

Submission to the Select Committee on the National Planning Policy Framework May 8th 2014

Author Jacqueline Thompson

The housing market in the Bradford District is markedly different from that in London and the south east and the effects of the NPPF, which was designed to address a deficit in those areas, are perverse here. The Framework serves to divert development away from places with high existing need, high population growth and substantial quantities of brownfield land and onto green field and greenbelt sites around communities with low current need and low population growth. This is because it supports developers in pursuing a high margin, low output strategy by enabling them to target prime locations which attract affluent buyers. This will constrain supply and is likely to inflate prices at all levels within the market. It will also compound social disadvantage, urban blight and economic decline.

One of the principal problems is the requirement for Local Authorities to demonstrate a five year land supply in a situation where they have no levers to divert development onto brownfield sites and into areas of high need and no money to build homes for people who cannot access them on the open market. However, there is an additional problem in Bradford in that the data has been manipulated by a combination of means to support a strategy which would otherwise be demonstrably unjustifiable. Whether this is the product of Officers who, confronted by the impossibility of producing a genuinely viable Plan, have chosen to accept doctored data in order to get any sort of plan past the Inspectorate or whether it is the product of negligence or corruption on the part of Officers is uncertain. What is certain is that the studies produced by Consultancy firms engaged by the Council when preparing Bradford's Local Plan are geared towards maximising development in the highest value areas (particularly Wharfedale) within what is probably the most highly polarised housing market within the UK while leaving the centres of Bradford and Keighley derelict and the needs of their populations unmet. While I understand that it is not within the Terms of Reference of the Select Committee to investigate individual cases of wrongdoing I present this example in the belief that it is unlikely to be the sole instance of manipulation of the plan making process (a number of Consultancy firms are involved which is suggestive of a cartel) and that the NPPF is structured in such a way as to facilitate the manipulation of the land supply by major players in the industry.

Because the NPPF puts Planning Officers in a position where they are almost wholly reliant upon 'sites coming forward' for development to secure the land supply (ie being proposed by developers who are seeking to make a profit) it places Authorities in areas of economic decline in an impossible position. There is little profit to be made in poverty stricken urban centres therefore few sites come forward. The LA is then forced by the NPPF to accept into its plan greenfield sites (including sites in the greenbelt) that are presented by developers and landowners. These are generally in the most affluent areas that generate the highest profits. Houses built on them would not be for poorer people who need housing. They are often at a substantial distance from major centres of employment, large scale facilities such as hospitals and high volume transport systems such as motorways and are therefore the least sustainable locations in environmental terms. Planning

Officers are not in a position to reject such sites because the penalties for doing so are disastrous. Even with a five year supply of 'ready for development' land in place and a list of prospective sites covering a full 15 years they have to show an additional 5% buffer allocation, and further sites sufficient to make up any shortfall in completions accruing since the last plan. If they can't do this they are forced to identify a 20% buffer of extra sites which worsens their situation. The only solution available to them is to accept increased numbers of sites from the greenbelt at the outset. And it doesn't matter how much derelict brownfield land is left to blight the urban centre or how many people in the centre are in housing need. Because if the Officers can't show a sufficient supply of land they won't get their plan accepted by the Inspectorate, and if they don't get a plan accepted developers will be given carte blanche to build wherever they please; because they have the financial resources (and the backing of the NPPF) to win in Court if they're applications are refused by Planning Committees. The system is so biased in favour of large developers that few Committees are even willing to challenge applications from them.

To make matters even worse, it is highly unlikely that even the prime locations identified for development will be built out in the short to medium term. Local economies that are in decline can only deliver a limited number of high value customers. Official sources vary but the general consensus is that the median **household** income across the Bradford District as a whole is around £19,000 per annum. The 2011 Census showed a District wide unemployment rate of 12.7% and the prevalence of long term sickness and disability are also high which adds to the non-working population. The NHS Commissioning Pack for Central Bradford (where most of the housing need and unemployment is) shows that its population has significantly higher rates of: coronary heart disease, stroke/TIA, mental health disorders, asthma, heart failure, dementia, epilepsy and learning disability than the country as a whole and substantially higher rates of chronic obstructive pulmonary disease, diabetes and conditions requiring palliative care. These people cannot afford an attractive home in the greenbelt. Neither can they afford an allegedly affordable home that costs 80% of the market price of a home there; or the price of a daily train or bus fare to get them to work in the City (because that's where the jobs are); or regular trips to hospital if they do have a long-term condition. Land Registry data for 2013 showed property in Wharfedale selling at 3.4 times the District average (£321,328 as opposed to £94, 402) and at a price 59% higher than the next most expensive parts of the District (the BD16 3, BD17 5 and BD17 6 postcodes of Bingley and Shipley which are continuous with the City).

Keighley which is the second urban centre in the MDC area is as deprived as Bradford City itself although the data is more difficult to extract other than by electoral ward as it falls within NHS Airedale Wharfedale and Craven CCG which cuts into not only Wharfedale but also the relatively affluent North Yorkshire County Council area.

So developers will build what they can sell at the price they want in the greenbelt and wait until more buyers appear. These sites are going to be expensive but once included in a Local Plan that has been passed by an Inspector their value will rocket because inclusion in the Plan virtually guarantees future planning permission and once included it is unlikely that they will ever be deleted from future Plans. Large scale commercial players are likely to be the purchasers or to be taking out options; members of the top ten volume housebuilders, investment companies and supermarkets (Asda and Tescos already have substantial land banks). This will serve to lock land away from smaller house builders and damage competition in the market. There is also anecdotal evidence locally that Land

Agents have secured options on substantial sites all over Wharfedale. Small and medium sized firms are not in a position to do this.

It is difficult to conceive of a policy framework that could be more perverse in its effects or damaging in its consequences and I would urge you to recommend that substantial and fundamental changes are made to remedy the situation. However, I also ask you to consider the evidence below and form a judgement regarding its implications, not only for Bradford but for the nation as a whole.

Evidence relating to Bradford's Plan Development Process

In line with common practice much of the evidence presented to support Bradford's Local Plan was collected, collated and analysed by Consultants who also work for developers and landowners. In at least one case, that of GVA the Company was simultaneously delivering The Bradford District Housing Requirements Study while handling the disposal of land in the greenbelt. This is currently agricultural land and is on the 400 metre boundary line of an area protected under European Habitats regulations (the Ilkley Moor section of the South Pennine Uplands) and would be very unlikely to be developed if it were not for Bradford's difficulties in identifying a five year and fifteen year land supply. GVA marketed it as 'development land' although they put a caveat that permission would need to be obtained. The first Housing Requirements Study presented by GVA in 2010 was challenged by Councillors on the grounds that it appeared to inflate housing numbers and push development into inappropriate sites. There was a unanimous vote at the full Council which passed a motion that required Officers to commission an independent audit of the data and a fresh report. This they did not do. Instead the Planning Department re-engaged GVA but also got Edge Analytics to work with them. They produced a similar report to the first (although the housing numbers were reduced slightly). There was never an independent audit of any kind. Below is a summary of some of the issues with the data presented in conjunction with the Bradford Plan. I have selected a small number of points but the evidence base is highly problematic and the errors tend in one direction. That is to justify greenbelt development general and to justify development in Wharfedale in particular.

The Bradford District Housing Requirements Study February 2013 - Edge Analytics and GVA

This document is remarkable for its use of inverse logic. Having acknowledged that Bradford has an advantage in relation to economic development in that it has a larger proportion of young people than other areas but that it is economically challenged with a high unemployment rate of 12.7% it goes on to argue that in order to service a growing economy it will need to have high levels of immigration. This implies that the principal barrier to growth is the lack of an available workforce.

It also seeks to argue that the net outflow in relation to internal migration (ie migration to other parts of the UK) may be associated with a poor quality housing offer in the area while simultaneously highlighting the fact that there is net inward migration from Leeds.

The central thesis of the report however is that housing development will be the key element in the economic recovery by creating jobs. In support of this thesis the authors present an economic model that is magical in its effects while positing a boom that would stagger even the Chinese.

Between now and 2028 it argues that 27,000 jobs can be created. These do not however appear to be jobs that will merely mop up the 12.7% of the workforce that is currently unemployed or cater for

the young locals who emerge into adulthood during the period of the plan. The house building programme will require an influx of workers to bolster the numbers produced by natural growth who will generate a requirement for additional new homes. Judging by the figures presented many of them will be paying for their homes from the income they get from building them. The figures GVA/Edge present for their employment led scenario are on page 75 of the report:

- That in 2028 there will be 27,000 more full-time equivalent jobs than currently in Bradford District.
- Of these 3,847 will be in construction and 10,260 will be linked to construction.
- In addition these workers will spend money locally which will contribute to a retail boom thereby generating other jobs.
- These jobs will be generated by the building of 2,565 new homes during the year along with attendant infrastructure (if the District average for the plan period is taken and delivery of new homes is not rear-loaded)
- These jobs will all be local to Bradford. The report does not pay due regard to the fact that developers, particularly the volume house builders, have supply chains that generate jobs in allied trades elsewhere in the country (and in many cases elsewhere in the world)

The maths doesn't work out. If we take an average salary of £26,000 and employers' national insurance contributions of 13.8% (never mind any other employment related costs) the money generated by construction would need to be sufficient to deliver £417,397,916 during 2028 simply to pay the wages. That works out at £162,728 per house just to support the jobs generated in the construction industry and allied pursuits. And the people employed would, by and large, not be able to afford to buy a house themselves.

In addition there is a peculiar error elsewhere in the report that seems out of place but that might, if not corrected, create a false impression of the viability of the Bradford housing market and its prospects as a vehicle for delivering economic growth. On page 36 (paragraphs 4.38 and 4.39) there is some detail regarding the housing market in the Bradford Metropolitan District. The authors state that: 'the average mean' price has stabilised since the crash at 'around the £140,000 level' having been higher in 2007. This is incorrect. The Land Registry records show that at the pre-crash peak of the market (the most favourable month) the mean sold price was £122,000. The price then fell steadily year on year (and if three month moving averages are analysed, across each year) to a low of £92,000 before rising over the past two years to £94,000. It takes approximately ten minutes to extract this data from the Land Registry website.

There's also an assumption in the report that the current high unemployment rate in the District is primarily because of the economic downturn. Trend data from the ONS does not support this view.

The Affordable Housing Economic Viability Assessment (AHEVA) - LEVEL

The AHEVA places the Worth Valley and part of Bingley alongside Wharfedale in Area 1 (ie having the highest value properties in the Bradford District) as a basis for calculations regarding the deliverability of affordable housing. This obscures the true value of property in the valley and if

taken as a basis for negotiations regarding Section 106 or CIL receipts might have the effect of depriving the public purse of a substantial amount of revenue. Land Registry records show that Wharfedale property prices are 59% higher than those in the part of Bingley considered as Area 1 in the AHEVA. The data for 2013 shows the mean sold price in Wharfedale to be £321,328 as opposed to £201,674 in the Bingley Area 1 zone. The differentials are even greater between Wharfedale and the Worth Valley.

The methodology for calculating deliverability based on residual land values is inappropriate in a highly polarised market where a high value area is in close proximity both to a much lower value area and to other desirable areas. Wharfedale is sandwiched between the golden triangle of North Leeds/Harrogate and the Dales National Park and Area 3 in the AHEVA (Addingham in Wharfedale is 3.2 miles from Silsden which is in Area 3). Affluent buyers can depart to the golden triangle if development in the Valley begins to erode its desirability. The AHEVA proposes that 30% of the housing built on Wharfedale sites will be 'affordable' with up to 75% of that being social housing. It is inconceivable that people would continue to pay the premium associated with the area which would generate residual land values capable of supporting this level of social housing if it were located on, or near, the sites containing market housing. In addition the proximity to Silsden (where in 2013 53 of the 125 properties sold fetched under £135,000) renders it unnecessary to deliver intermediate housing that would be marketed at 80% of the Wharfedale market value in Wharfedale itself. Wharfedale is merely the most extreme example of this type of difficulty in relation to the AHEVA. The same problem appears to apply with respect to other parts of Bradford that lie in the greenbelt and are scheduled for major development.

The Strategic Housing Market Assessment – ARC4

This document is so riddled with inconsistencies and inaccuracies as to beggar belief.

However, it is in its treatment of Wharfedale that the report departs clearly from the evidence. It combines Wharfedale (Area 1 in terms of AHEVA property prices) with Craven (Area 3) and persistently calls the combined area 'Wharfedale'. This is misleading. It then goes on to present data that shows that the combined Wharfedale Craven area has:

- The highest median incomes in the Bradford District (double those for the Bradford District as a whole, they quoted £29,400 pa for Wharfedale/Craven against £15,627 for Bradford District)
- The lowest current housing need
- The lowest expected future need
- The lowest natural population growth
- The lowest population growth as a result of international migration

Before asserting that all of the 127 newly forming households expected annually will be in housing need (ie unable to pay a market rent or buy a lower quartile priced house anywhere in the District). To put this into perspective the figures they quote for other parts of Bradford are as follows:

- City Central , 180 households homeless and 1274 in overcrowded situations with 1506 in other types of need
- City South where there were a total of 1694 households in need of which 122 were homeless and 405 in overcrowded homes

Elsewhere in the SHMA the authors seek to argue that the Wharfedale and Craven area has seen population loss in recent years, it then employs a sustainability argument to justify a major house building effort during the Plan period. This is untrue. House building has seen an increase in housing stock of over 33% in this area since 1980 and as a consequence a corresponding influx of people from outside the District. It is self-sustaining, Wharfedale proper particularly so, because it is a desirable area that has no need for regeneration. Proportionately it has delivered some of the highest levels of housing development (based on its original population) in the Bradford District.