

Freepost RSJC-KKBE-ABXZ
Planning Policy
Hull City Council
PO Box 15
Hull
HU1 2AB
planning.policy@hullcc.gov.uk
Sent by email only

31st Jan 2017

Dear Sir / Madam,

Hull Local Plan Proposed Changes

1. Thank you for consulting with the Home Builders Federation (HBF) on the proposed pre-examination changes to the Hull Local Plan. It is recognised that these changes are made in response to comments made at the submission stage of the Local Plan and further evidence after this consultation. This additional evidence has not been consulted upon prior to this stage. I can confirm that the HBF still wishes to attend the examination to debate these and other matters further, as appropriate.
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.

Proposed Changes

3. The following comments relate to the '*Proposed Changes to the Hull Local Plan Publication Consultation Document*' (ref: SD008).

Focused change Policy 3: ID 85 (including other consequential changes ID 135, 142, 145, 146, 148, 149, 150, 151 and 154)

4. The focused change seeks to reduce the housing requirement within Hull from 760dpa to 675dpa. This disappointing change is largely related to the 2016 *Hull and East Riding Joint Housing Needs Study*, albeit the housing requirement also includes an allowance for demolitions of 55dpa. It is also noted that an increase of 59 dwellings has been made to accommodate dwellings not allocated within the East Riding of Yorkshire Local Plan Strategy (ERY Local Plan). It is unclear how this albeit small change has been factored into the requirement.
5. The Council will note our previous concerns regarding the housing requirement set out within the Publication version of the Hull Local Plan (hereafter referred to as the

'Publication Version'). We are disappointed to note that the focussed change seeks to reduce the housing requirement by 85dpa. This is not supported and as such our original objections remain.

6. In relation to demolitions it is noted that Table 5.3 of the plan is intended to be amended (focused change 135) and now suggests a total of 878 demolitions over the plan period. Whilst this represents an increase over the figures provided in the Publication Version it is still significantly below previous levels of demolition. This is discussed within our comments upon the Publication Version, paragraphs 17 to 19. It is not considered that the focused change overcomes our original concerns.
7. In terms of the housing requirement the 2016 *Hull and East Riding Joint Housing Needs Study* identifies a number of scenarios. The most relevant is the '*REIU policy-on forecast*'. This is because, as noted by the Inspector of the ERY Local Plan;

"...The main point of note is that none of the options are based on an employment-led scenario. Yet both Councils agree that the needs and requirements of the HMA must be founded on a consistent application of the scenarios selected. That is to say that if housing in one part of the HMA is founded on an employment-led scenario, then so must the other – one cannot 'mix and match' employment-led and demographic scenarios within one HMA..." (Paragraph 85, ERY Inspector's report)

8. Furthermore the Inspector noted;

"The East Riding and Hull City Councils have agreed an 'apportionment approach'. Under this, East Riding will provide less housing than either its objectively assessed need or its identified requirement. Hull will make up this 'shortfall' such that the housing needs and requirements of the HMA overall are met. From the table above, the 'shortfall' amounts to 533 dwellings per annum..." (Paragraph 92, ERY Inspector's report)

9. The 2016 *Hull and East Riding Joint Housing Needs Study* identifies a requirement for 2,021dpa over the plan period, under this scenario (figure 6.19). This is lower than modelled during consideration of the ERY Local Plan. It is, however, acknowledged that the updated housing needs assessment takes account of more recent data, including the 2014 based household projections. The HBF does,

however, have a number of concerns with the new study which, in our view, have led to a suppression of need across the Housing Market Area (HMA). Our original objections to the proposed housing requirement, as amended, therefore remain.

10. Our principal concerns with the 2016 *Hull and East Riding Joint Housing Needs Study* are in relation to household formation rates, levels of economic growth, economic activity rates and market signals. These are discussed in turn below.

Household formation rates (HFRs)

11. The study clearly acknowledges (paragraph 3.81) that HFRs have been suppressed for the 25 to 34 year age group. However no adjustment has been made in this regard. This is considered a flawed approach. We address this approach in our response to the Publication Version of the Local Plan, paragraphs 24 to 27, these comments are still considered valid.

Economic Growth

12. Within our previous comments, paragraph 28, we refer to the job growth ambitions of the City Plan which seeks to provide jobs growth of 7,500 over a 10 year period. The study considers this issue concluding that the 7,500 jobs referred to within the City Plan should not be added to the 2,400 identified by the REIU as this would constitute double counting. The HBF accepts this point, although it should be noted that the City Plan only covered the period 2013 to 2023. It would therefore be reasonable, given the variable timescales, to increase in the jobs rates identified within the REIU based upon the City Plan ambitions. The current evidence base does not appear to provide sufficient clarity upon how the ambitions of the City Plan have been translated into the Local Plan and its housing requirement. Furthermore there is no examination of the potential implications arising from other initiatives such as the Northern Powerhouse.

13. It is also noted that since 2013 unemployment has dropped by 7,150. The 2016 *Hull and East Riding Joint Housing Needs Study* relates this to almost meeting the targets set out within the City Plan. This is not, however, matching like with like. Whilst the HBF has not undertaken its own analysis at this stage, it appears unlikely that the reduction in unemployment will be solely related to additional jobs created. Reduced unemployment figures are often due to a wide range of factors. If, as suggested, 7,150 jobs have been created since 2013, equivalent to over 2,300 jobs per annum, the HBF would argue that the REIU projections are extremely

pessimistic at just 150 additional jobs per annum. In this case the REIU projections should be re-evaluated.

14. The HBF therefore concludes that additional information is required with regards the jobs growth ambitions of the city and its relationship with the wider HMA housing requirement.

Economic Activity Rates

15. The study applies differing economic activity rates compared to those provided by the Office for Budget Responsibility (OBR). The OBR advises Central Government and is an independent and anti-partisan organisation, advising Government on fiscal policy. The OBR projection seeks to predict what might happen to activity rates in the future, taking account of changes to the state pension age and trends in participation including working into old age. It is anticipated that economic activity rates will generally increase over time, as the state pension age increases and people continue to work further into old age.
16. The activity rates applied in the study do not appear to be based upon any significant evidence base or readily identifiable source. Indeed they are modified versions of the rates suggested by Experian. The 2016 *Hull and East Riding Joint Housing Needs Study*, paragraph 4.45, acknowledges that the economic activity rates used are "...a best estimate..." and "...It would be quite reasonable to assume that a different set of changes might occur locally...". The HBF therefore considers that the OBR is more robust and considered source of economic activity rates which should be preferred over the approach applied in the 2016 *Hull and East Riding Joint Housing Needs Study*, which is unfounded.

Market Signals / Affordable Housing Need

17. The 2016 *Hull and East Riding Joint Housing Needs Study* considers the various market signals identified within the PPG. This analysis is, however, focused at local authority rather than HMA geography. Whilst this is unlikely to lead to significantly differing results it may lead to differing conclusions. The HBF discussed market signals within our response to the Publication Version of the Local Plan (paragraphs 29 to 34). Whilst some of the data has been updated our concerns in relation to this issue remain.
18. In terms of the absolute affordable housing need the study does address one of our previous criticisms in that it does re-assess the need for affordable housing,

identifying a net annual need for 141 affordable dwellings. This would represent over 20% of the housing requirement. This is in excess of what is likely to be achieved over the plan period. In such cases the PPG advises;

“...An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes...” (ID 2a-029)

Conclusion

19. Whilst the 2016 *Hull and East Riding Joint Housing Needs Study* provides a useful update to the previous housing needs work across the Hull HMA it is considered to suppress the housing requirements. We therefore conclude that the housing requirement remains unsound.

Focused change Policy 5: ID 96 and 97

20. The HBF broadly supports the proposed amendments in relation to the affordable housing site size thresholds. It is, however, considered focused change 97 should provide clarity that under 15 units no contributions will be sought.

21. Whilst we support the changes they do not overcome our other concerns with this policy which are still considered valid.

Information

22. I would be happy to discuss any of the above comments in greater detail prior to the formal commencement of the examination hearing sessions.

Yours sincerely,



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