Key Issue: Does the Core Strategy make appropriate provision for the effective delivery of new housing in Hyndburn, including the overall provision of new housing, the scale and distribution of new housing growth, affordable housing and provision for gypsies and travellers, having regard to national policy, and is it fully justified and supported by an up-to-date, credible and robust evidence base?

Blackburn with Darwen Borough Council (BwDBC) considers that in most respects the housing policies proposed in the Core Strategy fulfil these requirements. The one exception is the affordable housing policy H2, which is not an appropriate response to the evidence and is inconsistent with adopted Core Strategy policy in Blackburn with Darwen, which is part of the same housing market.

5.1 Overall provision of Housing

Blackburn with Darwen has raised no issues in relation this aspect.

5.2 Housing mix (Policy H1)

Blackburn with Darwen has raised no issues in relation this aspect.

5.3 Affordable Housing (Policy H1)

a. Does the policy and accompanying text provide sufficient guidance about the provision of affordable housing, in line with national policy (PPS3; ¶ 29), particularly in terms of:

i) the overall target for the amount of affordable housing to be provided (including separate targets for social-rented and intermediate affordable housing), and the size and type of affordable housing;

ii) the range of circumstances in which affordable housing will be required (including indicative site size thresholds and proportion of affordable housing);

iii) the approach to seeking developer contributions to facilitate the provision of affordable housing?

5.3.1 BwDBC has raised no issues in relation to the clarity of the policy.

b. Is the need for affordable housing supported by evidence, including an up-to-date Housing Needs Survey / Strategic Housing Market Assessment; are the affordable housing target, threshold and proportion fully justified, supported by an informed assessment of their economic viability and consistent with those of adjoining districts; and how will sufficient affordable housing be delivered?
5.3.2 The affordable housing policy is not justified or supported by the evidence, and is not consistent with that of the adjoining Blackburn with Darwen Borough despite the fact that the two authorities are in the same housing market area.

### Not justified or supported by evidence

5.3.3 The overall affordable housing target of 20% is supported by the evidence, including the 2009 Blackburn with Darwen / Hyndburn Strategic Housing Market Assessment and Hyndburn's Affordable Housing Viability Study carried out by Tribal in 2009. It is also consistent with that found in Blackburn with Darwen's Core Strategy. This would be expected given that the two authorities are part of the same housing market, and that their affordable housing policies are informed principally by the same Strategic Housing Market Assessment.

5.3.4 However the site size threshold of 15 units, below which no affordable housing or contribution in lieu is required, is not supported by the evidence, either on need or on viability.

#### Evidence on need

5.3.5 Importantly, in common with Blackburn with Darwen, the absolute level of affordable housing need in Hyndburn is greater that that which will be delivered by the 20% target (approx. 38 per year based on 20% of 189). The total net annual need for Hyndburn revealed by the SHMA (p151) is for 665 units per year. Although the SHMA acknowledges that a large proportion of this will be met by lets in the private rented sector, it concludes (at para 6.42 p161) that there will still remain an unmet need of 156 units per year. In addition much of the need that is met through lets in the private sector will in fact be in unsuitable housing. As a result the total outstanding affordable housing need in Hyndburn will be something over 156 per year, or 82% of the overall annual housebuilding target.

5.3.6 The 20% requirement in the policy must therefore be understood to be constrained by viability. If the viability picture were stronger there would be the potential to justify a higher target given the extent of need. The role of viability as the constraint is recognised by the SHMA (para 8.23 p229), and by HBC's affordable housing viability study which concludes that there are significant viability issues across all types of site.

5.3.7 In a situation where the evidence shows that the proposed target will (for clear viability and other good planning reasons) not come close to addressing the full extent of need, it is BwDBC's view that policy should be framed so as to maximise the chances of securing affordable housing within the overall target. This has informed the position taken in BwDBC's own adopted Core Strategy which adopts the same 20% target but applies this to all developments with no minimum threshold. The application of the 15 unit threshold in Hyndburn's Core Strategy eliminates any possibility of securing affordable housing, or a contribution towards it, from smaller developments. As such it is not an appropriate response to the evidence on need.

#### Evidence on viability

5.3.8 The Hyndburn Affordable Housing Viability Assessment concludes that there is no economic viability reason for applying a site size threshold to the affordable housing policy. The study does go on to suggest that retention of the threshold is justified by the fact that the management of very small numbers of affordable houses on a site is not an attractive option for RSLs.

5.3.9 The RSLs' objection to managing small numbers of units on a site below 15 dwellings will not apply if provision on small sites is secured via a commuted sum rather than
through affordable units on site. This option remains open under Core Strategy Policy H2, whose supporting text states that affordable housing will “normally” (hence not invariably) be provided on site. In conjunction with the consultants’ conclusion that there is no viability reason to apply a threshold, this means that there is nothing in the Tribal report to provide evidence supporting a threshold.

5.3.10 Notwithstanding this, HBC’s Housing Topic Paper states (at para 5.5 p13) that “it is the Local Planning Authorities (sic) view that given the housing market conditions in the Borough the setting of a threshold is academic” and that “the reduction or removal of a threshold would not result in more affordable homes being provided either now or in the future when market conditions improve.” The paper goes on (in para 5.6) to refer to identified differences between the strength of viability between the Blackburn with Darwen and Hyndburn markets.

5.3.11 It appears from these parts of the Topic Paper that HBC does regard viability as the main justification for retaining a threshold; and that this is seen as being the case not only in the current extremely difficult market, but generally. However this is directly contrary to the published evidence base in the form of the Tribal viability assessment; and no new planning evidence is adduced to inform a different position now.

Other evidence

5.3.12 There is also no positive evidence as to why the threshold is 15 units rather than any other number. HBC’s Housing Topic Paper simply indicates (at para 5.2) that the authority has “chosen” not to deviate from the indicative threshold in PPS3.

Not consistent with policies of adjoining districts

5.3.13 There is no automatic requirement for policies of adjoining districts to be consistent, though clearly they should not conflict with one another and have historically been shaped in similar directions by strategic policy.

5.3.14 However in respect of housing policy, Blackburn with Darwen and Hyndburn form part of the same functional housing market. This is why the two authorities have worked closely together and commissioned joint evidence on housing, in particular the 2009 Strategic Housing Market Assessment. In this instance, quite apart from the fact that the two authorities’ policies proceed from the same evidence base and so logically ought to come to the same conclusion, consistency is a desirable end in its own right.

5.3.15 BwDBC successfully demonstrated at its own Core Strategy examination in 2010 that a “no threshold” policy was the appropriate response to the evidence base. It has now adopted its Core Strategy incorporating this policy.

5.3.16 It is BwDBC’s strong view that given this, there is now a need for the planning policy framework on this issue to be consistent between the two authorities. An inconsistent approach will undermine the principle of a single housing market, and is likely to harm BwDBC’s own housing delivery and regeneration objectives as the Hyndburn policy might be seen as less “onerous” by developers of small sites.

Conclusion

5.3.17 The threshold of 15 units, as set out in Hyndburn Core Strategy Policy H2, is not justified by the evidence on affordable housing need or viability, is not supported by any positive evidence, and is inconsistent the adopted policy of an adjoining Borough which forms part of the same housing market.

5.3.18 In circumstances where housing need remains very considerable (and where delivery has been made still more challenging by the fall-out of grant), the application of a
policy that fails to maximise the prospect of securing affordable housing or contributions to it, by eliminating any possibility of contributions from small sites, regardless of whether they could actually contribute, is an inappropriate response to the evidence.

5.3.19 As such the Core Strategy is unsound.

**Desired Change**

5.3.20 In order to make the Core Strategy sound in this respect BwDBC wishes to see Policy H2 amended as follows:

"On developments of 15 or more houses all residential developments 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."