

Hyndburn Borough Council,  
Plans and Environment,  
Scaitcliffe House,  
Ormerod Street,  
Accrington,  
BB5 0PF  
Email: [planning@hyndburnbc.gov.uk](mailto:planning@hyndburnbc.gov.uk)

07/11/2016

Dear Sir / Madam,

**Hyndburn Borough Council Local Plan: Development Management DPD  
(Publication Version)**

1. Thank you for consulting with the Home Builders Federation (HBF) on the Publication version of 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. The Council will be aware that we submitted comments upon the previous version of the plan, dated 23<sup>rd</sup> March 2016. Whilst it is noted that some minor changes have been made a number of outstanding issues remain. These issues are re-asserted in this response.
4. **The HBF would like to participate in the examination in public hearing sessions to debate the following matters further.**

**General comments**

5. The Council will be aware of the Governments desire for plans to be kept up to date. 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of failing to have an up to date local plan due to the fact its housing requirement, set within the Core Strategy, is out of date.
6. 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”.

7. The housing requirement is therefore based upon the now revoked RSS and as such can be considered out of date. Whilst this does not necessarily make this document unsound it does have implications for certain policies, such as affordable housing.
8. Since the 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.
9. 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”.*
10. 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).
11. 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.

12. 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 GC2: Infrastructure, Planning Obligations and CIL**

The policy is considered unsound as it is contrary to national policy.

13. Part 2(b) of the policy indicates that developments will be required to provide or make contribution to specific requirements set out within Supplementary Planning Documents (SPDs). This suggests that an SPD may be used to place further burdens upon a development.

14. The NPPF, paragraph 153, clearly states that;

*“...Supplementary planning documents should be used where they can help applicants make successful applications or aid infrastructure delivery, and should not be used to add unnecessarily to the financial burdens on development.”*

15. The PPG builds upon this stating;

*“...Supplementary planning documents should not be used to add unnecessarily to the financial burdens on development and should not be used to set rates or charges which have not been established through development plan policy...”* (PPG ID 23b-003)

16. The policy, does therefore, appear to place undue emphasis upon the role of SPDs. It is therefore recommended that the reference to SPDs be struck from the policy or the wording be appropriately amended.

17. Part 3 of the policy appears to imply that the requirements of the policies listed ‘a’ to ‘h’ will be required in every case. Given this implication is not consistent with the wording of the listed policies it is not considered that this is intentional. The HBF therefore recommends a minor alteration to part 3 of the policy to read;

*“...The DM DPD contains a number of policies requesting S106 contributions, which are summarised below. These will only be sought where **required and appropriate mitigation or compensation measures cannot be secured through the use of planning conditions...**”*

### **Policy DM10: New Residential Development**

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

18. The policy identifies a broad range of criteria for new residential development, many of which are considered to be generally appropriate, however some are considered unsound. There are also several cross references to other policies proposed within the draft *Development Management DPD*, some of which we consider unsound. In such cases we have raised this against the main policy to avoid duplication (e.g. Policy DM16).

19. 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.”*

This requirement is also duplicated in Policy DM26 of the plan, but in no greater detail. The following comments are therefore relevant to both policies.

20. 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.

21. The supporting text (paragraph 5.7) identifies that applicants will be expected *“...to use the principles set out in Building for Life 12 (BfL 12)...”* 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 amend the policy to ensure that this is 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**

The policy is unsound as it is not justified by the evidence.

22. 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.
23. 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.
24. 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.”*
25. 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.
26. The Council has recently concluded (October 2016) an *‘Economic Viability Study’*. This indicates (tables 6.1 to 6.12) that the 20% affordable housing contribution is either unviable or marginal across a wide swathe of the plan area. The only exception being within zone 1 and zone 2 (higher densities). The NPPF is

clear that the cumulative impacts of policies and obligations should not put the delivery of the plan at serious risk (paragraph 174). The PPG builds upon this and also advocates a viability buffer be built into the testing;

“Plan makers should not plan to the margin of viability but should allow for a buffer to respond to changing markets and to avoid the need for frequent plan updating. Current costs and values should be considered when assessing the viability of plan policy. Policies should be deliverable and should not be based on an expectation of future rises in values at least for the first five years of the plan period...” (PPG ID 10-008).

27. Given the evidence suggests that many of the tested sites are currently either unviable or marginal it is recommended that the policy be amended to reflect this through lower affordable housing contributions across more marginal areas of the district.
28. Furthermore whilst the study suggests that larger sites tend to be more viable, the HBF does query the assumed Section 106 / 278 contributions for such sites. The study assumes just £500 per unit. In our experience this is low for any site but particularly for larger sites where infrastructure requirements are often significantly higher.
29. The analysis of previous S106 costs, at appendix 6 of the viability report, is noted. However, this only takes account of previous infrastructure requirements and not future requirements. The future requirements should be identified through an up to date infrastructure delivery plan. It is also notable that the sites analysed at appendix 6 are generally quite small and indeed none exceed 100 units. The HBF therefore question the veracity of the assumed £500.
30. It is recommended that further consideration of the likely Section 106 and 278 costs is undertaken. This should take into account an understanding of likely future infrastructure requirements across all sites, but in particular larger sites.
31. 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.

32. 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 and specific housing types. 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.

33. The HBF supports part 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**

The policy is considered unsound as it is not justified.

34. 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.*

35. Whilst the consultation document references the 2014 SHMA as fulfilling these requirements there are obvious gaps in the evidence base. 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 and how needs vary across different tenures. These issues all need to be addressed and clarified to ensure the introduction of the optional standards can be adequately justified.

36. In terms of viability it is noted that optional Building Regulations Requirement M4 (2) Category 2 is taken into account within the Council's 'Economic Viability Study'. As already noted against Policy DM12 above viability issues are already apparent within parts of the plan area without the imposition of additional optional standards. It is therefore unclear how the optional standard can be justified in these areas based solely upon the viability considerations. Furthermore it is noted that the viability study utilises a cost of £1,000 for this optional requirement. This is below the findings of the Housing Standards Review – Cost Impacts report prepared by EC Harris LLP<sup>1</sup> which suggest a cost of between £1,100 and £1,400. These higher costs would inevitably impact upon viability further.

37. 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.*

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- *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.*

38. As it stands, the Council is taking a one-size-fits-all approach. There is no assessment of the need for and effects of NDSS adoption across different forms of residential development, whether new-build or conversion. It is noted that at the previous consultation the Council intended to provide further evidence to justify the introduction of the NDSS (Development Management DPD: Consultation Draft Regulation 18, paragraph 5.40). Other than the viability evidence the HBF is unaware any further evidence has been provided. As noted against Policy DM12, above, viability is already problematic across much of Hyndburn and as such the justification for the policy is questionable.

39. The 2014 SHMA notes 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) as well as buying 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.

40. Furthermore the blanket introduction of the space standards may actually reduce choice. This is because many developers have entry level three and four bed properties, some of which may not currently meet the space standard. These types of properties provide a valuable product for those with a need for a certain number of bedrooms but who are unable to afford larger three and four bed properties. The consequent increase in costs and reduction in variety could have a detrimental effect upon affordability and delivery, particularly in more marginal areas. Given the Council is already failing to meet its affordable housing needs in full this should be a key consideration.

41. It should also be noted that the HBF undertakes an annual customer satisfaction survey of new home buyers. The most recent survey identified that 86% of buyers were satisfied with the quality of their new home and 92% were satisfied with the internal layout. The full report can be accessed at [www.hbf.co.uk](http://www.hbf.co.uk). It is therefore clear that the vast majority of new home buyers are very happy with the homes currently being built and they meet their needs.

42. 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.

**Policy DM26: Design Quality and Materials**

The policy is considered unsound as it is not justified.

43. Part 1(f) relates to the NDSS and optional accessibility standards and Part 3 of the policy 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.”*

44. These issues are discussed against Policies DM10 and DM16 above and as such are not duplicated here.

**Further Information**

45. 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.
46. 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](mailto:matthew.good@hbf.co.uk)  
Tel: 07972774229