Cheshire West and Chester.

34. In undertaking any Green Belt review it is important that the amended boundaries provide significant longevity. It is therefore recommended that identification of safeguarded land be considered in order to ensure that the boundaries will not require further amendment at the end of the plan period. Any review must be done in a clear and systematic manner with all purposes of the Green Belt given full consideration. This will enable clear and transparent decision making upon the relative merits, or otherwise of individual Green Belt parcels. The Inspectors interim views upon the Cheshire East Local Plan (dated 12th November 2014) provide guidance upon this issue.

Question 28: Do you think this is a reasonable approach? Is there anything else the council could do as part of the Local Plan to ensure that the infrastructure necessary to support growth across the district is delivered in a timely manner?

35. The proposed approach appears reasonable, however, this will be highly dependent upon the scale of obligations sought. The Council must ensure that the cumulative impact of obligations do not place undue burdens upon the development industry. Such an approach would be contrary to the NPPF and would inhibit much needed development coming forward.
36. The HBF strongly recommend that the Council work closely with the development industry in determining the type and scale of obligations imposed upon development through the plan.

***Question 29: Which of the following statements do you most agree with:
A). The council's strategy for growth in the district should be determined by making the best use of existing infrastructure.
B). The council's strategy for growth should not be constrained by existing infrastructure capacity and location.***

34. The HBF consider that both statements have merit and as such would not wish to discount either at this stage. This is because whilst it makes sense to focus development in areas where there is existing infrastructure capacity, other areas which are currently more constrained due to a lack of infrastructure could benefit from the infrastructure provided by development. The key issue is whether such opportunities are deliverable. Therefore whilst existing infrastructure capacity should inform the Council's strategy other issues such as sustainability, need, deliverability and market demands should also be considered.

Question 35: Do you agree with the list of policies to be included in the Local Plan?

35. The list of policies is generally considered appropriate. The HBF will, however, reserve judgement upon their appropriateness once the details of each policy is known. We do, however, have a number of initial concerns regarding the identified scope of some policies, these are outlined below;

- **Criteria for Sustainable Development** – the Council will need to have regard to the costs associated with such a policy. In addition it is noted that energy efficiency standards are included. The Council will be aware that following the Government consultation on the Housing Standards Review, energy efficiency will, after 2016, become strictly a matter for the Building Regulations and as such is unlikely to be a valid policy requirement for residential development;
- **Type, mix and density of new market housing** – the HBF would support the use of general guidelines only, as noted within the scope. The utilisation of inflexible type, mix and density policies can have a serious negative impact upon the ability to develop a site due to the needs of an area, characteristics of a site and viability implications. The scope identifies internal space standards, the Council will be aware that to introduce such standards it will need to satisfy the criteria set out with paragraph 56-020 of the PPG; and
- **Monitoring and delivery of Local Plan** – mechanisms should include a commitment to a full or partial review of the plan if certain triggers are hit, such as the lack of a five year housing land supply and continued underperformance against the housing requirement.

Question 36: Do you think there is a need for any additional policies?

36. No, the HBF does not consider a need for any further policies at this stage.

Further Consultations

37. 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 for future correspondence.

Yours sincerely,

MJ Good

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