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Trafford Council Core Strategy Examination
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Dear Ms Parker

TRAFFORD CORE STRATEGY: EXAMINATION

Thank you for consulting the Home Builders Federation (HBF). The HBF is the principle representative body of the housebuilding industry in England and Wales and our representations reflect the views of our membership of multinational plc's, 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.

The HBF submitted representations on both the *Publication Core Strategy* and the *Schedule of Suggested Further Changes to the Publication Core Strategy*. The Inspector has invited comments from respondents on the draft NPPF and its possible implications for the soundness of Trafford's Core Strategy.

The chief areas where we consider that the Core Strategy is inconsistent with the emerging provisions of the draft NPPF are set out below. However, in view of the seriousness of the decline of housebuilding across North West we are anxious that the core strategy should not be delayed. We recommend instead that further attention is given to the policy areas we have highlighted in this statement to ensure that development remains viable. In the absence of detailed evidence we recommend that the Council errs on the side of caution by adopting a lower affordable housing target and adheres to the national programme for zero carbon homes (i.e. the current building Regulations and not accelerating the timetable).

Policy L1: Land for new homes

1. While we welcome the Council's decision to adhere to the housing requirement in the North West Regional Strategy, plus an allowance for

an additional 20% to reflect its status as a growth point, the HBF does have some reservations regarding the level of housing that is proposed which would appear not to be in conformity with the provisions of the draft NPPF and the steps that it sets out in establishing an appropriate housing requirement. It is unclear from the Core Strategy and its supporting evidence base how the Council has arrived at its housing requirement. The Core Strategy sets a housing requirement for 11,800 net additions between 2009 and 2026.

2. Paragraph 28 of the draft NPPF requires local authorities to have a clear understanding of the housing requirements of their area by preparing a SHMA that assesses their full housing requirements over the plan period including the scale and mix of housing and the range of tenures required. The housing requirement is also required to meet the household and population projections taking into account migration and demographic change.
3. The Trafford target fails in this regard and it is unclear how the target has been arrived at. As we commented previously in our original representations, the Greater Manchester SHMA Update Report May 2010 (document reference 4.1.3) does not identify a specific housing requirement for Trafford for the plan period. It only identifies a baseline figure of household growth for all ten of the constituent local authorities of the Greater Manchester area – a figure of 1,306,268 households by 2030, or an average of 9,241 household per year (page 54). The report does not apportion this overall figure among the ten local authorities.
4. While the Greater Manchester SHMA update report contains much by way of valuable information and analysis, it does fall short of the basic requirements required by PPS3 and the draft NPPF (to identify the scale and mix of housing and range of tenures). Without this information it is difficult for interested parties to assess whether the proposed housing requirement is adequate to meet the needs of the current and future households of Trafford (as required by paragraph 10 of the draft NPPF).
5. The most recent 2008-based household projections indicate a growth of 19,000 households in the years between 2008 and 2026, or 1,055 households per year if this total figure is divided by each year (i.e. 19,000 divided by 18). The 2008-household projections do not provide figures for the individual years between 2009 to 2012. However, if one assumed a strictly linear and incremental increase each year in the number of newly forming households – i.e. 1,055 per year – then this would then generate a total figure of 15,825 homes (1,055 x 15 years) for the 15 year plan period running from 2011 to 2026.
6. As the Council has not stated what the basis is for its projection of the future housing needs of the district, and in the absence of other evidence from the SHMA, the figure proposed by the Council cannot be considered sound. In the absence of such an analysis the HBF submits

that a housing figure closer to that indicated by the most recent household projections should instead be substituted as the target.

Policy L2: Meeting Housing Needs

Affordable housing

1. Paragraph 39 of the draft NPPF requires that in order for a plan to be deliverable it is necessary to ensure the viability of policies including any requirements likely to be applied to development such as requirements for affordable housing, local standards, infrastructure contributions or other requirements. We have now had an opportunity to review the *Economic Viability Study*. We are concerned to read that delivery in the 'cold' market locations, even with a target of 5% AH, depends on setting a low s106/CIL requirement. This will need to be reflected in policy L8: Planning Obligations.
2. We are concerned that the viability assessment assumes that market conditions prevailing in the Autumn of 2007 (paragraph 3.25) represented 'normal' market conditions. We do not share this view. This was the height of an over-heated housing market where the decline in housing output was obscured by the ready-availability of credit. It is the HBF's view that what is 'normal' for Trafford is the current market. To plan on the basis that 2007 market conditions will return would be unsound and raises difficulties for the Council in the delivery of its housing objectives if these 2007 conditions do not materialise.
3. Setting to one side the question of what the correct market scenario is to apply to the modelling and assuming that it is legitimate to model on the basis of a return to 'normal' market conditions, we are nevertheless very concerned to read that the Council has chosen to apply a 20% target in 'moderate' market locations even though the evidence from the study suggests that only 61% of sites might be economically viable at this percentage. This is far too low a number of viable sites to justify a 20% target. This suggests that some 40% of the target number of homes to be delivered in these moderate locations will not come forward and therefore the council will not be able to meet its housing objectives. The policy target for moderate locations is unsound.
4. It is also very concerning to read that only 5% of sites in 'cold' market locations will be viable if a 5% affordable housing target is applied. Again, this implies that some 95% of the housing that the Council expects to be delivered in these locations will be unviable and will not come forward. This could have profound implications for the deliverability of the strategy. The Council will have to set a zero affordable housing target in these locations, a zero rate CIL, and reduce its s106 requirements in order to stimulate supply on these sites.

5. Even in 'hot' market locations, if a 40% target renders 20% of sites unviable then this casts doubts over the effect of the affordable housing expectations on the delivery of the housing components of the core strategy.
6. As stated previously in our response to the *Suggested Further Changes to the Publication Core Strategy* consultation, the findings of the viability study will need to inform the policy. The Council has not adequately demonstrated that its affordable housing requirement is deliverable in accordance with the requirement in paragraph 29 of PPS3 but now also paragraph 39 of the draft NPPF. In the light of the evidence of Trafford's Affordable Housing *Economic Viability Assessment* its affordable housing policy cannot be regarded as sound.
7. Flexibility in the application of policy is no substitute for robustly evidenced targets. As we have previously stated, relying on stand alone viability assessments to accompany each application is onerous, expensive and out of step with the Government's *Planning for Growth* agenda which is to relieve developers from burdensome regulation (see point (v) in the Written Ministerial Statement: Planning for Growth).

Policy L5: Climate Change

1. As stated previously in its response to the *Suggested Further Changes to the Publication Core Strategy* consultation, despite the changes the HBF remains dissatisfied with the thrust of the policy L5.
2. The policy is unsound. It is unjustified and it is not in conformity with current national policy as set out in the *Planning and Climate Change Supplement to PPS1* or the draft NPPF. The Council has not provided the evidence to demonstrate that its departure from national standards is justified and deliverable. As such the policy should be deleted. The Building Regulations will apply instead, which encompasses the Government's stepped timetable to zero carbon homes from 2016 onwards. These are still very ambitious and world beating standards in terms of the energy efficiency of new homes being built.
3. The report entitled *Assessment of Potential Carbon Savings Achievable in the North West by 2020* (Core Document 3.2.1) does not constitute such an evidence base. It contains some suggestions for the North West Councils, but these have not been assessed for viability and their impact on housing delivery.
4. We would draw attention to paragraph 150 of the draft NPPF. This requires that local planning authorities – when setting local requirements for a building's sustainability – do so in a way that is *consistent with the Government's zero carbon buildings policy and adopt nationally described standards* (our emphasis). If this is carried through to the published document then Trafford Councils would not be

able to set targets for other parts of the Code, only for Part L relating to energy regulation which is included in the Building Regulations.

5. The draft NPPF, paragraph 39, also requires that the costs of any local authority requirements likely to be applied to development – those over and above the normal cost of development and on-site mitigation – requirements such as affordable housing, local standards (including the cost of diverging from the Building Regulations), infrastructure contributions or other requirements, are to be assessed for their impact on viability. This will be necessary to ensure that development is viable and deliverable while still providing acceptable returns to the landowner and developer. The Executive Summary to the *Trafford Economic Viability Study* advises that in ‘cold’ market locations there will need to be a trade-off between affordable housing contributions and s106 requirements.
6. Having regard for relevant economic signals such as land prices in order to stimulate development is also a principle that is articulated in the *Planning for Growth* ministerial statement. As far as we have been able to ascertain, the Council has not carried out such an assessment and so the policy would be not in conformity with the draft NPPF. The usual default assumption that new policy and regulation can be absorbed by reductions in land value is one no longer shared by Government.
7. Paragraph 43 of the draft NPPF states that any local standards requirements that may be applied to development should be assessed at the plan-making stage. It is important to note that the Executive Summary to the *Trafford Economic Viability Study* remarks that Code 3 would have a pronounced negative effect in the ‘cold’ market locations – i.e. those locations where the Council anticipates the majority of its housing to come forward.

Yours sincerely

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