



THE HOME BUILDERS FEDERATION

Date: 19th March 2015

Consultee ID: 755915

Matter: 4

PENDLE CORE STRATEGY PLAN EXAMINATION

MATTER 4: THE HOUSING REQUIREMENT

Question 1: Is the housing requirement justified taking into account population and household growth projections, including migration and demographic change, market signals and proposed economic growth? Do any recently released figures suggest that the requirement should be amended?

1. The HBF does not consider that the chosen housing requirement is fully justified. The recent release of the 2012 based sub-national household projections (2012 SNHP) provide the most up to date projections and in accordance with the PPG should be utilised as a starting point for consideration of the objectively assessed housing needs of the area. Over the period 2011 to 2030 the 2012 SNHP identify a net requirement for 4,017 dwellings. This is lower than the previous projections, but as noted above is only the starting point for identifying objectively assessed housing needs. Due to issues of under-delivery (discussed against question 2 below), the need for affordable housing (discussed against question 3 below) and potential economic growth the HBF considers that a higher housing requirement is necessary to meet the full housing needs of the area.
2. In terms of economic growth the Council has undertaken an analysis of the impact of various scenarios upon the housing requirement (documents CD/04/01 and CD/04/02). The HBF generally agrees with the approach taken to identifying a housing requirement but considers the chosen scenario to be overly pessimistic. Within paragraphs 22 and 23 of our comments upon the Pre-submission Core Strategy the HBF notes that the chosen housing requirement would not be sufficient to meet the previous rates of employment growth within Pendle which identified a housing requirement of 416dpa or 323dpa (if commuting ratios were to decrease as modelled) was needed.
3. The HBF remains unclear why the Council is not seeking to meet its economic potential by placing a constraint upon housing growth and as such we recommend a higher housing requirement which more closely accords with the economic potential, considers the previous under-delivery and better meets affordable housing needs is considered.

Question 2: Do the 2012-based SNPP form a reasonable basis for assessing the housing requirement given the extent that they have been influenced by low completion rates in recent years?

4. Both the 2012 based SNPP and more recent 2012 based SNHP are influenced by a significant period of recession. In such cases the recent case of Gallagher Homes Limited & Lioncourt Homes Limited v Solihull Metropolitan Borough Council [2014] EWHC 1283 (Admin) indicates at paragraph 37;

‘....An objective assessment of housing need may result in a different figure from that based on purely demographics if, e.g., the assessor considers that the household projection fails properly to take into account the effects of a major downturn (or upturn) in the economy that will affect future housing needs in an area....’

5. Within Pendle the five years between 2008/9 to 2012/13 have been typified by extremely low rates of net housing completions with just 40 net additional dwellings over the period, or just 8 per annum. This is in contrast to much higher rates of completions over the preceding 5 years. Whilst it is recognised the rate of demolitions since 2008/9 has influenced the net completion rate this low rate of completions will inevitably have had a significant negative impact upon the trend based household projections for Pendle.

| Pendle Net housing completions (Pendle AMR 2012/13 ref: CD/02/3b) | |
|--|-----------------|
| Monitoring Year | Net completions |
| 08/09 | -46 |
| 09/10 | -67 |
| 10/11 | 62 |
| 11/12 | 61 |
| 12/13 | 30 |
| Cumulative total | 40 |

In such cases the PPG is clear that in cases where;

‘.....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’ (ID 2a-015-20140306)

6. The HBF therefore considers that whilst the 2012-based SNHP represent the most up-to-date information upon household growth they will have been suppressed within Pendle due to poor delivery levels.
7. The 2014 Housing Needs Study update (ref: CD/04/02) indicates that past under-delivery should be incorporated into the housing requirement giving

rise to an additional 12dpa over the 19 year period (paragraph 5.12). Whilst the HBF supports this approach it appears that the substantive effects of the under-delivery upon the projections for the plan period have been largely ignored. This is because the migration flows which underpin the modelled scenarios are based upon the forecast migration flows from the 2012 based SNPP (paragraph 4.3, CD/04/02). The migration flows will therefore have been skewed by the lack of delivery of new housing within Pendle since 2008/9.

8. The HBF therefore concludes that the approach taken does not take full account of this under-delivery and as such whilst the 2012 based SNPP are the most up to date projections there is a need for a significant uplift to deal with the level of recent under-delivery.

Question 3: Is the housing requirement justified taking into account the need for affordable housing and homes for different groups, the demand for housing and the need to boost significantly the supply of housing?

9. The NPPF, paragraph 47, requires plans to meet the full needs for both market and affordable housing in the market area. The Burnley and Pendle SHMA (ref: CD/04/01) identifies at paragraph 11.8 a net annual need for 672 affordable dwellings over next five years within Pendle (including addressing current backlog). Paragraph 11.9 further notes that even when this requirement is considered against net household projections this still equates to 236 per annum (approximately 80% of the proposed housing requirement).
10. The Council's viability evidence (ref: CD/07/01) clearly demonstrates that such levels of affordable housing will not be achieved within Pendle, based upon the current housing requirement. In such cases the PPG advises;

'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'. (ID 2a-029-20140306)

11. The Council has not sought to meet the full needs for affordable housing and therefore is contrary to NPPF paragraphs 47 and 159 and as such must be regarded as unsound. To rectify this issue an uplift in the overall housing requirement is required to meet these needs.

Question 4: Have the options for higher growth options identified in the Strategic Housing Market Assessment (SHMA) been fully considered, including their potential impacts?

12. The HBF notes the discussion upon the modelled housing growth scenarios within the Burnley and Pendle SHMA (CD/04/01) and subsequent Pendle update (CD/04/02). These studies identify that the objectively assessed housing needs of the area fall within the range 280 to 320dpa and 250 to 340dpa respectively. Given the issues raised within questions 1 to 3 above the HBF recommends that a higher overall housing

requirement is needed. The HBF remains unclear if and how the Council has fully considered the potential benefits of such a higher requirement.

Question 5: Is there sufficient flexibility built into the housing requirement?

13. Notwithstanding the HBF concerns regarding the overall housing requirement it is considered that it should be expressed as a minimum requirement. This would be in keeping with the NPPF requirements to plan positively and boost significantly the supply of housing.

14. Policy LIV1 identifies that *‘Where evidence of further need or demand is identified additional dwellings will be provided’* this is considered a positive statement and one which the HBF generally supports. It is, however unclear how this will work in practice. In addition the policy further indicates that reserve sites may be included within the Site Allocations and Development Policies DPD. The HBF supports such an approach as this will provide additional flexibility should the proposed allocations fail to deliver as envisaged.

Question 6: Is the stepped approach to housing delivery justified? Will it fully meet the need and demand for housing in the early years of the plan?

15. The HBF does not consider that the stepped approach to housing delivery is justified. The reasoning behind our conclusions are set out within our comments upon the Pre-submission Core Strategy, paragraphs 26 to 28.

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