

Newcastle City Council
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Sent by Email Only

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Dear Sir / Madam

Newcastle Housing and Employment Land Availability Assessment (HELAA): Draft Methodology November 2015

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.

The HBF welcome this opportunity to comment on the Housing and Economic Land Availability Assessment methodology (HELAA). The following comments are provided in order to assist the Council in producing a robust and defensible evidence base. If the Council wish to discuss any of the comments made in these representations further, please do not hesitate to get in touch.

The following comments relate to the identified section within the HELAA.

General Comments

Whilst the use of standard assumptions, for developable area ratio, build rates and density, are in principle acceptable these should only be used as a last resort. The HBF strongly advocates discussion with the relevant site developer / promoter so that the implications of infrastructure provision, site constraints and construction start-up can be properly assessed and built into the trajectory for site completion. This engagement should occur on an annual basis to ensure that the information being used is accurate. This approach will ensure a better reflection of individual site characteristics and actual market conditions are provided in the HELAA, creating a far more robust document.

Where standardised assumptions are utilised it is important that these are supported by robust up to date evidence (PPG paragraph 3-031). This could include analysis of the patterns and timescales of sites recently approved or evidence gathered via discussions with developers at section 78 appeals. The evidence used in the derivation of the Council's assumptions should be made publicly available to enable independent analysis of the Council's proposed assumptions. The HELAA should also set out how the assumptions have been applied, particularly where a range is used. The provision of this data will provide clarity, consistency and transparency to the key assumptions.

It is noted that the HELAA utilises the SHLAA Regional Implementation Guide (March 2008) as it's starting point. This is supported and has ensured that the HELAA methodology is largely fit for purpose.

Stage 1 - Site/Broad Location Identification

Site Survey

Paragraph 3.18 discusses progress on large sites will be monitored on an annual basis. Whilst the HBF has no issue with this it is also recommended that the Council discuss delivery levels and timescales with all land-owners and developers wherever

practicable. This will ensure that a greater appreciation of individual site delivery plus any unforeseen delivery issues are known and can be factored into the HELAA.

Stage 2 - Site/Broad Location Assessment

Density

The HBF agrees that densities will vary between the Urban Core and Neighbourhood / Village sites. It is also agreed that differing types of housing will also lead to differential densities. The Housing Capacity Calculator is therefore considered generally appropriate, albeit the densities for two and three bed housing appear on the high side. The most recent Land Use Change Statistics identify that nationally densities are, on average, 32dph (net) across all sites including high density town / city centre schemes. On previously developed land the average density was 37dph and on greenfield land the average density was 26dph.

To ensure that appropriate densities are applied to individual sites it is important that the Council considers the likely housing mix on sites as well as any constraints which may limit the density achievable upon a particular site.

Gross to net site area (developable area)

Whilst discussions with individual land owners and developers are required, where possible, to ensure the correct developable area is known, the assumptions are generally considered appropriate and realistic.

Achievability - Including Viability

It is recognised that the assumed sales values contained within figure 8 are based upon the viability tool developed for the Core Strategy and Urban Core Plan (CSUCP) and CIL. It does, however, need to be recognised that these tools are generic in nature and whilst they may be applicable at a strategic level they do not always translate to individual sites. It is therefore important that the Council not only considers the impact of changing values but also discusses these with developers and land owners active within the Newcastle market.

It is also notable that both the value areas and the sales values shown in figure 8 are subject to outstanding objections, which will be heard by the Inspector appointed to examine the CIL in due course. In this regard it is possible that the figures will change and as such the HELAA methodology should both recognise this uncertainty in the interim and amend the figures, if appropriate, after receipt of the CIL Inspectors report.

Site with Planning Permission

The HBF supports the intention, within paragraph 3.46, to discuss delivery with landowners and developers.

Residential Delivery Assumptions

Figure 10 identifies a range of delivery assumptions which vary dependent upon site size, number of outlets and the number of developers. It is considered appropriate to vary delivery assumptions based upon these elements. Once again, whilst such assumptions are relevant, it is stressed that this should not replace discussion with the relevant developers, particularly on larger more complex sites. Where assumptions are used these should be kept under review and assessed against actual rates of delivery on similar types of site across the city.

Stage 3 - Windfall Sites

The Council intends to apply a 50dpa windfall allowance (paragraph 3.53). This is consistent with the assumptions made at the time of the CSUCP examination and is referenced within the Inspector's report into the examination. It is, however, important that the Council does not double count windfalls, particularly within the first few years.

The HBF recommends that no windfalls are included in the first year of supply as to be delivered they would need to already benefit from planning permission, due to the time taken to gain consent, discharge conditions and undertake site preparation. Therefore any windfall allowance within year one would effectively double count those with permission. In year two and possibly three it is suggested that a discount be applied to the windfall allowance to account for the fact that there will inevitably be a lag between gaining consent and completing the site. Given that the windfall allowance is for sites of less than five homes a full allowance could be applied after year three.

Lead-in times

The methodology does not provide any information upon the lead-in times for various types of site and stage in the planning process. For example a large site with outline permission will usually take significantly longer to begin completing dwellings on site compared to a small site with full permission. The assumptions utilised will have a significant bearing upon the housing trajectory. It is therefore recommended that the Council provide further information with regards any assumptions it intends to make in this regard.

I trust that the Council will find the foregoing comments useful in the preparation of the HELAA.

Yours sincerely,

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