



THE HOME BUILDERS FEDERATION

FREEPOST RSJC-KKBE-ABXZ

Planning Policy
Hull City Council
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Date: 19th November 2015

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Sent by Email only

Dear Sir / Madam,

1. Thank you for consulting with the Home Builders Federation (HBF) on the Preferred Options of the Hull Local Plan.
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 following comments are made in order to assist the Council in preparing a sound local plan. They are based upon our considerable experience of the house building industry as well as local plan examinations. I trust they will be received in the manner intended.

Duty to Co-operate

4. The HBF is pleased to note, within paragraph 1.26 of the document that the Council is working proactively with East Riding of Yorkshire Council (ERYC) and the Homes and Communities Agency (HCA) on housing delivery. This is considered essential due to the fact that the Housing Market Area (HMA) crosses administrative boundaries and the issues of economic viability within Hull.
5. The importance of identified actions resulting from fulfilment of the duty is clearly articulated within the National Planning Practice Guidance (NPPG). The National Planning Practice Guidance (PPG) 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'*.

6. The HBF note the *Progress Duty to Co-operate Report (October 2015)* and the Joint Planning Statement, summarised within section 2 of the consultation document. These identify positive progress in relation to the duty. The HBF is, however, keen to see further evidence upon how the economic ambitions of the LEP are translated into the local plan and what agreements the Council has in place with ERYC in relation to any housing under-delivery across the wider Hull HMA.

Plan period

7. The plan is intended to guide new development within the city until 2030. The NPPF clearly states (paragraph 157) that Local Plans should be drawn up over an appropriate timescale, '*preferably a 15 year time horizon*'. Whilst this would provide 15 years from the date of this consultation it will not provide a 15 year time horizon post adoption. The most recent Local Development Scheme anticipates a date of adoption in autumn 2016. Providing there are no slippages to this timescale this will provide a maximum 14 year time-horizon post adoption. If modifications or additional evidence-gathering work are required as part of the examination, the time horizon will further diminish.
8. Whilst the lack of a 15 year time horizon is unlikely to be seen as a fatal flaw in terms of soundness it does provide the Council, developers and residents with certainty for the foreseeable future, allowing long-term investment decisions to be made. It is therefore suggested that the Council consider extending the plan period to at least 2031. Any amendment to the plan period will require commensurate changes to the housing requirement and allocations

Spatial Vision and Strategic Priorities

9. The HBF is generally supportive of the vision and strategic priorities, particularly the emphasis upon economic growth and prosperity. It is, however, important to ensure that these ambitions are closely aligned to housing delivery. The delivery of housing also has wider social and economic benefits. 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 is also supplemented by a regional report which highlights the benefits provided to individual local authorities over the previous year.
10. In specific regard to Strategic Priority 8 the HBF is supportive of the recognition that housing is a strategic priority. However, as currently worded, it is not considered a positive statement. Use of words such as 'sufficient' don't signify aspiration. The following amendment is therefore suggested;

'Provide ~~sufficient~~ land to boost the supply of housing ensuring it provides for the right type and quantity of homes to meet local future needs'

Draft Policy 6: Housing Demand

11. The policy identifies an annual housing requirement of 760 dpa, this is based upon a proposed objectively assessed need (OAN) of 642dpa (rounded down to 640) an indicative level of demolitions, which is not specified, and the housing delivery backlog between 2011 and 2014 (paragraph 6.10 consultation document). The HBF has a number of concerns with the suggested requirement which are set out below.

Backlog and Demolitions

12. The consultation document identifies 120dpa gross to account for demolitions and housing delivery backlog, accrued between 2011 and 2014, over the plan period. Notwithstanding the fact that the PPG identifies that any backlog should be made good over the first five years, or assistance sought from neighbouring authorities, this accounts for a total of 1,800 dwellings over the plan period.

13. The backlog accrued over the period 2011 to 2014 amounts to a net shortfall 1,145 dwellings (paragraph 3.6, SHLAA 2014). Therefore the overall amount of demolitions provided over the plan period is equal to 655 dwellings or an annual average of just 44 dwellings. Whilst it is recognised there has been significant housing market renewal within Hull over recent years, the allowance for demolitions appears very low when considering the past trends set out in the table below.

Year	04/05	05/06	06/07	07/08	08/09	09/10	11/12	12/13	13/14
Demolitions	462	338	295	372	375	455	211	309	327

Sources Hull CC AMR 2010, 2014

Note: Data for 10/11 was not found.

14. The annual average over this period (excluding 2010/11) is 349 dwellings, nearly 8 times higher than the allowance suggested within the consultation document. The need for a higher demolitions allowance would, based upon the information above, appear justified. However, if the Council intends to utilise its lower allowance of just 44dpa this must be justified by evidence prior to the next stage of consultation upon the plan.

Objectively Assessed Need (OAN)

15. The HBF has considered the 2013 SHMA and 2015 SHMA update. The OAN within the plan is based upon the 2015 SHMA update. Whilst we agree with much of the methodology and conclusions we do have a number of concerns which are summarised below, against the various sub-headings.

Demographic analysis

16. The HBF agrees that the 2012 sub national household projections (2012 SNHP) should be utilised as the starting point for determination of the OAN. The PPG (ID 2a-015) is, however, clear that they may require adjustment to take account of local demography. In this regard the 2015 SHMA update sensitivity tests changes in the assumptions upon future migration patterns and household formation rates. The HBF agrees with the undertaking of such sensitivity testing.

17. In terms of migration rates the study considers 3 scenarios which are set out within paragraph 3.46. The OAN figure is set utilising the '*SNPP with 10-year Domestic Migration*' scenario. The HBF recognises the relevance of this scenario but also considers that the '*10-year Migration Trends*' scenario has merit and is worth further consideration. Our reasons for this is are that the 2012 SNHP and SNPP were both significantly affected by high net out-migration in Hull over the period of the recession. Therefore whilst the '*SNPP with 10-year Domestic Migration*' scenario seeks to partially address this through a longer term view it will still be inevitably constrained by the 2012 based projections and the inherent bias towards more recent trends. The use of 10 year migration trends has been used successfully at numerous local plan examinations across the country and is therefore considered a recognised and sound approach.
18. The issue of household formation rates is, in our view, not fully considered within the 2015 SHMA update. The SHMA update fails to consider whether the headship rates identified within the 2012 SNHP should be adjusted to take account of the impact of the recession and whether a full or partial return to previous trends identified in the 2008 SNHP is warranted, based upon an improving economic picture.
19. This issue of headship rates is particularly important within the 25 to 34 year old age group, which will have the highest propensity to form households and take-up jobs within the city. This age group is predicted to have a negative trend in terms of household formation over the plan period, this is contrary to the national trend. Whilst this issue is discussed any amendment to an alteration of the headship rate is discounted within paragraphs 5.37 to 5.40 of the SHMA update. The HBF disagrees with this approach.
20. It is recognised that the headship rate figure remains higher for this age group within Hull than regional averages and neighbouring ERYC. But this alone is not justification to simply discount this phenomena as a market correction. The higher than regional average rates are likely to be due to affordability factors within Hull, with many parts of ERYC and the wider region having significantly worse affordability issues to Hull.
21. We consider a negative trend, which is contrary to the national picture, to be a significant issue which is likely to be linked to past trends upon the availability of suitable accommodation within the city, poor delivery rates and areas of market failure. Given that the Council is actively seeking to address these issues it would appear prudent to consider an uplift in headship rates amongst this group, to reverse the negative trend.
22. Furthermore the Council is promoting economic growth. If, as suggested by the Council, a significant proportion of the new jobs are taken up by existing unemployed residents then the propensity to form a household amongst this age group will increase, not decrease, as they have more available income. This is supported by table 11, 2015 SHMA update. In addition if such economic activity rates are not achieved then this will require

an increase in in-migrants of working age to take up the jobs, once again suggesting a modest increase in the headship rates amongst this key group.

Economic Driven Projections

23. The HBF notes the economic scenarios tested in the 2015 SHMA update. We are, however, concerned that no scenarios which consider the rate of job growth advocated within the plan have been undertaken. Paragraphs 5.6 and 5.14 of the consultation document identify a job creation target over the plan period of between 7,500 and 10,000. These figures arise from the ambitions of the City Plan which seeks to provide jobs growth of 7,500 over a 10 year period.

24. This is significantly above the tested '*REIU policy on*' scenario identified within the 2015 SHMA update. This scenario considers a level of job creation of just 1,790 over the period 2013 to 2030, which is two years greater than the plan period. The NPPF and PPG are clear that economic and housing strategies should be aligned. The failure to consider this issue is considered a significant flaw in the plans evidence base and needs to be addressed.

Market Signals

25. The HBF agrees that many of the market signals analysed within the 2015 SHMA update would not appear to warrant an uplift in the OAN. The exceptions to this, in our view, are; overcrowding, rate of development and affordable housing need. Each of these are discussed in turn detail below. It is also worth noting that the SHMA update does not cover all of the market signals outlined within the PPG (ID 2a-019), specifically land prices. This should be rectified to ensure a robust evidence base is in place prior to submission.

26. The need for an uplift in the OAN based upon market signals is set out within the PPG. The HBF would draw attention to the fact that whilst some signals may not appear to warrant an uplift the PPG is clear that;

*'..A worsening trend in **any** of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections..' (our emphasis ID 2a-020)*

27. The 2015 SHMA update (table 14) identifies a clear worsening of overcrowding between the period 2001 and 2011, increasing from 6.4% to 8%. This rate is significantly higher than regional or neighbouring authorities and the rate of increase is also marginally higher than the national average. It is also notable, table 14, that the percentage of people living in HMOs has similarly grown above national and regional averages and the rate stands above the regional average and neighbouring authorities. Paragraphs 5.32 and 5.33 (SHMA update, 2015) suggest this increase in overcrowding and HMO occupation is a symptom of previous under-delivery within the city.

28. The rate of development has been woefully below previous plan targets for a significant period. Between 2004/5 and 2009/10 a net total of just 1,376 dwellings were provided (2010 AMR). The corresponding target within the

now revoked Regional Spatial Strategy (RSS) required net dwelling completions of 2,880 dwellings over the same period. This amounts to an under-supply of 1,504 dwellings over the period. This will inevitably have impacted upon past rates of migration and household formation.

29. The lower quartile affordability trend between 1997 and 2013 has generally been a steadily worsening picture within the city (SHMA update, figure 20). It is, however, recognised that on this market signal Hull appears to fare considerably better than national or regional averages. However, the absolute level of need for affordable housing within the city is still relatively high with an annual requirement for 154 affordable dwellings. The viability of sites within Hull clearly will not be able to provide sufficient affordable housing to meet this need, based upon currently proposed levels of development. In such cases the PPG recommends;

'...An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes...' (ID 2a-029)

30. Given the market signals information discussed above we consider there to be a justification for a moderate uplift of the proposed OAN. Recent local plan examinations in Eastleigh, Canterbury and Uttlesford have identified that a 10 to 20% uplift is appropriate.

Overall Conclusions

31. The HBF has not undertaken its own analysis of OAN or the likely amount of future demolitions. It does, however, appear clear that the proposed housing requirement is too low. A figure in excess of option C, 880dpa, would be more appropriate given our comments above.

Housing Land Supply – Draft Policy 7: Potential Housing Land Supply & Table 6.4

32. The HBF does not wish to comment upon the acceptability or otherwise of specific allocations. In terms of the overall supply of sites we recommend that the Council considers providing a buffer of sites over and above the plan requirement. The reason for the application of a buffer of sites is two-fold. Firstly the plan housing requirement should be identified as a minimum to conform with NPPF requirements to boost supply and plan positively. It therefore stands to reason that the plan should seek to surpass this requirement. Secondly a buffer will provide a balance against the inevitable under or none delivery from some existing commitments or proposed allocations.

33. In the case of Hull, the lack of delivery over recent years combined with the current lack of a five year housing land supply (SHLAA, table 3.3) indicate a need for a substantial buffer. The HBF therefore recommend a minimum 20% buffer over the supply is utilised.

34. The HBF also notes the high rates of delivery anticipated within the Kingswood Area Action Plan area. Whilst we have not undertaken any

assessment of delivery rates and acknowledge it is from 17 sites figures of 1,159 completions in the first five years appear ambitious. The completions are likely to be tempered by issues of market demand within a constrained area. It is recommended that the Council provide additional evidence to support this level of delivery.

Draft Policy 8: Type and Mix of Housing

35. The HBF acknowledges the need to provide a mix of housing across the city to address particular deficiencies. However the proposed policy is not considered flexible and does not enable developments to respond to localised needs, changing market conditions or viability. The NPPF, paragraph 50, specifically relates to;

'...identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand...'

36. The current policy is overly prescriptive and would be unresponsive to changing needs. It is therefore recommended that the policy be amended to include greater flexibility.

Draft Policy 9: Housing on Brownfield Land

37. The NPPF paragraph 111 enables local authorities to set targets for the percentage of development upon previously developed land. Given the geography and constraints within Hull it is understandable that the Council has chosen to support a high proportion of brownfield redevelopment. Such targets must, however, be justified by evidence and ensure delivery of the overall housing requirement. It is also important that the targets are set over the full plan period so as not to impose artificial constraints upon sites coming forward. This is particularly important within Hull due to the economic viability issues inherent across all developments, but particularly brownfield sites within the city.

38. The *Area Wide Economic Viability Assessment* identifies viability issues across much of the Hull City Council area. This policy will simply exacerbate existing viability issues and perpetuate the current under-supply of dwellings against current and future housing requirements. The NPPG is also clear on this point stating;

'Local Plan policies should reflect the desirability of re-using brownfield land, and the fact that brownfield land is often more expensive to develop. Where the cost of land is a major barrier, landowners should be engaged in considering options to secure the successful development of sites. Particular consideration should also be given to Local Plan policies on planning obligations, design, density and infrastructure investment, as well as in setting the Community Infrastructure Levy, to promote the viability of brownfield sites across the local area. Provided sites are likely to deliver a competitive return for willing landowners and willing developers authorities should seek to select sites that meet the range of their policy objectives, having regard to any risks to the delivery of their plan.'

39. If the Council can evidence that the proposed targets are viable it is recommended that they be flexible targets to ensure a 5 year supply can be maintained and that the targets are for the whole of the plan period, not a year on year target. Failure to maintain a five year supply will simply render this and other housing policies out of date (NPPF paragraph 49). It is also recommended that the policy burdens upon such sites be reduced in line with the PPG.

Draft Policy 10: Affordable Housing

40. The need for affordable housing is demonstrated by the 2015 SHMA update. The policy requirements are, in our opinion, likely to be unachievable in the majority of cases. The Council's *Area Wide Economic Viability Assessment* (table 13) suggests that the impact of affordable housing alone will make the majority of sites either unviable, or at best marginal, within the city. Once other policy obligations are added the majority of development is unlikely to be viable.
41. It is noted that the policy is subject to viability considerations, which is supported, however this should not be used in an attempt to justify an unsustainable policy position. It is therefore recommended that the Council reconsider its affordable housing requirement in light of its own evidence base.
42. Finally the Council will also need to consider the impact of Starter Homes with regards to the implementation of this policy.

Draft Policy 14: Designing for Housing

43. The HBF is supportive of the Building for Life (BfL) standard, indeed we are one of the main partners within its production. It is also clear that many of our members actively employ the principles of BfL in site design. It should, however, be recognised that it is not, and was never intended to be, a mandatory standard for all developments. It is intended to assist the facilitation of discussions.
44. The policy seeks a high degree of greens (10 out of 12) this will simply create additional costs and burdens upon the development industry. It is also unclear if the Council has the resources and expertise to adequately consider such assessments.
45. The Council will be fully aware of the initial concerns raised by the Inspector of the withdrawn Core Strategy in relation to this matter. The Inspector stated;

“Policy CS3 expects housing development to meet at least 14 of the Building for Life criteria. It also requires such schemes to include a justification as to why Lifetime Homes standards have not been met, if they have not. But meeting these standards is not a national requirement. I am unclear about the local circumstances that warrant this, and the justification for it, particularly in terms of viability.”

Notwithstanding the worthy intentions, it is likely that this will hamper delivery to some extent”.

46. The HBF does not consider that the position has changed considerably since this time.

Draft Policy 15: Density

47. The HBF supports the Council in not setting a density requirement. This is a sound approach within Hull, where there is an aspiration to provide larger market properties. It will also enable developments to respond to local site and market conditions as well as their wider setting.

Draft Policy 16: Housing Space Standards

48. The PPG, paragraph 56-020, indicates that the national space standard should only be introduced where justified by evidence. This evidence must be based upon the following;

- **need** – *evidence should be provided on the size and type of dwellings currently being built in the area, to ensure the impacts of adopting space standards can be properly assessed, for example, to consider any potential impact on meeting demand for starter homes.*
- **viability** – *the impact of adopting the space standard should be considered as part of a plan’s viability assessment with account taken of the impact of potentially larger dwellings on land supply. Local planning authorities will also need to consider impacts on affordability where a space standard is to be adopted.*
- **timing** – *there may need to be a reasonable transitional period following adoption of a new policy on space standards to enable developers to factor the cost of space standards into future land acquisitions.*

49. The HBF remain unconvinced that the Council has the evidence required to support the introduction of the national space standard. Indeed in relation to viability the effect of the standard has not yet been tested and the current evidence suggests its introduction would be inappropriate. Likewise there is no substantive evidence looking at the size of properties across Hull to justify its introduction.

Draft Policy 17: Residential Gardens

50. The HBF appreciates and supports the need for amenity space. It is not, however, considered necessary to include a prescriptive policy upon this within the plan. The policy seeks to micro-manage developments without any real justification for the sizes proposed.

51. The prescriptive nature of the policy will have significant implications upon a number of sites, such as city centre locations, which will be difficult to achieve. The policy also pays no regard to site characteristics or viability. The HBF therefore recommend the policy be deleted.

Draft Policy 19: Inclusive House Design

52. The HBF support the provision of accommodation for older persons and indeed many of our members are either active within this area or provide products which are capable of adaptation. However, to implement either of the optional accessibility standards the Council would need to justify their inclusion within the plan, not least in terms of viability. The PPG paragraph 56-007 provides the relevant guidance and criteria which are;

- *the likely future need for housing for older and disabled people (including wheelchair user dwellings).*
- *size, location, type and quality of dwellings needed to meet specifically evidenced needs (for example retirement homes, sheltered homes or care homes).*
- *the accessibility and adaptability of existing housing stock.*
- *how needs vary across different housing tenures.*
- *the overall impact on viability.*

53. Whilst the 2013 SHMA and subsequent update provides some information they do not adequately cover many of these issues, indeed with regards to the number of older persons it is anticipated they will be lower within Hull than both the regional or national averages (paragraph 3.14 2015 SHMA update). Furthermore the impact of these policy requirements remain untested within the Council's viability study. Given the current viability issues demonstrated within Hull, discussed earlier, it appears unlikely the introduction of the policy is justified. Furthermore I refer to the initial concerns raised by the Core Strategy Inspector, discussed above, in relation to Lifetime Homes.

54. It is noted that the policy is subject to viability considerations, which is supported, however this should not be used in an attempt to justify an unsustainable policy position. It is therefore recommended that the Council reconsider this policy in light of its own evidence base.

Further Consultations

55. 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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