



THE HOME BUILDERS FEDERATION

Spatial Planning
Calderdale MBC
Westgate House,
Halifax
HX1 1PS

Date: 18th December 2015

Email: spatial.planning@calderdale.gov.uk

Sent by Email only

Dear Sir / Madam,

Calderdale Local Plan: Potential Sites and Other Aspects Consultation

1. Thank you for consulting with the Home Builders Federation (HBF) on the Potential Sites and Other Aspects of the Local Plan consultation.
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.

General Comments

4. The HBF is keen to work with the Council in order to achieve an adopted local plan which enables an increase in the rate of house building across Calderdale. There are, however, a number of key areas where we have concerns and it is considered that the plan would benefit from modifications or further evidence prior to the next stage of consultation. It is noted that the Council is still in the process of producing and amending its evidence base. The production of these additional documents and updates may assist with some of our concerns. The following comments are provided based upon our substantial experience of local plan examinations across the country.

Paragraph 2.10

5. The HBF welcomes the comment that the Council is not seeking to phase development within the Local Plan. This is considered a positive approach to meeting the housing needs of the area. A restriction of housing supply

early in the plan period would simply serve to hold back the level of potential growth and place pressure upon later phases due to the higher rates of delivery required.

6. Whilst the HBF acknowledges that development levels with Calderdale have been low in recent years the plan provides an opportunity to create a 'step-change' in development activity within the area by providing a wide variety of sites which are more attractive to the market. It is notable that during better economic circumstances Calderdale has delivered considerably higher levels of growth than over the recent past. The economy has and will continue to play a role in the delivery of housing and as such plans must react to this in a positive manner by identifying sites which are viable and able to deliver early in the plan period. The current and forthcoming Government stimuli such as Help to Buy, Starter Homes, Brownfield Registers, etc. will all assist delivery early in the plan period if the Council provides a sufficient supply of deliverable sites.

Paragraph 2.12, 2.13 & Table 2.1

7. Notwithstanding our comments upon the overall housing requirement, discussed against Policy CP1: Provision of Housing, the HBF supports the utilisation of the year 2012 as the base date for the housing requirement. This ensures that both the evidence base, which utilises the 2012 based sub-national household projections (2012 SNHP), and the overall plan housing requirement correlate. To do otherwise would not meet the identified housing needs of the area.
8. It is, however, unclear why the Council has not sought to align the base date of the plan with the evidence, so that both start at 2012. This current approach appears somewhat peculiar and only serves to spread the under-delivery from 2012 over the full plan period, enabling a five year supply to be more easily achieved. This essentially utilises the Liverpool method of dealing with under-supply and does not seek to address unmet needs in a timely manner. The Council will note that the National Planning Practice Guidance (PPG) seeks that;

'...Local planning authorities should aim to deal with any undersupply within the first 5 years of the plan period where possible. Where this cannot be met in the first 5 years, local planning authorities will need to work with neighbouring authorities under the 'Duty to Cooperate' (ID 3-035)

9. The HBF recommends that the Council align the base date of the plan with its evidence base upon housing needs.

Paragraph 2.14

10. The HBF and our members are supportive of utilising previously developed land where it is deliverable under current market conditions. Whilst the Council's track record of delivery on such sites, table 2.2, is encouraging this must be balanced against the need to increase the rate of delivery over the plan period.

11. In this regard we agree that the Council will need to take a more flexible approach to previously developed land than under previous plans. This is also consistent with the NPPF which shifted the emphasis from one of prioritisation to encouragement. Furthermore whilst NPPF paragraph 111 enables Councils to consider a case for setting a target for previously developed land this must be justified by evidence upon deliverability and set against meeting the overall housing needs of the area.
12. Without a change in emphasis to provide a more diverse portfolio of sites the Council is likely to fail to meet its overall housing needs.

Policy CP1: Provision of Housing

13. The HBF has a number of concerns relating to this policy, these are set out against the relevant headings below.

Positive planning

14. The NPPF requires plans to be positively prepared, to provide a significant boost to housing supply and be aspirational, yet realistic. The current policy wording is not considered to be positively prepared. The HBF considers that the words '*...in the order of...*' should be replaced by '*...delivery of at least...*'. This would provide a more positive framework for the housing allocations and identify that the Council is aiming to achieve, as a minimum, its objectively assessed need. The HBF considers such a statement would more closely align the policy with the Government objectives for positive planning and providing a significant boost to housing supply.

Housing requirement

15. The proposed housing requirement is 946dpa, over the period 2012 to 2032, or 1,038dpa over the proposed plan period. This represents a significant uplift upon the former Regional Spatial Strategy (RSS) targets for the area which between 2008 and 2026 were 670dpa. The HBF supports both the uplift and the recognition within the 2015 SHMA and the consultation document, paragraph 2.5, that the RSS figure was constrained within Calderdale due to a variety of reasons.
16. Given the 2015 SHMA conclusion, paragraphs 2.31 and 2.65, that Calderdale represents a self-contained housing market area, and the fact that none of the neighbouring authorities are currently planning to meet any of Calderdale's housing needs, it is appropriate that the plan seeks to accommodate its own objectively assessed housing needs (OAN) within its boundaries.
17. The methodology employed within the 2015 SHMA is considered appropriate given that it utilises the most recent household projections (2012 SNHP) as its starting point but modifies these based upon previous economic trends, the impact of the recession upon headship rates, market signals and economic forecasts. These are all considered consistent with the

latest advice contained within the PPG and the 2015 PAS guidance *Objectively Assessed Need and Housing Targets: Technical advice*.

18. The 2015 SHMA identifies an upper and lower level to the OAN range, these are set out within paragraphs 9.27 and 9.31 of the study. The range as advised by the 2015 SHMA is 946dpa to 1,169dpa. The Councils proposed housing requirement sits at the very bottom of this range. Based upon the current evidence the HBF does not consider the choice of 946dpa to be sound as it does not take account of the likely level of jobs growth anticipated within Calderdale over the plan period.
19. The PPG identifies economic signals are a key component to determining the OAN of the area (paragraph 2a-018). The proposed housing requirement would sustain approximately 301 jobs per annum, paragraph 9.29. This is below past levels of performance, based upon the period 1997 to 2012, which saw an annual average growth of between 343 and 495 jobs per annum (2015 SHMA figure 4.14). Furthermore the most recent versions of the Regional Econometric Model (REM) by Experian and the Cambridge Econometrics economic models identify an average plan period level of jobs growth equivalent to 555 and 455 jobs per annum respectively. It therefore appears, based upon current evidence, that there is a potential mismatch between employment and housing growth.
20. The recent interim conclusions of the Inspector of the Cheshire East Local Plan Strategy, dated 12th November 2014, clearly identify the folly of not aligning employment and housing strategies. It is, however, noted that the Council intends to undertake further more detailed work to understand its employment potential over the plan period. This is likely to provide further evidence as to where in the range identified by the 2015 SHMA the housing requirement should sit. The HBF looks forward to analysing this information in due course.

Previously developed land

21. The draft policy states that the Council will give priority to the use of previously developed land, requiring a minimum 55% of all new housing to be on such land. This draft policy statement appears partially contradictory to the commentary within paragraphs 2.14 and 2.15 of the consultation document.
22. The HBF acknowledge that the NPPF allows Council's to set a target for the re-use of previously developed land, paragraph 111, but this target must be based upon appropriate evidence, not least deliverability. The NPPF changed the emphasis from prioritisation to encouragement. The Government's commitment to such encouragement can be seen by the various initiatives currently being progressed through parliament to promote the re-use of previously developed land.
23. To ensure that the final paragraph of the policy is more consistent with national policy it is recommended that, presuming the target can be justified by evidence, it be amended to read;

'~~Priority~~ Encouragement will be given to maximising the use of previously developed (brownfield) land with. The Council will seek to provide a minimum target of 55% for the proportion of all new housing to be built on such land or arising through the conversion of existing buildings over the Local Plan period'

Table 2.3 Monitoring: Provision of Housing

24. The monitoring indicators appear generally appropriate. It is, however, recommended that the plan also identify specific triggers, as part of the monitoring framework, which would require a full or partial review of the plan. This could include the failure to identify a five year housing land supply or not meeting the housing requirement for three consecutive years. This would provide certainty to the plan and ensure that a failing plan is not pursued indefinitely.

Employment

25. It is noted that the evidence base for employment provision is still emerging. As discussed against policy CP1, above, it is important that the employment and housing strategies align. Therefore if the number of projected employees, over the plan period, increases above the 301 identified to be supported by the level of proposed housing growth the Council should consider amending its housing requirement accordingly.

26. It should also be noted that the delivery of housing 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.

The Potential Site Allocations

27. The HBF does not wish to comment upon the acceptability or otherwise of proposed allocations. In terms of the overall supply of sites we recommend that the Council considers providing a buffer of sites over and above those required to meet 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 to the 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.

Policy CP 5: High Quality, Inclusive Design

28. The HBF is supportive of good design and is a key partner in Building for Life 12 (BfL12). The policy sets out many elements which are important design principles. The third bullet of the policy upon sustainability, as written, appears to suggest that new developments will be required to go beyond the

requirements set out within the Building Regulations. In terms of energy the Council will be aware that Part L of the Building Regulations are the appropriate barometer for housing developments with no optional standards available. The policy wording seems somewhat at odds with paragraph 7.8 of the consultation document which acknowledges this point as does the opening paragraph of Policy CP6.

29. In relation to water consumption the Housing Standards Review set out an optional Building Regulations standard which can be introduced through the Local Plan process. The method and criteria for introduction are clearly set out within the National Planning Practice Guidance (PPG), paragraphs 56-013 to 56-017. The majority of the Yorkshire Water area is classified as a low stress area (July 2013: Environment Agency *Water stressed areas – final classification*) and as such the introduction of the optional standard within Calderdale is unlikely to be justified.

Policy CP6: Sustainable Design and Construction

30. As noted against Policy CP5, in relation to energy within residential developments, the Government's Housing Standards Review was clear that this was strictly a matter for the Part L of the Building Regulations. Whilst this is acknowledged within the opening paragraph, some of the bullet points within the third paragraph do appear to conflict with this opening statement.

Paragraph 8.2: Sources of Housing Supply

31. The HBF wishes to make the following comments upon the sources of supply.

Extant Planning Permissions

32. The HBF supports the use of a discount to account for lapsed planning permissions. It is noted that a 10% discount is proposed this accords with a number of appeal decisions, notably Rothley (appeal reference: APP/X2410/A/13/2196928) and Honeybourne (APP/H1840/A/12/2171339)

Windfall Sites

33. It is noted that over recent years the Council has provided a healthy level of developments from windfall sources, averaging 458 per annum between 2003/4 and 2014/15. It is, however, likely that this level of delivery will reduce significantly in future years. This is due to the effect of having an up to date plan with allocations and a more robust and fine grained evidence base, through the Strategic Housing Land Availability Assessment (SHLAA). In this regard it is noted that the Council is seeking to reduce its reliance upon windfalls to 200dpa, not taking account of the first three years. Whilst a significant reduction this represents nearly 16% of the overall proposed plan requirement, failure to achieve such a figure would therefore place the delivery of the plan under serious threat.

34. Paragraph 48 of the NPPF does enable Council's to include a windfall allowance, however this must be based not only upon past evidence but also likely future trends. Chapter 16 of the SHLAA is noted, however this does not provide and firm evidence upon the future delivery of 2,800 windfalls over

the plan period. The HBF therefore suggest that prior to committing to an allowance of 200dpa the Council provide further evidence upon the likelihood of the future rates of windfall delivery over the plan period. Similar evidence base work has been undertaken by a number of Councils including Sefton.

New Allocations

35. In common with our response to the Potential Site Allocations section of the consultation document it is recommended that a buffer of allocations be provided to provide flexibility within the plan.

Empty Dwellings

36. The HBF agrees with the Council that due to the difficulties in quantifying the number of empty dwellings which can be brought back into use these should not be included within the supply. This is consistent with the PPG which states;

'...Any approach to bringing empty homes back into use and counting these against housing need would have to be robustly evidenced by the local planning authority at the independent examination of the draft Local Plan, for example to test the deliverability of the strategy and to avoid double counting (local planning authorities would need to demonstrate that empty homes had not been counted within their existing stock of dwellings when calculating their overall need for additional dwellings in their local plans)' (paragraph 3-039).

37. The HBF is, at the time of writing, unaware of any such evidence. It is also notable that the Inspector of the South Worcestershire Plan within the interim conclusions (28th October 2013) noted that a supply side reliance upon properties being brought back into use was unsound due to a lack of evidence.

Policy TP 4: High Quality Housing

38. The policy makes reference to the national internal space standards. The standard can be introduced through the local plan. The PPG paragraph 56-020 sets out the full requirements for the introduction of such a standard. These include viability and affordability. It is paramount that both of these issues are considered in full prior to the introduction of the standard. The HBF does not currently support the introduction of the standard due to the fact it limits consumer choice and will have negative impacts upon affordability, density and site viability.

Policy TP 5: Housing Mix

39. The HBF supports the need to deliver a mix of housing and this should take account of the SHMA. The figures within table 8.6 should, however, be viewed as indicative targets only and not detailed prescriptions for all sites. This is because the SHMA only provides a snap-shot in time and the needs will vary both geographically and over-time. Therefore rigid requirements would not be appropriate, particularly in a district such as Calderdale. Furthermore issues such as viability, site characteristics and market

demands should also be taken into account to ensure delivery of the overall housing requirement.

40. The Council should also have regard to its own aspirations for economic growth. The achievement of growth will be reliant upon attracting investors to locate to Calderdale. Part of this investment will be based upon the housing offer available and being planned. Furthermore the housing offer should include an element of aspiration to ensure working families are retained within the area and not lost to other areas as this would impact upon the economic prospects of Calderdale.

Policy TP 6: Housing for Independent Living

41. The HBF supports the provision of housing for older people and vulnerable groups. Policy TP6 seeks to encourage such development but does not make this a mandatory requirement upon development proposals. The HBF welcomes this pragmatic approach.
42. The background text and monitoring indicators refer to the Lifetime Homes standard, this standard has been wound down and therefore reference should not be included within the plan.

Policy TP 7: Affordable Housing

43. The HBF support the provision of affordable housing and note that the 2015 SHMA identifies a need for 529 net affordable housing units per annum, if the current backlog is to be met in the first five years (paragraph 7.9). This represents a significant proportion of the proposed housing requirement (56% based upon 946dpa over the period 2012 to 2032). However, if taken over the full plan period the net need reduces substantially to 182 net affordable dwellings per annum (paragraph 7.50), or just over 19% of the proposed housing requirement.
44. Whilst the need for affordable housing is not disputed the policy must also be based upon realistic thresholds and targets which are founded within evidence upon local plan viability. The draft policy does not do this, rather it seeks to *'make the maximum viable contribution'* from all new development.
45. This stance is considered unjustified and contrary to national guidance. It will also lead to significant uncertainty for the development industry as they will not be able to make investment choices upon land with the full information upon the cumulative costs of policy requirements and obligations. The policy would also enable the Council to revise the requirements without the rigorous testing of evidence through a local plan examination.
46. The NPPF is very clear that;

'Local planning authorities should set out their policy on local standards in the Local Plan, including requirements for affordable housing...'(paragraph 174)

47. The inspector of the Leeds Core Strategy, in an interim letter to the Council (dated 8th November 2013), noted in paragraph 5 that;

'Unless Policy H5 (affordable housing) sets thresholds and targets which are certain, viable and deliverable, I cannot see how I can conclude that the Core Strategy will meet the identified need for affordable housing.'

48. The policy, by requiring the maximum viable contribute, would also appear to be seeking to push developments to the margins of viability. Paragraph 10-008 of the PPG advises against this and requires plan makers to allow for a buffer which will accommodate changing markets and avoid the need for frequent plan updating.

49. The HBF therefore suggest the current policy wording to be unsound and inconsistent with national policy. It is recommended that targets and thresholds viable in current market conditions are utilised. If the market rises sufficiently in the future the Council can undertake a full or partial review of its plan.

50. The affordable housing targets also appear out of kilter with the need over the plan period. As previously stated paragraph 7.50 of the 2015 SHMA suggests a plan period need of 182 affordable dwellings per annum. This is less than 20% of the overall plan housing requirement (17,600 net). Whilst it is recognised not all sites will contribute the proposed thresholds of 5 or 15 will capture a significant quantity of sites. The Council will therefore need to provide further justification for the percentages identified based upon need.

51. The 2015 *Local Plan and CIL Viability Assessment* (LPCVA) identifies, paragraph 8.3, that the proposed affordable housing targets within table 8.9 are not viable for previously developed sites. Paragraph 8.5 further notes that

'Our analysis, therefore, suggests that the affordable targets are too high for Brownfield sites....'

52. Whilst it is acknowledged that the paragraph comments this source would only make up 11.5% of future supply, this is still a significant quantum and it is unclear how the plan would overcome such a shortfall. It is also unclear how the study can reach a conclusion that only 11.5% will be on previously developed land given the fact that potential allocations are still being considered and the stated plan desire to maximise the use of previously developed land.

53. The study further notes that due to the flexibility provided within the policy this need not be a problem. This statement does not make any allowance for the need for certainty and to minimise risk from a developer's perspective. If, as identified, such sites are unviable due to the policy requirements involved this will make such sites unattractive to much of the development industry and will only serve to ensure that these sites are either not developed or are not developed until economic conditions are significantly better than they are

at present. Given that the Council have, within Policy CP1, expressed a desire to maximise the development of previously developed land this would appear counter intuitive.

54. The 2015 LPCVA, paragraph 8.11, discusses zero carbon standards. These are likely to be a future mandatory requirement and as such should be factored into the assessments of viability. Once these are applied it is noted that the proposed affordable housing contributions within the '*cold market areas*' are unviable. Paragraph 9.14 of the study refers to the uncertainty surrounding the Government's intentions towards zero carbon. Whilst it is true that the Government's *Productivity Plan* (paragraph 9.17) has halted immediate changes to the Building Regulations the Government has not altered its commitment to such changes. The HBF is therefore of the opinion that it would be prudent to include such costs to ensure that the plan is robust and flexible to change and that it is not planning to the margins of viability.
55. The HBF also point towards current issues with affordable housing associated with the recent announcements upon welfare reforms. The impact upon private developers is that many social providers are now either reluctant to commit to sites or are pulling out of agreements. This is making the provision of affordable housing and particularly social rented housing inherently more risky. The Council will no doubt be aware of the recent letter from the minister, dated 9th November 2015, urging pragmatism on affordable housing requirements due to these impacts.
56. The HBF also has concerns in relation to the assumptions utilised within the LPCVA many of which are considered to be too low. The HBF would be happy to discuss these concerns in more detail prior to the next stage of consultation.
57. The policy makes no reference to the impending introduction of *Starter Homes*. It is recognised this is an evolving policy area and as such consideration may be required prior to the next stage of consultation.

Information

58. I would be pleased to be kept involved in the Local Plan preparation process as well as the development of other planning documents. I trust the Council will find the comments useful and the HBF would be happy to discuss them further prior to the next stage of consultation.

Yours sincerely,



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