

Hyndburn Borough Council,
Plans and Environment,
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Email: planning@hyndburnbc.gov.uk

23/03/2016

Dear Sir / Madam,

Hyndburn Borough Council Local Plan: Development Management DPD

1. Thank you for consulting with the Home Builders Federation (HBF) on the Hyndburn Local Plan: Development Management DPD.
2. The HBF is the principal representative body of the house building industry in England and Wales and our representations reflect the views of our membership of multinational PLCs, through regional developers to small, local builders. Our members account for over 80% of all new housing built in England and Wales in any one year including a large proportion of the new affordable housing stock.
3. We would like to submit the following comments.

General comments

4. The Council will be aware of the Governments desire for plans to be kept up to date with a provisional deadline of early 2017 identified within the Government consultation upon the *'Implementation of Planning Changes: Technical Consultation'*. In this regard whilst progress upon the Development Management DPD is supported the Council may be at risk of failing to have an up to date local plan due to the fact its housing requirement, set within the Core Strategy, is out of date.
5. The Core Strategy, Policy H1, sets a housing requirement of 3200 dwellings over the period 2011 to 2026. Paragraph 4.33 of the Core Strategy states that;
"The housing requirement for Hyndburn is set out in the RSS. This sets out a requirement of 189 dwellings per annum for the period 2003-2021. Over the 15 year plan period 2011 to 2026 this equates to 2835 dwellings. The RSS has a base date of 2003 and based on annual monitoring of housing completions it is estimated that there has been a shortfall of 362 dwellings during the period

2003-2011 when assessed against the RSS requirement. When this shortfall is added to the 15 year requirement this gives a total figure of about 3200 dwellings. This figure is net of demolitions”.

6. The housing requirement is therefore based upon the now revoked RSS and as such can be considered out of date. This has implications not only for the forthcoming *Site Allocations DPD* but also policies within this document, such as affordable housing.
7. It is noted that following adoption of the Core Strategy in January 2012 work upon an objective assessment of housing need (OAHN) has been undertaken through the 2014 *Strategic Housing Market Assessment and Housing Needs Study* (SHMA) undertaken jointly with Blackburn with Darwen and more recently the 2016 *Hyndburn Housing Needs Assessment 2012-based Household Projections Update*. This latter document identifies an OAHN range of 175 to 317dpa. Whilst the current housing requirement falls within this range its appropriateness has not been tested at examination.
8. Furthermore paragraph 13.13 of the 2014 SHMA, in reference to the housing requirement identifies;

“...given the scale of affordable housing needed it could be inferred that a higher level of housing should be provided overall by the LPAs in an effort to address one of the key market signals identified in the Practice Guidance”.
9. The *Hyndburn Housing Needs Assessment 2012-based Household Projections Update* suggests

“..the Council should move towards in identifying its housing requirement, greater weight should be given to a figure towards the top end of the aforementioned range” (paragraph 5.26).
10. It is therefore clear that, based upon the current evidence before the Council, the current housing requirement would not meet the OAHN for the area and is based upon an outdated strategy. Whilst the HBF note that neighbouring Blackburn with Darwen are planning for a greater quantity of housing than the recommended range within the 2014 joint SHMA. It is understood that this increase is based solely upon the economic ambitions of Blackburn with Darwen rather than to meet any of the unmet needs within Hyndburn. The Council will therefore need to consider raising its own housing requirement to meet its OAHN.

11. It is therefore recommended that the Council consider reviewing their housing requirement as a matter of urgency. This could be either done through a partial review of the Core Strategy or as part of another DPD.

Policy DM10: New Residential Development

12. The policy identifies a broad range of criteria for new residential development, many of which are considered to be generally appropriate. There are also several cross references to other policies proposed within the draft *Development Management DPD*, in such cases where we have specific concerns with a criterion we have raised this against the main policy to avoid duplication (e.g. Policy DM12).

13. Part C of Policy DM10 identifies that schemes of 5 or more dwellings will be required to demonstrate;

“...how they have considered and addressed the requirements of the ‘Building for Life 12’ assessment criteria in the design of their scheme.”

The HBF supports good design and indeed is a key partner in the Building for Life (BfL) standard. It is also clear that many of our members actively employ the principles of BfL in site design. It should, however, be recognised that it is not, and was never intended to be, a mandatory standard for all developments. It is intended to assist the facilitation of discussions. The threshold of 5 or more units will encompass a wide range of developers and developments and as such it is unclear if the Council will assist applicants, with advice, to meet the principles of BfL12, the level of compliance required or if the Council has the resources and expertise to adequately consider such assessments.

14. The supporting text (paragraph 5.7) identifies that applicants will be expected *“...to use the principles set out in Building for Life 12 (BfL12).”* Suggesting a flexible approach will be utilised, rather than a rigid assessment requiring a certain number of criteria to be fulfilled. The HBF supports such an approach and encourages the Council to ensure that this is made more explicit within the text and policy. A flexible approach will be required to ensure that the much needed housing delivery is provided across a wide range of sites is not compromised within Hyndburn.

Policy DM12: Affordable Housing

15. The HBF support the need to deliver affordable housing and note a significant level of need, equating to 542dpa (inclusive of backlog over five years) and a net

newly arising need of 377dpa, is identified for Hyndburn within the 2014 SHMA. It is notable that low levels of affordable housing delivery have been provided in the past with an average of just 26 units per annum quoted in the *Hyndburn Housing Needs Assessment 2012-based Household Projections Update*. There is therefore a significant gap between delivery and need.

16. This gap, where the burden is placed upon market housing, must be balanced against the housing requirement and economic viability. We note in our general comments that the housing requirement set within the Core Strategy to be out of date and recommend an urgent review of this position which should take account of affordable housing needs.

17. The policy requires a 20% affordable housing requirement from sites of 15 units or more. This requirement is consistent with the adopted Core Strategy Policy H2 which states;

“On developments of 15 or more houses the developer will be required to make provision for 20% of the houses to be affordable. In meeting this target consideration will be given to the availability of financial grants and evidence on the economic viability of individual developments.”

18. Whilst conformity with the Core Strategy is important it also needs to be considered that the Core Strategy was adopted prior to the final publication of the NPPF (March 2012) and the need to undertake a thorough plan wide viability assessment. It is recognised that the Council is in the process of undertaking such a study. Until the study is concluded it is difficult to ascertain whether the requirement and threshold remain valid. It is, however, noted that the Council has a poor track record in terms of affordable housing delivery and the evidence base used to support the affordable housing requirement within the Core Strategy (2009 *Affordable Housing Viability Assessment*) suggests that a 20% target is extremely challenging within Hyndburn and much of the delivery was reliant upon grant funding. This suggests that a 20% requirement may be too high. It is also questionable whether continued reliance upon grant funding is a sound approach. The HBF therefore reserve our position upon the threshold and targets within the policy until further evidence is provided.

19. Part 2 of the policy identifies that landowners and developers will be required to take account of the cumulative costs of obligations and policies upon sites. The HBF notes that this is usual practice in most development land transactions. But

this criterion should not be used as a reason to either retain or increase the level of contributions sought. In identifying obligations the Council will also need to take account of the need to ensure that the scale of obligations sought do not threaten the ability of a site to be developed viably and the need for a competitive return for a willing land owner and developer (NPPF, paragraph 173). This must be set within the overall context of the district and the need to deliver as a minimum the housing needs for both market and affordable housing. The HBF encourage the Council to work with the development industry in the production of its viability study to ensure that the assumptions utilised are realistic.

20. Part 1(b), paragraph 5.19 and paragraph 3.7 of Guidance Note 2 all refer to the split in housing tenure being 60:40 between social or affordable rent and intermediate housing or based upon the latest housing needs evidence. Whilst the HBF appreciate the need to plan for the needs of the area it is important that the Council does not seek to apply this split rigidly to all sites. This is because housing needs will vary across a local authority area as well as over time, a point which is acknowledged in the Guidance Note, and a housing needs assessment is inevitably a snap-shot in time. The split may also have significant implications for viability, particularly upon marginal sites. Finally the proposed split takes no account of the forthcoming Government requirement for a percentage of 'Starter Homes' to be provided on site. The Council will need to take account of these issues and their impact upon delivery.

21. The HBF supports parts 1(d) and 5 of the policy which refer to viability considerations. This is considered an essential element of the policy given that the viability of individual sites will vary considerably.

Policy DM16: Housing Standards

22. The policy seeks to apply the optional housing standards for access and internal space. The Planning Practice Guidance (PPG) issued on 27 March 2015 covered Optional Technical Standards for housing identifying that they can only be introduced through the preparation of a Local Plan and then only where justification is provided. In terms of access the PPG clearly indicates this justification must be based upon (Reference ID 56-007);

- *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.*

23. Whilst the consultation document references the 2014 SHMA as fulfilling these requirements there are obvious gaps in the evidence base, not least the issue of viability which is already a difficult issue in Hyndburn. The HBF agrees that the SHMA does identify an increasing older population and that there is a need for accommodation to meet specialist needs. It is, however, less clear on the accessibility and adaptability of the existing stock, how needs vary across different tenures and the overall impact upon viability. These issues all need to be addressed and clarified to ensure the introduction of the optional standards can be adequately justified.

24. In terms of the nationally described space standards (NDSS) the PPG (reference ID: 56-020) requires LPAs to identify need and establish a justification considering;

- *need – evidence should be provided on the size and type of dwellings currently being built in the area, to ensure the impacts of adopting space standards can be properly assessed, for example, to consider any potential impact on meeting demand for starter homes.*
- *viability – the impact of adopting the space standard should be considered as part of a plan’s viability assessment with account taken of the impact of potentially larger dwellings on land supply. Local planning authorities will also need to consider impacts on affordability where a space standard is to be adopted.*
- *timing – there may need to be a reasonable transitional period following adoption of a new policy on space standards to enable developers to factor the cost of space standards into future land acquisitions.*

25. As it stands, the Council is taking a one-size-fits-all approach. It is noted, paragraph 5.40 of the consultation document, that further evidence is to be provided. This evidence should assess the need for and effects of NDSS adoption for all forms of residential development, whether new-build or conversion.

26. Similarly, the study should assess whether the NDSS should be applied across the board, covering general market family housing, affordable housing, student housing and flats and apartments. The Council should demonstrate an understanding of the delivery model for these different forms of new housing and the likely effect of NDSS adoption before applying the standards for consideration of planning applications. The current, albeit dated, viability evidence suggests that viability is already marginal throughout much of Hyndburn. Given that it inevitably costs more to build larger houses and there is a market price cap for properties within Hyndburn the mandatory imposition of the NDSS is likely to have a negative impact upon viability and hence deliverability.
27. Similarly as evidenced by the 2014 SHMA affordability is already a significant problem for Hyndburn and one which the current rate of housing delivery is unlikely to solve. These issues are particularly acute for first time buyers and those down-sizing in advance of or during retirement. The additional costs of purchasing and running (e.g. increased fuel bills and council tax) a larger home are unlikely to be compatible with the desire to downsize and may put home ownership out of the reach of first time buyers.
28. Finally the implications of adoption of the NDSS would also need to be considered within the forthcoming Site Allocations DPD due to the impact upon density and likely requirement for greater land-take.

Further Consultations

29. The HBF would like to be kept informed of all forthcoming consultations upon the Local Plan and associated documents. Please use the contact details provided below for future correspondence.

Yours sincerely,

MJ Good

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