

Draft Local Plan consultation

Spatial Planning

Salford Civic Centre

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05/01/2017

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Dear Sir / Madam,

Salford Draft Local Plan

1. Thank you for consulting the Home Builders Federation (HBF) on the Salford Draft 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 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 Salford. The Council will be aware that the HBF has also submitted comments upon the Draft Greater Manchester Spatial Framework (GMSF). The GMSF is intended to provide the overarching strategic planning framework for the whole of Greater Manchester and as such it will have a significant bearing upon the policies and requirements within the Salford Local Plan. Within our following comments upon the Salford Draft Local Plan we do make reference to our response to the GMSF. However, at this stage, to aid brevity we have tried to focus solely upon the issues raised by the Salford Draft Local Plan wherever possible.

Duty to Co-operate

4. The draft plan and evidence base are relatively silent upon the work that has been undertaken in relation to the Duty to Co-operate. It is recognised that Salford is an integral part of Greater Manchester and intimately involved within the GMSF and as such many cross-boundary issues will be considered through this process. It is, however, considered important that the plan and evidence base provide specific

evidence upon how the Council has discharged its requirements under the duty in relation to this plan.

Scale of housing provision

5. Paragraph 9.1 of the draft local plan identifies a housing requirement of around 34,900 net new dwellings over the period 2015 to 2035. This accords with the proposals set out within Policy GM5 of the GMSF for Salford. Whilst conformity with the GMSF is welcomed it should be noted that the HBF has significant concerns in relation to the proposed housing requirement set out within the GMSF.

6. In summary our concerns relate to the lack of aspiration relating to employment growth, the lack of uplift applied for market signals and some of the assumptions applied within study. This leads us to the conclusion that are that the overall Greater Manchester housing requirement is not robust nor sufficiently aspirational. Based upon the evidence within the 2016 Greater Manchester Strategic Housing Market Assessment (GM SHMA) we consider the objectively assessed housing need to be somewhere in excess of the 14,622 dwellings per annum, as identified in appendix 3 of the document. We suggest a figure in excess of this due to the overly optimistic assumptions upon resident economic activity rates.

7. In terms of a housing requirement we do not consider the employment and economic growth projections to be sufficiently aspirational and consider it would fail to meet the aspiration set out within the GMSF vision. We refer to work undertaken by NLP on behalf of the *Housing the Powerhouse Campaign* which identifies an annual average of 16,643 dwellings is required to ensure that Greater Manchester rightfully fulfils its role as the key city driving growth within the North of England and providing a counterbalance to the strength of London and the South East.

8. Any increase in the housing requirement for Greater Manchester will inevitably impact upon the Salford Local Plan and will need to be reflected in future iterations of the plan. Further detail upon our concerns with the GMSF housing requirement can be found within our response to the Draft GMSF.

Policy H1: Housing strategy

9. The policy seeks to focus the majority of development upon previously developed sites, whilst in an area such as Salford this is not surprising, the viability of some of these sites may be challenging and the Council will need to ensure it has sufficient

flexibility in-built into the plan to deal with any none or under-delivery from such sites. We expand upon this point in our response to Policy H3 below.

10. The policy also identifies that greenfield, including some Green Belt, sites will also be required and that this will assist in diversifying the housing mix within the city. The HBF agrees and supports this point. It is, however, noted that the plan places significant reliance upon delivery from urban apartment sites. We discuss this issue further within our comments to Policy H2 below.
11. The final criterion of the policy requires net densities of at least 35 dwellings per hectare (dph) or higher. Whilst this is likely to be appropriate within the existing urban areas of Salford it is recommended that flexibility is built into the policy to allow deviations in more peripheral areas. This may be required to provide the diversity of housing mix, referred to in criterion 2 of the policy, to respect local character or due to specific site constraints. It is noted that the *Housing and economic land availability assessment; 1 April 2016 to 31 March 2035* (HELAA), paragraph 2.20, identifies a range of site densities down to 20dph. Thus indicating the potential for lower density development.

Policy H2: Scale, phasing, distribution and mix of housing development

12. The policy includes a reference to at least 34,900 net additional dwellings over the plan period (2015 to 2035). The reference to the requirement as a net minimum is supported and considered consistent with the NPPF requirements for plans to be positively prepared and the need to boost significantly housing supply. We do, however, have concerns regarding the overall requirement. This is discussed in greater detail in paragraphs 5 to 8 above as well as within our response to the GMSF, as such it is not repeated here.
13. The housing requirement is proposed to be equally spread over the plan period with average delivery of 1,745 homes per annum. Notwithstanding our comments upon the overall requirement this approach is supported to ensure needs are met as soon as possible.
14. Whilst the HBF does not wish to specifically comment upon the proposed distribution we are concerned that the plan does not provide sufficient allocations to ensure that the identified housing requirement is met. This is discussed in further detail within paragraph 21 below.

15. The plan places a heavy reliance upon the delivery of apartments, particularly in the City Centre, Salford Quays and Ordsall Waterfront areas. Given the nature of these areas this is perhaps understandable. The overall the delivery from apartments is anticipated to be around 65-70% of the overall housing requirement (table Policy H2). The HBF agrees that apartments will undoubtedly form a significant part of the housing needs and supply for Salford over the plan period. It is, however, important that other forms of housing are also provided to ensure that the needs of working families and those aspiring to start families are also met. The current balance does not appear to fully achieve this.
16. The balance between apartments and houses identified within the policy appears at odds with the evidence. The HELAA, table 6, suggests 79% of the supply is likely to be in the form of apartments. This is significantly greater than suggested in the policy. This disparity clearly requires explanation. This confusion is compounded by the policy which states that outside of the City Centre, Salford Quays and Ordsall Waterfront areas the majority, at least 80%, of new dwellings should be houses. However the table directly above this statement suggests a figure of 65-70%. Once again this needs to be clarified. To provide a more balanced approach a higher percentage of houses would appear justified.
17. The high reliance upon apartments should also be considered in the application of the nationally described space standard and optional accessibility standards, discussed in policies H5 and H6 below.

Policy H3: Housing allocations

18. The HBF does not, at this stage, wish to comment upon the appropriateness or otherwise of the individual allocations. We do, however, have concerns regarding the overall quantum of allocations and lack of an appropriate buffer of sites to ensure that the plan delivers against the housing needs of Salford identified through the GMSF. The Council will also note our concerns with the overall GMSF housing requirement set out within paragraphs 5 to 9 above.
19. Table 6 of the HELAA identifies a total net supply of 35,727 dwellings over the period 2016 to 2035. Once completions from 1st April 2016 of 1,098 (*Salford's five-year housing land supply position, page 16*, hereafter referred to as the five year supply paper) are added the total plan period supply is suggested to be 36,825. This provides a buffer of just 5.5% above the housing requirement.

20. It is noted that this level of supply is at odds with the suggested supply for Salford within the 2016 Greater Manchester SHMA (figure 10.5) which suggests a supply of 38,726 dwellings over the same period for Salford, providing an 11% buffer. Further clarity upon this issue is therefore required. Furthermore it is considered that greater clarity regarding the different elements of the supply, compared to the cumulative totals provided in table 6 of the HELAA, would provide greater transparency to the evidence base.
21. Whichever buffer, 5.5% or 11%, is correct this is not considered sufficient to ensure that the plan meets its housing requirement in full. The Local Plan Expert Group¹ recommendations to Government suggest a 20% buffer of reserve sites be provided to ensure that the plan can maintain a five year supply and respond flexibly and rapidly to change. Given the issues of delivery and the uncertainties discussed earlier the HBF agrees with this stance and recommends it be adopted by Salford.
22. In addition to the general comments above the HBF also has comments upon the following sources of supply.

Planning Permissions

23. It is noted that as of 31st March 2016 a total of 17,283 dwellings benefitted from planning permission. Whilst it is noted that all sites with planning permission have been re-assessed (annex 1 HELAA) and some are anticipated to come forward with a different yield to that for which they currently have permission (paragraph 2.40 HELAA) it is unclear whether any specific discount has been made for the possibility of none or under delivery from sites. This should be clearly expressed within the evidence base.
24. The HBF recommends that a lapse rate be applied to existing permissions to take account of the fact some applications will not be brought forward. Many local plans have undertaken studies to identify the lapse rates within their area, such as Scarborough, or have applied a notional 10% lapse rate to account for unimplemented permissions, such as Calderdale. The 10% lapse rate accords with a number of appeal decisions, notably Rothley (appeal reference: APP/X2410/A/13/2196928) and Honeybourne (APP/H1840/A/12/2171339). A similar level of discount upon existing permissions should be considered within Salford.

¹ Local Plan Expert Group (2016): Report to the Communities Secretary and to the Minister of Housing and Planning

Windfalls

25. The HBF agrees with paragraph 2.53 of the HELAA that a windfall allowance should not be included in the first five years due to the potential for double counting with existing permissions on small sites. It is also considered appropriate to include an allowance for small sites and conversions / changes of use, as these are not covered by the HELAA assessment and are likely to continue to come forward in the future. The key concern of the HBF is the assumption that they will continue to come forward at the same level as past trends (paragraph 2.53 HELAA).

26. Annex 5 of the HELAA identifies the net additional dwellings on small sites over the period 1 April 2000 to 31 March 2016. This indicates a net provision of 2,869 dwellings from this source over this period, or an annual average of 179 per annum. This average has then been used over the period 2021 to 2035 to identify the proposed windfall allowance of 2,510 dwellings from this source.

27. The analysis does not, however, consider the level of annual completions from this source over the period 2000 to 2016 or identify if there were any particular anomalies over this period. This could include particularly high delivery in certain years which may bias the overall supply. Neither does the analysis implement the 3.3% discount identified for development of garden land (paragraph 2.58 HELAA).

28. The NPPF, paragraph 48, requires an assessment of whether windfalls will continue to provide a reliable source of supply in the future. This element of the assessment is currently absent from the HELAA or five year supply paper. In determining future windfall supply it is important to consider the likelihood of continued delivery from small sites, conversions and changes of use. This assessment should be made in the context of a new up to date plan with new allocations. Whilst, as noted above, it would appear appropriate to include some delivery from this source it is likely that a reduction would occur in the future as developers focus upon the certainty provided by the allocations and the considerable development proposed within the City Centre, Salford Quays and Ordsall Waterfront. It is therefore recommended that prior to the next stage of consultation further analysis be undertaken of the sources of windfall supply and consideration given to their likely delivery over the plan period and whether a discount upon previous rates of delivery should be applied.

29. It is also notable that the windfall allowance within the HELAA is significantly above that identified within the 2016 Greater Manchester SHMA. This document identifies a windfall allowance of 1,500 over the plan period (figure 10.4) for Salford. This difference requires explanation.

Demolitions

30. The HELAA refers to 496 demolitions over the plan period, paragraph 3.9. This equates to just 26 per annum, which appears low. It is recommended that further evidence is provided in this regard including the previous rates of demolition within Salford.

Policy H5: Size of dwellings

31. The policy has two critical elements which will effect housing delivery. These are the number of bedrooms required and the introduction of the nationally described space standard (NDSS). These are dealt with separately below.

Bedroom requirements

32. The HBF understands the need for a mix of house sizes in terms of bedrooms. It is, however, important that any policy is workable and ensures that housing delivery will not be compromised or stalled due to overly prescriptive requirements or the need to provide significant amounts of additional evidence. The policy identifies that a minimum of 75% of all houses on sites should be three bedroom or more and 60% of apartments should contain at least two bedrooms.
33. The supporting local evidence for the policy is unclear. There is no up to date assessment of housing needs within Salford. Whilst the number of bedrooms across Greater Manchester is considered within the 2016 Greater Manchester SHMA this does not provide sufficient evidence for the policy requirements. It is therefore unclear how the policy can currently be justified.
34. The policy also does not provide any flexibility to take account site specific constraints, market conditions or local needs. The lack of evidence and flexibility are considered to be significant flaws which should be rectified in the next iteration of the plan.

Nationally described space standards (NDSS)

35. The policy requires all new dwellings to meet the NDSS. This replicates a similar policy within the GMSF. The Council will be aware that the NDSS can only

be applied where there is a local plan policy. The evidence required to introduce the optional space standards through the local plan is set out within the PPG (ID 56-020). The PPG clearly states;

“LPAs should take account of the following areas:

- 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.”*

36. The policy, whilst providing a few exceptions, generally applies a one-size-fits-all approach to new development. It is recommended that through an appropriate evidence base, the Council assess the need for and effects of floorspace standards adoption for all forms of residential development, whether new-build, change of use or conversion. Similarly, no study has been undertaken to assess whether the NDSS should be applied across the board, covering general market family housing, affordable housing, flats and apartments. The Council should demonstrate an understanding of the delivery model for these different forms of new housing and the likely effect of NDSS adoption before applying the standards for consideration of planning applications.

37. It is noted that the Council’s (November 2016) ‘*Assessment of residential viability*’ (hereafter referred to as the viability report) does consider the NDSS. It is noted that this report identifies clear viability issues across parts of Salford. It is therefore questionable on this evidence alone whether all new dwellings should be required to apply the standard. This report is discussed in greater detail in our comments upon Policy H7 below.

38. As previously discussed the Greater Manchester SHMA does provide limited consideration of property type and number of bedrooms. There is, however, no

consideration of the size of new dwellings or the impact that the implementation of the NDSS may have upon affordability. Given the complete lack of evidence it is unclear how such a policy requirement has been included within the consultation document.

39. Furthermore the blanket introduction of the space standards may actually reduce choice. This is because many developers have entry level two, three and four bed properties, some of which may not currently meet the space standard. These types of properties provide a valuable product for those with a need for a certain number of bedrooms but who are unable to afford larger properties. The consequent increase in costs and reduction in variety could have a detrimental effect upon affordability and delivery, particularly in more marginal areas. Given the acute affordable housing needs across Salford and Greater Manchester this should be a key consideration.

40. It also appears to be assumed that the NDSS will have no impact upon development density or conflict with other policies, such as housing mix. Whilst the impact may be minimal on some sites, those in areas of high density or apartment schemes are likely to suffer and may not be deliverable.

41. It should be noted that the HBF undertakes an annual customer satisfaction survey of new home buyers. The most recent survey identified that 86% of buyers were satisfied with the quality of their new home and 92% were satisfied with the internal layout. The full report can be accessed at www.hbf.co.uk. It is therefore clear that the vast majority of new home buyers are very happy with the homes currently being built and they meet their needs.

42. If the introduction of the space standards can be justified the HBF would recommend flexibility in its application. This is required to enable local and site specific needs and constraints to be taken into account as development is brought forward.

Policy H6: Housing design

43. Part 1 of the policy re-iterates the requirement for the NDSS discussed against policy H5 above. Our comments upon this issue are not replicated here.

44. Part 2 of the policy requires all new dwellings to meet the optional accessible and adaptable buildings requirement described under Building Regulation M4(2). Once again this re-iterates a policy requirement within the GMSF.
45. The HBF is supportive of providing homes for older and disabled persons. We also do not dispute the optional standards will assist in meeting the likely future needs of older and disabled people. It is, however, considered that the policy lacks finesse by requiring blanket requirements with no regard to the type or location of the housing being provided. This is a key element of the evidence base identified within the PPG (ID 56-07). The policy as currently identified would apply equally to retirement homes near urban centres, apartments within the urban area, family housing and executive housing in suburban or semi-rural locations. This blanket requirement does not take account of the needs or requirements of these various groups or the desirability to be situated closer to services and facilities. There is also no flexibility within the policy to take account of local site characteristics.
46. It is also unclear how the 100% requirement has been derived, or why all new build dwellings should meet M4(2). Not all buyers will require this standard and it may effectively mean purchasers pay more for something they may not need or desire.
47. Key pieces of the evidence base required by the PPG (ID 56-07) are missing. There is no assessment of need nor the accessibility and adaptability of existing housing stock. Without these key parts of the evidence base it is impossible to draw conclusions upon whether the policy, and in particular the requirement for all new properties to meet the standard, are proportionate and justified.
48. Whilst it is noted that the Council's viability report does consider the impacts of the standard it is clear that certain areas are likely to be unviable with the full burden of policy requirements in the plan. The justification for the standard in these areas is therefore questionable based upon the viability evidence. There is also no assessment of the impacts upon affordability.
49. The HBF therefore recommends that the requirement either be deleted or further evidence is provided by the Council and the policy amended accordingly.

Policy H7: Affordable Housing

50. The need for affordable housing in Salford is set out within the December 2014 *'Evidence of the need for affordable housing in Salford'*. This background paper identifies a need for 760 affordable homes per annum. Whilst the HBF does not dispute the need for affordable housing the background paper is not considered to provide the same level of analysis and consideration of need as an up to date Strategic Housing Market Assessment (SHMA) for Salford. The most recent Salford SHMA was published in 2012, given the changes since this time it is considered this is largely out of date. It is recommended that the Council rectify this issue prior to the next consultation upon the plan. This is required to ensure that the overall level of affordable housing being sought is justified.
51. The table within the policy identifies a complicated differentiation between dwelling types and residential value areas. The target provision for affordable housing varies from 10% in low value areas to 40% in 'Premium or former Green Belt areas'. The policy also place strict tenure mixes on some dwelling types / value areas. Whilst variation in the affordable housing requirement to reflect viability is generally welcomed the Council should seek, wherever possible, to minimise the complexity within the policy.
52. The viability implications of the policy are considered alongside other policy burdens within the Council's November 2016 viability report. The cumulative impacts are displayed within table 24 and the following specific value area reports. It is notable that even in the areas identified, by the report, as being viable this is in many cases marginal. For example table 27 identifies that within the former Green Belt areas a full scheme surplus of just under £24,000 would be provided for low density housing with a fully policy compliant proposal. Likewise within the mid value area a policy compliant low density housing scheme would provide a surplus of under £11,000. This is not considered to provide the relevant viability buffer inferred by the PPG (ID 10-008).
53. Perhaps more concerning is the fact that within the low to mid value areas policy compliant developments would be unviable. The justification for the policy requirement in these areas is therefore unclear.
54. The veracity of the evidence to support the suggested tenure mix is also challenged. As noted above the policy is not supported by an up to date SHMA and as such the prescriptive tenure mix requirements appear unjustified. The tenure mix

should be tested with local social housing providers and flexibility in-built into the policy to deal with both viability and changing needs over the plan period.

55. Furthermore the HBF has a number of concerns with the assumptions used to inform the viability report. For example there is no consideration of abnormal costs or the costs of demolition. This is despite the high reliance upon previously developed land. The report only provides 3% of GVA for marketing costs and developer profit is consistently identified as 17.5% for market properties and 5% for affordable. These and other assumptions are either below or at the lower end of those recommended by the Local Housing Delivery Group report chaired by John Harmon². The under-estimation of costs will have profound implications upon the credibility of the viability report, which could suggest many of the policy requirements within other value areas to be unjustified. The HBF recommends the Council undertake further work upon this prior to the next stage of consultation.
56. Whilst flexibility is inferred within parts of the policy it is recommended that a viability clause also be included in the policy. Such clauses are standard practice in most local plans and are provided to ensure that site specific viability issues can be given due consideration. The clause should allow developments to proceed which do not meet the set targets where viability evidence suggests this would be unviable.
57. Finally the policy does not provide any reference to the possible introduction of 'Starter Homes'.

Policy A10: Electric vehicle charging points

58. The policy requires every new residential dwelling with a garage or driveway to include a dedicated charge point specifically designed for charging electric vehicles. There is no consideration of the costs or viability of such a policy within the background evidence *Assessment of Residential Viability* nor the impact upon the design of new buildings or developments. The NPPF does not make such stringent requirements, paragraph 35 is clear this is only where practical and by no means seeks this to be a requirement for every property.

Information

² Local Housing Delivery Group (2012): Viability Testing Local Plans.

59. The HBF is keen to remain involved in the GMSF 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.

60. The HBF would also be pleased to facilitate further engagement with the house building industry in the development of the GMSF.

Yours sincerely,

MJ Good

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