



**PLANNING ASSESSMENT OF HARROGATE BC STRATEGY, SITE
ALLOCATIONS (PN17, 18, 19 & 20) AND SUPPORTING EVIDENCE**

IN ADVICE OF PANNAL AND BURN BRIDGE PARISH COUNCIL

**IN RELATION TO CONSULTATION ON THE HARROGATE DISTRICT LOCAL
PLAN PUBLICATION DRAFT 2018**

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1. Introduction

- 1.1 Our intention in producing this advice was, first, to consider any necessary updating to our August 2017 advice in the light of Harrogate Borough Council's response to the Additional Sites Consultation, second to incorporate further detailed evidence from landscape and highways consultants into that advice, and, third, to examine in more detail the employment land forecast in the Housing and Economic Development Needs Assessment (HEDNA) prepared for the Council by G L Hearn.
- 1.2 This report is being finalised on 7th March 2018. We had initially anticipated receipt of the Transport Assessment prepared by BWB and the Landscape Assessment prepared by Smeeden Foreman by the end of February. These could then have been incorporated into a more comprehensive report from this practice. Because the assessments have only recently been received we have restricted ourselves to acknowledging their conclusions. Since the purpose of all three consultant reports is to inform, rather than dictate, the Parish Council's representations we trust that the revised approach will not devalue the overall package of advice.
- 1.3 Although it was not part of our remit we have referred to the Government's September 2017 consultation paper on 'Planning for the right homes in the right places'. This and other considerations, which we describe, have led us to recommend that the Parish Council make a holding objection to the housing requirement calculation which underpins the Plan's housing allocations.
- 1.4 We recognise that on 5th March 2018 the Government launched what it describes as "*a major overhaul to the National Planning Policy Framework, providing a comprehensive approach for planners, developers and councils to build more homes, more quickly, in the places people want to live*". At present these are consultation proposals on which it would be unwise for us to offer detailed comment without giving the proposals significant consideration (the local plan consultation deadline does not make this possible). Nonetheless, as with current national policy the consultation draft includes a requirement for plans to be consistent with national policy. Therefore any significant changes to the NPPF which are adopted could impact the soundness of the plan.
- 1.5 In our report related to the Additional Sites Consultation we noted the difficulty often faced by parish councils in objecting to allocations in a development plan. Briefly, this is because the content of a plan is a balance between local circumstances and district wide needs, including those for housing and employment. Whilst parish councils will have good information on local circumstances they will not normally have the resources to challenge the planning authority's information on district wide needs. This means that they will usually be in a relatively weak position when the planning authority acknowledges the local harm caused by an allocation but argues that it is outweighed by a district wide need.

- 1.6 We are advising the Parish Council on two housing and one employment allocations. In the case of all three allocations, drawing on specialist analyses from landscape and transport consultants, we can advise on the harm caused by these allocations.
- 1.7 We also have observations on the district wide targets that underpin the allocations. These are set out in sections 2 and 3.

2. Housing

2.1 In the case of the housing allocations our instruction does not cover challenging the planning authority's calculations of district-wide requirements. Equally, lacking the resources to investigate all the potential sites in the district, we cannot demonstrate that those requirements could be met elsewhere in the district. We nevertheless recommend that the Parish Council make a holding objection to the planning authority's calculation of housing requirements. Our reasoning is as follows.

- The Council's decision to put forward additional sites in the 2017 Additional Sites consultation followed the publication of the Housing and Economic Development Needs Assessment (HEDNA) prepared for the Council by G L Hearn. This report increased the annual housing requirement from 557 (in the 2016 draft plan) to 669.
- The HEDNA produced two forecasts of housing requirements over the plan period. The first was based on demographic trends. It forecast an annual housing requirement of 410 dwellings. The HEDNA also produced an 'economic' forecast based on predicted job increases. This was for 669 dwellings per annum.
- The HEDNA concluded that the housing requirement for the district should be 669 dwellings per annum because this level of provision would meet **both** the need based on job forecasts and that based on demographic forecasts.
- The HEDNA did not address the policy issue of whether it is appropriate to provide housing to facilitate a jobs forecast.
- The Government has recently published a consultation paper on '*Planning for the right homes in the right places*'. An extract from this consultation, describing the proposed approach, is produced as **appendix 1**. The approach is simpler than that in the HEDNA. It has a demographic basis with an adjustment factor to take account of affordability. It does not include a second 'economic' forecast. Paragraph 28 in the consultation does however recognise that the approach makes no specific adjustment to take account of employment growth and that "*where there is a policy in place to substantially increase economic growth, local planning authorities may wish to plan for a higher level of growth than our formula proposes*". Paragraph 46 then says "*we propose to amend planning guidance so that where a plan is based on an assessment of local housing need in excess of that which the standard method would provide, Planning Inspectors are advised to work on the assumption that the approach adopted is sound unless there are compelling reasons to indicate otherwise*".

- The Borough Council's proposed housing requirement can be seen as one designed to facilitate employment growth greater than that required for purely demographic reasons. We believe that this fundamental policy approach has not been adequately explained or justified. If the Parish Council wish to challenge the overall housing requirement figure it could be on this basis. The adverse impacts of allocations PN17, PN18 and PN19 would be part of the cost of adopting an employment based housing requirement.
- Leeds City Council have already examined the way in which the calculation method outlined in the consultation paper would affect their housing requirement figures and have reduced the housing requirement figure in their currently emerging Sites Allocation Plan. They have however not adopted the entirely demographic based approach in the consultation paper on the grounds that it would constrain economic growth. If it chooses to object on this ground (and perhaps subsequently to give evidence at the Local Plan Examination) the Parish Council should be aware of the Government's intended advice to Inspectors as indicated in paragraph 46 of the consultation paper.
- On 5 March 2018, in response to consultation on '*Planning for the right homes in the right places*' the Government concluded that the approach proposed in the consultation paper was the most appropriate method of assessing local housing need. They will publish draft guidance on the proposed methodology.

2.2 We have not been instructed to appraise the HEDNA housing requirement calculation and we therefore recommend that our comments above be used with caution. We have no basis for arguing that the local plan housing requirement is wrong, merely that it is based on an approach which the Parish Council might consider has not been adequately explained or justified. This will protect the Parish Council's opportunity to give evidence on the housing requirement at the forthcoming Local Plan Examination.

3. Employment

3.1 In the case of the employment land requirement and the overall level of employment land allocation, the Parish Council instructed us to carry out an appraisal of the HEDNA. Our appraisal is produced separately as **appendix 2**. Here we give a slightly abbreviated version of our conclusions:

- Based on our analysis there are significant concerns about the HEDNA's findings on employment land requirement. Whilst we recognise the policy justification for making a robust (i.e. a high end) estimate, the overall effect of combining several high-end assumptions can lead to exaggeration. Our reservations are increased by concerns about methods. Finally, the inconsistency between two tables questions the rigour with which the report has been edited and appraised.
- The employment requirement in the October 2016 draft of the Local Plan was 20-25ha compared with actual allocations of 79ha. The minimum employment requirement in the Publication Draft of the Plan is 38ha compared with actual allocations of 108ha. These changes equate to an approximately two thirds increase in the minimum requirement and one third in the actual allocations.
- The changes have occurred in just over a year. The only published justification we have found for the change is the evidence in the HEDNA. The relevance of the HEDNA is confirmed by paragraph 3.11 and 3.12 in the Publication Draft. We find the evidence in the HEDNA unconvincing.
- The decision to add PN18 to the register of employment land allocations must be seen against this background. There is no justification in terms of a district wide balance between requirements and supply. We do not question the need to provide more than the minimum land requirement to provide for a choice of site and flexibility of supply. However, we do not consider that the HEDNA report is a sound basis for increasing the minimum requirement from that in the 2016 draft. If the original (and only just over a year old) figure was retained, the area of employment land allocated in the Publication Draft would be approximately five times the calculated requirement. Even if one were to accept the 38ha figure in the Publication Draft the amount of employment land allocated would still be almost three times that requirement. Whilst we accept that the need for choice and flexibility justifies some over-allocation we consider that this degree of over-allocation (whether by a factor of three or five) is excessive.
- To the extent that the over-provision of employment land might generate additional jobs it will also increase inward migration, leading

to the need to allocate even more land for housing, almost inevitably on greenfield sites.

- Given the overall employment land supply position, it is difficult to see how any argument about the commercial attractiveness of PN18 could overcome the very strong environmental and traffic objections to the proposal.

4. Consideration of Alternative Sites

- 4.1 A further area in which a local community is often at a disadvantage compared with the Borough Council is that the local community does not have the resources to undertake a comparative analysis of all the potential sites elsewhere in the District. In this regard Pannal is in an unusual position in that there are potentially less damaging locations for development which are relatively close to the village. In particular, development could be located in the Green Belt to the south of the village. This would not overcome the argument that Pannal is being allocated a disproportionate amount of growth but would reduce other forms of harm.
- 4.2 The particular character of the Crimple Valley is genuinely one of significant landscape value (as set out in Smeeden Foreman's report to the Parish Council), unlike a Green Belt, which merely has to satisfy the criterion of being open. Therefore, were there no Green Belt to the south of the village, it would make better environmental sense for any required housing and/or employment allocations to be in that area. This is not an argument against having a Green Belt between Leeds and Harrogate/Pannal but a suggestion that there might be merit in a review of the its boundaries, which within the context of both the current NPPF and its draft revision can be undertaken in exceptional circumstances.
- 4.3 We also emphasise that we are not suggesting that a review of Green Belt boundaries should lead to the allocation of land to the south of the village. Whilst we have given our view that development on what is presently Green Belt land to the south of the village would make better environmental sense than development in the Crimple Valley it may nevertheless be that development on currently designated Green Belt land elsewhere might be less damaging than development either to the north or south of the village.

5. Individual Site Appraisals

5.1 There have been no changes since the Additional Sites Consultation. Therefore, our advice in relation to the allocation of sites PN17, PN18 and PN19 is unchanged. The Borough Council's response to the Parish Council's previous objection (and those made by individual members of the public) was:

- That no new matters have been raised
- An acknowledgement that new infrastructure will be required but will be provided.

And

- That detailed guideline will be provided for the sites' development

5.2 Our site-specific comments on the Additional Sites Consultation are reproduced at **appendix 3** and were themselves based on the Council's own sustainability appraisal which showed that all three sites performed poorly. That appraisal is an adequate framework for containing any more detailed comments on specific aspects that the Parish Council or individual residents may choose to make.

5.3 The main difference between the advice we gave in August 2017 and that we give now is that, with the publication of the Government's consultation paper on a standard approach to calculating housing requirements and our further consideration of the HEDNA employment land calculations, we believe that there is a now stronger case for arguing that Harrogate Council's estimates of overall development land requirements are suspect. (As stated above we have not attempted to incorporate the effect of the Government's prospective changes to national planning policy announced on 5th March)

5.4 Having only just received the assessments produced by the highways and landscape consultants we give only brief summaries of their findings.

5.5 Highways

Sustainable Accessibility

5.5.1 The Assessment concludes that the sites proposed for allocation are within reasonable walking and cycling distance of Pannal train station and existing bus services.

5.5.2 We qualify this analysis, which is not the central part of the assessment as follows:

The walking isochrones produced as BWB's figure 9 take as their origin a central point between sites PN18 and PN19. They relate only to journeys originating from that point. They do not represent distances from any other point.

What they show is that from that central point most destinations in Pannal are beyond desirable walking distances (using the Chartered Institution of Highways and Transportation (CIHT) guidelines) but are within acceptable distances.

From other locations within PN18 and PN19, and locations within PN17 distances to most facilities would actually be within the CIHT maximum preferred walking distance but beyond either desirable or acceptable distances. More distant locations are accessible by cycle but that is a minority travel mode.

When pedestrian accessibility from all parts of the allocated sites is considered we agree with the Borough Council's own assessments which effectively conclude that site PN 17 scores badly for local accessibility while site PN18 and PN19 perform relatively poorly.

Road Safety

5.5.3 The Assessment notes that there are existing road safety concerns particularly on the A61 where accident clusters have been identified at key local junctions. The proposed allocations are likely to contribute further to road safety issues with increasing traffic, delays and queuing on the highway network.

Traffic Impact

5.5.4 Without significant mitigation schemes the local highway network would be unable to accommodate the increased traffic, primarily due to the amount of traffic that would be added to the already congested A61.

5.5.5 The assessment particularly identifies long queues and delays at the following junctions:

- A61/A658 roundabout at Buttersyke Bar
- A61/Burn Bridge Lane junction
- A61/Follifoot Road/Pannal Brook junction
- A61/Hookstone Road/ Leadhall Lane junction

5.6 Landscape

5.6.1 Smeeden Foreman's Landscape Assessment reinforces the landscape objections already made by the Council's own officers, ourselves and the Parish Council, including the effect of the proposals (especially allocation

PM18) on the setting of the grade II listed railway viaduct. Their detailed comments will carry greater weight at the Local Plan Examination by virtue of having been made by landscape professionals.

5.6.2 The most damaging argument against the allocations is that the Council have retained the Special Landscape allocation for all the sites (following the 2011 Review and 2016 update), with the result that the plan is self-contradictory in the sense that the development would destroy the features the Special Landscape policy is designed to protect.

5.6.3 We add the further comment that the existence of the present gap between Pannal and Harrogate has social and environmental consequences that go beyond the mere preservation of landscape. In that regard its function is more like that of a Green Belt in that its openness has its own value.

6. Conclusion

- 6.1 Nothing that has occurred since August 2017 has changed the substance of our advice concerning the local harm that would be caused by allocations PN17, PN18 and PN19. We do however expect the Parish Council to reinforce their objection by incorporating many of the detailed arguments advanced by local residents.
- 6.2 The Transport and Landscape Assessments produced by BWB and Smeeden Foreman now constitute strong supporting evidence. We believe that our further consideration of the HEDNA report supports the argument that the need for additional employment land allocations does not outweigh the strong environmental, social and traffic objections to the proposals.
- 6.3 Whilst our brief has not extended to formally appraising the housing requirement calculations that underpin the Plan's housing allocations we have identified a policy issue that we believe has not been sufficiently explored and which the Parish Council might consider is the basis for an objection.

Arrowsmith Associates
March 2018

APPENDIX 1.

The Government's proposed approach

15. Our proposed approach to a standard method consists of three components. The starting point should continue to be a **demographic baseline**, which is then modified to account for **market signals** (the price of homes). However, we recognise that it is important to ensure that the proposed housing need is as deliverable as possible, so are **proposing a cap to limit any increase** an authority may face when they review their plan. Further details are set out in paragraphs 16-25 below.

Step 1 Setting the baseline

16. We consider that the starting point should continue to be projections of future household growth in each area, but calculated initially for the area of the local authority. This will ensure that the process begins with a clear assessment of housing growth for every area. The Office for National Statistics' projections for numbers of households in each local authority⁷ are the most robust estimates of future growth.

17. We therefore propose that **projections of household growth should be the demographic baseline for every local authority area**⁸. The most recent official projections should be used, with the household growth calculated for the period over which the plan is being made. **We propose that the demographic baseline should be the annual average household growth over a 10 year period.** Given the Government's expectation that plans are reviewed every five years, using average household growth over this period will ensure effective planning over the preparation and duration of the plan. Household projections should therefore be regarded as the minimum local housing need figure.

Step 2 An adjustment to take account of market signals

18. We consider that household growth on its own is insufficient as an indicator of demand since:

- household formation is constrained to the supply of available properties – new households cannot form if there is nowhere for them to live; and
- people may want to live in an area in which they do not reside currently, for example to be near to work, but be unable to find appropriate accommodation that they can afford.

19. There is a longstanding principle in planning policy that assessing an appropriate level of housing must address the affordability of new homes, which means in practice that projected household growth should be adjusted to take account of market signals. One approach would be to increase household projections where house prices are high. But that would not take account of the fact that incomes may be higher in that area, and so homes may be no less affordable.

20. Therefore, we consider that median affordability ratios, published by the Office for National Statistics at a local authority level, provide the best basis for adjusting household projections. The affordability ratios compare the median house prices (based on all houses sold on the open market in a given year in a local authority area) to median earnings (based on full-time earnings for those working in that local authority area). **We propose that as the next step in the standard method, plan makers should use the workplace-based median house price to median earnings ratio from the most recent year for which data is available.**⁹

21. As the housing White Paper noted¹⁰, external commentators suggest that England needs net additions in the region of 225,000 to 275,000 per year. To get a total housing need close to this figure, our modelling proposes that **each 1 per cent increase in the ratio of house prices to earnings above four results in a quarter of a per cent increase in need above projected household growth.** This achieves the overall level of delivery that most external commentators believe we need, while ensuring it is delivered in the places where affordability is worst. The precise formula is as follows:

$$\text{Adjustment factor} = \frac{\text{Local affordability ratio} - 4}{4} \times 0.25$$

22. The overall housing need figure is therefore as follows:

$$\text{Local Housing Need} = (1 + \text{adjustment factor}) \times \text{projected household growth}$$

23. So, for example, an area with a projected household growth of 100 a year would have an annual need of:

- 100 if average house prices were four times local average earnings
- 125 if average houses prices were eight times local average earnings
- 150 if average house prices were twelve times local average earnings.

24. There are a number of possible ways of making an adjustment to take account of market signals. However, our approach is based on the following key principles:

- a) the threshold level of four, above which we seek an upward adjustment in housing need, is appropriate since the maximum amount that can typically be borrowed for a mortgage is four times a person's earnings¹¹. Put another way, if the average worker cannot get a mortgage for the average home in the area without additional help (e.g. from the 'bank of mum and dad'), then there are not enough homes in the area and the local authority needs to plan for more; and
- b) increases in housing delivery above population growth should be inversely proportionate to the affordability of an area, with less affordable areas needing to deliver more homes. There is considerable economic evidence that demonstrates that growth in house prices (and therefore worsening affordability) is inversely related to the level of house building¹².

Step 3 Capping the level of any increase

25. Applying our proposed approach to market adjustment will lead to a significant increase in the potential housing need in some parts of the country. To help ensure the method is deliverable, we propose to place a cap on the increase that applies to particular authorities. **We propose to cap the level of any increase according to the current status of the local plan in each authority as follows:**

- a) for those authorities that have adopted their local plan in the last five years, we propose that their new annual local housing need figure should be capped at 40 per cent above the annual requirement figure currently set out in their local plan; or
- b) for those authorities that do not have an up-to-date local plan (i.e. adopted over five years ago), we propose that the new annual local housing need figure should be capped at 40 per cent above whichever is higher of the projected household growth for their area over the plan period (using Office for National Statistics' household projections), or the annual housing requirement figure currently set out in their local plan.

Impact on each Local Authority Area

26. This method would, if applied universally to each local planning authority immediately using current data, lead to a total housing need across the country of just over 266,000 homes, including 72,000 in London.
27. This new method for assessing local housing need will affect individual authorities differently. Alongside this consultation document, we are publishing the housing need for each local planning authority using our method, on the basis of current data (average household growth for 2016 to 2026 and house price to earnings ratios for 2016). It also sets out, indicatively, the extent to which land in each local authority area is covered by Green Belt, National Parks, Areas of Outstanding Natural Beauty and Sites of Special Scientific Interest. This is for illustrative purposes only - the data informing this new method is based on the most up-to-date information available at the time of publishing this consultation document, and will change between now and when local authorities produce plans.
28. For some local planning authorities, a reduction in their local housing need compared to the existing approach can be attributed to our method not making a specific adjustment to take account of anticipated employment growth. However, as we explain in paragraph 46 below, local planning authorities are able to plan for a higher number than set out by our proposed method. This means that, where there is a policy in place to substantially increase economic growth, local planning authorities may wish to plan for a higher level of growth than our formula proposes.
29. We have also published for the first time data on how many homes every local authority in the country is planning for, and, where available, how many homes they believe they need. At the moment, it is not always clear to local communities or developers how many homes their local area is planning for, let alone needs. These figures are often buried deep in technical reports and hidden away on local authority websites. It can take several hours to track down exactly how many homes a local planning authority has decided it needs – and even then it might not be clear. It should not be this difficult, and by collating this information together in a single place, we will make planning more transparent and simpler for people to understand. **We would welcome practical suggestions for ensuring this information can be made yet more transparent.**

Joint working

30. We recognise that many individual local authorities are already working together when identifying their housing need, and encourage more authorities to do so. We would expect that plans that are being produced jointly, or strategic plans prepared by the Mayor of London and other elected Mayors (for combined authorities where they have

the function of preparing a spatial development strategy for the area), will use the proposed approach to produce a single assessment of the housing need for the area as a whole.

31. In such cases **we propose that the housing need for the defined area should be the sum of the local housing need for each local planning authority.** It will be for the relevant planning authorities or elected Mayor to distribute this total housing need figure across the plan area. The Housing Infrastructure Fund is designed to allow for joint bids and can support land constrained high demand areas to work collaboratively with neighbouring authorities with fewer constraints that want to accommodate greater housing numbers.
32. We considered the approach of applying the average affordability ratio for each constituent local authority's projected household growth, prior to applying a cap to the figure for each authority based on its plan status as proposed above. However, we discounted this approach since there was no consistently available data on average affordability ratios at the level of all combined authorities.

London

33. London's local housing market presents unique and wide-ranging affordability challenges. The Mayor of London has overall responsibility for housing in London. This includes preparing the Greater London Spatial Development Strategy, which sets a London-wide housing target that is broken down to a minimum housing target for individual Boroughs. The approach to setting local housing needs in London is consistent with the method proposed for the rest of England.

Subsequent changes to local housing need

34. For the second and subsequent plan reviews we propose that the cap for authorities should remain at 40 per cent above the number of homes they are planning for in the extant local plan at the time of review.

Question 1:

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

b) how can information on local housing need be made more transparent?

Implementing the new approach

35. The National Planning Policy Framework sets out that plans should be reviewed regularly¹³ and we intend to make it clear in the Framework that they should be reviewed every five years. We expect local planning authorities to identify their local housing need at the outset of the plan preparation stage, which they can then use as part of initial evidence gathering and continued work on the evidence base.
36. Local planning authorities, when calculating their local housing need, should always use the most up-to-date data available. The housing need figures we have published are based on the 2014 based household projections (published July 2016), and 2016 house price to earnings ratios (published March 2017). The household projections are updated every two years in the summer, and the house price to earnings ratios are published annually in March.
37. This means that the local housing need figure will not remain static throughout the plan preparation process. Under the previous approach we recognise that this led to instances when local planning authorities had to revisit their evidence and, if necessary, carry out further consultation. This only served to delay plan progress and increase costs. We want to streamline the plan-making process and make it easier for plans to be adopted more quickly.
38. To ensure stability and a consistent evidence base to inform plan-making, **we propose that local planning authorities should be able to rely on the evidence used to justify their local housing need for a period of two years from the date on which they submit their plan.** During this period this will mean that the local housing need assessment is not rendered out of date if changes to the household projections or affordability ratios are published while the plan is being examined. Of course, the final housing figure in the local plan or spatial development strategy may differ from the local housing need figure after taking account of issues raised during the examination, constraints and the duty to co-operate.

Question 2: do you agree with the proposal that an assessment of local housing need should be able to be relied upon for a period of two years from the date a plan is submitted?

Benefits of the new approach

39. The use of different and inconsistent methods has meant that the current arrangements for calculating local housing need are costly and time-consuming. It can cost local planning authorities around £50,000 to prepare a strategic housing market assessment, so this could equate to an overall cost to the sector of over £3 million each year. Furthermore, disputes about the methods used can lead to delays of around six months in the preparation of local plans and add considerable additional cost to local authorities, and prolong the level of uncertainty for local communities.
40. Adopting our proposed approach will offer significant benefits. It will reduce the time it takes to put plans in place, give communities greater control of where much-needed homes should be built, and also save local taxpayers money. Furthermore, it provides a level of certainty and transparency for the public and plan makers and will aid joint working and collaboration by removing disputes where different methods have been used previously. Collectively, across the country it will take years off the plan-making process and generate considerable efficiency savings.
41. To deliver the homes that we need, **we propose to amend national planning policy so that having a robust method for assessing local housing need becomes part of the tests that plans are assessed against;** and to make clear (through guidance) that use of the proposed standard method will be sufficient to satisfy this test.
42. Local plans are already required to be 'positively prepared' if they are to be found 'sound' (paragraph 182 of the National Planning Policy Framework). We propose to amend this, so that a sound plan should identify development needs using a clear and justified method, as well as meeting objectively assessed development needs insofar as it is reasonable to do so. Together with the proposed change to planning guidance, this would mean that Planning Inspectors would be able sign off more easily, and with considerably less scrutiny, the local housing need aspect of the plan. This will provide more certainty about an emerging plan's soundness, as well as helping to speed up the plan examination.

Question 3: do you agree that we should amend national planning policy so that a sound plan should identify local housing need using a clear and justified method?

43. As set out in paragraph 1.18 of the housing White Paper, HM Land Registry intends to register the ownership of all publicly held land in the areas of greatest housing need by 2020, with the rest to follow by 2025. This information can be taken into account alongside other considerations, including land constraints, to assist plan makers in finding sites suitable for housing development. The new approach to assessing local housing need, as set out in this consultation document, and the percentage of land

which is unregistered within the boundaries of a local authority will form the basis of definition of 'areas of greatest housing need' for this purpose. We are publishing the list of areas of greatest housing need alongside this consultation document.

Deviation from the new method

44. Given the significant financial and time-saving benefits, our expectation is that local planning authorities adopt the proposed method when assessing housing need. We consider that the same should apply to elected Mayors with plan-making powers. However, there may be compelling circumstances not to adopt the proposed approach. These will need to be properly justified, and will be subject to examination.
45. Where local planning authorities do not align with local authority boundaries, such as National Parks, the Broads Authority and Urban Development Corporations, available data does not allow local housing needs to be calculated using the standard method set out above. **In these cases we propose that authorities should continue to identify a housing need figure locally, but in doing so have regard to the best available information on anticipated changes in households as well as local income levels.**
46. Plan makers may put forward proposals that lead to a local housing need above that given by our proposed approach. This could be as a result of a strategic infrastructure project, or through increased employment (and hence housing) ambition as a result of a Local Economic Partnership investment strategy, a bespoke housing deal with Government or through delivering the modern Industrial Strategy. We want to make sure that we give proper support to those ambitious authorities who want to deliver more homes. To facilitate this **we propose to amend planning guidance so that where a plan is based on an assessment of local housing need in excess of that which the standard method would provide, Planning Inspectors are advised to work on the assumption that the approach adopted is sound unless there are compelling reasons to indicate otherwise.** We will also look to use the Housing Infrastructure Fund to support local planning authorities to step up their plans for growth, releasing more land for housing and getting homes built at pace and scale
47. There should be very limited grounds for adopting an alternative method which results in a lower need than our proposed approach. The reasons for doing so will be tested rigorously by the Planning Inspector through examination of the plan. We would expect: the Inspector to take the number from our preferred method as a reference point in considering the alternative method; and the plan-making body to make sure that the evidence base is robust and based on realistic assumptions, and that they have clearly set out how they have demonstrated joint working.

Question 4: do you agree with our approach in circumstances when plan makers deviate from the proposed method, including the level of scrutiny we expect from Planning Inspectors?

APPENDIX 2.

ASSESSMENT OF EMPLOYMENT LAND CALCULATION

1. In October 2016 policy GS1 of the draft local plan made provision for 20-25ha of new employment land over the period 2014-2035. The current submission version of the plan says that provision will be made for a minimum of 38 ha of employment land. This is an increase of around two thirds. The change is explained by the employment land calculation in the Housing and Economic Needs Assessment (HEDNA) prepared by GL Hearn (GLH) and published in July 2017. Site PN18 with an area of 18.8ha equates approximately to the difference between the two figures.
2. We are not in a position to estimate how much employment land should be allocated across the district or where it should be allocated but we can identify weak points in the chain of argument leading to the allocation of PN18.
3. The HEDNA based one element of its calculation of land requirements on employment forecasts produced by Oxford Economics (OE). OE's baseline prediction shows employment within Harrogate District rising from 94,100 in 2014 to 105,500 in 2035, a growth of 11,400, or 0.5% per annum. The HEDNA then applied adjustments to reflect some local factors. This increased the jobs growth estimate to 12,200 over the same period. One of the adjustments was to increase Harrogate growth rates in four sectors (creative & media, digital & technology, financial and professional services and energy and renewables) to national rates. No justification is offered for the uplift beyond the fact that Harrogate Council have identified some of these sectors as 'strategic growth sectors'. Table 14 in the HEDNA report disaggregates the 12,200 growth estimate by sector.
4. The 'Employment Land Requirements' chapter in the HEDNA estimates the land requirement by using two different methods. The first method is based on the employment forecast. It adjusts the 12,200 growth estimate to a full time equivalent of 9,900. Of these jobs, only those in use classes B1a, B1b, B1c, B2 and B8 (and some associated sui generis uses) will be accommodated on business or industrial sites. Using GLH's standard model, which relates sectors to use classes the HEDNA estimates that the total job growth in the B1a, B1b, B1c, B2 and B8 use classes will be 4,437¹.
5. The HEDNA then uses employment densities in the *HCA Employment Guide 2nd Edition* to give a net requirement for 115, 489 sq m of additional floorspace. Since this is a net requirement it needs to be augmented to take account of replacement demand from sources such as companies requiring increased floorspace. The HEDNA says that it would be appropriate to make provision for a 5-year 'margin' based on past employment land take-up. The addition of this margin results in a 28.2ha employment land requirement. The figures are summarised in HEDNA table 72 'Gross Employment Land Need – Labour Demand Scenario 2014-2035, which we repeat below:

¹ B1a: office. B1b: Research & Development. B1c: light industry.
B2: General Industry. B8: Warehouse/Distribution

HEDNA Figure 72: Gross Employment Land Need – Labour Demand Scenario 2014-2035

Net Demand	17.6 ha
Margin to Provide Choice & Flexibility	10.6ha
Total Gross Need	28.2ha

6. The HEDNA does not explain how the net demand figure in the table is derived. We assume that it is related to the 115,500 sq m figure for floorspace growth. That figure can alternatively be expressed as 11.55ha, but since it is a figure for floorspace only we assume that it has been increased to reflect an equivalent site area. The uplift factor appears to be around 50% but nowhere in the HEDNA is this stated or explained.
7. Similarly, there is no proper explanation for the 10.6ha margin for choice and flexibility. The HEDNA refers to a 5-year 'margin' based on past employment land take-up. However, does not define what is meant by a '5-year margin' or how it is derived. Given that the net demand figure for a 21 year period is only 17.6ha it is hard to equate a 60% uplift with a 5-year margin.
8. The second method used by the HEDNA to estimate the employment land requirement is based on past completions.
9. Over the period from 2006-2016 the HEDNA says there was a total of 13.4ha of employment floorspace (gross) completed in the Harrogate District. This is a confusing figure. It is unusual to refer to floorspace completions in terms of units as large as hectares. It is therefore unclear whether the 13.4 figure relates to actual floorspace, but unconventionally expressed in hectares, or whether it relates to areas of land. The difference is crucial.
10. HEDNA figure 73 extrapolates the past completion rate to give a requirement of 49.8ha over the period 2014-2035. Unlike HEDNA figure 72 this table is disaggregated into use classes, presumably because it is based on planning records. Figure 73 is reproduced below:

HEDNA Figure 73: Harrogate Borough past completions and projections 2014-2035 (hectares)

<i>Use Class</i>	<i>Total 2006-2016</i>	<i>Annual Average (2006-16)</i>	<i>2014-2035 Projection</i>
B (undefined)	2.27	0.25	1.2
B1 (Undefined)	0.36	0.09	6.1
B1a/b	1.94	0.17	3.6
B1c	0.60	0.08	9.5
B2	1.60	0.20	24.0
B8	6.08	0.50	5.5
Sui generis	1.48	0.18	1.2
TOTAL	13.36	1.50	49.8

11. The HEDNA goes on to note that the labour demand forecast earlier in the report reflects an approximately 5ha loss in B1c and B2 land requirements over the plan period. In contrast, the HEDNA says, the completions record suggests 6ha net growth over the same period. It is hard to square this statement with figure 73 which projects a net growth of 33.6ha in B1c and B2 floorspace over that period (However, it appears that there are editing errors in figure 73 – see our paragraph 17 below – so it is difficult to reach any firm conclusion).
12. For the B1c and B8 use classes the HEDNA prefers the completions-based projection (which it subsequently refers to as 'trends') to that based on forecast jobs. Its reasoning is that past job losses do not directly translate to an equivalent loss of floor space because changing industry practices, and particularly increased automation, requires more floorspace per worker. The HEDNA also uses the completions-based projection to calculate the land requirement for B8 uses. It gives no reason for this decision. We have significant reservations about the approach, at least insofar as it relates to the demand for B8 floorspace, for the following reason:

The HEDNA refers to the *HCA Employment Densities Guide: 2nd Edition (2015)*. Our research suggests that that the most up-to-date guide is the *HCA Employment Densities Guide: 3rd Edition; November 2015*. The 2nd edition appears to have been published in 2010. The 3rd edition suggests very clearly that employment densities for B8 uses (which result in the principal land requirement in the HEDNA forecasts) are increasing substantially, driven largely by the increased number of jobs in office-based activity. Research quoted in paragraphs 2.71 and 2.72 of the 3rd Edition of the Guide suggests that floor space per worker in warehousing and distribution decreased from 95 sq m per employee to 69 sq m in 2015. This conflicts directly with the HEDNA report's approach to projections of the requirement for B8 uses.

13. The HEDNA report prefers the job growth basis for projecting demand for B1a and B1b uses. It justifies this by citing the good economic climate of the district and consultation evidence that the implementation of B1a and B1b space has been constrained in the past. This second argument seems dubious since one would expect that constraints on availability would have encouraged entrepreneurs to provide more space.
14. HEDNA table 54 brings together what is described above to estimate employment land requirements over the plan period. It is reproduced below.

HEDNA Table 54: Land requirements 2014-2035

B1a/b (Based on Forecasts)	12.3ha
B1c/B2 (Based on Trends)	13.0ha
B8 (Based on Trends)	24ha
Sui Generis (Based on Trends)	5.5ha
TOTAL	54.8ha

15. Paragraph 3.11 in the Publication Draft of the emerging Local Plan makes it clear that the 54.8ha figure in HEDNA table 54 underpins policy GS1's intention to make provision for a minimum 38ha of employment land. The 38ha figure is obtained by subtracting the 16ha of vacant land on existing employment sites which were identified by the HEDNA. Paragraph 3.12 in the Publication Draft then explains that there is a need to allocate more than the residual 38ha to provide a choice of sites and ensure flexibility of supply.
16. Although the HEDNA explains why it uses different bases for its projections in its table 54, the overall effect of using the bases which produce the highest requirement for each use class category leads to an estimate of requirement that is biased towards the upper end of the scale of likely need. This is particularly relevant when it is considered that HEDNA's reason for basing the largest element in the calculated land requirement (that for B8) on the trend of past completions is probably misguided (see paragraph 12 above).
17. Worryingly, it is impossible to reconcile the figures in HEDNA figure 73 and HEDNA table 54. For example, figure 73 projects a cumulative B1c & B2 requirement for 33.5ha and a B8 requirement for 6.5ha whereas table 54 projects a B1c/B2 requirement for 13ha and a B8 requirement for 24.0ha.
18. Based on our analysis there are significant concerns about the HEDNA's conclusions on employment land requirement. Whilst we recognise the policy justification for making a robust (i.e. a high end) estimate, the overall effect of combining several high-end assumptions can lead to exaggeration. It is, for example, constructive to compare the requirement in HEDNA figure 72 (28.2ha) with the finally recommended figure of 54.8ha in HEDNA table 54. Our reservations are increased by concerns about methods. Finally, the inconsistency between HEDNA figure 73 and HEDNA table 54 questions the rigour with which the report has been edited and appraised.
19. The minimum employment requirements in emerging Local Plan policy GS1 (i.e. 20-25ha in the October 2016 draft and 38ha in the Publication Draft) do not tell the complete story. It is also necessary to consider the areas actually allocated. To obtain these we have added together all the single use employment allocations and the employment elements of the mixed-use allocations in the October 2016 draft and in the Publication Draft. The addition gives a total of almost 79ha in the 2016 draft and approximately 108ha in the Publication Draft. This is an increase of 25ha, or almost a third.
20. In summary: The minimum employment requirement in the October 2016 draft was 20-25ha compared with actual allocations of 79ha. The minimum employment requirement in the Publication Draft was 38ha compared with an actual allocations of 108ha².

² This figure includes an allocation of 39.8ha at Flaxby Green Park. This site is recorded as a commitment of 13ha under policy FX4. However, the associated allocation plan shows an area of 39.8ha gross. The figure excludes any allocation at Green Hammerton even though the text accompanying policy DN4 indicates an intention to provide around 5ha of employment land.

These changes equate to an approximately two thirds increase in the minimum requirement and one third in the actual allocations.

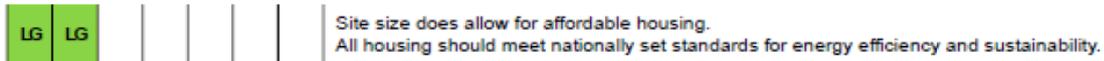
21. The changes have occurred in just over a year. The only published justification we have found for the change is the evidence in the HEDNA. The relevance of the HEDNA is confirmed by paragraph 3.11 and 3.12 in the Publication Draft. Our paragraph 18 above explains why we find this unconvincing.
22. The decision to add PN18 to the register of employment land allocations must be seen against this background. There is no justification in terms of a district wide balance between requirements and supply. We do not question the need to provide more than the minimum land requirement to provide for a choice of site and flexibility of supply. However, we do not consider that the HEDNA report is a sound basis for increasing the minimum requirement from that in the 2016 draft. If this original (and only just over a year old) figure was retained the area of employment land allocated in the Publication Draft would be approximately five times the calculated requirement. Even if one were to accept the 38ha figure in the Publication Draft the amount of employment land allocated would still be almost three times that requirement. Whilst we accept that the need for choice and flexibility justifies some over-allocation we consider that this degree of over-allocation (whether by a factor of three or five) is clearly excessive.
23. There is a further, somewhat subtle argument against the over-provision of industrial and business land. The population and therefore employment projections for the district depend on assumptions about inward migration. To the extent that the over-provision of employment land might generate additional jobs it will also increase inward migration, leading to the need to allocate even more land for housing, almost inevitably on greenfield sites.
24. We acknowledge that in terms of offering a prestige site PN18 has attractions although we have seen no published argument putting this case forward. However, given the overall land supply position, it is difficult to see how any such argument could overcome the very strong environmental and traffic objections to the proposal.

APPENDIX 3.

6. SUSTAINABILITY APPRAISAL HOUSING ALLOCATION - SITE PN17

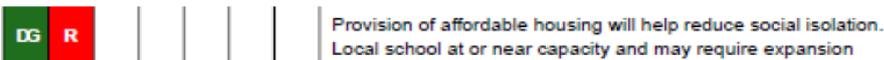
6.1 Analysis of the Council's appraisal

1. Quality Housing Available to Everyone



Any substantial site in any location would score well on this criterion.

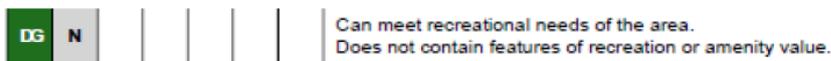
4. Vibrant Communities that Participate in Decision Making



Any substantial site in any location would score well on the reduction of social isolation.

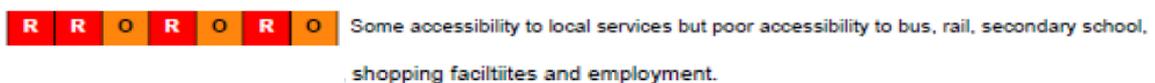
The need to extend the school is a real cost of this location, recognised by the allocation the Borough Council are having to make in that regard.

5. Culture, Recreation and Leisure Facilities Available to all



Any substantial site would score well by providing for recreational needs.

6. Local Needs met Locally



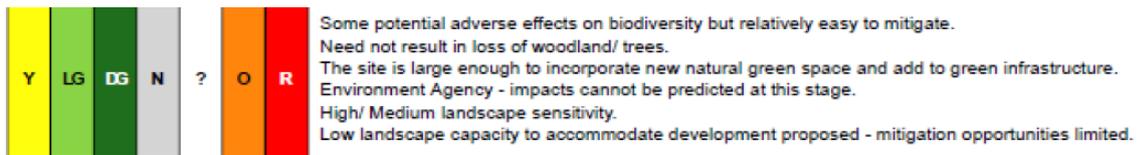
Appraisal correctly gives site a poor overall rating. It is assessment results such as this by the Council's own officers and professional consultees which should be focused on.

7. Education and Training Opportunities



Appraisal correctly gives site a poor rating.

8. Biodiversity and the natural environment



Any substantial site in any location would score well on the provision of green space.

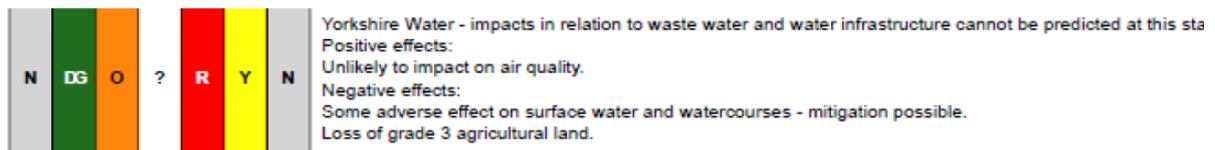
The poor landscape rating is a real and significant cost of this location.

Not only is the site designated as a Special Landscape Area (SLA) in the current Local Plan, but the Council's [2016 October Review of local landscape designations](#) suggests that the site should retain SLA status.

Again this is the Council's landscape officer giving an opinion which supports the objection and should be used as fully as possible.

The [Site assessment volume 11 - Nidd to Rainton](#) (2016) and [2017 Built and Natural Environment site assessments](#) contain fuller assessments on which these comments were based and should be utilised if possible along with the 2016 review of local landscape designations.

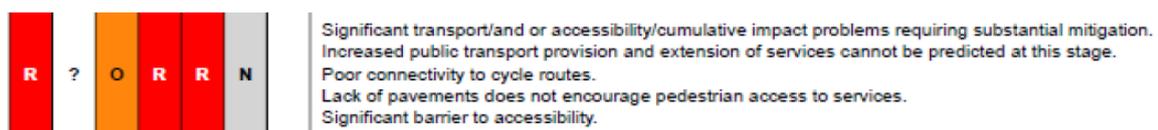
9. Minimal Pollution Levels



Most residential development is unlikely to impact on air quality.

Adverse effects on surface water and water courses are real costs but can be mitigated. The Parish Council's contact at the Environment Agency seems to be the best source of support on this issue and should be utilised if possible.

10. A transport network which maximises access and minimises detrimental impacts



The poor rating reflects a real cost in transport terms and should be pursued in regard to Spring Lane even if it cannot be in relation to the other sites. In part this is informed by the result of the [2016 October Harrogate district transport model](#) which may reinforce the grounds for objection.

7. SUSTAINABILITY APPRAISAL OF EMPLOYMENT ALLOCATION PN18

7.1 Analysis of the Council's appraisal

6. Local Needs met Locally

Y O R R O Y Y Good accessibility to local services but poor accessibility to primary and secondary schools.

Less relevance to an employment site than to a housing site but nevertheless primarily a poor rating

7. Education and Training Opportunities

LG | | | | | Proposed for employment- may bring opportunities for apprenticeships and training.

Any employment allocation would score well on this criterion

8. Biodiversity and the natural environment

R DG DG LG ? R R Significant adverse effects on biodiversity.
 Need not involve loss of woodlands/trees and potential for significant woodland creation.
 The site is large enough to incorporate new natural green space and add to green infrastructure.
 Public right of way within or close to the site.
 Environment Agency - impacts cannot be predicted at this stage.
 Landscape sensitivity rating: high
 Landscape capacity: limited or no capacity to accommodate development or mitigate impacts.

Generally poor ratings reflecting real costs.

It should be noted that the site is designated as a Special Landscape Area in the current Local Plan. The Council's 2016 Review of Local Landscape Designations suggests that the site should retain SLA status

Once again the Council's landscape officer gives an opinion which supports the objection and should be used with the support of the relevant assessments in [Site assessment volume 11 - Nidd to Rainton](#) (2016) and [2017 Built and Natural Environment site assessments](#) and the [2016 October Review of local landscape designations](#).

9. Minimal Pollution Levels

N DG O ? R Y R Yorkshire Water - impacts in relation to waste water and water infrastructure cannot be predicted at this stage.
 Positive effects:
 Unlikely to have impact on air quality.
 Negative effects:
 Some adverse effect on surface water and watercourses - mitigation may not be possible.
 Loss of grade 3 agricultural land.
 A major road, the A81, lies close to the site.

Generally poor ratings reflect real costs. The aim must be to exploit these with whatever support can be obtained from contacts amongst the statutory consultees.

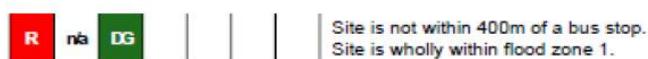
10. A transport network which maximises access and minimises detrimental impacts



Generally poor ratings reflect real costs. Opportunity to provide improvements to public transport may be no more than speculation. No evidence of a feasibility study.

The 2015/2016 Travel Model prepared for the Council by Jacobs Consultants did not take account of sites PN17, PN18 and PN19 because they were not included in the 2016 draft plan.

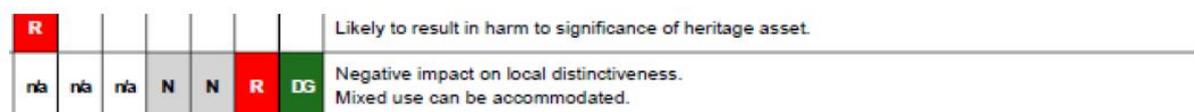
11. Greenhouse Gas and Climate Change



The fact that the site is not within a flood risk area is in reality the absence of a cost rather than a positive benefit.

The distance from public transport is a real cost. Despite the supposed benefits of Pannal as a sustainable location due to good public transport links, PN18 is not within 400m of either a bus stop or railway station.

13. & 14. Protect and Enhance the Historic Environment & A Quality Built Environment



The poor ratings here reflect real costs.

15. & 16. Good Quality Employment Opportunities & Conditions for Business Success

LG	?						Proposed for employment. Public transport provision cannot be predicted at this stage.
DG							Provision of employment land will encourage investment and support local business expansion.

Any substantial employment site in any location would score well on these criteria and they should surely be disregarded for assessing employment sites.

OVERALL

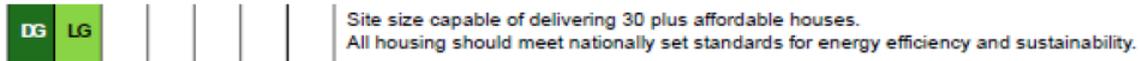
Adverse effects predominate for PN18. The positive effects identified would be experienced by any substantial employment site in any location. Appraisal again suggests the allocation is not justified, in particular in relation to landscape.

7.2 There is the further consideration that the assessed requirement for new employment land has been increased from 20-25ha in the 2016 draft plan to 44.5ha or 65.3ha (depending on whether one uses net or gross figures for the additional sites added in the current consultation). As we have argued in section 3 above the Council's approach, which entails potential over-allocation in the interests of flexibility, would be justifiable if the additional allocations did not have harmful effects. However, in the case of PN18 they clearly do.

8. SUSTAINABILITY APPRAISAL OF HOUSING ALLOCATION PN19

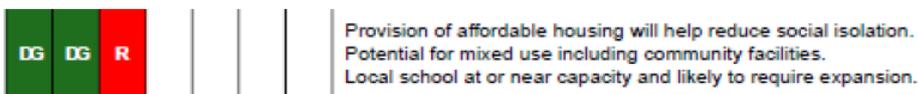
8.1 Analysis of the Council's appraisal

1. Quality Housing Available to Everyone



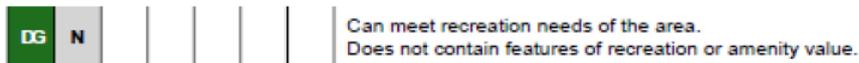
Any substantial site in any location would score well on this criterion.

4. Vibrant Communities that Participate in Decision Making



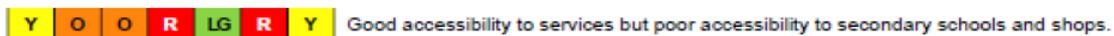
Any substantial site in any location would score well on the reduction of social isolation and the opportunity to include community facilities. Again the need to extend the school is a real cost of this location.

5. Culture, Recreation and Leisure Facilities Available to all



Any substantial site would score well by providing for recreational needs.

6. Local Needs met Locally



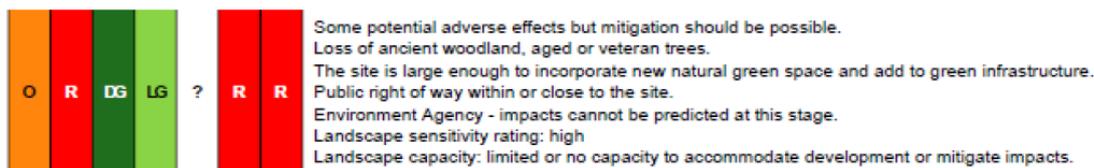
Appraisal correctly gives site a poor overall rating. This is an opportunity to comment effectively on service and infrastructure inadequacies.

7. Education and Training Opportunities



See comments above.

8. Biodiversity and the natural environment

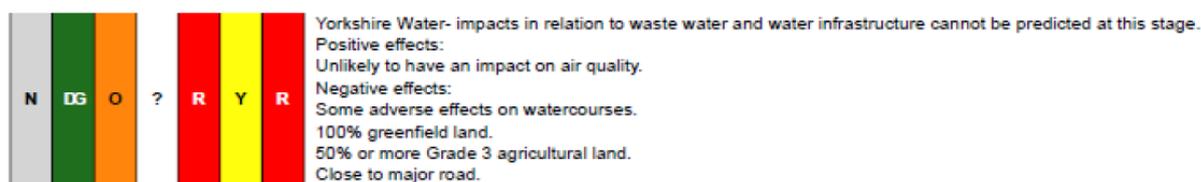


Any substantial site in any location would score well on the provision of green space.

The poor landscape rating is a real and significant cost of this location. It should be noted that the site is designated as a Special Landscape Area (SLA) in the current Local Plan. The Council’s 2016 Review of Local Landscape Designations suggests that the site should retain SLA status.

The evidence base documents mentioned under this heading for the other sites provide further ground for objection to the allocation of PN19.

9. Minimal Pollution Levels



Most residential development is unlikely to impact on air quality.

Adverse effects on water courses are real costs but can often be mitigated.

Proximity to a main road a real but manageable cost.

There is nevertheless a marginal negative rating, which if supported by contacts amongst the Parish Council’s external consultees are worth pursuing.

10. A transport network which maximises access and minimises detrimental impacts



Relatively poor rating reflects real costs.

Opportunity to enhance existing rail facilities may be no more than speculation.
 No evidence of a feasibility study.

The 2015/2016 Travel Model prepared for the Council by Jacobs Consultants did not take account of sites PN17, PN18 and PN19 because they were not included in the 2016 draft plan.

13. & 14. Protect and Enhance the Historic Environment & A Quality Built Environment

R								Likely to result in harm to significance of heritage asset.
na	na	na	N	N	R	DG		Negative impact on local distinctiveness. Mixed use can be accommodated.

Poor ratings here reflect real costs

OVERALL

The site scores poorly which suggests the allocation is not justified. Again landscape appears the strongest ground.