

## DCLG Planning Consultation

### Planning for the right homes in the right places: Consultation Proposals

#### City of Bradford MDC response – November 2017

#### Proposed approach to calculating the local housing need

##### Question 1 (a)

**Do you agree with the proposed standard approach to assessing local housing need? If not, what alternative approach or other factors should be considered?**

The principal of simplifying the approach to assessing local housing need is welcomed and the Council can see merits in standardising the methodology. However, the proposed approach in many ways over simplifies the approach in particular does not adequately address and embed critical considerations around economic /growth ambitions and does not necessarily pick up the fuller complexities of local housing markets, their needs and long term market issues.

In this respect the new approach is not supported as it is currently proposed. In terms of the points noted above it will fail to adequately assess the scale of housing needed resulting from household growth and will fail to adequately assess the adequacy of the existing stock to cope with current need. This is primarily because it takes too simplistic an approach in 3 key respects:

- It removes the ability of local authorities to examine a wider range of demographic information and thus to test the validity of the national projections. Recent experience suggests there are very few interactions of the ONS / GLG population and household projections which have not had underlying issues the most recent of which related to questions as to whether they have adequately reflected migration trends and population change within local areas. The current approach allows for Local Authorities to model and assess different scenarios and this would be lost if the new proposed approach were adopted;
- It has replaced a wide, nuanced and appropriate range of market signals and contextual data which currently enables the adequacy of the existing housing stock to be assessed and deficiencies addressed with a single affordability indicator. This will not be sufficient to assess need properly. For example within Bradford a range of data relating to overcrowding, social housing waiting lists and completions data proved invaluable in assessing need within the Core Strategy. It is simply not correct to suggest that any deficiencies in the existing stock are directly reflected in house prices and thus the affordability ratios. This is not borne out by evidence in Bradford where household growth over recent years was far in excess of net completions without any comparable change in those ratios. In fact the ratios if anything trended in the opposite direction as they were influenced by macro-economic factors related to the housing market crash;
- Affordability ratios are in any case extremely crude indicators of affordable housing need – they tell you nothing of the scale and number of households in actual need. They also mask

large variations in the make-up of markets across district areas. Affordability ratios within Bradford are not as unfavourable as in many parts of the country yet the profile of the population, employment levels, low wages etc mean that Bradford has a large annual affordable housing requirement of 587 dwellings per annum.

Even if the idea of using affordability ratios is accepted the proposed multipliers with the standard formula are arbitrary and do not appear to be justified by anything other than a desire to end up with pre-determined national housing need figure.

The new methodology must therefore re-instate the ability of Local Authorities to test household and demographic projections and must also re-instate a wider range of market signals. It must adopt a more sophisticated way to assess the need for increased supply as a means of tackling a lack of affordable housing.

Bradford as part of the Leeds City Region and in common with most other Local Authorities have significant economic ambitions which need to be properly understood and factored into any housing needs assessment. In this respect, It should be a requirement to consider in a consistent way the alignment between economic and job growth ambitions and housing need as part of the standard methodology and not as an add on /optional extra. It should make explicit how job growth should be factored in a robust, clear and meaningful way

It is worth noting that the driver for a new approach to assessing local housing need comes in fact from the unwillingness or inability of some Local Authorities, particularly in the south of the country, to apply the existing methodology and guidance. It's also based on a dubious assumption that simplifying the methodology will result in wider support for the resultant needs assessments by Councils, stakeholders and communities and reduce challenges to any housing need figure.

### **Question 1(b)**

#### **How can information on local housing need be made more transparent?**

We would support the Government publishing a spreadsheet similar to the one released as part of this consultation on an annual basis containing information on local housing need, this should also include information relating to any uplift as a result of anticipated employment growth (see response to question 1 above). This information could be compiled by the Government by sending out an annual return on housing need similar to the exercise that was undertaken prior to this consultation. It is essential that LPAs are given a chance to corroborate any information that the Government intends to publish in advance to check for any errors.

### **Question 2**

#### **Do you agree with the proposal that an assessment of local housing need should be able to be relied upon for a period of two years from the date a plan is submitted?**

The Council has concern that the proposal does not give sufficient protection to plans. It is important that the local housing need assessment which underpins the submitted plan is not subject to constant need of update and review when a plan approach has been 'set' as the most appropriate. In this respect the period should be from the issuing of the publication draft version for representations and not left to Submission. Otherwise it may mean further work and consultation on revisions post publication if new data is published and needs to be considered. The local need assessment should then be relied upon to adoption of the plan. Once in an adopted plan the data

should be capable of being relied upon for an appropriate period linked to any review. It is important that once in an adopted plan that the need assessment is immediately under challenge by updated national needs assessment information.

### **Question 3**

**do you agree that we should amend national planning policy so that a sound plan should identify local housing needs using a clear and justified method?**

This is supported but subject to the comments under 1.

### **Question 4**

**do you agree with our approach in circumstances when plan makers deviate from the proposed method, including the level of scrutiny we expect from the Planning Inspectors?**

It is essential that Planning Inspectors are encouraged to support Local Authorities who decide to adopt an approach which uplifts housing targets to reflect economic growth and regeneration aspirations. If those targets are supported by evidence such as the most up to date econometric modelling, if they reflect and are consistent with the work of LEPs and the content of their SEPs or other relevant strategies then there should be a presumption that such approaches and targets are sound.

It is thus important that any final assessment is informed by local evidence and growth ambitions. This is recognised in the consultation which sees that higher housing need may be required in order to properly align local/sub regional /LEP growth ambitions and job growth. It is crucial that this alignment is part of the assessment not an optional extra and given weight by the Planning Inspectors at examination.

In this respect it would be more appropriate to incorporate assessment of jobs into any baseline formula rather than an 'optional' uplift and deviation from the standard method.

### **Question 5(a)**

**do you agree that the Secretary of State should have discretion to defer the period for using the baseline for some local planning authorities? If so, how best could this be achieved, what minimum requirements should be in place before the Secretary of State may exercise this discretion, and for how long should such deferral be permitted?**

No comment

### **Question 5(b)**

**do you consider that authorities that have an adopted joint local plan, or which are covered by an adopted spatial development strategy, should be able to assess their five year land supply and/or be measured for the purposes of the Housing Delivery Test, across the area as a whole?**

This is supported.

### **Question 5 (c)**

**do you consider that authorities that are not able to use the new method for calculating local housing need should be able to use an existing or an emerging local plan figure for housing need**

**for the purposes of calculating five year land supply and to be measured for the purposes of the Housing Delivery Test?**

No comment

**Question 6**

**do you agree with the proposed transitional arrangements for introducing the standard approach for calculating local housing need?**

It is important to allow for transitional arrangements so that all plans are not thrown into delay and review unnecessarily especially where the figure is currently higher than the baseline formula. This is important given stated aims to get plans in place and boost housing delivery.

However, when this relates to a local plan made up of separate documents led by a core strategy this raises concerns especially when linked to absolute requirement to review plans 5 years from adoption which would potentially delay local plans in process with a need to align with a review.

Where a local authority has decided to pursue 2 tier plans and already has an robust and objective assessment of housing need in place in a recently adopted plan it is essential that both Inspectors and the Secretary of State support the production of site allocating plans which are based on those strategic policies even if the site allocating plans raise locally contentious issues such as the need to review green belt. It is essential that all parties be local MP's, Local Authorities or the Government do not use the introduction of the new OAN approach as an excuse to revisit policies found sound in recent examinations and frustrate the production of Local Plans.

**Statement of Common Ground**

**Question 7(a)**

**do you agree with the proposed administrative arrangements for preparing the statement of common ground?**

Within the Leeds City Region effective strategic working has been in place for some time and sharpened in light of the Localism Act to support recent local plans and discharge of the Duty To Cooperate. There is concern that this duplicates existing arrangements which if effective should be allowed to continue.

The focus on the Statement of common Ground is on housing market geography. However, a range of strategic planning matters have wider geography e.g. Mineral and waste which may require multiple statements on different issues which is recognised in the consultation but would add to duplication and potential confusion. It is unclear from the proposals whether individual LPAs have their own Statement ( para 63) or it is a joint single statement for the market area. Assuming tis a single statement and needs updating at key constituent Local Plan key milestones this could become burdensome depending on number of plans and sub plans and timetables. It is also unclear how this then works with individual Local Plan duty to cooperate statements etc.

**Question 7(b)**

**how do you consider a statement of common ground should be implemented in areas where there is a Mayor with strategic plan-making powers?**

The requirement for a statement of common ground and the geography on which it is prepared should be suitably flexible in order to allow for all areas (regardless of whether there is a mayor with strategic plan-making powers) to prepare an appropriate statement(s) that adds value and is a useful tool for both the strategic authority and the Local Planning Authorities.

#### **Question 7(c)**

**do you consider there to be a role for directly elected Mayors without strategic plan-making powers, in the production of a statement of common ground?**

See response to 7(b)

#### **Question 8**

**do you agree that the proposed content and timescales for publication of the statement of common ground are appropriate and will support more effective co-operation on strategic cross-boundary planning matters?**

The proposals seem appropriate and reasonable.

#### **Question 9(a)**

**do you agree with the proposal to amend the tests of soundness to include that:**

- i) plans should be prepared based on a strategy informed by agreements over the wider area; and**
- ii) plans should be based on effective joint working on cross-boundary strategic priorities, which are evidenced in the statement of common ground?**

Agree in principle but have concern over the detailed wording. Reference to agreements under (i) need clarification. It is assumed this allows for agreements to 'disagree' as set out in Statements of Common Ground and this is not making the test one of needing to agree on all aspects.

#### **Question 9(b)**

**do you agree to the proposed transitional arrangements for amending the tests of soundness to ensure effective co-operation?**

The transitional arrangements appear to be appropriate and allow an appropriate period to put in place the statement.

#### **Planning for a mix of housing needs**

#### **Question 10(a)**

**do you have any suggestions on how to streamline the process for identifying the housing need for individual groups and what evidence could be used to help plan to meet the needs of particular groups?**

It is acknowledged that the existing process is overly complex and causes confusion for people. However it is important that any assessment is robust and informed by appropriate data but it proportionate and also is aligned as far as possible with the Local housing needs assessment .

In terms of accessible housing a way of streamlining the approach would simply be to require all new dwellings to be built to the currently optional Category M4(2) Accessible & Adaptable Dwellings standard through Building Regulations.

The Council has recently undertaken research (in accordance with the guidance set out in the PPG) looking into the need and viability of applying accessibility standards in the District. It finds that there is a need for all new dwellings to be built to at least the Cat M4(2) standard and that in the majority of cases this is viable. The research uses ONS data regarding the age/disability of the population and supplements it with local data including the age/condition of the existing housing stock, the costs year on year to the Council of adapting the existing stock, and evidence of increasing local demand for accessible and adaptable homes. It is requested that any streamlining of the process doesn't simply result in a reliance on ONS data but also allows for locally held data to be factored in order to enable a deeper understanding of local need.

#### **Question 10(b)**

**do you agree that the current definition of older people within the National Planning Policy Framework is still fit-for-purpose?**

There may be some value in distinguishing between those who need different levels of specialist provision (although this would probably not help to streamline the process of assessing need).

A general point is that providing suitable living accommodation for the elderly should go beyond just the design of the home – just as important is the design of the external environment – the streets and spaces and access to local facilities. The NPPF and PPG sections on design and healthy communities could do much more in this regard by setting out principles for inclusive neighbourhoods, possibly drawing on recent initiatives like the NHS's Healthy Towns programme and Sport England's Active Design principles.

#### **Neighbourhood Planning**

##### **Question 11(a)**

**should a local plan set out the housing need for designated neighbourhood planning areas and parished areas within the area?**

If this proposal is followed it is essential that the terminology is changed and that the requirement is for the Local Planning Authority to provide neighbourhood planning areas with a housing target or housing requirement – it should not be required to provide a local assessment of housing need. There are two reasons – firstly a practicality issue in that in many plans such as in Bradford housing targets have to be provided for small geographical areas and even individual villages. However there are no equivalent population or household projections currently produced for such small areas. Moreover the decision within a plan on how a district wide assessment of housing need is met does not just follow assessment of need but has to reflect patterns of land supply and deliverability, patterns of constraints, accessibility and infrastructure capacity and so on.

If the suggest above is followed and the guidance makes clear that the LPA should provide neighbourhood planning bodies with a housing requirement which reflect their strategic policies then the idea of providing such guidance would be supported.

### **Question 11(b)**

**do you agree with the proposal for a formula-based approach to apportion housing need to neighbourhood plan bodies in circumstances where the local plan cannot be relied on as a basis for calculating housing need?**

No, it is too simplistic and plan targets have to reflect a variety of data and the realities of constraints and land supply both within the neighbourhood area and the constraints and options that are or aren't apparent in other parts of the LPA area.

### **Proposed approach to Viability Assessment**

### **Question 12**

**do you agree that local plans should identify the infrastructure and affordable housing needed, how these will be funded and the contributions developers will be expected to make?**

Local Plans currently seek to establish affordable housing need and how they will be met as well as through the Local Infrastructure Plan (LIP) the infrastructure required to support the Local Plan Delivery. However, given the plan period of 15 years the level of detail and certainty on some aspects will not be available. Any approach needs to be proportionate. Unclear from proposal what is being proposed and how this links to CIL and any future reforms to CIL and Section 106 including pooling. The Council would welcome guidance on how Infrastructure Service Providers could plan and model long term future requirements in order to best align with 15 year plan periods.

### **Question 13**

**in reviewing guidance on testing plans and policies for viability, what amendments could be made to improve current practice?**

The evidence required to prepare Viability Assessments does put pressure on local authority financial budgets. The Council would therefore highlight that it is important that a proportionate approach is taken with regard to evidence required to test policies and plans for viability, otherwise there will be excessive burdens on local authority budgets and on the Local Plan given scales of sites and complexity in addition to the plan period issues. The proposal to make the use of viability assessments simpler, quicker and more transparent is welcomed.

### **Question 14**

**do you agree that where policy requirements have been tested for their viability, the issue should not usually need to be tested again at the planning application stage?**

The principle of seeking to fully test viability at local plan stage and then to restrict unnecessary viability testing at planning application is supported. However, care needs to be taken given the problems of viability in many local planning authorities, such as Bradford, that this does not impact on both the local plan process (increased challenge at examination and potential loss of the more difficult and marginal brownfield sites due not being viable), as well as the delivery of development through restricting any flexibility at application stage. Given the District's viability is at best marginal and is dependent on assumptions of uplift over the 15 year plan period (covering different market conditions), the range of policy requirements in the recently adopted Core Strategy were heavily caveated to allow flexibility at planning application stage. In such circumstances, there is a

risk that shifting viability burden to local plans will undermine the plan making process and fail to deliver of National Planning Policy Framework objectives at a local level as it may force Councils to reduce policy requirements (affordable housing / housing standards etc.) to an unacceptable level and reduce the ability to delivery challenging sites in a proactive way through the plan.

In this respect, it is difficult to rule out having to revisit viability testing at the planning application stage in areas of marginal or low viability. Any approach should consider these circumstances and allow for clear exceptions dependent on such local considerations.

#### **Question 15**

**how can Government ensure that infrastructure providers, including housing associations, are engaged throughout the process, including in circumstances where a viability assessment may be required?**

The Council will welcome proposals to update guidance which encourages engagement with housing associations and infrastructure providers so that they can better inform the plan-making and viability assessment processes. Whilst infrastructure providers and housing associations should be engaged from the outset they will not be able to provide meaningful input until an adequate level of detail is available.

#### **Question 16**

**what factors should we take into account in updating guidance to encourage viability assessments to be simpler, quicker and more transparent, for example through a standardised report or summary format?**

The Council welcomes further guidance to help make viability assessments simpler, quicker and more transparent. In this respect the council support a standardised and open book approach to viability assessments. The more standardised guidance on how to produce a viability assessment that can be provided for developers the simpler and quicker the process should be. We would seek to agree preferred approach to calculating costs and values (including land values), the format and accessibility of viability assessment reports, through to detailed process and methodology with our neighbouring authorities through Combined Authorities to ensure a consistent approach across City Region geography.

#### **Question 17(a)**

**do you agree that local planning authorities should set out in plans how they will monitor and report on planning agreements to help ensure that communities can easily understand what infrastructure and affordable housing has been secured and delivered through developer contributions?**

Good practice in Bradford has been to produce an annual report on Section 106 contributions and spend which provides an overview. This should be embedded in national guidance but should not require a policy in a Local Plan. It is important to also reflect on how this would relate to CIL reporting where this is also in place. A consistent national approach to monitoring and reporting would be welcomed.

### **Question 17(b)**

**what factors should we take into account in preparing guidance on a standard approach to monitoring and reporting planning obligations?**

The standard approach must be kept to headline reporting in order to provide key outcomes and issues and allow each Local Authority to determine what further detail is required at the local level as appropriate to their circumstances.

### **Question 17(c)**

**how can local planning authorities and applicants work together to better publicise infrastructure and affordable housing secured through new development once development has commenced, or at other stages of the process?**

There is an opportunity to raise the profile of positive planning outcomes amongst local communities and key stakeholders by publicising infrastructure and affordable housing secured through new developments via onsite billboard signage (installed by the developer) and information on the Council and developers website. The government should encourage local authorities to take a much more dynamic and interactive approach to notifying communities of planning applications (beyond the traditional planning notice on lampposts). The use of site signs and billboards with artist impressions and plans showing the proposal will help publicise the benefits of development and planning.

### **Planning fees**

### **Question 18(a)**

**do you agree that a further 20 per cent fee increase should be applied to those local planning authorities who are delivering the homes their communities need? What should be the criteria to measure this?**

The Council is supportive that a further 20 per cent fee increase should be allowed for by Government. However, while the Council supports housing delivery and growth it is reliant on the market to actually delivery the homes in line with the Local Plan to meet housing needs. Given the limited control the LPA has on direct delivery the approach could penalise councils, in particular those in weaker markets and be counter-productive. It would be more appropriate to link to a range of indicators about a well performing planning service. Three measures are suggested:

1. A plan-making indicator: a local plan is adopted that is not older than 5 years
2. A decision-making efficiency indicator: major applications are determined within PPA/Extension of Time targets or DCLG targets if necessary
3. A decision-making quality indicator: appeal record is at or above the national average of 66%

The performance should be tested over the previous 2 year period.

Where a Council meets the criteria for a further 20 %it should be done to each Local Planning Authority whether they action the increase and should have discretion as to the actual rise up to

20% as well as the types of applications it relates to. This would allow each LPA to assess the right balance around fee income and resourcing vs supporting development activity and growth.

#### **Question 18(b)**

**do you think there are more appropriate circumstances when a local planning authority should be able to charge the further 20 per cent? If so, do you have views on how these circumstances could work in practice?**

See 18a above.

#### **Question 18 (C)**

**Should any additional fee increase be applied nationally once all planning authorities meet the required criteria, or only to individual authorities who meet them?**

This fee should be applied to individual authorities who meet the relevant criteria. It would be unfair to make authorities, which comply, wait until everyone meets the criteria as this may never happen.

#### **Question 18(d)**

**are there any other issues we should consider in developing a framework for this additional fee increase?**

See 18a above.

#### **Other issues**

#### **Question 19**

**having regard to the measures we have already identified in the housing White Paper, are there any other actions that could increase build out rates?**

Converting permissions into completions:

While the District has a significant number of permissions and delivery is starting to pick but not at the rates required to meet needs. Delivery of complex strategic sites and brownfield locations remains challenging especially due to viability conditions.

There are many factors for low build out rates which are beyond the control of local authorities. The government needs to focus on why the sites are not being delivered and look at how they can help unlock stalled sites. Local planning authorities are working locally with developers to understand the reasons why sites are stalled and often this comes back to viability. This can only be tackled with the government providing additional funding for infrastructure and working with authorities and developers to unlock the sites. Local planning authorities, Combined Authorities and LEPs require the tools to intervene more rapidly in the market where sites are not being brought forward for development in a reasonable timescale. This includes playing a stronger role in direct housing delivery and enabling the capturing of the land value uplift to be invested in infrastructure and other measures to accelerate further site development.

We also require stronger proposals to better incentivise landowners and developers to bring forward sites more quickly. Although it has been discussed previously the government could also

consider implementing policies which would put time restrictions on delivering planning permissions. This would ensure that when developers or agents submit planning permissions they are committed to the delivery of sites within a set timeframe.

The government had announced that they were going to hold a consultation on proposed changes to the Community Infrastructure Levy (CIL) in 2017, although this now seems to have slipped. The government needs to acknowledge that in order to bring sites forward local authorities can't take the brunt of infrastructure provision and that the current CIL is not providing the infrastructure required to bring forward sites.

The Council supports the specific priorities put forward as part of the West Yorkshire Combined Authority response to the White Paper consultation, which included:

- More support for WYCA and local authorities to be able to more easily to intervene in the Market where private sector either deem development too risky or too complicated to deliver as part of a wider approach to regeneration and place-making. WYCA and local authority partners are well positioned to accelerate additional housing development, and tools such as fast-track CPO powers along with Government support to acquire and package land for the Market would enable a targeted approach to delivering stalled brownfield sites; particularly where viability is marginal (there are over 1200 brownfield sites in the Leeds City Region).
- A more supportive Government policy and investment approach to enable WYCA and local authorities to play a greater role in direct housing delivery, enabling more affordable and market homes for a range of tenures to be built, additional to the Market. WYCA is actively discussing a range of possible partnership models with local authority partners in this respect.
- More joining up of key Government investment programmes to be tailored to support the delivery of housing growth, including of the Homes and Communities Agency, Government Property Unit, Department for Transport, and the Environment Agency. In accordance with the Leeds City Region draft Devolution Deal which includes the proposal to devolve £300m to support housing investment, these funds would ideally be devolved to WYCA / the LEP. This would be to ensure alignment with the growth ambitions and priorities set out in both the City Region Strategic Economic Plan and district Local Plans, and enable greater housing delivery outputs through a more locally accountable and joined up approach to public sector support for housing growth.
- 'Carrot and stick' approach to encourage sites being brought forward for development quicker, including tax incentives for developers who deliver more homes faster; tax penalties for land owners/developers who do not bring development forward, especially on allocated sites – mirroring the Government's approach to encouraging empty homes back into use. WYCA could potentially provide a role as a trusted advisor to Government on applying such an approach across the Leeds City Region.
- Support from Government to reconsider the Garden Cities and Garden Village proposals in the City Region that were developed through the Local Plans process and previously submitted to Government; with a view to Government identifying 3-4 new Garden Cities / Villages in the City Region with the potential to provide significant additional new homes as part of new sustainable communities.