



Planning Policy Team (Local Plan)
Derbyshire Dales District Council
Town Hall
Matlock
Derbyshire
DE4 3NN

SENT BY E-MAIL AND POST

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Dear Sir / Madam

DERBYSHIRE DALES LOCAL PLAN – KEY ISSUES CONSULTATION

Introduction

Thank you for consulting with the Home Builders Federation (HBF) on the above mentioned consultation. The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing. We would like to submit the following representations and in due course attend the Local Plan Examination Hearing Sessions to discuss these matters in greater detail.

Duty to Co-operate

Under S110 of the Localism Act 2011 which introduced S33A into the 2004 Act the Council must co-operate with other prescribed bodies to maximise the effectiveness of plan making. The Duty to Co-operate requires the Council to "*engage constructively, actively and on an on-going basis*". The high level principles associated with the Duty to Co-operate are set out in the National Planning Policy Framework (NPPF) (paragraphs 156, 178 – 181). In addition there are twenty three paragraphs in the National Planning Practice Guidance (NPPG) concerning the Duty to Co-operate.

In considering if the Duty to Co-operate has been satisfied it is important to consider the outcomes arising from the process and the influence of these outcomes on the Plan. One required outcome is the delivery of full objectively assessed housing needs (OAHN) for market and affordable housing in a housing market area (HMA) as set out by paragraph 47 of the NPPF including

the unmet needs of neighbouring authorities where it is reasonable to do so and consistent with sustainable development (paragraph 182 of the NPPF).

Derbyshire Dales has undertaken an assessment of housing needs for its own administrative area rather than a wider Housing Market Area but the District is not without connections to its surroundings. Derbyshire Dales adjoins seven other Local Planning Authorities (LPA) namely Sheffield City Council, High Peak Borough Council, Staffordshire Moorlands District Council, East Staffordshire District Council, South Derbyshire District Council, Amber Valley District Council and North East Derbyshire District Council as well as the Peak District National Park. When the Local Plan is submitted to the Secretary of State for examination a Statement of Co-operation and / or accompanying signed Memorandums of Understanding with neighbouring authorities will have to demonstrate that the Council has satisfied the legal requirements of the Duty to Co-operate.

OAHN and the Housing Requirement

The NPPG sets out that household projections produced by DCLG are the starting point for OAHN (ID 2a-015-20140306). The NPPG confirms that the 2012 Sub National Household Projections (SNHP) are the most up to date estimate of household growth. Whilst it is agreed that the appropriate starting point for the calculation of OAHN is the 2012 SNHP as set out in "PAS Objectively Assessed Need and Housing Targets Technical Advice Note Second Edition" dated July 2015 further sensitivity testing of migration trends, unattributable population change (UPC) and household formation rates (HFR) may be necessary.

The NPPG also confirms that worsening trends in market signals should be considered which may necessitate an upward adjustment above demographic projections (ID 2a-018-20140306 & 2a-019-20140306). The NPPG is explicit in stating that a worsening trend in any one of the market signal indicators will require an upward adjustment to planned housing numbers (ID : 2a-020-20140306). Furthermore supporting economic growth is another important factor as well as ensuring that the housing and employment strategies are properly aligned.

Moreover paragraph 47 of the NPPF requires the Council to assess the OAHN for both market and affordable dwellings. The NPPG states that an increase in the total housing included in a Plan should be considered where it could help to deliver the required number of affordable homes (ID : 2a-029-20140306). This approach was reinforced by Stewart J in *Satnam Millennium Ltd v Warrington Borough Council* (2015). In *Oadby and Wigston Borough Council v Secretary of State for Communities and Local Government and Bloor Homes Ltd* (2015), Hickinbottom J stated that a failure to respond to affordable housing is a policy choice.

The Council has commissioned a Housing & Economic Development Needs Assessment by G L Hearn dated September 2015 and this report calculates OAHN as follows :-

- 244 dwellings per annum based on 2012 SNPP plus vacancy rate and second home allowance but this figure would not support any growth in the workforce ;
- 301 dwellings per annum to allow for an adjusted employment growth of 1,700 jobs ;
- 322 dwellings per annum after an additional upward adjustment for worsening market signals.

After reviewing the Council's estimate of OAHN the following questions should be asked :-

- Is sensitivity testing of demographic projections likely to necessitated an upward adjustment?
- Are adjustments to support economic growth sufficient?
- Are adjustments for worsening market signals sufficient?
- Is the Council meeting affordable housing needs?

In answering these questions it is suggested that the Council re-examines its calculation of OAHN and its resultant housing requirement.

Land Supply

At this time the Council's 5 year housing land supply (YHLS) position is unknown. However suffice to say if there is not reasonable certainty that the Council has a 5 YHLS the Local Plan would not be sound as it would be neither effective nor consistent with national policy. Moreover if the Plan is not to be out of date on adoption it is critical that the land supply requirement is achieved as under paragraph 49 of the NPPF "*relevant policies for the supply of housing will not be considered up to date if the LPA cannot demonstrate a five year supply of deliverable housing sites*".

When allocating sites the Council should be mindful that to maximize housing supply the widest possible range of sites, by size and market location are required so that house builders of all types and sizes have access to suitable land in order to offer the widest possible range of products. The key to increased housing supply is the number of sales outlets. Whilst some SUEs may have multiple outlets, in general increasing the number of sales outlets available means increasing the number of housing sites. So for any given time period, all else been equal, overall sales and build out rates are faster from 20 sites of 50 units than 10 sites of 100 units or 1 site of 1,000 units. The maximum delivery is achieved not just because there are more sales outlets but because the widest possible range of products and locations are available to meet the widest possible range of demand. In summary a wider variety of sites in the widest possible range of locations also ensures all types of house builder have access to suitable land which in turn increases housing delivery.

Viability and Policy Requirements including Affordable Housing

If the Derbyshire Dales Local Plan is to be compliant with national policy, the Council must satisfy the requirements of paragraphs 173 and 174 of the

NPPF whereby development should not be subject to such a scale of obligations and policy burdens that viability is threatened.

The residual land value model is highly sensitive to changes in its inputs whereby an adjustment or an error in any one assumption can have a significant impact on viability. Therefore it is important to understand and test the influence of all inputs on the residual land value as this determines whether or not land is released for development. The Harman Report highlighted that *“what ultimately matters for housing delivery is whether the value received by land owners is sufficient to persuade him or her to sell their land for development”*.

The Council’s latest Viability Study prepared by Cushman & Wakefield dated September 2015 concludes that in *“mid to low value areas where the majority of the District’s future development is anticipated to come from is unable to withstand this level of requirements at the current time ... to ensure the cumulative impact of all planning gain does not place delivery at risk”*. Whilst it is accepted that developers can negotiate lower affordable housing provision on the grounds of viability such negotiations inevitably incur additional costs in terms of both time and money which impairs housing delivery. It is unrealistic to negotiate every site on a one by one basis because the base-line aspiration of a policy or combination of policies is set too high as this will jeopardise future housing delivery. The purpose of whole plan viability assessment is to ensure that the bar of policy expectations is not set unrealistically high. If the bar is set too high then the majority of schemes instead of the exception will be subject to site by site viability negotiations. It is suggested that the Council re-considers its policy requirements including affordable housing provision in relation to viability and deliverability.

Conclusions

For the Derbyshire Dales Local Plan to be found sound under the four tests of soundness as defined by paragraph 182 of the NPPF, the Plan should be positively prepared, justified, effective and consistent with national policy. As set out above the Council should re-consider its OAHN and proposed housing requirement as well as whole plan viability testing and its consequential impact on housing delivery in order to produce a sound Local Plan.

In the meantime it is hoped that these responses are of assistance to the Council in informing the next stages of the Derbyshire Dales Local Plan. If any further information or assistance is required please contact the undersigned.

Yours faithfully
for and on behalf of **HBF**



Susan E Green MRTPI
Planning Manager – Local Plans
e-mail: sue.green@hbf.co.uk
Mobile : 07817 865534