



# THE HOME BUILDERS FEDERATION

Planning Policy,  
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Date: 14<sup>th</sup> September 2015

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**Sent by Email only**

Dear Sir / Madam,

## **Yorkshire Dales Local Plan 2015-2030: Submission**

1. Thank you for consulting with the Home Builders Federation (HBF) on the proposed submission version of the Yorkshire Dales Local Plan 2015-2030.
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 would like to attend the examination hearing sessions to discuss the following comments in greater detail.**

### **Duty to Co-operate**

The HBF is concerned that the planning authority has not fully discharged its requirements under the duty to co-operate (DtC).

4. The DtC requires the National Park to co-operate upon strategic priorities that cross administrative boundaries. The National Planning Policy Framework (NPPF) sets out in paragraph 156 that those strategic priorities include housing provision. NPPF paragraph 159 further notes that local planning authorities need to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. Housing is, therefore, a key issue for consideration which must be addressed through the DtC.

5. The HBF note paragraphs 1.25 to 1.28 of the Local Plan indicate that the Council has clearly undertaken work upon the DtC and are pleased to note that housing is identified as a key issue (paragraph 1.26). The plan and supporting evidence base do, however, lack any detail upon the scope of the work and discussions and what, if any, actions were identified and how these effected plan preparation. Given the lack of such information it is impossible to ascertain whether or not the National Park has successfully discharged its duty.
6. The importance of identified actions resulting from fulfilment of the duty is clearly articulated within the National Planning Practice Guidance (NPPG) which states *'it is unlikely that this (the duty) can be satisfied by consultation alone'* and that *'inspectors will assess the outcomes of the co-operation and not just whether local planning authorities have approached others'*.
7. The guidance is echoed in concerns raised by inspectors over compliance with the duty. The plans of Coventry, Hart, North West Leicestershire and Kirklees Councils are such examples. In all cases the inspector noted compliance with the duty must go beyond merely consulting, but rather it should implement actions and have evidence of high level agreements to tackle strategic issues, including housing.

#### **Recommendation**

8. It is recommended that prior to submission the Council clearly articulates the co-operation that has occurred, what issues were identified and how this has impacted and resulted in changes to the preparation of the plan.

#### **Plan Period**

The plan is unsound as it will not be effective in delivering the strategy over the time horizon of the plan. It is recommended that the plan period be extended beyond 2030 to ensure a minimum of 15 years from adoption.

9. The NPPF, paragraph 157, indicates that plans should be drawn up with preference for a 15 year time horizon. The plan period is clearly stated as 2015 to 2030, whilst this would appear to fulfil the NPPF requirements, adoption is unlikely to be until 2016 at the earliest. Thus meaning that the time horizon will be less than 15 years. Whilst this need not be fatal to the overall soundness of the plan it is recommended that the end date of the plan be extended. Any extension to the plan will require commensurate amendments to the housing requirement.

#### **Recommendation**

10. The end date of the plan be extended to at least 2031, and appropriate amendments made to the housing requirement and any other effected plan requirements.

#### **Policy SP3: Spatial Strategy**

The policy is considered unsound because the housing requirement is not adequately justified by robust evidence.

11. The plan identifies a housing requirement of 55 dwellings per annum (dpa) over the plan period 2015 to 2030. The National Park Authority will be aware of our previous concerns outlined in our response to the '*Selective Consultation upon Housing and Infrastructure*' earlier in 2015. Despite our concerns the National Park Authority has not sought to change its housing requirement or substantially amend or supplement the evidence base. The HBF considers that the current approach is unjustified as it is not supported by robust evidence and would constitute planning for continued decline and failure. This is in contrast to the stated objectives of the plan to support a '*...growing, diverse and resilient economy, which increases the proportion of young adults and people of working age living in the Park...*' (Objective 3, page 7).

### **Policy Wording**

12. The policy wording is not considered to be positive or aspirational as required by the NPPF and may be seen as a ceiling rather than a floor. To rectify this issue it is recommended that the housing target be identified as a minimum. This can be achieved by the insertion of '*at least*' prior to the number of dwellings. This would amend the current wording of Policy SP3 to read;

*'To expand the supply of housing to meet a target of at least 55 new dwellings per year...'*

### **Housing Requirement**

13. The National Planning Practice Guidance (PPG) identifies that objectively assessed housing needs (OAHN) should utilise the most recent household projections as their starting point. These are currently the 2012 based sub national household projections (2012 SNHP). The PPG does, however, clearly state that because the household projections are trend based they do not take account of other factors such as past under-supply or changing economic circumstances. In this regard the PPG requires plan makers not only to consider whether the 2012 SNHP fully describe the demographic trends of the area but also economic and market signals. The Council's current evidence base on OAHN '*Housing need, land supply and housing target, July 2015*' does not adequately consider any of these factors and as such cannot be considered compliant with the PPG.

- **Demographics**

14. The 2012 SNHP are provided at local authority level but not disaggregated to national parks making the identification of the starting point more difficult for national park. The authority's background paper does, however, indicate that a rate of 30dpa would equate to the household projections. The robustness of the 30dpa is questioned given that taking account of past migratory trends the requirement for the element of the park within Craven was estimated at 31dpa alone (*Housing need, land supply and housing target, February 2015; table 7*). This table and figure has been removed from the July 15 update to the background paper, the reasoning for this is unclear. Furthermore the most recently published version of the Craven Local Plan, Autumn 2014, identified a 20dpa requirement for the

Yorkshire Dales National Park area of Craven. If either the figure of 20dpa or 31dpa are correct it appears likely that once the requirements from South Lakeland and Richmondshire are included a starting demographic figure greater than 30dpa would be required.

15. The 30dpa demographic starting point has been derived from ‘shadowing’ the trends in South Lakeland (paragraph 4.8, *Housing need, land supply and housing target, July 2015*). This is a flawed approach as South Lakeland cannot be assumed as a proxy for the park as a whole. This is particularly important given that the park falls within four separate housing market area (HMA), the assumption that each will follow the same trends as South Lakeland is overly simplistic. The HBF agrees that the demographic profile of the park does mostly closely match that of South Lakeland when compared against the other constituent local authorities. It is, however, notable that between 2001 and 2011 there has been a divergence between the National Park and South Lakeland, particularly towards the over 65 population. If this divergence continues the shadowing argument becomes increasingly weak. There is no evidence to suggest that the demographic profile of the National Park will continue to be closely aligned with either that of South Lakeland or any other local authority areas.

16. Ideally bespoke household projections would be provided to identify the starting point within the Yorkshire Dales. The HBF consider this would provide the most robust and NPPF / PPG consistent method for assessing the starting point of the OAHN of the area. It is, however, worth considering the impact of shadowing the other authorities which are part of the park.

**2012 based Household projections 2011 to 2030 and effect of shadowing each on YDNPA**

	Percentage increase 2011-2030 (and per annum)	Additional households 2030 (and annum)	by per	Additional households YDNPA (and per annum)
<b>Craven</b>	8.0% (0.42% pa)	2,000 (105pa)		704 (37pa)
<b>Richmondshire</b>	9.5% (0.5% pa)	2,000 (105pa)		836 (44pa)
<b>South Lakeland</b>	6.4% (0.34% pa)	3,000 (158pa)		563 (30pa)
		<b>Average</b>		701 (37pa)

Source: ONS and YDNPA

17. The table above illustrates the significant differences inherent in the demographic projections if different assumptions are taken with regards shadowing and the differing starting points for assessing OAHN.

18. A further failing within the demographic starting point is that 30dpa figure identified by the Council, as well as those noted above, only represent households and not dwellings. To convert households these to dwellings requires the rate of vacant dwellings and second homes to be taken into account. The *Housing need, land supply and housing target, July 2015* (Table 15) identifies currently 21.8% of household spaces have no resident. If it is assumed this rate remains constant over the plan period, this would lead a demographic starting point of between 686 (36dpa) based upon South

Lakeland to 1,018 (54dpa) based upon Richmondshire and an average of 854 (45dpa) over the period 2011 to 2030.

19. It is therefore clear that the demographic projections for the Yorkshire Dales are at best conservative estimates which do not convert households to dwellings needed. The simplistic assessment undertaken by the HBF indicates a starting demographic point for the OAHN should lay above 45dpa.

- **Market Signals**

20. The assessment of housing need does not adequately consider market signals. The PPG identifies that market signals are a fundamental element of determining the objectively assessed need for housing (paragraph 2a-019) 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)

21. In terms of affordability it is noted that there is an annual need for 117 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, paragraph 2a-02, advises that;

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

22. These two signals alone suggest an uplift upon the demographic projections is justified in identifying the OAHN of the National Park.

- **Economic signals**

23. The PPG, paragraphs 2a-015 and 2a-018, clearly identify that economic signals are required to be taken into account in the determination of OAHN and final housing requirement. The Council's background paper *Housing need, land supply and housing target, July 2015* fails to consider this in any significant detail. Part 11 of the report simply states that the 55dpa housing requirement, identified as option 2, would; *'Meet the projected rate of household growth together with an additional element of flexibility in an attempt to widen housing choice and encourage some in-migration of working age households....'* There is no consideration of whether this uplift would be sufficient to reverse the current trend to meet the plans stated

objectives, 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.

24. Indeed taking the Council's stance of 'shadowing' South Lakeland the anticipated increase in the over 65 population is likely to increase to at least 36% by 2032 (Table 5, *Housing need, land supply and housing target, July 2015*). Given that the National Park already has a higher proportion of over 65's compared to South Lakeland it is likely to be greater. This will limit the working age population considerably. Within South Lakeland it is anticipated that by 2032 just 52% of the population will 16-64, equivalent to the majority of working age population. A corresponding figure within the Yorkshire Dales National Park would see the number of working age population fall from 11,690 to 10,368, a fall of 1,322. The very modest increase in the housing requirement is unlikely to fill this gap. It is therefore likely that the plan objective to increase the younger age population will not be met. The current housing requirement will perpetuate the current aging population structure of the Dales and lead to economic decline, contrary to the requirements of the NPPF and the plan vision and objectives.

#### **Recommendation**

25. In conclusion the HBF consider that further evidence is required to enable a full assessment of the OAHN of the Yorkshire Dales National Park 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. Furthermore consideration of converting the household projections into a dwelling requirement is also needed. The HBF is cognisant of the status of the area as a National Park and therefore does not consider unrestricted housing growth should occur. However the evidence currently available indicates a housing requirement of at least 80dpa is needed. Once the OAHN are identified the National Park Authority 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.

## **Chapter 4: Community Objectives**

Objective 1 is considered unsound as it is not positively worded.

26. Notwithstanding our concerns over the housing requirement, addressed in our response to Policy SP3 above, the objective should be amended to clearly identify that the housing requirement is a floor and not a ceiling.

#### **Recommendation**

27. In common with our comments upon Policy SP3 it is recommended that Objective 1 be amended to read;

*'Increase the supply and range of new housing (including affordable and local occupancy housing) by **at least** 55 dwellings per annum'.*

## **C1 Land for new build housing**

The policy is considered unsound as it is not positively prepared, justified by the Council's own evidence or consistent with national policy.

28. Our concerns against the various elements of the policy are set out below;

### **Affordable Housing**

29. The policy requires either 50% affordable housing or 33% affordable, 33% local occupancy on sites of 11 or more and commuted sums in lieu of affordable housing below this threshold.

30. The financial viability of sites is key to ensuring the delivery of housing to meet the needs of the area. The *Evidence of Site Viability* 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. This will have significant implications for affordability and the retention of younger people to live and work in the park.

31. The HBF 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, of the viability report which represents the split, shows a residue of just £20,030 for the development. Such a small residue could easily be taken up by abnormal site costs or other unanticipated costs. This marginal surplus is unlikely to attract developers due to the occupancy conditions which will severely restrict marketability of sites. Making development particularly risky with minimal residue, this is likely to mean that marginal sites are still not brought forward. A lower overall affordable housing requirement and provide greater flexibility in terms of local occupancy restrictions are required to ensure viability is maintained in the majority of cases across all site sizes.

32. 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.

### **Density**

33. The policy identifies a minimum density of 35dph. Whilst it is recognised there is flexibility within the draft policy, this figure is higher than national averages for net density. Given the high landscape value and the need to ensure that character of the area is retained it is recommended that the policy

be amended and density be assessed with regards to the character and setting of individual sites.

### **Allocations**

34. The HBF does not wish to comment upon the acceptability or otherwise of the proposed allocations. It is, however, a concern that the proposed allocations set out within appendix 4 appear to provide capacity for just 223 dwellings. This represents less than 4 years supply, based upon the proposed housing requirement. The July 15 *Housing need, land supply and housing target* background paper provides a confusing picture as it states that 210 dwellings will be available as allocations, paragraph 7.2, as opposed to 223 in the plan. It also identifies a further 192 dwellings were either under-construction or available as planning confusingly identifies a figure of 176 dwellings. This provides an overall supply of between 386 dwellings (table 13) and 419 dwellings (223+196). Whichever figure is correct this represents at best 7.6 years supply. The NPPF, paragraph 47, indicates that plans should identify deliverable and developable sites for at least the first 10 years. Whilst windfalls may also contribute to the supply the Council would have to provide justification for a significant supply from such sources.
35. The HBF consider that the plan should seek to positively allocate sufficient sites to meet, as a minimum, the first 10 years supply. Furthermore the HBF recommends a buffer of sites over and above this requirement be provided. 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.

### **Recommendations**

36. The HBF suggests the following recommendations;
- The affordable housing contributions be reduced to reflect viability;
  - Greater flexibility be provided in terms of occupancy restrictions;
  - The assumptions used in the viability report should be made available, ideally these would be the subject of consultation with the industry;
  - The minimum density requirement be deleted and replaced by an assessment of site characteristics and setting; and
  - Sufficient allocations, plus a buffer, be provided to meet at least the first 10 years housing requirement.



## Information

I would like to be made aware of the following;

- Submission of the plan for examination;
- The publication of the examiner's recommendations and any publicly available correspondence regarding the plan; and the
- Adoption of the plan.

I would be happy to discuss any of the issues raised in this representation further prior to submission of the document.

Yours sincerely,

*MJ Good*

**Matthew Good**

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