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Sent by Email Only

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Dear Sir / Madam

The Sheffield Plan: Citywide Options for Growth to 2034

1. The HBF would like to make the following responses to selected questions within the consultation document. A more detailed response will be made on future iterations of the plan.

Question 4: Do you support the Sheffield Plan Vision, Aims and Objectives?

2. The HBF is supportive of the vision, aims and objectives of the Sheffield Plan, it provides an aspirational, yet realistic context for the document. It is, however, suggested that in relation to neighbourhoods the following objective be amended as identified;

*'~~Sufficient~~ **Deliver** attractive, affordable and high quality homes across the city and City Region **to meet our current and future needs**, with strong transport and digital connectivity between communities'*

3. The use of the term '*sufficient*' within the current objective suggests that the plan is seeking to do just enough. This is not considered a positive or aspirational statement. The suggested amendments are intended to provide greater positivity to the objective and the plan as a whole. They are also considered to better align with national policy.

Question 9(a): Do you agree with the Council's assessment of housing need in Sheffield local authority area and the Sheffield/ Rotherham Strategic Housing Market Area?

4. For avoidance of doubt the following comments to questions 9(a) and 9(b) are made solely in relation to the housing needs of Sheffield and not the wider city region or Rotherham Sheffield HMA area.
5. The Council's assessment of housing need within the consultation paper identifies a range of between 40,000 and 46,000 net additional dwellings over the plan period or 2,000 to 2,300dpa, with the mid-point of 2,150dpa indicated as the Council's current preference. This figure is not directly linked to any one scenario tested within the work undertaken by Edge Analytics on behalf of the Council within its 2015 document '*Sheffield City Region Demographic Forecasts: 2014 – 2034 (Phase 2)*' but rather sits within a range of economic forecasts including various sensitivity tests. The HBF is supportive of the Council in attempting to align its economic and

housing strategies, indeed to not do so would be unsound. The housing need range suggested (2,000 to 2,300dpa) within the *Citywide Growth Options* consultation document falls between the Jobs-led aspirational scenario, Jobs-led steady scenario and Jobs-led aspirational with an increase in economic activity rates to coincide with the national average (sensitivity test 1).

6. Whilst we are supportive of the alignment of the economic and housing strategies, based upon the existing evidence, we consider that the range suggested is at the lower end of the overall requirement if Sheffield is to truly become a globally successful city as described in the vision and play a major role within the Government's *Northern Powerhouse*. It is therefore considered that the suggested requirement of 2,150dpa may fall short of the overall needs and a moderate uplift may be required, our reasoning for this conclusion is set out in greater detail in response to question 9(b) below.

Question 9(b): If not, what are your reasons for suggesting different figures?

7. The following response to this question is broken down into the component parts of identifying an objectively assessed need (OAN) for housing.

Demographics

8. The work undertaken by Edge Analytics on behalf of the Council utilises the 2012 sub-national population projections (2012 SNPP) and applies the headship rates from the 2012 sub-national household projections (2012 SNHP). The utilisation of these key databases is supported and is consistent with the PPG. The 2012 SNHP are driven by three key elements; natural change (births and deaths), migration (international and national) and headship rates. Whilst the study takes account of natural change and the potential changing patterns of migration through the economic scenarios there is no assessment of headship rates and the effect that changes in the headship rates would have upon the various scenarios.
9. The Council's *Planning for Housing – Background Paper* (paragraph 2.23) recognises that headship rates may have been depressed within the 2012 SNHP due to the effects of the recession and consequent lower rates of development and finance availability. The background paper further notes some commentators who suggest that this lowering may rather than being a recessionary influence be a factor of structural change. Whilst the HBF is aware of this latter view we consider that the recession will undoubtedly have played a part and is likely to have dampened headship rates. This view is supported by the 2015 PAS guidance *Objectively Assessed Need and Housing Targets: Technical advice note* (paragraphs 6.13 to 6.15) and suggests that alternative scenarios are tested. The PPG also supports such an approach noting that;

'The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing' (PPG ID 2a-015).

10. A sensitivity test which considers a full or partial catch-up to the 2008 headship could be utilised to consider this issue in greater detail. Such an approach has been considered in numerous other OAN studies.
11. The 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. This group were particularly hard-hit by the recession and as such the household representation rates are likely to have been significantly depressed. A significant rise in this age group to take-up the new jobs provided within Sheffield and the wider city region will inevitably lead to higher rates of household formation than has been projected within the 2012 SNHP. Furthermore the Government is actively encouraging younger families to become home owners through schemes such as Help to Buy and Starter Homes.
12. The HBF recommend further consideration be given increasing the household formation rates across all age cohorts but particularly the 25 to 34 age group.

Economic Factors

13. As noted above the HBF is supportive of the Council aligning its economic and housing strategies and whilst the SEP targets may be challenging these are considered the most appropriate to take forward. It is therefore important that the final housing requirement is aligned to this jobs target. The 'Jobs-led steady' or 'Jobs-led baseline' scenarios are not supported as these are unlikely to create the step change in economic activity required to meet the aims of the plan or to make Sheffield a key player within the *Northern Powerhouse*.
14. Two sensitivity tests are applied to the 'Jobs-led aspirational' scenario which seek to increase economic activity rates within Sheffield. 'SENS1' seeks to achieve national average activity rates (70%) by 2025 and 'SENS2' seeks to go 1% above national average activity rates (71%) by 2025. Whilst the HBF does not dispute that activity rates may increase, due to the availability of more jobs, achieving the rates within either 'SENS1' or 'SENS2' will be difficult given the current levels within Sheffield. The 2015 PAS guidance *Objectively Assessed Need and Housing Targets: Technical advice note* advises against over-optimistic assumptions in relation to economic activity rates. To do so would put the economic potential of the city and the plan in jeopardy. The HBF therefore recommend that unless specific evidence can be provided to substantiate an increase in economic activity this is not factored into the housing needs figure.

Market Signals

15. Market signals are considered in the 2013 SHMA it is, however, important that these are reconsidered and updated for the new plan. Recent trends in relation to house prices, affordability, overcrowding and previously low rates of development may warrant an uplift to the housing needs of the area. Without more up to date information it is difficult to assess what if any uplift may be required.

Conclusion

16. Due to the aforementioned reasons the HBF considers that the preferred housing requirement is likely to be at the lower end of a justifiable range. It is

therefore considered that further analysis be undertaken to identify what level of uplift is required.

Question 10: Is the Council right to use the Sheffield and Rotherham local authority areas as being representative of the Strategic Housing Market Area?

17. The methodology to define a housing market area (HMA) is identified within the PPG (paragraph IDs 2a-010 and 2a-011). From the information provided within the consultation it would appear that a case could be made for either a single authority approach or a combined Rotherham / Sheffield HMA. The Council will be aware that the issue of the relevant HMA was discussed at the Rotherham Core Strategy examination. The inspector whilst noting links with other areas advocated a Sheffield / Rotherham HMA, it would therefore appear appropriate to utilise this geography.

Question 11: How many years' supply of housing sites should be allocated in the Plan?

18. The NPPF, paragraph 47, identifies the minimum requirements for the plan. However as the consultation document states to avoid constant reviews of the plan it is preferable to provide a longer time frame of allocations. The consultation documents suggests until at least 2026 or possibly until 2028 with broad development areas until 2034. The HBF considers that a longer term view should be considered by providing sufficient allocations for the full plan period. This would not only provide greater certainty for the development industry but for the Council and residents alike. It would also enable better integration of long-term investment in infrastructure provision.

19. The need for such long-term certainty is particularly important given the low levels of development in Sheffield over recent years and the need to boost delivery within the city to meet its economic aspirations. Greater certainty will encourage developers to invest in the city. Furthermore the HBF also recommend a buffer of sites over and above the plan requirement is considered. Our reasoning for this is two-fold. Firstly the plan housing requirement should be identified as a minimum to conform to 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.

Question 24(a): Do you agree with our estimate that 4,000 homes will come forward on *small* windfall sites over the period 2014-2034?

Question 25(a): Do you agree with our estimate that 2,000 homes will come forward on *larger* windfall sites (excluding the City Centre, Kelham Island and other areas covered under Option C) over the period 2014-2034?

20. The following response is made with regards to both questions 24 (a)&(b) and 25 (a) & (b).

21. The NPPF is clear that a windfall allowance can be included within the Local Plan, paragraph 48, this must be based upon robust and compelling evidence that such sites have come forward in the past and will continue to come forward. The

HBF has not, at this stage, undertaken a thorough analysis of the windfall capacity within Sheffield and is therefore unable to provide a detailed response to this question. It is, however, considered likely that delivery from windfalls will reduce in future years compared to past trends. 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).

22. In terms of large windfall sites it is noted that the 2015 SHLAA made no allowance for windfall delivery from such sites. It is stated (paragraph 4.16) this is;

'.....because a number of large sites with permission will have been accounted for in the SHLAA or as part of the proposed Local Plan allocations. If any large windfall sites were to obtain planning permission in the 'current year', these can be added to the housing land supply in future reviews of the SHLAA. Furthermore, it can be assumed that not all the 'identified opportunity sites' in the SHLAA will be developed, which allows for some flexibility if any large windfall sites do come forward.'

23. Whilst the Council's reference to the URBED report is noted it is unclear why the position with regards to large windfall sites has changed. The HBF consider the position taken within the 2015 SHLAA to be far more robust and more likely to ensure that the full housing needs of the area are delivered.

24. In terms of small sites, the HBF agree that an element of delivery is likely to come forward from such sources. The 2015 SHLAA (paragraph 4.19) identifies that since 2008/09 240 dwellings per annum have come forward from such sources (after the removal of residential gardens). It is also noted that in excess of 200dpa has been achieved from such dwellings, albeit that the site size threshold used is 15 rather than 10 units. It is, however, unclear whether such trends are likely to continue into the future, and whether they will continue over the whole of the plan period. The reduction of the windfall allowance from small sites to 200dpa is welcomed. However, prior to committing to an allowance of 200dpa the Council should provide further evidence upon the likelihood of the future rates of windfall delivery over the plan period.

Question 26(a): Should the densities required by the current Local Plan on sites outside the City Centre be increased?

Question 28: What are the main barriers to delivering at higher densities?

Question 33: Subject to fitting in with the local character and site conditions, should developments on greenfield or Green Belt sites generally be required to a higher density such as above 40 homes per hectare?

25. The following response is made in respect of questions 26, 28 and 33.

26. The NPPF, paragraph 47, enables local authorities to set out their own approach towards density. It is, however, clear that the chosen approach must be reflective of local circumstances. This will not only require a consideration of the character, infrastructure and services available in localities but also the housing

needs of the area, as well as viability, market demand and the economic aspirations of the plan.

27. The barriers to delivering at higher density are many and will vary between sites and location. Whilst it is appropriate to consider higher density in certain locations a rigid requirement is unlikely to meet the housing needs of the area nor match market demand. A good example is the need for Sheffield to both retain and import working age families and individuals to meet the economic aspirations of the area. Without the relevant supply of family and aspirational housing the Council may fail to attract sufficient quantity of this group. The net effect will either be a failure to achieve economic aspirations or a significant increase in commuting, neither of which are desirable. Furthermore, evidence suggests that few residents of small apartments in high density areas intend to stay in their properties for longer than necessary, usually expressing the intention to move out of the city centre and into houses (Evans, A. & Unsworth, R. (2011) 'Housing densities and consumer choice', *Urban Studies*, 49 (6)). Too significant a focus on promoting high-density developments in and around the city centre is therefore likely to be a narrow short-term solution, providing for young professionals and those who choose to live in and around the city centre but ignoring the needs and ambitions of many other groups.

28. The densities within the existing Core Strategy policy (CS26) already exceed national averages for densities, which are around 32dph across all types of sites. Whilst it is accepted that within the city centre and near transport hubs there is a case for higher densities a requirement which raises the density for all sites across the city is unlikely to provide the correct mix of housing types and is likely to create additional stress upon existing infrastructure. An increase in density requirements also would not take into account the characteristics of individual sites. The HBF therefore would not support an increased density requirement for all sites outside of the city centre.

Question 34: Do you agree that surplus open space should be developed for housing, with the proceeds of development invested in improving remaining open space?

29. The HBF has no objection to the use of surplus open space as an additional housing resource, providing it is viable and deliverable within the plan period.

Questions 38 to 43: Urban extensions and growth locations

30. The HBF does not wish to comment upon the acceptability or otherwise of the potential options for growth. Each has its own advantages and disadvantages. It is, however, important that whichever method or combination is chosen it is deliverable and capable of providing the annual quantum of dwellings required each year. This will require numerous outlets to be operating at the same time across a wide cross section of the market. To ensure delivery can occur at the pace required it is recommended that the Council actively engage the development industry in the further evolution of the plan to ensure that the plan is based upon sound assumptions.

31. The HBF is aware of a strong demand for new homes across Sheffield which is not currently being met as a result of the mismatch between demand and supply.

Many of our members have expressed a desire to deliver significantly more housing in Sheffield. The new plan provides the opportunity to attract new investment in house-building and as a result not only deliver the homes that Sheffield needs but also create thousands of construction jobs and provide apprenticeships and training programmes.

Question 44: Should redevelopment of existing previously developed (brownfield) sites within the Green Belt for housing be permitted?

32. The HBF considers that the redevelopment of existing previously developed land within the Green Belt can provide a useful source of housing supply, providing it fulfils other planning criteria including sustainability. These sites are likely to assist in diversifying the overall portfolio of housing sites ensuring that the city provides a wide range of market opportunities. These sites may also assist in meeting local needs.

Question 45: What factors should be given greatest weight when deciding which sites should be allocated for development?

33. The deliverability of a site must be an overarching consideration. This will require a market assessment of proposed housing sites. The house building industry is well placed to provide this advice and as such engagement is essential to inform this assessment. This will not only provide transparency but also enable a thorough analysis of the data to be undertaken by interested parties.

Question 46: Should Sheffield seek to meet all its own housing needs within the district?

34. In common with paragraph 47 of the NPPF, the HBF consider that the housing needs of the area should be met within the relevant housing market area, wherever practicable. If the Council is unable to do so, due to specific constraints it will need to work closely with neighbouring authorities, through the Duty to Co-operate to ensure the needs of the area are met in full.

Question 47: How much of the housing need within the Sheffield/Rotherham housing market area could be accommodated in other districts in Sheffield City Region (i.e. outside Sheffield and Rotherham districts)?

35. The initial preference should be to meet the needs within the housing market area to ensure they are met where they arise. If this is not possible the Council will need to discuss the issue with neighbouring authorities, who will be best placed to advise upon the potential scale and practicality of meeting any unmet needs within their boundaries.

Question 48: What would be the social, environmental and economic consequences of meeting some of the housing need in Sheffield/Rotherham in other districts in Sheffield City Region?

36. The consequences would be dependent upon the scale of the unmet need and where they are met. For example if they are met in close proximity to the boundaries of Sheffield/Rotherham the impact will be reduced. The main consequences of not meeting the needs within the housing market area are likely to manifest themselves in market stress indicated by higher house prices and rents, increased overcrowding, more concealed households and worsening affordability ratios. Other

issues such as greater levels of commuting which would put additional pressure upon infrastructure are also likely to occur.

37. Not meeting the needs within the area also runs the risk of failing to deliver economic success for Sheffield. The CBI's *Homes For Growth* report in 2014 showed businesses regard the housing crisis as a major threat to competitiveness. Two thirds of businesses feel housing costs have a negative impact on the recruitment of staff at entry level and households across the UK are losing out on £3.2bn a year due to soaring rents and mortgage payments, money which could otherwise be spent in local economies. Not meeting the housing needs of the area in full could risk a situation where companies struggle to recruit and retain talented graduates and more senior employees, negatively impacting on the overall attractiveness of Sheffield and potentially resulting in investment going elsewhere.
38. Furthermore the HBF has published 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 and Sheffield over the previous year.

Information

39. The HBF is keen to remain involved in the local plan process and as such wish be kept informed of the next stage of consultation upon this document. I am happy to discuss further any of the comments made within this representation.
40. The HBF would also be pleased to facilitate further engagement with the house building industry in the development of the plan.

Yours sincerely,

MJ Good

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