

Planning Policy
Development Services
Barrow Borough Council
Town Hall
Duke Street
LA14 2LD
Email: developmentplans@barrowbc.gov.uk
Sent by Email only

14/10/2016

Dear Sir / Madam

Barrow BC Local Plan: Publication Draft

1. Thank you for consulting the Home Builders Federation (HBF) on the Local Plan.
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. The Council will be aware that the HBF made comments upon the Issues and Options and Preferred Options versions of the plan (Rep ID 216). Whilst it is noted, and welcomed, that some changes have been made a number of outstanding issues remain. These issues are re-asserted in this response.

The HBF would like to participate in the examination in public hearing sessions to debate the following matters further.

Duty to Co-operate

The Council has not provided sufficient evidence to indicate that it has discharged its requirements under the Duty to Co-operate.

4. The Council will be aware that the HBF previously made comments regarding the need for documentary evidence to substantiate its claims that it has discharged its requirements under the 'Duty to Co-operate' (hereafter referred to as the duty). In it's response to our previous comments on this matter the Council stated;

"A Duty to Co-operate Statement will be produced alongside the Local Plan Publication / Submission Draft." (Rep ID 915/126, Representations to Preferred Options Draft Local Plan, July 2016).

5. The Local Plan: Publication Draft (hereafter referred to as the Local Plan) identifies that this statement will not be provided until submission (paragraph 2.3.4). This makes it difficult to comment with any clarity upon whether the duty has been adequately discharged and as such the HBF wish to retain our position upon this issue until the examination.
6. The HBF is, however, heartened by the sentiments in paragraphs 2.3.1 to 2.3.5 of the Local Plan. The HBF is also pleased to note that housing is identified within the cross-boundary issues at paragraph 2.3.7 of the Local Plan. It is noted that Barrow is considered a largely self-contained housing market area, but there are overlaps with adjacent areas. The plan and evidence base are currently unclear how these overlaps have been considered and what actions have been taken.
7. The importance of identified actions resulting from fulfilment of the duty is clearly articulated within the National Planning Practice Guidance (NPPG). The National Planning Practice Guidance (PPG) states “...it is unlikely that this (the duty) can be satisfied by consultation alone..” and that “...inspectors will assess the outcomes of the co-operation and not just whether local planning authorities have approached others...”.

Vision / Objectives

8. The HBF is broadly supportive of the aims and objectives of the plan and as such do not wish to raise any objections. It is, however, considered that the vision could be improved by greater reference to the different spatial elements of the borough and how they are anticipated to develop to meet particular issues and aspirations. The objectives do begin to pick up such issues but these should be augmented to ensure the plan is locally specific and provides a true vision for the borough of Barrow-in-Furness.

Monitoring the Effectiveness of the Plan

The plan is not considered sound as it is not effective.

9. Local Plan paragraph 2.3.9 discusses monitoring of the plan and the fact it will be reviewed from “...time to time...” and that policies may be amended “...to ensure that the Local Plan is working effectively in meeting its objectives and in achieving the vision...”. It is also noted that the Council is working upon a list of indicators to monitor the plan and that this will form part of the Submission Draft of the Local Plan.

10. The lack of monitoring indicators at this stage makes it difficult to ascertain whether or not the plan will be effective. The HBF therefore wishes to retain our position upon this issue until the full list of indicators, targets and triggers are provided. It is recommended that the indicators give clarity upon what would trigger a full or partial review of the plan to rectify any delivery failures. In terms of housing such triggers could include the lack of a five year supply or delivery which is materially below the anticipated housing trajectory.

Policy DS2: Sustainable Development Criteria

The policy is considered unsound as it is not justified and is contrary to national policy.

11. Part 'k' of the policy requires developments to incorporate energy and water efficiency measures. In relation to energy efficiency the Council will be aware that the Housing Standards Review and ministerial statement dated 25th March 2015 clearly identify that, in relation to housing, energy efficiency measures will be solely dealt with through the Building Regulations.

12. In terms of water efficiency the Housing Standards Review provided an optional water efficiency standard through the Building Regulations. This optional standard can only be applied where the criteria set out within the PPG (ID 56-015) are met. The HBF is unaware of any relevant evidence in this regard. It is noted that Policy C3 indicates compliance with the mandatory rather than optional Building Regulations for water, as such this should also be made clear in this policy.

13. Whilst it is noted that the policy does not specifically state that developers should go beyond the mandatory Building Regulations requirements it is considered that the current wording could be interpreted as such. The HBF therefore recommend the following amendments **(in bold)** to part k;

*“Ensuring that proposals incorporate energy and water efficiency measures **(in accordance with the relevant Building Regulations)**, the use of sustainable drainage systems where appropriate and steers development away from areas of flood risk...”*

14. Alternatively this issue could be clarified in the supporting text.

Policy DS3: Development Strategy

15. The HBF welcomes the changes made to this policy from the previous consultation. These changes broadly align with our previous comments.

Policy DS5: Design

The policy is considered unsound as it is not justified and is contrary to national policy.

16. Part 'n' of the policy refers to energy and water efficiency measures. I refer the Council to our comments upon Policy DS2 above and consider these comments equally apply to this policy.

17. The policy justification refers to Building for Life 12 (BfL12). The HBF encourages the use of BfL12 to aid discussion upon design issues. However, whilst many of our members adhere to the principles of BfL12 it should be noted that it is not a regulation or mandatory requirement as suggested in the policy justification.

Policy C5: Promotion of Renewable Energy

18. The policy seeks to encourage the use of renewable energy within developments. Whilst the HBF does not object to such encouragement it is important that this is not interpreted as a mandatory requirement. This would be contrary to the Governments Housing Standards Review which specifically identifies energy requirements for new housing development will solely be a matter for the Building Regulations with no optional standards.

19. It is therefore important that the justification for this policy retain reference to the Council wishing to encourage rather than require such measures.

Policy I3: Access to Community Facilities

20. The HBF is pleased to note that economic viability has been included as a consideration for this policy. This accords with our previous comments.

Policy H1: Annual Housing Requirement

The policy is unsound as it is not justified or effective.

21. The policy sets out the Council's position in relation to the housing requirement, five year housing land supply and housing delivery, each of these elements are dealt with separately below.

Housing Requirement

22. The HBF is supportive of the housing requirement being referred to as a net minimum requirement. This is considered to accord with the NPPF requirements to plan positively and boost significantly housing supply.
23. The housing requirement is identified as a net annual average of 105dpa. In common with our previous comments upon the plan, the HBF maintain that the overall requirement is too low. The key pieces of evidence the Council has used to derive its housing requirement are the 2016 Housing Land Statement (2016 HLS) and 2016 Strategic Housing Market Assessment (2016 SHMA). The HBF is concerned that the Council's assessment of objectively assessed needs (OAN) for housing does not fully accord with the guidance contained within the PPG and is not consistent with other methodologies employed, and found sound, across Cumbria.
24. The 2016 HLS utilises the 2012 based sub-national household projections as its starting point (2012 SNHP). This is considered correct as these were the most up to date projections at the time of publication. Since the 2012 SNHP the Government has provided an update, the 2014 SNHP. The Council will need to consider whether it should update its evidence on the basis of these projections.
25. In considering the SNHP, produced by ONS, it is notable that the four most recent sets of projections have shown a continued decrease in housing requirements for the area. The 2008 SNHP identified a need for 114 households per annum over the plan period (based upon the *What Homes Where* model), the 2011 interim SNHP suggested a slight decrease to 108 household per annum (2011 to 2021). The 2012 SNHP identified a dramatic decrease to just 19 households per annum (2012 to 2031). The most recent 2014 SNHP actually identify a decrease in households over the plan period. This bucks the trend seen within the majority of the country.
26. Whilst the HBF is supportive of the utilisation of the most recent household projections as the starting point for identifying objectively assessed housing needs a thorough consideration of the reasoning behind such trends is required. The Council also must consider whether the continuation of such a trend would be consistent with the Government's desire for plans to be positively prepared, aspirational and to boost significantly housing supply. Therefore whilst the PPG advocates the use of the most recent household projections as the starting point for identifying housing needs it is also clear that;

“The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing. The assessment will therefore need to reflect the consequences of past under delivery of housing. As household projections do not reflect unmet housing need, local planning authorities should take a view based on available evidence of the extent to which household formation rates are or have been constrained by supply.” (PPG paragraph 2a-015).

27. In the case of Barrow-in-Furness past rates of development are likely to have played a significant role in the lowering of the SNHP over successive iterations. The Council’s 2016 HLS identifies that an average of just 69dpa (net) were completed (paragraph 5.6). This is just 46% of the housing target set by the former Regional Spatial Strategy (150dpa). In the five years immediately preceding the 2012 SNHP an average of just under 42dpa (net) were delivered, including 2011/12 when a net figure of -71 dwellings was recorded. Prior to the 2014 SNHP the average delivery reduced even further to just 36dpa (net). This five year period is particularly significant as the SNHP are largely influenced by the preceding five years.
28. The high degree of completions not on allocations also points towards a lack of deliverable sites within the area for a considerable time. These factors will have meant that households either failed to form, remaining concealed, or moved elsewhere to seek appropriate accommodation. Indeed the Council’s 2016 HLS, paragraph 5.15, indicates that prior to the NPPF local and regional policy was one of restriction rather than growth. The restrictive nature of the policies is likely to have led many simply not to apply due to the high probability that they would not get permission. This lack of deliverable sites, poor delivery and restrictive policy will inevitably have impacted upon growth and consequently future housing trends.
29. The Council does not seek to apply any adjustments to the demographic starting point (2016 HLS paragraphs 8.1 and 8.3) despite the clear advice within the PPG. Given the evidence before the Council and experiences of examinations across the country the HBF consider a failure to apply any adjustment to the demographic starting point as a failing in the evidence base and determination of an appropriate OAN. The update fails to consider whether the headship rates identified within the 2012 SNHP should be adjusted to take account of the impact

of the recession and poor track record of delivery or whether a full or partial return to previous trends identified in the 2008 SNHP is warranted, based upon an improving economic picture. This issue is also relevant for the 2014 SNHP.

30. This issue of headship rates is particularly important within the 25 to 34 year old age group, which will have the highest propensity to form households and take-up jobs within the area. This age group is predicted to have a negative trend in terms of household formation over the plan period. The HBF consider it would appear prudent to consider an uplift in headship rates amongst this group, to reverse the negative trend. It is also notable that the Government is actively trying to boost home ownership, particularly amongst younger age groups through initiatives such as *'Help to Buy'* and *'Starter Homes'*. The PPG notes that the household projections do not take account of such policy interventions by Government (PPG ID 2a-015).
31. The 2016 HLS identifies 8 possible options for the OAN of the area. The HBF does not consider that any of the options are soundly based. The Council's chosen option is option 8, 105dpa. The remainder of our response focuses upon this option.
32. The Council adjusts the 2012 SNHP upwards to take into account future employment. The HBF agrees with the principle of applying an uplift based upon potential levels of future employment. This is consistent with the NPPF and PPG which are clear that economic and housing strategies should be aligned. The HBF does, however, have a number of concerns with the assumptions used in option 8.
33. The option is reliant upon a single run of the job projections from Cumbria Observatory for Barrow Borough which suggest 3,750 additional jobs over the plan period. It appears that this is a baseline scenario. No account appears to be taken of the aspirations for 2.2% GVA growth over the plan period and 30,000 new homes across Cumbria, Cumbria Local Economic Partnership *Strategic Economic Plan* (SEP). The SEP identifies additional jobs growth of 4,300 from specific schemes within Barrow-in-Furness, this is greater than the baseline projections. The option also appears to disregard the potential job creation at Barrow Waterfront and other projects, further clarity is required upon this issue.
34. It should also be noted that baseline forecasts from economic models are heavily influenced by events occurring a few years previous. In the case of this modelling work this will not only include the national recession but also the large

scale job losses experienced at BAE systems. Table 24 (*Housing Land Statement 2015*), clearly illustrates the impact that these job losses had upon the local economy. Job growth reduced from 476 FTE annually (2001 to 2009) to 179 FTE annually (2001 to 2011). The modelled figures are therefore heavily influenced by a significant economic downturn. However, the projections provided by the Cumbria Observatory represent only a marginally better scenario of 197FTE annually over the plan period. Given that the 179 FTE figure is inclusive of a period of economic decline and significant job losses within the area the forecast, which is 18 FTE per annum higher, appears unduly pessimistic and should therefore be viewed with caution. The HBF consider that using such an assumed rate of growth is neither positive nor aspirational and will simply lead to further economic decline. The HBF recommend the Council consider to what extent the BAE systems job losses are one-off events which have unduly influenced the economic projections and whether a more positive outlook should be considered for the future.

35. Option 8 also strangely only provides for 90% of the jobs, the reasoning for this is unclear and appears illogical, surely the plan should be aiming to fill all potential jobs rather than fail by 10%. Such an approach is not consistent with a positively prepared plan. The HBF recommends that further information is provided upon why the level of employment growth is considered appropriate and how the proposed housing requirement aligns with future employment aspirations.

36. The option utilises an average household size to determine the likely increase in housing required to meet economic projections. This is inconsistent with the 2012 sub-national household projections (2012 SNHP) which utilise Household Representative Rates (HRRs), formerly known as headship rates. The HRRs are the proportion of people who are household representative persons (formerly heads of household). The 2016 HLS identify an average household size of 2.09 and then uses this to drive the housing need for the option. This methodology is inconsistent with the national projections and pays no regard to the propensity for the rate of household formation amongst different age groups. In reality, the Council's projections provide a static picture of household formation, whereas the SNHP apply rates of change for individual demographic groups; which are combinations of age, sex and relationship status. The rates for groups vary hugely, and therefore a main driver of projected household change is the changing age profile of the population.

37. The use of average household size does not take account of these variations. This is therefore likely to significantly under-estimate housing need. This is because to meet the economic growth projections an increase in working age residents will be required to fill the jobs. These age groups have a greater propensity to form a household and begin a family, or alternatively already comprise a family. As the children of these households grow older they will, themselves, require housing later in the plan period. Furthermore a static household size calculation also ignores the fact that the current population of Barrow is ageing. This is likely to reduce average household size. The reason is that older people on average live in smaller households, as many are empty-nester couples or widows / widowers. This phenomena is described in the 2015 PAS guidance '*Objectively Assessed Need and Housing Targets: Technical advice note*' (paragraphs 6.11 and 6.12).

38. Option 8 takes account of 119 empty homes which were brought back into use. This is a supply side issue and as such should not be considered as part of the OAN calculation. Furthermore 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)."

39. The HBF is unaware of this evidence, particularly in relation to double-counting, and therefore recommends that the 119 dwellings be removed from the calculation.

40. Finally none of the options take account of the need for affordable housing which currently stands at 101dpa, only marginally lower than the proposed housing requirement. It is therefore inevitable that the affordable housing requirements will not be met. In such cases the PPG suggests;

".....An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes. (ID2a-029)"

41. The HBF consider that there are a significant number of flaws within the Council's evidence for its housing requirement, these should be rectified prior to submission, and if required further consultation undertaken. Whilst we have not undertaken any specific modelling, at this stage, it is considered that the OAN and housing requirement should be greater than currently identified. The conclusions of the 2016 HLS indicate that;

“In the absence of any up-to-date POPGROUP modelling, this document identifies several potential figures which could be used to demonstrate objectively assessed need. Each figure uses the latest available household projections from DCLG and makes adjustments for future employment. There is insufficient evidence to suggest that adjustments need to be made for other factors, such as demographics or market signals.”

42. The HBF disagrees with this statement and recommends that the Council undertaken further POPGROUP modelling taking account of the recommendations made in our response to this document as well as those at the preferred options stage.

Five year housing land supply

43. The HBF agrees that a 20% buffer is required due to persistent under-delivery within Barrow. This complies with NPPF, paragraph 47. The HBF also agrees with paragraph 7.1.10 of the Local Plan which identifies that the 'Sedgefield' methodology should be utilised. This is considered to be in compliance with the Governments ambitions to boost housing supply and the PPG (ID 3-035). For clarity the HBF also consider that the buffer should be added to both the housing requirement and buffer.
44. It is noted that the Council currently considers that it does have a five year supply of housing land. Whilst we have not undertaken a thorough analysis of all sites which make up the supply it is notable that there is a heavy reliance (304 dwellings) upon sites which do not yet benefit for planning permission. This raises questions over the validity of the Council's calculation.

Housing Delivery

45. The final paragraph of the policy refers to additional sites being brought forward if the plan is not delivering as expected. This is supported and considered to accord with the NPPF requirements for plans to include 'flexibility and choice'. It is,

however, unclear what would trigger the release of additional sites or how they would be identified.

46. The HBF recommends that key triggers are included within the plan monitoring to indicate when additional sites will be released. It is also recommended that a buffer of sites be included within the plan. This would be consistent with the policy reference to the housing requirement being a net minimum and would provide flexibility and choice. It would also ensure that the plan is able to rapidly respond to changing circumstances, a further key requirement of the NPPF.

47. The need for a buffer is also supported by the recent Local Plan Expert Group¹ 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.

Policy H3: Allocated Housing Sites

48. The HBF does not wish to comment upon the acceptability, or otherwise, of specific allocations at this stage.

49. Notwithstanding our concerns regarding the housing target the HBF is supportive of the Council allocating more land than is required, this will provide a buffer of sites. The reasons for the inclusion of such a buffer are two-fold. Firstly the NPPF is clear that plans should be positively prepared, aspirational and significantly boost housing supply. In this regard the housing requirements set within the plan should be viewed as a minimum requirement, this interpretation is consistent with numerous inspectors' decisions following local plan examination. Therefore if the plan is to achieve its housing requirement as a minimum, it stands to reason that additional sites are required to enable the plan requirements to be surpassed. Secondly, it is inevitable, due to a variety of reasons, some sites will either under-perform or fail to deliver during the plan period. A buffer of sites will therefore provide greater opportunities for the plan to deliver its housing requirement. However in line with our comments upon Policy H1 we recommend a minimum 20% buffer of sites be included within the plan.

Policy H7: Housing Development on Windfall Sites / Policy H9: Housing Density / Policy H10: Housing Delivery

¹ Local Plan Expert Group (2016): Report to the Communities Secretary and to the Minister of Housing and Planning

50. The HBF welcomes the changes to the policy since the previous consultation. These accord with our earlier comments. In terms of additional allocations being brought forward (Policy H10) I refer the Council to our comments at paragraph 46 of our response to Policy H1.

Policy H11: Housing Mix

51. The policy generally takes account of our previous concerns expressed at the Issues and Options stage. It is, however, considered that criterion 'e' should also include reference to "housing market conditions *and demand* at the time of the application". This would ensure that consumer aspiration, not necessarily covered by the SHMA, can be provided for. This will benefit the area by assisting to retain and attract residents to the area.

Policy H12: Lifetime Homes

52. The HBF is supportive of providing for the needs of older people and other specialist groups. The HBF welcomes the amendments to the policy which correctly identifies, due to a lack of evidence, that the Council will encourage rather than require the optional standards. It is, however, considered that greater clarity upon this could be provided in the justification.

Policy H14: Affordable Housing

The HBF consider the policy unsound as it is not adequately justified or effective.

53. The need for affordable housing is not disputed. The 2016 SHMA identifies an unmet imbalance of 101 affordable units per annum. The desirability to meet this need must, however, be weighed against the impacts that the policy requirement has upon the viability of development. It is noted that the policy does include flexibility by the inclusion of a sentence upon viability. Whilst this is supported it is imperative that the policy requirement is set at a level which is deliverable in the majority of cases.

54. Neither the policy, nor supporting text, include any guidance upon the desired tenure split. Whilst flexibility is good, the lack of clarity makes it difficult for a developer to determine the likely financial implications of the policy. This will inevitably lead to delays due to the need for negotiation upon every site. It also undermines the validity of the *2016 Barrow Local Plan Viability Report*, which is based upon a 50:50 split between affordable rent and intermediate tenure (paragraph 5.48), if a different split is requested.

55. The HBF has a number of other concerns with the viability report, which require further information or consideration. The build costs are not related to BCIS, as recommended by the 2012 Local Housing Delivery Group report², and the PPG (ID 10-013) but are based upon WYG Quantity Surveyors calculations (paragraph 5.76). This is rather opaque and may under estimate costs particularly for smaller developers.
56. It is understood to inform the sales values assumptions in the report a review of new build and re-sales has been undertaken. Whilst this is considered generally appropriate it is not clear whether the values obtained from new build are applied to Net Sales Area or Gross Internal Area. We recommend a consistent approach is taken and that Net Sales Area is used.
57. The policy requires 10% of affordable housing to be provided on sites of 10 or more units. The viability report indicates that such a requirement is unviable within the lower value zone and is at best only marginal on greenfield sites within the medium value zone. The higher value areas do, based upon the assumptions within the model, appear to be viable with a 10% affordable housing contribution.
58. The Council will be aware that the PPG is clear that;
“Plan makers should not plan to the margin of viability but should allow for a buffer to respond to changing markets...Where affordable housing contributions are being sought, planning obligations should not prevent development from going forward” (ID 23b-005).
59. Given the disparities across the plan area and the guidance with the PPG the HBF recommends that the policy be amended to indicate that affordable housing is not sought within the lower value zone and consideration given to a lower requirement in the medium value zone.

Information

60. The HBF would like to be made aware of the following;
- Submission of the plan for examination;
 - The publication of the examiner’s recommendations and any publicly available correspondence regarding the plan; and the
 - Adoption of the plan.

²Local Housing Delivery Group (2012): Viability Testing Local Plans

61. I would be happy to discuss any of the issues raised in this representation further prior to submission of the document.

Yours sincerely,

MJ Good

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