



# THE HOME BUILDERS FEDERATION

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**Sent by Email only**

Dear Sir / Madam,

## **Redcar & Cleveland Local Plan: Scoping Report**

1. Thank you for consulting with the Home Builders Federation (HBF) on the Local Plan: Scoping Report.
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 are made with reference to the various chapters within the consultation document.

### **General Comments**

4. The HBF is supportive of the Council undertaking a review of its Local Plan. It is considered that this is especially important given the significant changes to the national planning policy context since the adoption of the Core Strategy in July 2007.

### **Chapter 4: Sustainability and Design**

5. Paragraph 4.4 of the consultation document identifies that there may be scope to rationalise the policies within this section through the merging of previous policies. The HBF would support a reduction in policies this will not only minimise potential internal conflicts within the plan but if properly worded should ensure that greater clarity is provided to potential developers and investors.

### **Location of development**

6. The HBF supports a reconsideration of policy CS2 which directs development onto previously developed land within the main conurbation and the remainder to Guisborough, Skelton, Loftus, Brotton and Saltburn with limited development elsewhere. This policy was an aspirational, regeneration-led policy which was reliant upon improving housing market conditions and public funding to succeed. Since the adoption of the Core Strategy (2007) the market has changed significantly and public funding has been significantly reduced. The policy has, unfortunately, failed to deliver the amount of housing required or the percentage split in development between the various areas. The most recent *Annual Monitoring Report, 2013-2014* (AMR) identifies a shortfall of 231 dwellings over a two year period 2012 to 2014, based upon the Council's suggested housing needs. Prior to 2012 the Council under-performed against its previous plan requirement by 1,062 dwellings (2012 AMR). Past experience, therefore, shows that a continuation of this approach is unlikely to foster the significant boost to housing supply required by Government, nor will it meet the needs of the area.
7. In identifying a new spatial strategy it is important that the plan focuses upon delivery and ensures that it can meet its housing requirement. To maximise the opportunities for growth the Council needs to provide a wide range of development opportunities which appeal to different parts of the market. Therefore whilst previously developed urban sites will still have a role to play, it is important that consideration is also given to sustainable locations on the edge of settlement and other areas. It is strongly recommended that the Council thoroughly engage with the development industry to ensure that the emerging spatial strategy is deliverable.
8. Existing Core Strategy policy CS2 prioritises the re-use of previously developed land and applies a sequential approach. Paragraph 111 of the NPPF seeks to encourage the re-use of previously developed land, it does not prioritise such land. The Government is currently considering various ways to promote the redevelopment of previously developed land. 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.
9. The HBF would support a review of existing 'development limits', as suggested in paragraph 4.8. The review should be undertaken in a comprehensive manner and identify sufficient opportunity to ensure that the housing requirement can be met. If amendments to the 'development limits' are required the new limits should not be drawn too tightly. 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.

### **Sustainable design**

10. In conformity with paragraph 4.11 and 4.12 of the consultation document the HBF support the deletion of policies DP2 and DP3. In terms of DP2 it is clear that there is no longer a justification to have a specific planning policy seeking further energy savings above the Building Regulations. This would not only have viability implications but would be contrary to the Housing Standards review.

### **Developer contributions**

11. The HBF strongly agrees with paragraph 4.18 of the consultation document which states;

*‘...It will also be necessary for any developer contributions policy to offer sufficient flexibility to ensure that the level of developer contributions required is commensurate with the proposed development and does not affect the viability of a scheme, in accordance with the NPPF.’*

12. In accordance with the NPPF, paragraphs 173 to 177, the plan and its policies and obligations must be tested for the cumulative impact upon the viability of development. The HBF is aware that the Council undertook such a study in 2013, this will need to be updated to take account of emerging policies, central governments’ zero carbon agenda and current market conditions. The current viability report only tests the impact of affordable housing and a nominal Section 106 / 278 contribution of £500 per unit and a second figure of £2,800. It is important that these contributions are truly reflective of the cumulative costs being placed upon development and that policies be set at a level which would ensure that the majority of developments are viable under current market conditions.
13. The HBF support the deletion of policy DP5 Art and Development as this is considered to place unjustified and significant burdens upon development.

## **Chapter 7: Economic Development**

14. In considering the economic potential and aspirations for the area it is important that the housing aspirations closely align to ensure that such growth can occur. The need for this alignment is clearly set out within the National Planning Practice Guidance (PPG) at paragraph 2a-018.

15. 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](http://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.

## **Chapter 8: Housing**

16. The HBF is aware of the emerging Strategic Housing Market Assessment (SHMA) and notes that some of our members have made comments. In the continuing evolution of the SHMA we urge the Council to ensure that the industry is fully engaged in this process.

### **Ensuring an adequate housing supply**

17. The HBF agrees with the statement, in paragraph 8.7 of the scoping report, which acknowledges that Redcar and Cleveland is required to identify an additional 20% supply above the five-year requirement, in accordance with the requirements of the NPPF, to deal with persistent under-delivery. Throughout our response to this consultation the HBF has sought to provide advice upon how the Council can increase the levels of delivery and therefore deliver against its housing requirement.

18. The HBF agrees that a review of the 'development limits' will be required, as stated in paragraph 9 above, we also agree that the local plan should seek to provide sufficient allocations to meet the full housing requirement, as intimated in paragraph 8.8 of the scoping report. Indeed the HBF recommends allocating more land than is required, to provide a buffer of sites. 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, 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.

19. Existing Core Strategy policy CS14 phases the release of housing sites. The HBF does not support such phasing as this is considered contrary to the NPPF and to the successful delivery of housing. The Council will identify proposed allocations which are considered sustainable within the Local Plan and therefore their development should not be artificially constrained. The NPPF indicates that development that is sustainable should '*go ahead without delay*' (ministerial foreword, paragraphs 14 and 15). To ensure the Council can begin to deliver against its housing targets it is important that it

has a wide portfolio of sites which can be delivered by the market in current conditions. This is particularly important within an area such as Redcar and Cleveland which has not achieved its housing requirement for a significant period. The HBF therefore recommends any delivery assumptions be retained as indicative only, this stance was supported by the inspector of the Rotherham Core Strategy within his final report.

20. The HBF supports the provision of a housing mix on sites, this should be aligned to evidence of need but also aspiration, for example if the Council aspires to grow the economy it will need to provide the correct type of housing to attract and retain workers. Likewise it may be appropriate to consider the provision of executive style housing. It is, however, important that any policies on housing mix are not overly prescriptive as they can have a significant impact upon development viability. It is important that any housing mix policies retain sufficient flexibility to enable developers to respond not only to the specific characteristics of individual sites and their setting but also prevailing market conditions.
21. Paragraph 8.11 of the scoping report refers to the prioritisation of previously developed land. The HBF considers the paragraph to be inaccurate because the NPPF does not place priority upon previously developed land. Paragraphs 17 and 111 of the NPPF specifically state that;

*‘Planning policies and decisions should encourage the effective use of land by re-using land that has been previously developed (brownfield land)....’* (Paragraph 111, NPPF)

This is an important change from previous national policy, our comments at paragraph 8 above, identify the initiatives government is introducing to facilitate such encouragement.

### **Affordable Housing**

22. The HBF generally agrees with the identified issues to be addressed in paragraphs 8.12 to 8.14 of the scoping report. In conformity with our previous comments, above, it is essential that the Council’s evidence base not only considers the impact of affordable housing upon viability but also all other policies.

### **Housing Density**

23. The NPPF, paragraph 47, enables local authorities to set out their approach to housing density to reflect local circumstances. The HBF would agree with the scoping report that a district wide ‘one size fits all’ density target is neither appropriate nor desirable due to the variations in character and circumstances between sites and locations. The HBF recommends that any density policy retains sufficient flexibility to enable a developer to respond to the characteristics of the site and its wider setting. In this regard if the Council is minded to have a density policy this should provide indicative policies only to retain flexibility. The policy should also only apply to net developable area and not gross site area.

## **Further Consultations**

24. I trust that the Council find the foregoing comments useful as it continues to prepare its Local Plan. I would be happy to discuss these comments further if required. I would also like to be kept informed of future consultations upon the Local Plan or other planning documents.

Yours sincerely,

*MJ Good*

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