

YGA's key concerns about the soundness of the draft Core Strategy

- The proposed housing numbers and land supply requirements are excessive and unrealistic, posing threats to spatial objectives and the settlement hierarchy, by pushing site allocations towards locations that are less sustainable and less compatible with the intended spatial objectives.
- The impact of these excessive numbers on greenfield sites, green spaces and controversial sites is unacceptable, and does not justify for a Green Belt review.
- The Core Strategy is not effective or positively-prepared to deliver affordable housing. Only about one-third of the affordable housing that is needed will be delivered, and this situation may worsen, because it is increasingly difficult to secure affordables through Section 106 agreements.

Housing Requirements

In our view, a sound housing requirement for Bradford District over the plan period would be 34,000 (1,790 per year). We fully explain our rationale for this below.

Historical evidence

We have compared Bradford's completions of market and affordable housing over a 20 year period (www.gov.uk data) to the UK-wide data over the same period. This comparison is shown in our Table CPRE_1 below.

Table CPRE_1

	All completions	Private	Non-Private	% non-private
UK 20 year annual mean	180,313	151,751	28,562	16%
Bradford 20 year annual mean	1,298	1,105	194	15%
Bradford as % of UK	0.7%	0.7%	0.7%	
UK 5 year annual mean	142,716	110,010	32,706	23%
Bradford 5 year annual mean	578	504	74	13%
Bradford as % of UK	0.4%	0.5%	0.2%	

From CS Table H01, the planned annual completion rate of 2,200 is a 70% uplift compared to the 20 year mean of 1,298 in Table CPRE_1, and an almost 400% uplift compared to the 5 year mean. Completions 2004-13 were approximately 60% of the planned requirement, but 60% of 2,200 is 1,320, which is only marginally less than the 2007/8 pre-recession peak of completions (1,370), when the market was overheating.

Therefore we can clearly see that, even when market conditions have been at a peak, historical completions have never been more than 60% of the new planned requirement so, in a best-case scenario for market conditions, completions would continue running at 40% of the plan target, delivering up to 25,080 dwellings in the plan period.

National Housing Policy

Whilst there is currently no national policy target for new homes, the Lyons Commission Report states that 243,000 homes per year are needed to enable the nationwide shortage of homes to be met. This represents a 35% increase compared to the historical 20 year mean.

National evidence is that the private housebuilding sector can accommodate a 20-30% increase in supply compared to recessionary 2009 levels [Chartered Institute of Housing, Policy Essays, *How do we build 200,000 Homes a Year?*, by Grainia Long, April 2014], which would achieve in the region of 153,000 per year annually – which is only slightly more than the 20 year mean for private completions (151,751). We must therefore assume that the best-case scenario for private, open market housebuilding during the plan period is to return to the historical 20 year mean of 1,104 – just half of the planned requirement and a total of 20,976 over the plan period.

We can also see from Table CPRE_1 that Bradford's completions during the recession fell in terms of their proportion of the national average, and more sharply so for affordable housing. If we assume that this relative fall needs to be corrected, then it would be appropriate to conclude that Bradford should aim to deliver a proportion of the Lyons Commission target of 243,000 per year in line with its long-term share of UK housebuilding – 0.7%. This equates to 1,701 dwellings per year or 32,319 over the plan period.

We must therefore assume that the gap between the Lyons-based target and the best-case market performance needs to be met by affordable housing. Our calculations give a figure of 597 affordables per year, very close to the 587 identified in the draft CS.

Table CPRE_2 shows how an analysis of past trends compared to the Lyons Commission target can translate into a housing target for Bradford, and then to a land supply target.

Table CPRE_2

		Per year	Total Plan Period
A	Best-case market scenario: private housing	1,104	20,976
B	Best-case market scenario: all housing	1,320	25,080
C	Proportionate share of Lyons Commission national target (243,000 x 0.7%, rounded up)	1,701	32,319
D	Therefore affordable requirement (C-A)	597	11,343
E	Uplift needed compared to 20-year historical mean: all housing (C-1,298)	403 (31%)	
F	Uplift needed compared to 20-year historical mean: affordable housing (D-194)	403 (208%)	
G	Land supply requirement allowing 5% buffer (C x 1.05)	1,786	33,935

From Table CPRE_2 we can see that, in order to meet a proportionate share of resolving the national housing shortage, Bradford needs to achieve:

- a best-case scenario for private housing to get back up to the historical 20-year rate of completions;
- **all** additional new housing above the 20-year historical mean being provided in affordable tenures.

Affordable Housing

The approach to affordable housing in the draft Core Strategy is ineffective and is not positively prepared.

Our analysis of trends in housing completions show that, on average over the last 20 years, 17.5% of homes built in Bradford have been affordable. We also know that the identified need for affordable homes is 587 per year, which is 11,153 over the plan period. This is similar to our figure in Table CPRE_2 of 11,343; for the purposes of consistency with our own calculations we use the latter figure here.

Drawing on our Table CPRE_2, if private sector developments continued to deliver 17.5% affordables, the total amount of housing development would be as follows:

Likely market completions 20,976

Which provide affordables (17.5%) 3,671

Remaining affordables 7,672

Total 32,319

Therefore we can clearly see that only about one-third of the affordable housing that is needed will be provided as a direct proportion of market housing developments, leaving over 7,500 affordable homes for which there is no clear delivery mechanism. In reality, this situation may worsen, because it is now more difficult to secure affordables through Section 106 agreements. Many local authorities, including Bradford, are finding it increasingly hard to deliver affordable housing, and national policy is unhelpful in this regard because it has encouraged private developers to reduce their Section 106 contributions on viability grounds. However, it is important to distinguish between:

- the viability of delivering affordable homes as a proportion of market dwellings in considering planning applications;
- the effectiveness of the Core Strategy in meeting the need for both market and affordable housing.

Section 106 agreements were never intended to be the only mechanism for delivering affordable housing, and there is clearly a pressing need for much better financial arrangements.

To be effective in land-use planning terms, the crucial features of policies for affordables must be:

- That the SHMA is explicit about the amounts of need for different types and tenures;
- That the overall supply of housing land is related to the successful delivery of the required mix of types and tenures, so that sites are not wasted on providing the wrong mix;
- That getting the right mix is not overly dependent on Section 106 agreements, with proactive, plan-led arrangements being secured for each development site that are appropriate to its locality.

Land Supply

Table HO2 indicates that the SHLAA has a total potential for 35,641 homes on greenfield land, out of a total 53,708 units, and 23,607 homes on sites currently identified as safeguarded or Green Belt land. Assuming that almost all Green Belt land is greenfield, this suggests that two-thirds of all the greenfield sites in the SHLAA are either Green Belt or safeguarded, and therefore subject to policy constraints. Of the 53,708 total, only 19,493 units are attributed to sites considered 'suitable now', ie without policy or physical constraints. Adding this to the dwellings already with planning permission or attributed to existing RUDP allocated sites, we can see that a total supply of 34,055 net additional dwellings could be achieved without calling upon any SHLAA sites that are subject to constraints.

This figure of 34,055 is important, because it equates closely to our proposed housing target of 33,935 in Table CPRE_2, which allows a 5% over-supply buffer.

Thus we can draw the conclusion that there is sufficient land supply in Bradford to provide the full, objectively assessed need for affordable housing, plus the likely scale of open market housing that the market can realistically deliver, without the need to develop *any* sites that are subject to policy or physical constraints. Sites with constraints would therefore only be needed if the market were to grow more quickly than anticipated.

The obstacles to achieving this are, in our view, not planning obstacles but financial ones, namely the viability issues of suitable sites and the lack of delivery mechanisms for affordables. Consequently, the approach to meeting housing requirements in Bradford needs to be a sequential one:

- Firstly, devising solutions to improve the financial viability of SHLAA sites, to deliver both market and affordable housing, that are fully suitable for development and not subject to policy constraints;
- Secondly, connecting land supply to the successful supply of affordables so that suitable sites are not developed without contributing meaningfully to affordability;
- Thirdly, identifying sites that do have policy constraints but might be needed in the event of more rapid market growth, which would constitute a late phase of sites, and prepare a plan for how those constraints would best be resolved.

Why is our proposed approach to housing more 'sound' than that proposed in the draft CS?

Our proposed housing numbers, explained above, can be summarised as having four principles:

- Achieving a proportionate share of national housebuilding needs;
- Supporting a scenario for open market building that is optimistic but grounded in reality;
- Requiring a substantive increase in the delivery of affordable housing;
- Allowing a 5% land supply buffer.

These add up to 80% of the draft CS housing requirement. The remaining 20% therefore represents a combination of:

- An overstated requirement;
- A growing shortfall in the provision of affordable housing;
- A potential need for market housing that the market will not provide, regardless of land supply;
- A spatial/economic aspiration for Bradford to grow faster than the UK.

Taking each of these components in turn we will consider their implications for the soundness of the CS, and therefore demonstrate why a housing requirement of 34,000 is significantly more sound than that currently proposed in the draft CS.

Overstated Housing Requirement

We accept that it is necessary to plan for a slightly higher housing provision than will be delivered, to allow for delays in the completion of approved schemes and to provide some headroom in land supply. However, providing headroom is the purpose of NPPF's requirement for a 5% or 20% buffer on top of the 5-year land supply, so this does not need to be also provided in the planned requirement – otherwise there is considerable double counting.

It is becoming increasingly evident that the objectively assessed need (OAN) figures derived from SHMAs, considered nationally, are unachievable.

NPPF para 47 requires Local Authorities to: *“ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework”*.

Developer representatives encourage an interpretation of this para to mean that Local Plans should meet their OAN in full unless there are physical (eg infrastructure, landscape) constraints on the theoretical supply of land to do so; but of course the para is not clear on the extent to which meeting OAN might *either* have detrimental socio-economic impacts *and/or* be unachievable in practice. Plainly, planning for something that is unachievable has the serious consequence of cementing chronic under-performance against the plan.

NPPF para 154 also requires Local Plans to be *“aspirational but realistic”*, without clarifying the scale of aspiration that is acceptable. Planning Practice Guidance is more helpful: *“Assessing development needs should be proportionate and does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.”* (para 2a-003)

The Guidance continues: *“Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints. However, these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans.”* (para 2a-004).

Following the logic of these extracts from guidance, a sound approach to how OAN informs the plans housing requirement is as follows:

- OAN represents a hypothetical need in a situation where there are no physical, environmental, socio-economic, or deliverability constraints;
- This should then be discounted using historical evidence and market projections to rule out future scenarios that could not be reasonably expected to occur (for example unprecedented market expansion);

- This should then be further discounted using evidence of physical, environmental and socio-economic conditions to rule out scenarios that would impose unwanted or inequitable consequences on communities.

Shortfall in affordable provision

As stated in CS para 5.3.165 and 5.3.166, “The Local Plan must meet the full objectively assessed need for affordable housing”, which it establishes as 587 dwellings per year, which is 27% of the 2,200 planned requirement for all tenures. This compares to a historical 20 year performance averaging 194 dwellings per year.

The draft CS runs a serious risk of compounding the weakness of delivery for affordable homes by aggregating affordable need into the total OAN but then allowing open-market housing schemes to dominate both the planning and the take-up of land supply. The problems with this are threefold:

- Supplying land without delivering affordables, thereby not meeting affordable need;
- Using up land supply such that the accumulating shortfall of affordables cannot be met in the future without additional supply that is likely to be less sustainably located;
- Enabling developers to cite delivery shortfalls that should be affordables as evidence of overall under-performance to justify additional land supply – for example to secure release of safeguarded sites, with the result of weakening the Local Plan as a whole.

In our view the only way to remedy these problems is to make a direct linkage between the overall release of land for housing and the successful delivery of affordable housing and, in doing so, being clear that completions of open market housing are not a substitute for completions in affordables.

Unrealistic expectations of open-market housing delivery

If the planned housing requirement is dependent on a degree of growth in the supply of open-market housing, then the supply of land should be able to accommodate that. However, if the supply of land is based on unrealistic expectations of that growth, then there are serious negative consequences, in particular:

- Pressure to allocate less suitable, less sustainable sites;
- A dispersal of new development across a larger number of sites, reducing the focus on completion of more suitable, more sustainable sites;
- Too much room for developers to cherry-pick the most profitable sites rather than the ones that best contribute to delivering spatial objectives;
- An apparent shortfall in delivery that leads to hasty planning permissions and weak Section 106 agreements intended to (unsuccessfully) facilitate accelerated build rates.

Growth Aspirations

We can also see that the draft CS's planned housing target of 42,100 would represent a 30% increase in Bradford's share of national housebuilding targets from around 0.7% to 0.9%. This might be described as a spatial and economic aspiration to grow distinctly faster than the rest of the UK – but that aspiration is not declared in the CS, it is also dependent on reduced growth rates elsewhere, and is at odds with the Lyons Commission Report which anticipates 60% of new housing need being in London and the South-East. Therefore there is little evidence that any such disproportionate scale of growth would be forthcoming, even it were a stated objective of the Core Strategy.
