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Dear Mayor of Greater Manchester

### **Greater Manchester Spatial Framework**

Thank you for consulting the Home Builders Federation (HBF) on the new Draft Greater Manchester Spatial Framework (GMSF). James Stevens, the HBF's Director for Cities, has prepared this response and he is the lead contact for all things in relation to the GMSF.

The Home Builders Federation (HBF) is the principal representative body of the house building industry in England and Wales and our representations reflect the views of discussions with our membership of national and 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. Recent research by the Government has estimated that housebuilders have made a significant contribution to the nation's infrastructure, providing some £21 billion towards infrastructure of all types including affordable housing since 2005.

Rather than providing answers to the specific questions in the draft the HBF would like to make some comments and observations on the policies in the Draft GMSF in the order in which they appear in the consultation draft. We hope that these comments will help the Mayor develop a more effective Plan.

The HBF would also be very willing to meet with the Mayor's planning team to discuss these representations to help the Mayor prepare the next iteration of the GMSF. Engagement with various stakeholders is encouraged by paragraph 16 of the NPPF (2019).

### **General observation**

We commend the Mayor and the constituent authorities of the combined authority area for bringing forward what should be the first spatial development strategy to be adopted in England outside of Greater London. We acknowledge the difficult politics and compromises this has involved. The HBF is strongly supportive of the work of the Mayor, his team, and the constituent authorities in this area, and we are keen to help the Mayor to get the Plan adopted as quickly as possible.

We would welcome very much the opportunity to discuss with your team the recommendations for changes or additions that we have argued for in these representations. This is in line with para. 16 of the NPPF 2019 which encourages early engagement between plan-makers and stakeholders, including representatives of the business community. The HBF will be able to help the GMCA develop a robust Plan.



We consider that engagement with the house building industry would be beneficial. House building will make a substantial economic as well as social contribution to the Greater Manchester city-region economy as our recent report titled the *Greater Manchester: Economic Footprint of Home-Building* reveals. The report shows that in 2017/18, house building in Greater Manchester was responsible for:

- Supporting and sustaining over 28,000 local jobs;
- Delivering over £1.5bn of economic activity, the equivalent of the 2018 budget to support the UK high street;
- Generating over £110m of tax, the equivalent of employing approximately 4,687 new police constables;
- Delivering over £7m of spending on new and improved schools, the equivalent of employing 312 additional newly qualified teachers, or funding 1,573 additional primary school places for a year;
- Generated over £250m investment in new Affordable Housing.

This dividend from housebuilding could be directed to support public transport projects across the city-region. Much more can also be done through the new GMSF to support the provision of more affordable housing and the construction of more energy efficient homes. We would, therefore, value very much the opportunity to discuss how these and other Draft GMSF policies could be improved to provide a sound and deliverable Plan.

### **Duty to cooperate**

The NPPF (2019) requires that plans are effective. This includes that they are based on effective joint working on cross-boundary strategic matters. This should be evidenced by statements of common ground.

The Planning Practice guidance includes this section on how the duty to cooperate applies to the preparation of spatial development strategies (Paragraph: 020 Reference ID: 61-020-20180913), *Revision date: 13 09 2018*:

#### ***How do statements of common ground operate in combined authority areas, where the Mayor or combined authority has plan-making powers?***

*It is not expected that each local planning authority (or London Borough) within the combined authority area will be signatories on statements prepared for a spatial development strategy, or that the Mayor or combined authority will be a signatory to each local planning authority's statement.*

From a procedural point of view, it is important that the GMSF clarifies who has responsibility for the execution of legal responsibilities in relation to the effective operation of the duty to cooperate: does this reside with the Mayor who will undertake this collectively on behalf of all ten local planning authorities, or does it reside with each of the local authorities? It is the HBF's strong view, that responsibility for discharging the duty to cooperate should reside with the Mayor since he is the author of the spatial plan for the city region and will decide the economic strategy and the transport priorities for the city region. As he decides the overall number of homes to be provided, how these are apportioned among the ten authorities, and the spatial strategy that supports that apportionment, he should also assume responsibility for the duty. This will mean that if supporting local plans, when they come forward, reveal that they are unable to accommodate the housing need in full for whatever reason (e.g. lack of identified and deliverable housing land capacity) the Mayor must be responsible for cooperating with local authorities outside the Greater Manchester region, on how these needs might be accommodated elsewhere.

In terms of actual cross boundary strategic issues, it is unclear from our reading of the Draft GMSF if there are any major issues that might need to be resolved through the preparation of statements of common ground. This may relate to matters that are internal to the combined authority administrative area – such as the apportionment of the housing requirement. However, local authorities and combined authorities external to the Greater Manchester Combined Authority (GMCA) may also be affected by the planning objectives of the GMSF.

It is unclear if there are any major issues. Often most contentious issue is the one of unmet housing needs. While this is not something that will trouble this plan, as paragraph 11.4 indicates, it is possible that transport investment programmes and decisions may have major implications for the GMSF by fuelling additional growth. The GMSF should be kept under a review every five years and updated, if necessary, to reflect the additional growth potential that is unlocked by these investment decisions. This may require an early review of the GMSF.

We note in chapter 2 the discussion on Greater Manchester's economic potential and its role as the key growth location in the north of England, with the city-region being pivotal to the success of the wider Northern Powerhouse agenda. We note the following statement in paragraph 2.14 in particular:

*“Greater Manchester is therefore ideally placed to drive growth in the north of England, and to help provide a balance to the strength of London and the South East.”*

Paragraph 2.13 refers to the Manchester Ship Canal providing a direct shipping route from Greater Manchester to the Port of Liverpool, enabling the transportation of goods from container ships in Liverpool to markets in the UK via Port Salford.

In view of this role, at the very least, it would be useful if the GMSF referred to the strategic implications of these investment plans for employment and housing need. The GMCA should prepare a statement of common ground with the Liverpool City Region Combined Authority and the relevant Local Enterprise Partnerships of the two city regions. All these government bodies and agencies should commit to a common timetable for the review of evidence, and this common evidence base should link into the development and review of the two spatial development strategies (Liverpool City Region and Greater Manchester) and the local industrial strategies.

### **Introduction: Plan period**

At the moment, the Draft GMSF would cover a 15-year period from adoption. This accords with the NPPF.

The Mayor explains in paragraph 1.51 of the Draft GMSF (*‘What happens next?’*) the anticipated schedule to adoption. This expects a second consultation in September 2019, followed by an examination in March 2020 and adoption in December 2020. Based on our experiences with the examination of various London Plans, including the examination of the one taking place now, we think this timetable is optimistic. It is certainly possible that the time from submission to the Secretary of State to adoption could take longer, possibly by at least a year, especially if there is need for remedial work arising out of the examination stage. Delayed adoption could result in a plan period shorter than 15 years. Our chief concern in relation to this is what happens in the interim in terms of local plan preparation and what housing targets should be used by local authorities to inform the preparation of local plan strategies. In line with our comments below (relationship with district local plans) it is very important that the Mayor sets out a clear expectation that the Greater Manchester local authorities should begin planning now on the basis of the housing targets in the Draft GMSF. This will be necessary to

ensure that the housing targets can be met in time – i.e. before 2037. This is also necessary for the Mayor to deliver the affordable homes he needs – to ensure that the aim articulated in the foreword that there is a ‘*safe home and a good job for everyone...with no one forced to sleep on the streets*’ is achieved. Delay in adoption and uncertainty surrounding the status of the GMSF will have adverse consequences for the people of Greater Manchester. Speedy local plan adoption in line with the GMSF is needed.

We recognise that this may be contentious, especially in view of the need for full council approval by each of the ten constituent local authorities, for each stage in the production and adoption of the GMSF, but it is an issue that the Mayor will need to confront if the Greater Manchester strategic objectives are to be achieved by 2037.

### **Introduction: Relationship with district Local Plans**

On page 13, para. 1.34, the Mayor explains how the GMSF will relate to supporting local plans. It explains that local plans will need to be in general conformity with the GMSF once it is adopted.

In the case of the London Plan, it has become established through practice and case-law, that the housing requirements for all 35 London local planning authorities are automatically updated in line with the targets (housing requirements) contained in the London Plan once it is adopted. This is necessary to make sure the new housing objectives can be delivered in time without relying on 35 new local plans to be published, examined and adopted. This would take too long. We assume – but it is not clear – that this is also the intention of the GMSF. The GMSF should clarify whether this is the case to avoid scope for doubt and disagreement. Strategic plans need to provide clarity so that decision-makers know how to react to development proposals (NPPF, para. 16). We consider this is necessary to ensure that the GMSF is an effective planning document. Making it clear that the new housing requirements contained in the GMSF will serve for the purposes of assessing the five-year land supply and measuring performance under the Housing Delivery Test will spur-on the constituent local authorities to produce up-to-date local plans able to implement the planning objectives in the GMSF.

To become an effective document – one that can deliver its housing requirement in full and by 2037 – the GMSF should be clear that the housing targets will become part of the development plan once it is adopted in 2020.

We refer the Mayor to the following passage of the Planning Practice Guidance (PPG), Paragraph: 013 Reference ID: 2a-013-20190220, Revision date: 20 02 2019, as support for making this change to the Draft GMSF:

*“Where a spatial development strategy has been published, local planning authorities should use the local housing need figure in the spatial development strategy and should not seek to re-visit their local housing need figure when preparing new strategic or non-strategic policies.”*

We recommend therefore that paragraph 1.34 is amended to read:

*“Once Greater Manchester’s Plan is published all the Greater Manchester local plans will be required to be in general conformity with this Plan. This means that the housing requirements in any existing local plans housing requirements are automatically updated to reflect the new housing requirements in table 7.1. These local authority requirements will serve as the basis for establishing the five year housing land supply and will provide the basis for calculating the Housing Delivery Test in the year that the Greater Manchester plan is adopted.”*

The GMSF should contain only strategic policies (NPPF, para.17). These should address each local planning authority's priorities for the development and use of land in its area. Since the GMSF will be part of the development plan for all ten local authorities in Greater Manchester, the GMSF should be very clear how these strategic policies will be implemented. This is particularly important for the land use allocations and designations that are indicated in Draft GMSF in chapter 11. We understand that the statutory instrument for the Greater Manchester SDS is awaited. This statutory instrument is needed to take forward the Combined Authorities (Spatial Development Strategy) Regulations 2018, and it will define whether the Mayor of the Greater Manchester Combined Authority will have the power to make land-use allocations through the GMSF. The HBF hopes that the Mayor will have the power to make allocations, in the same way that the Mayor of London does. This would enable planning applications to come forward even if a local plan is not in place, except, of course, in cases where the release of Green Belt land is involved (NPPF 2019, para. 136).

The opening paragraphs of chapter 11 are unfortunately vague on this point. It is unclear to the reader if the strategic allocations in the GMSF could come forward even if an up-to-date local plan has not been prepared. This needs to be clarified within the Draft GMSF. If decisions cannot be made in line with the strategic allocations in the GMSF, the HBF's concern is that supporting local plans will not be produced in time to implement these strategic allocations by 2038. Some local authorities already have very dated local plans, as is the case with Salford, Tameside and Bury, so we are not confident that the right planning policy landscape will be fully in place in time to implement the strategy.

On this point it is interesting to note that the *Outline of a Prospective Housing Package for Greater Manchester* (MHCLG and the GMCA) of 2018 had included the following draft commitment:

*"Local plans for all constituent members to be updated and adopted as necessary by the end of 2019 to deliver and accommodate 227,200 homes between 2015/16 and 2034/35."*

While we recognise that the prospective housing deal is still being discussed, and is likely to change (and even may not be completed) it is nevertheless clear from the Draft Package that the MHCLG understands the importance of local plans being updated and adopted quickly as critical to successful implementation. It would be helpful if the Draft GMSF reflected the same recognition of the importance of local plan adoption whatever conditions may be contained in a housing deal that might eventually be agreed.

We recognise that this issue may still be a point of debate among the Greater Manchester authorities, but clarity on this question is essential to ensure that the GMSF is positively prepared, effective and consistent with national policy.

### **Policy GM-S 1: Sustainable Development**

We note that the policy states that the development of previously developed land (brownfield) will be 'preferred'. This emphasis is also articulated in the Mayor's foreword to the Draft GMSF.

First, it is unclear if this 'preference' applies to all categories of development or just housing. If it is just housing, the Mayor will need to explain why housing development is being singled out in this way, especially when it is widely acknowledged that there is a housing crisis. This is evidenced by the Greater Manchester SHMA and paragraph 7.15 of the Draft GMSF.

Second, in terms of the development of the strategic allocations that involve mixed uses (e.g. employment and housing) it is unclear how this would be an effective policy in helping to bring

forward these very important allocations that are integral to the achievement of the Mayor's strategic objectives. The brownfield first policy would potentially delay these allocations from ever being developed during the life of the Plan.

We are not convinced that this is a sound approach, especially as the Draft GMSF acknowledges the need for the development of some green field land to meet housing needs, including housing on land released from the Green Belt. Moreover, at the district level, the allocation and development of green field land may be necessary in order for the authority to meet housing needs in the short-term. The NPPF only prefers the development of brownfield land, it does not advocate a 'brownfield first' approach as such.

Such an approach also has the potential to compromise the employment objectives of the GMSF, especially on mixed-use allocations. It may also encourage housebuilders to target employment land to be re-developed for housing especially in the more popular housing market locations of the city-region. This has become a particular problem in the more affluent boroughs of central London. As a consequence the Mayor of London has been forced to adopt policies to protect industrial land.

We think this is something that the Mayor should reconsider. Whether the approach set out in this policy is a wise one will depend on a more detailed scrutiny of the composition of the housing land supply at the local level. The local authorities may find, as they prepare their own local plans, that they will need to adopt a more flexible approach to the management of their land supply to meet development needs. After all, the land supply exercise undertaken by the Mayor, is only a theoretical study and lacks the rigour of local assessments to support local plan-making.

Whether it is feasible for a local authority to operate a 'brownfield first' policy will depend on the examination of local evidence. Since the Mayor does not have this evidence – he does not know when the land identified in the local authority SHLAAs and brownfield registers will come forward (based upon a discussion with landowners and developers) - he is unable to make policy in this area. It would be unsound to continue down this course.

## **Policy GM-S 2: Carbon and Energy**

We note the requirement in part 8 for all new residential development to achieve a 19% improvement in energy efficiency against Part L. This is from the date the GMSF is adopted. We also note that from 2028 all new residential development is expected to be carbon neutral.

As far as we can detect, the Mayor has not provided his definition of what he considers will constitute zero carbon. Unless this is defined, it will be difficult for applicants to know how to comply with the policy: developers need to know how to measure 'zero carbon homes'. It is important to note that the Government abandoned its last zero carbon homes programme (Code for Sustainable Homes) in 2015 partly because it could not agree on a definition and implementable set of actions that would enable zero carbon in housing to be achieved.

First, the HBF would welcome a meeting to discuss this point. We appreciate the Mayor's interest in improving the energy efficiency of new homes, and there are moves by the Government in this direction, including its review of Part L of the Building Regulations, as signalled in the Chancellor's Spring Statement. The Mayor should ensure that any policy he makes in this area is consistent with the Government's review (as required by the Written Ministerial Statement of 25 March 2015). The HBF is willing to explore ways to improve the energy efficiency of new homes, but at the moment we still need to agree a realistic and implementable route to zero carbon.

Second, the ability of the Mayor to achieve these targets will also depend on local authority plans being updated quickly to reflect this new policy requirement. This is why it is so important that the Mayor clarifies the relationship of the SDS to local plans and the decision-making process.

### **Policy GM-S 3: Heat and Energy Networks**

According to the diagram on page 89 we note the absence of existing heat and energy networks in relation to the major strategic allocations that will be made by the GMSF. The policy is chiefly structured around what residential development should do within the 'Heat and Energy Network Opportunity Areas'. The policy does not say what major new residential developments are required to do outside these areas. It is unclear, therefore, whether there is an expectation that major residential developments will be required to fund the construction of decentralised energy infrastructure. We consider that it would be sensible that they are not in view of the other competing policy demands placed on the developments in these locations, not least of which will be the provision of public transport and green infrastructure. Reading through some of the allocations in chapter 11 suggests that constructing decentralised energy infrastructure is not the chief priority.

It would be helpful if the Draft GMSF could provide clarification on this point.

### **Policy GM-S 4: Resilience**

First, this is a general statement of aims. It does not need to sit within a policy.

Second, it is unclear why the 50,000 affordable homes target has been singled-out as a key measure of the resilience of the Greater Manchester but not the delivery of the overall housing requirement. We recognise the need to increase the supply of affordable homes, but the supply of housing to meet general housing needs is also essential especially if the Combined Authority is to achieve its economic growth ambitions. Equally, the supply of older persons housing should be a key measure in view of the aging population and the objective of inclusive growth.

We recommend that this section of the GMSF – because we do not think it needs to be articulated in a policy – is amended to include the delivery of the 201,000 homes target and the need to increase the supply of older persons housing as key measures too.

### **Policy GM-G 7: Trees and woodland**

This policy is unclear in terms of what applicants are expected to do. It is unclear if every part of this policy applies to applicants seeking planning permission. For example, would an applicant be required to plant a tree for every resident in a new scheme, or the *net* increase in residents?

In the way the policy is currently worded, the policy would not conform with para. 16 of the NPPF. The policy reads more like a general statement of intent. The Mayor should whittle the policy down to those elements that it is feasible for developers to provide, either through design, through master-planning on the strategic allocations (such as item 5), or through S106 obligations.

### **Policy GM-G 9: Standards for a Greener Greater Manchester**

If the Mayor is going to develop his own standards for the provision of new, and access to, natural green space, such as the Greater Manchester 'green factor', then he will need to do so by the next iteration of the GMSF so these standards are included in the GMSF. In terms of access to natural green space it is unclear from the wording of the current draft policy whether these standards will be set out in the GMSF or the local plans. If it is to be the local plan, it is unclear what the applicant should abide by if the local plan is not up-to-date. Will this be Natural England's Accessible Natural Greenspace Standards?

The policy is confused and does not provide a clear enough steer for applicants. At the moment it fails para. 16 of the NPPF.

### **Policy GM-G 10: A Net Enhancement of Biodiversity and Geodiversity**

The first part of this policy is a general statement of intent and does not need to sit within the policy. This could be moved to the supporting text.

The Mayor will be aware of the Government's consultation on securing a net gain in biodiversity in relation to new developments. Following this, in its recent Spring Statement, the Government has announced that net gains for biodiversity on new developments in England will be mandated. The Government wants to ensure that wildlife is not compromised in delivering the housing and infrastructure this country needs and that there is an overall increase in biodiversity. Further details on the precise shape that the mandatory scheme will take are to be announced in due course. The mandating of Net Gain is expected to be included in the forthcoming Environment Bill. Because this will be a statutory requirement, it may not be necessary for the Mayor to make policy in this area. The Mayor may only need to provide guidance on this matter to assist developers in implementing these statutory requirements, although we accept that this may need a strategic or local policy to explain how this is to be managed across Greater Manchester. The Mayor should reconsider this section and the policy in the light of the Government's new guidance once it is published.

### **Policy GM-G 11: The Greater Manchester Green Belt**

We note that the Draft GMSF proposes to release 2,430 hectares of land from the Greater Manchester Green Belt to help meet the future development needs of the city-region (para. 8.54). Para. 8.61 also explains how land will be added to the Green Belt through the Draft GMSF. Where these additions will be are shown in Appendix A.

The Mayor will need to undertake an analysis that demonstrates that these additions are absolutely necessary, in line with the requirements of para. 135 of the NPPF. The addition of land to the Green Belt, as well as its removal, should only be done in 'exceptional circumstances'. It is the view of the HBF that it would be unwise for the Mayor to add land to the Green Belt at this juncture when it is very unclear what the future growth potential of the Greater Manchester conurbation might be, especially if the Northern Powerhouse agenda is successful, propelled in part by HS2 in 2033. It might be better to 'safeguard' this land in order to meet future growth needs for the period beyond 2038, or possibly even sooner, following a review of the GMSF. This would also be wise if the Greater Manchester boroughs struggle to maintain an adequate supply of deliverable land for employment and housing during the life of the Plan. This would be consistent with the NPPF at para. 139 part (c) which advises that safeguarded land might need to be identified between the urban area and the Green Belt to meet long-term development needs.



The Mayor should give consideration to the tests set out at para.135, especially parts (b), (c) and (d), of the NPPF when preparing a case for adding to the Green Belt. In doing so the Mayor should take heed of the viewpoints of various stakeholders, including those of the business community (NPPF, para. 16).

## **Policy GM-H 1: Scale of New Housing Development**

### **Housing requirement**

We note that the proposed housing requirement for the Greater Manchester administrative area is 200,980 homes between 2018 and 2037 (rounded up to 201,000), an annual average of 10,578 dwellings per annum (dpa).

The derivation for the housing requirement is explained in the *Housing Topic Paper*. We agree that it is sensible for the Mayor to plan on the basis of the MHCLG 2014-household projections for the reasons the Government explains in its response to the October 2018 consultation titled *Government response to the technical consultation on updates to national planning policy and guidance* (February 2019). The HBF welcomes this decision. This is a very positive step. Had the ONS 2016-household projections been used, then this would have resulted in an overall figure for Greater Manchester of about 154,000 new homes - some 50,000 households fewer by 2038 than the number indicated by the standard method using the 2014-household projections. It is unlikely that this figure would have represented the likely extent of future housing needs across the Greater Manchester area for the next twenty years in view of the economic and inclusive growth opportunities articulated in the 'Our vision' chapter of the GMSF. Moreover, we note in the *Housing Topic Paper* that some 85,000 existing households are already on a local authority housing register in 2016/17 – a figure that would have equated to half of the overall need generated using the 2016-household projections. We observe that there has been a 44% increase in homeless households between 2011/12 and 2016/17 (SHMA, para. 4.78). Therefore, it strikes us as unconvincing that the supply of new homes to cater for newly forming households in Greater Manchester would amount to just 69,000 homes over twenty years once existing needs have been deducted.

Meeting these affordable housing needs while also constructing enough homes to meet the aspirations of those who wish to become first-time buyers, or who need bigger family homes – something that is necessary to increase the appeal of Greater Manchester – plus also catering for students, would have been a challenge with this low figure that effectively imposes a cap on overall production across the city-region. We note that the *Economic Forecasts for Greater Manchester* paper (GMCA, January 2019) in its baseline forecast predicts that the strongest areas of employment growth will be in the business, financial and professional services area. These areas that will account for over half of the net increase in the total number of jobs up to 2036 (see page 3 of the report).

To avoid the risk of undersupply in housing relative to employment growth, the Mayor should increase the Greater Manchester housing requirement. This could be an increase to at least a minimum of 227,000 homes (or 11,350 dwellings per annum over 20 years) so that the GMSF aligns with the figure in the *Outline of a Prospective Housing Package for Greater Manchester*. We acknowledge that this is still being discussed by the Mayor and the MHCLG. Equally, it might be a different figure based on a consideration of the economic evidence. We also acknowledge that the amount of support earmarked for Greater Manchester through the *Outline Housing Package* is considered, by some commentators including the GMCA, to be inadequate. However, the potential to attract more subsidy from central government in the future would, we feel, be increased by a signal through the GMSF of a willingness to embrace a more positive growth agenda. The HBF would be willing to work with the Mayor to call for more investment in Greater Manchester to increase housing delivery above a minimum of

227,000 net additional homes. The problem, unfortunately, with setting a housing requirement that goes no further than the standard method (including its quite limited upwards affordability adjustment) is the risk of embedding recessionary influences, plus past problems associated with missed housing targets and delayed local plan production, in the projections. The problem with planning solely on the basis of past trends is something acknowledged in the Draft GMSF in paragraph 4.19.

We understand that it is the Mayor's ambition for Greater Manchester to break with the past so that Greater Manchester becomes a 'top global city' (para.1.3). However, to become a global city the Mayor will need to stop planning on the basis of past trends in household formation. This has contributed to relatively moribund levels of economic growth to date compared to its latent potential. He will also need to reverse the flight of younger, better educated, better skilled, households, away from the city-region. Economic growth is stated as central to the overall strategy for the city-region (para. 6.1). The Greater Manchester city-region is also pivotal to the Northern Powerhouse agenda and the wider renaissance of the north of England (para. 6.6). Therefore, while we appreciate the Mayor's desire to have a realistic plan, including one that carries all the constituent local authorities along with him, lifting the housing supply by at least another 26,000 homes represents a relatively small step, and one that does seem to be feasible for Greater Manchester in view of the evidence of its land supply.

We are concerned that there is a mis-alignment between the Mayor's ambitious economic aims and his housing requirement. The Government has defined that the aim of planning is to achieve sustainable development (NPPF, para. 7). As the NPPF explains in paragraph 8, achieving sustainable development requires plan-makers to ensure that social, economic and environmental goals are pursued in mutually supportive ways to secure net gains against each. It is the HBF's view that the current Draft GMSF will not secure net gains against the economic and social dimensions of sustainable development. This is because housing supply will barely keep pace with trend-rates of household formation (and may even fail in this regard if the housing supply is back-loaded in line with table 7.3) and that this trend-rate of supply will fail to support the required levels of economic growth by failing to provide enough homes of the right type quickly enough.

Lifting the housing requirement, however, would be consistent with government policy. As the NPPF states, the number of homes indicated as needed, using the standard method, only represents the minimum number (para. 60). We also refer the Mayor to the following section from the new Planning Practice Guidance (PPG), Paragraph: 010 Reference ID: 2a-010-20190220, Revision date: 20 02 2019:

***“When might it be appropriate to plan for a higher housing need figure than the standard method indicates?”***

*The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.*

*This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:*

- *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*

- an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;

*There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.”*

It is useful to note here that the PPG does refer to the existence of a housing deal as a circumstance that would warrant an increase above the standard method. This would support a case for the Mayor planning for more than 227,000 homes by 2038 as the housing requirement for the Draft GMSF if this deal is completed. We note also, that the GMCA and HM government progress statement on the emerging Greater Manchester Local Industrial Strategy titled *Working Towards a Greater Manchester Local Industrial Strategy* (October 2018) refers on page 3 to the outline housing deal in its ‘Building on Investments’ section.

There is also the economic growth agenda to consider. Paragraph 6.10 of the Draft GMSF cites work by the Northern Powerhouse Independent Economic Review. As the Draft GMSF states, this report has identified a potential to create by 2050 an additional £97bn in GVA and 850,000 extra jobs compared to the ‘business as usual’ scenario. Paragraph 6.10 goes on to describe how Greater Manchester is well placed to play a leading role in delivering a large element of this growth. How much of this potential growth could be secured within the Greater Manchester area by 2037 is hard to establish.

The GMCA and HM government progress statement on the emerging Greater Manchester Local Industrial Strategy called *Working Towards a Greater Manchester Local Industrial Strategy* (October 2018) identifies several programmes of work designed to improve the skills and productivity of the people of Greater Manchester. It also identifies many investment programmes (page 3). It states that the city region already has a highly qualified workforce out of a total workforce of 6 million working age people (pages 6 and 7).

Therefore, even if the *Outline Housing Deal* is not completed, these economic signals indicate the need for the Mayor to embrace a higher housing requirement than the minimum of 201,000 generated under the standard method.

In view of the various statements of intent by the Mayor and other stakeholders to support the growth of the Greater Manchester economy, it is difficult to understand why in terms of new housing supply, the Mayor would wish to plan for what is essentially a ‘business as usual’ case, albeit with a small uplift in supply to improve housing affordability. It is unclear why the Combined Authority is reluctant to embrace a higher figure that would ensure that housing supply over the next twenty years is at least adequate to address aspirations as well as needs. The risk for the Greater Manchester economy is that growth could be ‘choked-off’ if the housing supply is too finely calibrated. At the same time growth could also be inhibited if too much new housing supply is directed towards catering for younger, higher educated, households in their twenties-thirties, living in city centre apartments in Manchester City and Salford. This could become a significant problem if too much of the new supply takes the form of flats to rent and for students, but not enough family-sized homes are provided catering for those in their thirties, forties and fifties. The Lord Rogers urban renaissance model that has informed the regeneration agenda for the last two decades might not be appropriate for every area of the city region.

## **Economic considerations that point to the adoption of a higher housing need and Plan requirement figure**

We are conscious that the Mayor may no longer support the housing requirement figure in the *Outline* package. Nevertheless, the Mayor has other objectives associated with the achievement of the Northern Powerhouse agenda. We have noted the *Economic Forecasts for Greater Manchester* paper (GMCA, January 2019). This contains two forecasts for future growth in the city-region: the more cautious Greater Manchester Forecasting Model (GMFM 2018) and the Accelerated Growth Scenario (AGS).

The more conservative GMFM 2018 forecasts that gross value added (GVA) will grow by 1.7% a year up to 2036. This expects employment to grow by 140,100 people between 2016 and 2036 – a slightly lower rate of employment growth, we note, compared to the previous GMFM 2017 model.

The AGS scenario forecasts that GVA could grow by 2.3% per year up to 2036. This would see employment grow by 208,000 people by 2036. This latter scenario anticipates a much larger increase in population – some 50,000 more people to meet labour needs.

We are concerned that the Mayor is aligning his Plan with a more cautious growth scenario. This would be contrary to the more ambitious growth expectations of the Northern Powerhouse agenda, the aims of the LEPs, and those of the wider business community. We are aware that like many local authorities, the Mayor hopes that labour needs will be met without having to build more housing. He hopes to achieve this through increased rates of participation among existing residents and older people (see pages 3 and 15). We hope this is the case too. Even so, in relation to older people and the expectation that they will work longer, this may be an indication of the fall in productivity in the economy and the decline in prosperity more generally, forcing people to work longer. This is not necessarily something to celebrate and is not necessarily indicative of positive planning – i.e. planning for fewer homes in the hope that employment needs will be addressed by older people working longer.

It is also important to consider where the skilled labour needed to drive the Northern Powerhouse and Greater Manchester's growth ambitions is going to come from. The AGS anticipates that a large proportion of GVA growth will be in the professional, scientific and technical, real estate, administration and support sectors. This is followed by the legal and accounting, and financial and business services areas. This tends to indicate that it might be harder to meet employment growth in these growth sectors through increased participation rates among the existing resident population in view of the nature of the qualifications required by these growth sectors. While increased labour participation among the existing population is an important aim, the Mayor may still need to provide the type of housing wanted by these key growth groups.

Skilled labour will only be attracted to Greater Manchester, and will only remain, if the housing offer is right. While some will be happy with flats in Central Manchester and Media City in Salford, many will not. They will want terraced, semi and detached housing providing 2,3,4 and 5 bedrooms, with back gardens. Consequently, there may be a problem with the Mayor's housing land supply assumption (in the GMCA Topic Paper) that flats will provide the dominant type of residential development form (some 60% of the overall requirement – 108,000 homes out of the identified land supply of 181,000). Furthermore, the Mayor should have regard to the Government's forthcoming guidance issued in response to the Letwin Review, in terms of diversify the type and tenure of homes provided on sites to assist with faster build-out rates.

The Mayor, therefore, needs to be realistic and be careful that he does not inadvertently choke-off employment and economic growth through a fear of housebuilding and through an over-emphasis on the construction of flats. It would be more sensible to plan for both increased rates of labour participation and more people (and the corollary of this – more housing, including more houses as well as flats) just in case one or the other strategy does not work – i.e. labour participation among existing residents does not occur to quite the degree needed, and that the market housing supply, and type of homes being offered, proposed by the Mayor through his Plan is inadequate to meet needs and aspirations.

Planning for more homes – for example a minimum of 227,000 net additions figure – would also yield an important economic and social dividend for the city-region. As previously referred to (on page one of these representations) a new report by the HBF, based on research carried out by Lichfields, called *Greater Manchester: The Economic Footprint of Home Building*, has revealed the full extent of the community and economic benefits of house building in Greater Manchester<sup>1</sup>. With the authorities of the city-region currently not building enough homes compared to its need, the *Economic Footprint of Home Building* report highlights what Greater Manchester is currently missing out on.

Figures show that 9,172 new homes were provided in the region in 2017/18, generating over £1.5bn to the local economy. This is a fantastic benefit for Greater Manchester.

The report shows that in 2017/18, house building in Greater Manchester was responsible for:

- Supporting and sustaining over 28,000 local jobs
- Delivering over £1.5bn of economic activity, the equivalent of the 2018 budget to support the UK high street<sup>2</sup>
- Generating over £110m of tax, the equivalent of employing approximately 4,687 new police constables<sup>3</sup>
- Delivering over £7m of spending on new and improved schools, the equivalent of employing 312 additional newly qualified teachers<sup>4</sup>, or funding 1,573 additional primary school places<sup>5</sup> for a year
- Generated over £250m investment in new Affordable Housing

If the housing target in the Draft Greater Manchester Spatial Framework was raised to 227,000, to align with the draft *Outline Housing Deal* for Greater Manchester then this would mean an extra 26,000 houses, which would bring to Greater Manchester:

- Over 80,000 jobs created, including almost 900 graduate and apprentice positions
- Over £720m invested back into affordable housing
- Almost 28,000 people in direct employment through house building
- Well over £300m generated in tax

This economic and social dividend would be very beneficial to the city-region economy helping to extend and improve affordable housing supply, public transport and local services. The preparation of a Community Infrastructure Levy by the local authorities, would enable the local authority to re-direct value captured from development from one part of the borough to other

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<sup>1</sup> For the purposes of this report, Greater Manchester refers to the Greater Manchester Combined Authority which includes Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford and Wigan.

<sup>2</sup> [Over £1.5bn to support the high street, Budget 2018: 24 things you need to know](#)

<sup>3</sup> [Police Now, Salary and benefits](#) (Based on average basic starting salary of £23,586)

<sup>4</sup> [Prospects, How much do teachers get paid? July 2018](#) (Based on NQT salary)

<sup>5</sup> [BBC News, Seven charts on the £73,000 cost of educating a child, 19 November 2018](#)

parts, to help extend public transport and unlock town regeneration schemes. In due course, the Mayor may be allowed to establish a Strategic Infrastructure Levy, like the Mayor of London has to fund Crossrail, to help fund the delivery of a major item of city-region infrastructure.

### **Suppression of household formation**

It is acknowledged by the Government and by planning practitioners, that the official household projections prepared by the ONS (and before them, the MHCLG) reflect past rates of household formation. This in turn reflects past rates of new housing supply – new households can only form if there are the homes to do so. As such, it is acknowledged that projections do not reflect actual needs but only what will happen in the future if past trends hold true over the new plan period. This would not represent positive planning, and this is why the Government had to introduce an adjustment to the trend projections to compensate for falling rates of household formation. The Government did this through its new standard method with its affordability adjustment.

However, because the affordability adjustment has a quite limited effect in Greater Manchester (adding just 1,218 additional homes a year – see table 3.2 of the Housing Topic Paper), the Mayor should consider the extent to which household formation has been suppressed over the last two decades, especially among younger age groups, typically those aged between 25 and 44. For example, the Mayor could consider making an adjustment on the basis of a return to 2001 Headship rates among the 25-44 age groups. This would allow the Mayor to factor-in pre-recessionary and austerity trends.

The HBF recommends that the Mayor considers this adjustment.

### **Affordability**

We have referred to the evidence of acute problems of affordability in the city-region, and high levels of over-crowding and homelessness. Para. 7.15 of the Draft GMSF observes:

*“affordability has been worsening in recent years, and there are a significant number of households who are unable to find suitable homes at an affordable cost.”*

These are all symptoms of housing supply failing to keep pace with people’s real needs. This is a problem that will not be rectified by basing a housing requirement based chiefly on a trend-based projection with a limited adjustment for affordability – i.e. the standard method. The need for affordable housing is high – some 47% of the overall requirement is needed as some type of affordable home. The Draft GMSF, mindful of viability obstacles, has indicated a need for 25% of all homes to be affordable. The Mayor should have consideration for para. 24, Reference ID: 2a-024-20190220 of the Housing and Economic Needs section of the PPG and reflect upon how increasing the housing requirement could facilitate the supply more of the total quantum of affordable homes needed (4,678 affordable homes needed each year).

### **The Mayor should undertake a fresh assessment of housing need**

To this end – to ensure a sound GMSF by ensuring that the Mayor’s economic ambitions are supported by the right amount of housing – the Mayor should undertake an integrated assessment of housing and economic need. The assessment should be consistent with the work of the LEP on preparing the Local Industrial Strategy. It should be clear that the LEP is in agreement with the Mayor about the labour implications of the strategy contained in the GMSF.

This fresh assessment should explore:

- the case for a higher housing requirement – one that is greater than the minimum number indicated by the standard method. This is necessary to reflect national policy and the considerations set out in the PPG at para. 10, Reference ID: 2a-010-201900220;
- Reflect the work of the LEP as it prepares its Local Industrial Strategy for Greater Manchester. This is necessary to ensure that land-use planning through the GMSF is aligned with, and supports, this economic strategy.
- Consideration should be given to contingencies, including the possibility that population, household and employment growth may exceed past trends (since past trends serve as the basis for the standard method), and the possibility that the labour needs of the city-region may not be fully met through increased levels of participation by the resident population;
- Undertake additional analysis of the extent to which household formation has been suppressed, especially among younger households, and consider planning on the basis for a return to 2001 headship rates for age groups 25-44.
- Undertake an analysis of how more affordable homes could be provided by lifting the overall supply of homes, in line with the PPG.

### **Summary: HBF's conclusions of the housing requirement**

The thrust of national planning policy and its supporting guidance supports the adoption of a higher housing requirement for Greater Manchester – one that is higher than the standard method. The NPPF is clear that the standard method indicates the minimum number of homes needed (para. 60). It is not necessarily the end point in the assessment. In the view of the HBF this should be a figure that is at least as high as the figure of 227,000 homes that is included in the *Outline of a Prospective Housing Package for Greater Manchester* that is currently being negotiated between the Greater Manchester Combined Authority and the Government.

Even if the Mayor and Government no longer wish to pursue the current *Outline Housing Deal* for Greater Manchester, the HBF would be willing to support the Mayor is securing a deal for more money to support for brownfield remediation and regeneration in exchange for a higher housing requirement. The adoption of a higher figure would also consistent with the earlier Greater Manchester SHMA of 2016 that had informed the previous Draft GMSF. This identified a need for 227,000 homes – the same as the *Outline Housing Deal*. It is not exceptional or impermissible in planning soundness terms for a plan-maker to adhere to an earlier SHMA objectively assessed need figure where this indicates a higher level of housing need than a subsequent assessment using the standard method (see PPG, Paragraph: 010 Reference ID: 2a-010-20190220, Revision date: 20 02 2019).

This is what the Oxfordshire authorities have done through the work of their Growth Board. The five Oxfordshire authorities are still operating on the basis of their SHMA *published in 2014*, specifically, the Committed Growth scenario included in that SHMA, which generates a higher OAN figure for the five local planning authorities of the county than the standard method (100,000 homes compared to 82,000 homes under the standard method). This is the figure that is being used as the basis for the preparation of the Oxfordshire (Joint) Statutory Spatial Plan, which is due for adoption in 2021. It is an approach endorsed by the PPG (see above).

The Oxfordshire approach, and the willingness of the five local authorities and the county council, to go further than the minimum and plan more ambitiously, has been warmly received by the Government. The HBF has also strongly commended this sign of positive planning both in public and in its conversations with government. In recognition of this, Oxfordshire has secured the first Housing and Growth Deal outside of Greater London. This provides

Oxfordshire with guaranteed funding for affordable housing, infrastructure and economic growth. Furthermore, in recognition of the willingness of the authorities to plan for more housing than the number indicated by the standard method, the five local authorities have been allowed to operate a three-year housing supply (instead of five) until it has adopted its Joint Statutory Spatial Plan. Greater Manchester could secure a similar deal if it went higher on the housing numbers.

## **Policy GM-H-2: Affordability of New Housing**

We note the Mayor's priority, articulated in his preface to the GMSF, that he wishes to see an *"emphasis on building homes that people can truly afford"*. We therefore note and support the draft policy on affordable housing. The evidence in the SHMA demonstrates the difficulties that many households will face finding affordable accommodation. Table 7.14 shows that the net affordable housing need across Greater Manchester is for 4,678 homes a year. This compares to 768 affordable housing completions in the last five years (Table 5.8). The high figure for affordable housing need speaks to the affordability challenges that many household face in the city-region. It also affirms our sense that the overall housing requirement is inadequate. If nearly half the net new homes needed over the plan period will be for existing and newly emerging households in need for homes in one of the specific affordable housing tenure types, then that leaves just 5,905 net new homes a year available to accommodate existing and newly emerging households who are ineligible for homes in the affordable tenure or who are aspirant owner-occupiers – or an average of 590 open market homes per local authority. That amounts to just 118,100 market homes available for owner occupation/students over the life of the Plan.

Nevertheless, we consider the draft policy strikes the right balance by encouraging the supply of a greater number of affordable homes, while also allowing the constituent local authorities to develop affordable housing policies that are appropriate to their respective areas.

Reflecting the NPPF (2019) the Mayor will need to consider the viability implications of the policy (para. 34). He will need to model and appropriate affordable housing percentage for each constituent authority. He will also need model an appropriate tenure split. The alternative to this, and probably one that would be more appropriate, is to treat other policies in the Draft GMSF as fixed, and for the affordable housing target to be a residual calculation – i.e. how much affordable housing can be viably provided after securing the delivery of other GMSF planning objectives such as those specified in GM-H 3, GM-H 4, GM-G 9, GM-G 10, GM-C 2 and GM-S 2.

The Mayor also need to be aware that the effectiveness of his policy could be compromised by the need for ten up-to-date supporting local plans to be published. It is unclear if the policy will prove effective if it transpires that once ten local plans are published, they are found to collectively fail to support an overall Greater Manchester affordable housing target of 25%.

As the Mayor relies on the constituent local planning authorities to deliver the 50,000 affordable homes target, his ability to achieve this target will depend in large part on the speedy production and adoption of up-to-date local plans that both allocate strategic land and specify the local requirements for affordable housing. The Mayor will need to monitor the production of local plans to ensure that these plans are not being delayed unnecessarily and unreasonably. The Mayor may also need to clarify that the housing requirements contained in the local plans are automatically updated once the GMSF is adopted, as we have argued above (on page 2 of this response). This is vital if the 50,000 affordable housing target is going to be delivered. The Mayor will need to monitor carefully the effectiveness of this policy, both in its implementation at the local level, and in terms of the type and tenure of affordable homes being provided. Therefore, the Mayor should consider developing a key performance indicator



(KPI) similar to that in the London Plan, to monitor how many affordable homes are being provided annually across Greater Manchester, including how many are social rent, affordable rent, and how many are low-cost market homes.

### **Policy GM-H 3: Type, Size and Design of New Housing**

#### Housing provision to accommodate specific groups

The third paragraph of the Draft policy refers to housing provision to accommodate specific needs.

The HBF recommends that the Draft GMSF should be amended to provide more specific support for the provision of homes meeting particular needs. The need to support housing for older people is especially important in Greater Manchester in view of the evidence of the aging population.

#### 1. Housing for older people

We note on page 35, in the vision statement, that Greater Manchester is to be place where people of all ages can live. It states that the Greater Manchester should be “*A place where people live healthy lives and older people are valued*”.

We note the following in paragraph 2.4 of the Draft GMSF:

*“the population is forecast to grow by around another quarter million people by 2037...Around two-thirds of the population growth is expected to be those in aged 65 and over, and about 40% will be aged 75 and over.”*

Para. 7.22 of the Draft GMSF refers to “*three quarters of the population increase is projected to be aged 65 and over*”.

The aging structure of Greater Manchester’s population is also one of the key themes of the emerging Local Industrial Strategy (see pages 8-12 of the *Working Towards a Greater Manchester Local Industrial Strategy* (HM Government and GMCA, October 2018)). We have also had regard to the demographic evidence in the SHMA about the aging population across Greater Manchester.

We refer the Mayor to the following section of the PPG, paragraph: 017, reference ID: 2a-017-20190220, revision date: 20 02 2019:

#### *Housing for older people*

*The need to provide housing for older people is critical as people are living longer lives and the proportion of older people in the population is increasing The National Planning Policy Framework defines older people for planning purposes, and recognises their diverse needs. They range from active people who are approaching retirement to the very frail elderly. The health and lifestyles of older people will differ greatly, as will their housing needs. Strategic policy-making authorities will need to determine in relation to their plan period the needs of people who will be approaching or reaching retirement as well as older people now.*

*The age profile of the population can be drawn from Census data. Projections of population and households by age group can also be used. Strategic policy-making authorities will need to consider the size, location and quality of dwellings needed in the future for older people in order to allow them to live independently and safely in their own home for as long as possible, or to move to more suitable accommodation if they so wish. Supporting independent living can help to reduce costs to health and*

social services, and providing more options for older people to move could also free up houses that are under-occupied.

*The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered, enhanced sheltered, extra care, registered care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector. Evidence from Joint Strategic Needs Assessments prepared by Health and Wellbeing Boards also provide useful evidence for policy-making authorities. The assessment can also set out the level of need for residential institutions (Use Class C2). Many older people may not want or need specialist accommodation or care and may wish to stay or move to general housing that is already suitable, such as bungalows, or homes which can be adapted to meet a change in their needs. Local authorities will therefore need to identify the role that general housing may play as part of their assessment.*

The GMSF should make specific provision for housing for older people by including a benchmark targets for each of the constituent authorities. The Mayor should draw upon the evidence in his Greater Manchester SHMA (January 2019) in doing so. We note in this report in Table 8.102 a projected shortfall of 7,803 units of sheltered and retirement housing and 8,975 units of sheltered and retirement leasehold housing. The Mayor should use these figures to develop benchmark housing targets for older persons accommodation and incorporate these in the Draft GMSF.

## 2. Student housing

The *Housing Topic Paper* does not include an analysis of the likely future demand for accommodation from students. This could become problematic for the GMCA. This is because the ONS household projections (like the MHCLG projections before them) assume that the institutional population remains static over the plan period, unlike the rest of the population that is projected to rise or fall in line with past trends. This could begin to present difficulties for the Mayor, if the student population increases between now and 2038 in line with the growth ambitions of the universities. There is a danger that the planned supply of homes expected to meet the needs of the Greater Manchester's population, including affordable housing and a supply to keep pace with employment needs, is in fact consumed by a growing student body. As 2.5 new student bedroom spaces will now be treated as equivalent to a the supply of one conventional home under the *Housing Delivery Test Measurement Rule Book*, the risk of undersupplying against the conventional housing needs of the ordinary Greater Manchester population increases (albeit the introduction by the Government of the conversion ratio is an improvement on what had prevailed previously where many local authorities were able to count a bedroom as equivalent to a home). This could become a particular problem in the local authorities of Manchester City and Salford which are seeking to incentivise the supply of more student accommodation.

It is important that the Combined Authority plans for students, but the GMCA should to undertake an assessment of the growth plans of the higher-education sector to assess how the student population is expected to grow (or fall) over the plan period. If the student population is forecast to grow, then an allowance should be made for this as part of the overall assessment of housing need for Greater Manchester, and the housing requirement should be increased accordingly.

It would also be helpful if the GMSF monitored the supply of student accommodation and reported on this as a KPI.

## Modern Methods of Construction (MMC)

We note that the last paragraph of the draft policy states that innovation will be supported including the use of modern method of manufacturing. First, it is unclear how an applicant or decision-taker should respond to this, or what modern methods of manufacturing would be considered appropriate. Would the use of modern methods require an application to be approved over one that relies on more traditional methods? And how much?

Second, not all modern methods have proved to be safe. Before modern methods can be adopted and encouraged, they need to be underpinned by building science and rigorously tested, before adopted and their use encouraged. We think it is unwise for the Mayor to be encouraging the use of methods that might be untested. This is not a planning issue and we recommend that this is not included in the Draft GMSF.

## Compliance with the Nationally Described Space Standards

We note the discussion in paragraph 7.26 of the Draft GMSF. Paragraph 7.26 refers to the UK having the smallest average new-build dwellings in Europe, but the Mayor will need to assemble evidence to demonstrate that this is particularly a problem with new build in Greater Manchester.

The Mayor will need to address the three tests in the *Housing: Optional Technical Guidance* section of the Planning Practice Guidance before he introduces the Nationally Described Space Standards via the GMSF. Among these tests is the need to assess the size and type of dwellings currently being built in the area to ensure that the impact of adopting the space standards does not militate against the supply of low-cost market housing, and that the adoption of the space standards does not adversely affect the affordability of housing more generally.

The Mayor will need to undertake a viability assessment for Greater Manchester that assesses the cost of complying with this policy. This is a requirement of para. 34 of the NPPF.

## Part M4(2): accessible and adaptable homes

The Mayor proposes that all new dwellings will need to comply with optional technical standard Part M4(2) unless site conditions make this impracticable.

The Mayor will need to ensure that he addresses the tests in *Housing: Optional Technical Guidance* section of the Planning Practice Guidance before he adopts this as a requirement. This includes whether this requirement will have an impact on non-lift serviced multi-storey development in the local housing mix. This could be important, given the emphasis in the Draft GMSF on the construction of flats (over half the housing supply). As the guidance states, where step-free access in this type of development is not viable, neither of the Optional Requirements in Part M should be applied.

The other things that the Mayor should consider include (based on the PPG):

- the likely future need for housing for older and disabled people (including wheelchair user dwellings).
- size, location, type and quality of dwellings needed to meet specifically evidenced needs (for example retirement homes, sheltered homes or care homes).
- the accessibility and adaptability of existing housing stock.

- how needs vary across different housing tenures.
- the overall impact on viability.

Given the aging demographic, we accept that there is a need for more homes to be built to this standard, but the GMCA should consider projections of those households that may contain a disabled person in the future, in line with the PPG. This might not correlate to a 100% requirement for all the new housing stock. Nor does not necessarily follow from this that all new homes should comply with this standard if needs vary across tenures and some of the existing housing stock is capable of adaptation.

The Mayor will need to undertake a viability assessment for Greater Manchester that assesses the cost of complying with this policy together with other policy requirements.

#### **Policy GM-H 4: Density of New Housing**

We note the draft policy introducing minimum levels of net residential density. This should be helpful in providing applicants with a clear steer of acceptable densities of development. This is not dissimilar to the Density Matrix in the current London Plan (although this is being abandoned by the new Draft London Plan in order to encourage in denser residential developments).

However, to ensure that the policy is robust, the Mayor should provide some analysis of how existing and recent residential developments have measured-up against this proposed policy. If the transition to these new densities is too steep, then this may cause problems for delivery. We suspect that this may particularly be the case with increasing the density of development near public transport stops. It is unclear if the projected development values associated with building at these densities in the locations specified in the density policy will be adequate to cover the cost of building more densely. This is usually a problem when building taller buildings including the higher build costs associated with such schemes, such as the cost of installing lifts which can cost £20,000 per lift per eight dwellings. This is a conservative assumption.

It is also unclear to what extent the minimum densities have been informed by local character studies. This may prove to be an obstacle to the Mayor, if local urban designers and conservation officers decree through their local character studies that it would be inappropriate for densities to be increased in some locations, including the town centres. This is becoming an increasingly vexed issue in London. It would seem more sensible if the Greater Manchester boroughs undertook an assessment of capacity, fed this through into their local SHLAAs, and then these local SHLAAs informed the housing land capacity assessment for the GMSF and its density policy.

The Mayor should produce a viability assessment that supports the Draft GMSF that examines the development values in the different areas of Greater Manchester, and tests whether these densities are achievable compared with current sales and rental values in the existing stock. The viability assessment should assess the cost of all other policies proposed in the Draft GMSF, including, among other things but not exclusively, the requirement for zero carbon homes and the requirements of Policy GM-H 3 (Nationally Described Space Standards and Part M4(2)). The Mayor, as part of the viability assessment will probably need to consider likely levels of affordable housing and tenure type that will be required in each local authority area, and CIL requirements and average estimated S106 obligations.

The HBF would be very happy to meet with the Mayor's team at the GMCA to discuss what such a study should consider.

Parts 1 and 2 of the draft policy are unhelpful. In Part 1, it is unclear to the prospective applicant what might constitute a ‘*demonstrable need for a particular type of housing*’ and how these words might be interpreted by the decision-taker. It might be better if this was deleted. In Part 2, it would be unclear to the applicant how s/he should respond to this and what would represent legitimate ‘site specific issues’. It might be better if this was deleted. It would be better if the local authorities in preparing their supporting local plans were required to translate the Draft GMSF density policy into their local plans specifying the areas in their own authority where a different density of development would be appropriate. This would ensure that the policy was more robust.

The policy could be useful, but the Mayor should monitor the effect of this policy. He should establish a Key Performance Indicator that records all residential schemes and how they perform against the densities required by this policy.

### Phasing of New Housing in Greater Manchester

The adoption of a stepped but backloaded trajectory does not appear to be justified on the basis of an examination of the evidence. Indeed, it appears that the primary justification for the adoption of a stepped but backloaded trajectory is to help the constituent authorities demonstrate a five-year land supply (Housing Topic Paper, para. 6.23). This would be unsound. National policy at paragraph 11 requires that “*plans should positively seek opportunities to meet the development needs of their area*”. The planning practice guidance also states that a stepped requirement may be appropriate where there is a significant change in the level of housing required and/or where strategic sites may take longer to come forward, but this will need to be evidence based and must not be used to delay unnecessarily delivering development needs (Housing and Economic Land Availability Assessment chapter, paragraph 34).

We are not convinced that there is a sound case for the adoption of a stepped trajectory, rather than a flat trajectory that delivers an even 10,583 homes a year over the plan period. The new housing requirement of 10,578 is not so much bigger than the current, aggregate requirement of the current local plans of 8,314. It is 27% higher. Moreover, some of the local plans are very old, as in the case of Bury, Salford and Tameside – authorities that have not even managed to get Planning and Compulsory Purchase Act 2014 style local plans in place. Had they produced updated plans, these would have included higher housing targets. This certainly would have been the case with Salford.

Local authority	Adopted local plan	Requirement	GMSF Requirement
Bolton	2011 Core Strategy	694dpa	726dpa
Bury	1997 UDP	480dpa	498dpa
Manchester	2012 Core Strategy	3333dpa	2870dpa
Oldham	2011 Core Strategy	289dap	752dpa
Rochdale	2016 Core Strategy	460dpa	640dpa
Salford	2006 UDP	530dpa	1720dpa
Stockport	2011 Core Strategy	480dpa	764dpa
Tameside	2004 UDP	370dpa	466dpa
Trafford	2012 Core Strategy	678dpa	1015dpa
Wigan	2013 Core Strategy	1000dpa	1126dpa
GM		8314dpa	10578dpa

The Mayor will be aware that seven out of ten of the local authorities of the combined authority area have failed the new Housing Delivery Test – i.e. that delivery was below 85% of the

housing requirement for the last three years. To remedy this they are now required to add a 20% buffer for the next year to increase delivery in future years. The poor performance of the GM local authorities does not support the use of a stepped trajectory. It will only lead to even greater deficits midway through the plan that will become too large to address later. Indeed, the evidence of the poor performance to date supports the adopted from a front-loaded trajectory, to rectify the deficits accumulated as quickly as possible.

The other factor that might justify the adoption of a stepped trajectory, is the question of the timetabling of the strategic sites. To what extent delivery on these would be delayed is unclear to the HBF, although one issue would seem to relate to how quickly supporting local plans can be adopted. To remove this obstacle so that these strategic sites can be delivered without delay, the Mayor should argue for a statutory instrument that confers upon him powers to make these strategic allocations in the GMSF so that planning applications to be made against these strategic allocations in the GMSF.

The other factor that we would raise against the adoption of a stepped trajectory, is that is contrary to the draft condition in the *Outline of a Prospective Housing Package for Greater Manchester*. This had required delivery rates to be accelerated to 12,375 homes per annum to 2026. Putting to one side the precise figures and dates used in the Outline Housing Package as these may change, there is nevertheless an expectation within government that Greater Manchester should increase the scale of housing delivery in the next few years. If the Mayor considers this is unfeasible, then he will need to spell out why this is so. We note in paragraph 6.21 of the *Housing Topic Paper* that achieving the annual average requirement of 10,583 net additions per year has rarely been achieved in recent years, and sustaining this level of output will require major government funding, but one must ask whether this is not the purpose behind the Outline Housing Package that is currently being negotiated?

## **Housing Land Supply**

We have noted table 7.4 and the supporting *Greater Manchester Housing Land Supply Statement*. The Mayor has identified a deliverable land supply able to accommodate 218,549 homes. This represents a land supply that is about 8.5% greater than the minimum required to deliver the housing targets in table 7.1. We assume that the spare housing land capacity will be used as a 'buffer' by the local authorities in order to maintain a five-year land supply. If so, it might be helpful if the Draft GMSF spelt this out.

The other conclusion that might be drawn from this is the obvious one, namely that it appears that the Mayor could deliver a higher target than the minimum number of homes required by the standard method because there is an adequate land supply.

It would be useful if the Draft GMSF was supported by Strategic Housing Land Supply Assessment to enable third parties scrutinise the Greater Manchester housing land supply. The *Greater Manchester Housing Land Supply Statement* is useful, but it does not enable interested parties to examine the sites that Mayor is relying upon. We note table 5. This divides the potential overall supply between apartments (61,511 homes) and houses (42,621 homes). This indicates a sizeable imbalance between flats and houses, when public demand is solidly for houses in Greater Manchester.

We note table 16. This summarises the Greater Manchester land supply situation and divides this between:

- sites under construction (total 37,198 homes)

- sites with an existing planning permission or permission in principle (total 39,693 homes)
- Other district SHLAA sites (total 104,132 homes)
- Small sites allowance (total 11,900 homes)

From this it is clear that the district SHLAA sites contribute by far the largest element to the GMSF housing land supply – over a half. However, the problem with SHLAA sites, is that not all of these sites are allocated as such in local plans, and some permissions may have lapsed for sound planning reasons (paragraph 6.1.1 of the *Greater Manchester Housing Land Supply Statement*). The Mayor, therefore, cannot guarantee that when the local authorities do produce their supporting local plans, they will be able to allocate sufficient sites to deliver the targets in table 7.3 of the Draft GMSF (or adhere to the ‘brownfield first’ expectation of policy GM-S 1). More detail on this issue is needed.

This is a vulnerability for the GMSF. It is an issue that the Mayor must monitor carefully, and be prepared to intervene, if housing delivery shows signs of faltering.

It would be useful if the GMCA could meet with interested parties, including the HBF, to discuss the composition of its housing land supply. This would help to address any misunderstanding but we could also offer advice to help the Mayor reinforce his arguments for the next iteration of the GMSF.

### **Small sites**

We note paragraph 7.30 of the Draft GMSF. This states that the supply of housing on small sites will continue at the same rate in each district as has been the case for the last five years.

The Mayor will be aware that the revised NPPF (2019) now includes a requirement for plan-makers to identify small sites no bigger than 1 hectare in size capable to delivering at least 10% of the housing requirement (para. 68).

The GMSF has not identified land for small sites *specifically*. The plan only factors in a windfall rate. We assume that this is because the Mayor considers that this to be a non-strategic matter - it the responsibility of each constituent authority to identify the necessary 10% as they prepare their own local plans. To avoid any doubt, the Draft GMSF should be amended to make it clear that each local authority is required to identify land to allow at least 10% of its respective housing requirement to come forward on small sites.

We have considered the *Greater Manchester Housing Land Supply Statement*. We acknowledge that it includes a small sites calculation totalling 11,900 homes in total (Table 16). This feeds into the small sites allowance in table 7.4 of the Draft GMSF. However, this is based on modelling of windfall delivery. It is not the same thing as the need to identify specific small sites, which is what the new NPPF now requires (para. 68). Moreover, it is much smaller than the overall need for small sites indicated by national policy which is *at least 10% of the requirement*. This would indicate a need to identify land of a size of one hectare or less to accommodate at least 20,100 homes over the full plan period.

The purpose of the introduction of this policy in the new NPPF is to support the diversification of the housebuilding industry and assist the Mayor and the local authorities to deliver their housing needs. We recommend that the Draft GMSF Policy GM-H-1 refers to this new requirement of national policy but explains that the local authorities will be required to identify and allocate small sites in addition to the windfall allowance.

The HBF would be very happy to talk with the GMCA to discuss how it can reflect this aspect of national policy in the GMSF.

### **Responsibility for the Housing Delivery Test**

In accordance with the new NPPF the Mayor will need to decide how the performance of the constituent local authorities will be measured under the Housing Delivery Test (HDT).

The Draft GMSF should spell out clearly whether performance will be monitored centrally by the Mayor, and if there is a shortfall in supply, how this will be remedied. Central to this, is clarity as to whether it is the responsibility of each constituent authority to deliver its apportioned housing need, or whether any shortfall can be addressed centrally through an action plan prepared by the Mayor.

We note that seven out of ten of the GM local authorities have failed the delivery test and are now required to add a 20% buffer to urgently remedy the situation. These are:

<b>Local authority</b>	<b>Percentage of requirement achieved in last three years</b>
Bolton	60%
Bury	60%
Oldham	64%
Stockport	75%
Tameside	66%
Trafford	47%
Wigan	83%

Part of this under-performance will relate to the slow pace of local plan production and the corollary of this, the lack of new strategic housing land allocations. For this reason, it is essential that the GMSF does not add more uncertainty around the delivery of the strategic allocations indicated in the Draft GMSF. These will be needed by the local authorities to help them 'get back on course' and achieve their targets.

Because the Mayor is the author of the overall spatial strategy, he must at the very least monitor the performance of the local authorities carefully, and prepare an alternative delivery strategy that can be implemented if the current favoured spatial strategy fails. The measure of failure would be if delivery fails to match the requirement in Table 7.3. in the first two years (2018-19 and 2019-2020). A new delivery strategy would need to be poised ready for adoption by 2020/21 to ensure that the local authorities are able to demonstrate a five-year housing land supply if they are being constrained from doing so by the over-arching Greater Manchester spatial strategy.

The HBF would welcome the opportunity to discuss this further with the GMCA where drawing upon our experience with the Greater London Plan may be beneficial.

### **Policy GM-E 1: Sustainable Places**

We are not sure what this policy will mean in development management terms. It would be better if specific policies are devised that will implement this over-arching objective, such as the need for more Part M4(2) dwellings, more affordable housing, more energy efficient homes, but this policy is really a general statement. This could become an 'objective' cited at the beginning of the GMSF. It does not need to be a policy.



**Policy GM-E 4: Education, Skills and Knowledge**

**Policy GM-E 5: Health**

**Policy GM-E 6: Sport and recreation**

We note the requirement for new housing development to contribute to education, health needs and sports facilities. It would be helpful if the Mayor stated in the GMSF his priorities for S106 contributions in the way that the Mayor of London does through his London Plan. The Mayor's greater priorities might be to secure contributions to affordable housing (e.g. para 7.17 – this states that increasing affordable housing supply across the region is a 'very high priority') and improving transport connectivity (e.g. paras. 10.20 and 10.47). This will help to guide applicants when preparing applications and in their discussions with local authorities.

**Policy GM-C 2: Digital connectivity**

The question of digital connectivity is addressed through the Building Regulations. Consequently, it is unnecessary for the Mayor to set more stringent requirements through policy. Indeed, national policy does not allow the Mayor to make policy in this area. Following the Government's Housing Standards Review, the Written Ministerial Statement of 25 March 2015 announced that local planning authorities preparing Local Plans "should not set any additional standards or requirements relating to the construction, internal layout or performance of new dwellings". In terms of the construction, internal layout and performance of new dwellings local planning authorities are only allowed to adopt the three optional technical standards, subject to evidence of need and viability. Plan-makers should not seek higher standards than Building Regulations on any other technical standard – including Part R1 Physical infrastructure for high speed electronic communications networks.

We recommend that the policy is deleted.

**Monitoring the delivery of the GMSF and its policies**

The GMCA will need to develop some specific key performance indicators that will measure the effectiveness of the GMSF. The Mayor should report on these annually through an Annual Monitoring Report. This should include the following KPIs that relate to housing supply:

Status of Local plan preparation: reporting each year on how many local plans have been updated and adopted to reflect the GMSF.

Housing requirements adopted in current local plans: if these are higher or lower than the GMSF targets.

Number of net new homes completed: these should be recorded in aggregate and by local authority.

Number of affordable homes completed: in aggregate and by local authority.

Number of older persons homes completed: in aggregate and by local authority.

Number of student bedrooms completed and then converted into measurable completions using the 2.5 ratio in the MHCLG *Housing Delivery Test Measurement Rulebook*: in aggregate and by local authority.

Number of housing schemes out of all permitted built to Part M4(2) accessible and adoptable homes.

Number of housing schemes out of all permitted built with a 19% improvement on Part L or the Zero Carbon standard for schemes built from 2028 onwards.

The extent to which applications and decisions adhere to or depart from the minimum net densities stipulated in Policy GH-H 4.

Yours faithfully

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