

Burnley Borough Council
Regeneration and Planning Policy
19 Parker Lane
Burnley
BB11 2BY
localplan@burnley.gov.uk
Sent by Email only

26/08/2016

Dear Sir / Madam

Burnley Local Plan: Preferred Options

1. Thank you for consulting with the Home Builders Federation (HBF) on the Local Plan. 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.
2. The HBF is keen to work with the Council in order to achieve an adopted local plan which enables an increase in the rate of house building across Burnley. It is pleasing to note that the Council has modified the plan since the last stage of consultation in response to some of our previous concerns.
3. There are, however, a number of key areas where our concerns remain and it is considered that the plan would benefit from further evidence prior to the next stage of consultation. The following comments are provided based upon our substantial experience of local plan examinations across the country.

Duty to Co-operate

4. The plan, paragraph 1.4.6, identifies that Burnley has undertaken joint working with neighbouring authorities. The primary concern of the HBF is in relation to housing matters. In this regard it is noted that work upon a joint Strategic Housing Market Assessment was undertaken with neighbouring Pendle. This is considered a positive step.
5. To ensure that the Council adequately demonstrate its compliance with the duty it is recommended that consideration be given to the production of a background paper prior to the next stage of consultation. This paper should identify the issues of cross boundary significance, the engagement which has taken place and the material actions which have effected plan preparation.

Plan Period 2012 to 2032

6. The HBF supports the plan period, particularly the amended end date of 2032. This accords with our previous comments. Providing the plan can be examined in 2017, this should ensure a 15 time horizon, post adoption, in conformity with the preference set out within the NPPF, paragraph 157.

A Vision for Burnley

7. The HBF generally supports the vision and associated objectives. Particular support is provided for objective 2 and the changes made since the Issues and Options consultation, which closely relate to our previous comments.

Policy SP2: Housing Requirement 2012-2032

8. The policy identifies a net housing requirement of around 4,180 dwellings over the plan period at an average rate of 209 dwellings per annum. It is considered that the policy would be more positively worded if 'around' were replaced by '*at least*'. This would also fulfil the NPPF requirements for plans to be positively prepared and boost significantly the supply of housing.
9. The HBF notes that the proposed housing requirement is above the three options consulted upon at the Issues and Options stage. This is supported and generally conforms to our previous comments. We would, however, like to make a number of comments upon the methodology, market signals, proposed housing requirement and sources of supply. These are set out separately below.

Methodology

10. The methodology undertaken to identify the objectively assessed need (OAN) for housing is provided within the 2016 Burnley Strategic Housing Market Assessment (2016 SHMA), undertaken by NLP on behalf of the Council. This methodology is recognised and generally considered appropriate. It is notable that the methodology employed by NLP has been accepted as being sound in numerous Local Plan examinations including neighbouring Pendle, with whom the Council share a Housing Market Area. Whilst recognising and supporting the methodology the HBF do make the following observations.
11. The modelling utilises the 2012-based sub national household as its starting point. This was correct, as it was the most up to date at the point of publication. These projections have since been updated by the 2014-based projections. In

comparison the latter 2014-based projections show a higher starting point over the plan period. These are set out in the table below.

Comparison of 2012 & 2014 based sub-national household projections (2012 to 2032)

Projection	Net annual requirement (dpa)
2012-based	55
2014-based	65
Difference	10

Source: CLG, table 406

12. The 2014-based projections identify a 10dpa increase upon their 2012 counterparts over the plan period. Whilst it is recognised, due to the development of other scenarios, this is unlikely to significantly alter the OAN position the impact of the 2014-based projections should be modelled prior to the next stage of consultation.

13. The modelling of the OAN necessarily makes a number of assumptions, these are set out at paragraph 6.4 of the 2016 SHMA. These are generally considered appropriate, although the HBF would like to see further information and justification for the proposed economic activity rates, unemployment rates and labour force ratio.

Market signals

14. The 2016 SHMA provides a comprehensive assessment of market signals within chapter 4. The HBF agree with the conclusion that they generally do not appear to warrant a significant uplift to the demographic starting point. It is, however, notable that whilst still significantly lower than the national average the affordability of housing is gradually getting worse within Burnley. The lower quartile house price to earnings ratio increased from 2.37 in 2013 to 2.71 in 2015 (CLG live table 576). The HBF recommends that in line with the PPG consideration should be given to a moderate uplift to counter this trend.

Proposed housing requirement

15. The housing requirement of 209dpa sits towards the upper end of the range suggested within the SHMA, 117 to 215dpa. The choice of a figure towards the upper end of the suggested range is supported. The HBF is, however, concerned that the requirement sits below the two key economic led scenarios, E (Experian

Jobs Growth) and F (Key Job Growth Sectors). Whilst these scenarios provide housing growth figures in excess of what has been provided recently (293dpa and 359dpa respectively) the plan does provide the opportunity for a step change in delivery and the economic fortunes of the district.

16. The HBF understands that scenario E (Experian Jobs Growth) represents the anticipated baseline jobs growth position over the plan period and scenario F (Key Job Growth Sectors) represents the LEP supported proposals for the area. Furthermore Policy SP3 seeks to provide 90ha of additional employment land, this figure is slightly above the requirement needed for the Experian forecasts (82.94ha). If the proposed housing requirement is not intended to meet the Experian forecast being planned for in Policy SP3 this would indicate a mismatch between the economic and housing strategies, contrary to the NPPF. The Council will therefore need to provide clear evidence upon whether the economic projections are inappropriate or how it intends to ensure that economic growth will not be stifled by the lack of appropriate housing.

Sources of supply

17. The supply of dwellings identified in the policy appears to suggest that allocations will be made only for the residual requirement once completions, demolitions and other sources of supply are taken into account. Policy HS1 provides a buffer of just 4 dwellings upon this residual requirement. This is not sufficient to ensure that the overall plan requirement is met and the plan provides flexibility and choice as well as being able to rapidly respond to changing circumstances. These are all key requirements of the NPPF.
18. It is unlikely that all allocations will deliver exactly as envisaged due to various reasons. The inclusion of a buffer of sites to deal with this eventuality is, therefore, recommended. The need for a buffer is also supported by the recent Local Plan Expert Group recommendations to Government. The report recommends a 20% buffer of reserve sites be provided to ensure that the plan can maintain a five year supply and respond flexibly and rapidly to change. The HBF agrees with this stance and concludes that given the recent delivery problems within Burnley it would be prudent to provide this buffer of reserve sites from the outset of the plan.
19. The sources of supply identifies that 510 dwellings will be delivered from vacant properties (120) and windfall sites (390). This represents over 12% of the supply. It is understood the 120 vacant dwellings are due to a scheme to tackle this amount

of vacant properties over the next few years. It is, however, important that the Council ensure that they are not double counting these properties. The PPG (ID 3-039) states;

“...Any approach to bringing empty homes back into use and counting these against housing need would have to be robustly evidenced by the local planning authority at the independent examination of the draft Local Plan, for example to test the deliverability of the strategy and to avoid double counting (local planning authorities would need to demonstrate that empty homes had not been counted within their existing stock of dwellings when calculating their overall need for additional dwellings in their local plans).”

20. The HBF is unaware of this evidence, particularly in relation to double-counting and therefore recommends that the 120 dwellings be removed from the supply.
21. In terms of windfalls, the calculations within chapter 4 of the 2016 Burnley Strategic Housing Land Availability Assessment (2016 SHLAA) are noted. It must, however, be borne in mind that these windfalls were in the context of a dated plan with a less robust evidence base. It therefore stands to reason that windfalls will diminish as a source of supply once an adopted plan is in place. Due to the uncertainties over future supply from windfalls and previous issues with delivery the HBF recommends that windfalls be removed from the supply and any delivery from windfalls are used as part of the buffer referred to in paragraph 18 above.

Paragraph 4.2.25

22. This paragraph indicates that the Council's preference to dealing with the under-supply of housing is to spread its delivery across the remainder of the plan period, known as the *'Liverpool'* approach. The HBF consider this not to be within the spirit of the NPPF or PPG. The NPPF requires plans to be positively prepared and boost significantly the supply of housing. The PPG (ID 3-035) is clear that this under-supply should be met within the area in the first five years, where possible. Where this cannot be met in the first 5 years, local planning authorities will need to work with neighbouring authorities under the 'Duty to Cooperate'. The HBF is unaware that any neighbouring authorities are able or willing to assist in addressing the under-delivery.

23. Furthermore spreading the under-delivery over the whole plan period simply ensures that the needs of the area are not met for a longer period. The HBF consider a pro-active plan should seek to meet needs as soon as possible.

Policy SP4: Development Strategy

24. Part 3 of the policy is considered unsound on a number of grounds. Firstly criteria (a, b and c) would lead to a differentiation between previously developed land and greenfield land, whether allocated or not. This is inappropriate and contrary to NPPF paragraph 111 which specifically seeks to encourage the re-use of previously developed land. The Government is seeking to provide encouragement through mechanisms such as Permission in Principle and Brownfield Registers.

25. Criterion c then places additional burdens upon greenfield land, whether they are allocated or not. Surely the point of allocation is to consider the acceptability of a site. Therefore if a site is an allocated greenfield site it should not be subject to 'in principle' considerations, this would also appear to contradict the wording in Policy HS1. Furthermore there is no justification for placing greater burdens upon greenfield sites compared to those on previously developed land.

26. These additional burdens include going beyond the energy efficiency requirements set out within the Building Regulations and the provision of on-site renewable or low carbon energy generation. These requirements are completely unjustified and contrary to the Government's Housing Standards Review. The Council will be aware of the ministerial statement dated 25th March 2015. This statement sets out that following the commencement of the amendments to the Planning and Energy Act 2008 in the Deregulation Bill 2015, Local Planning Authorities should not seek to set energy requirements from developments which go beyond the Building Regulations. The requirement to go beyond the Building Regulations and require the inclusion of renewable or low carbon technologies should be deleted.

27. The HBF also consider the requirement for two or more of the 'Optional Housing Technical Standards' to be unjustified. The methodology to introduce the optional standards is clearly set out within PPG. This is recognised within the consultation document at paragraph 4.5.6 but there is no supporting evidence to justify their introduction. For example in terms of the internal space standard 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.*

28. As it stands, the Council has not provided any specific evidence in relation to the internal space standard or any other optional standard either within its evidence base or as part of the policy justification. It is therefore unjustified and contrary to national policy to introduce the standards through the plan at this stage.

29. To introduce the optional standards the Council should assess whether they 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 likely effect of their adoption on these differing housing models before applying the standards for consideration of planning applications. Further in specific regard to the optional space standard this is likely to have implications upon the deliverability of policies HS3, density and mix, and HS4 minimum distances.

30. The Council will either need to justify the inclusion of the optional standards through evidence or delete this requirement.

31. The requirement to gain Building for Life 12 (BfL12) accreditation is also unjustified. Whilst the HBF is supportive of BfL12, and many developers conform to its requirements, the Council should not attempt to make a voluntary standard developed by the industry a mandatory requirement of all developments. Rather it should be identified as a framework to inform discussion on design.

32. In addition there is currently a lack of published viability evidence to indicate the impact of the various standards and requirements set out within this policy and

the plan as a whole. It is noted, plan paragraph 6.1.4, that the Council intends to produce this evidence in due course. The HBF and our members would be keen to be involved in the production of this evidence to ensure that it is based upon realistic assumptions. It is, however, clear that viability is already a challenge within many parts of Burnley and these additional requirements will place the delivery of the plan at significant risk.

Policy HS1: Housing Allocations

33. The HBF does not wish to comment upon the acceptability or otherwise of the housing allocations at this stage. We do, however, refer the Council to our comments upon the sources of supply, against Policy SP2 above, as well as our issues against Part 3 of Policy SP4 above.

Policy HS2: Affordable Housing Provision

34. The HBF does not dispute the need for affordable housing, this is adequately demonstrated by the 2016 SHMA, and we support its provision where viable.

35. The policy does not set out any specific target for affordable housing but rather suggests that it will be provided upon viability grounds on schemes of greater than 10 dwellings. The HBF does not support this policy stance and considers it unsound.

36. Our key concern is that the policy provides no certainty for a developer to assess the investment potential of a site. The policy therefore places the delivery of housing at risk. The NPPF (paragraphs 17 and 154) state that local plan policies must be clear so that applicants know what they must do to submit an application that is likely to be approved, and decision-takers know how to react to that application. The NPPF is also clear (paragraph 174) that local plans must set out the burdens that will be placed upon the development industry. The policy clearly does not provide this.

37. To provide a viable affordable housing target the Council will need to undertake a whole plan viability assessment, as described in paragraph 6.1.4 of the plan. This will need to consider the cumulative impacts of policy standards and burdens, including affordable housing. This should be provided prior to the next stage of consultation. Without this information the Council cannot justifiably set an affordable housing target or request affordable housing from sites.

38. The policy also does not consider the potential implications of the impending introduction of Starter Homes. If a requirement is introduced by Government prior to the next stage of consultation this should be incorporated into the policy and viability evidence.

Policy HS4: Housing Developments

39. The plan proposes to place a significant number of space requirements upon housing developments. These include the internal space standard, open space standards, accessibility standards, density and mix policies and within part 3 of this policy separation distances. Whilst the HBF does not dispute the need for adequate separation between properties the cumulative impact of all of the proposed standards will require consideration to ensure that there are no internal conflicts within the plan and that policy compliant sites can be delivered. It should also be noted that the topography of Burnley may make variation upon these distances appropriate in certain instances.

40. Part 4 requires 20% of dwellings in schemes of more than 10 to meet optional Building Regulation Part M4(2). The PPG (ID 56-007) identifies that to introduce the optional standard the Council should consider the following;

- 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.

41. Whilst the SHMA does provide some of the evidence required to introduce the optional standard significant elements are missing, not least the overall impact upon viability. The HBF wish to hold our position upon the introduction of the optional standard until all of the relevant evidence is available.

Monitoring

42. The monitoring section identifies a wide range of indicators against which the plan will be monitored. There is, however, no clarity upon what will happen if the plan fails to meet its targets and what would trigger a full or partial review of the

plan. In terms of housing these could include the lack of a five year supply or a significant deviation away from the trajectory.

Information

43. I would be pleased to be kept involved in the Local Plan preparation process as well as the development of other planning documents. I trust the Council will find the comments useful and the HBF would be happy to discuss them further prior to the next stage of consultation.

Yours sincerely,

A handwritten signature in black ink that reads "MJ Good". The letters are slightly slanted and have a casual, personal feel.

Matthew Good
Planning Manager – Local Plans
Email: matthew.good@hbf.co.uk
Tel: 07972774229