

Kirklees Local Plan Examination

Stage 4 – Matter 4 (April 2018) – Housing Land Supply and Delivery

Explanation of the council’s preferred five year supply approach

Introduction

- 1.1 At the original Matter 4 hearings (October 2017) the council evidence demonstrated a five year supply of deliverable housing capacity from the adoption of the Local Plan. The council has since re-calculated the land supply information following the Stage 1 discussions, Stage 4 site-specific hearings and the passage of time since submission of the plan. Following these changes, the council can demonstrate 4.9 years supply from adoption of the plan using the “Sedgefield” approach of overcoming the shortfall since the start of the plan period during the first five years. It should be recognised that this position is subject to the further refinement of several site options.
- 1.2 As a result of this change in circumstances, the council set out a number of five year supply calculation options in EX45¹ to be discussed at the re-convened Matter 4 hearing in April 2018. These options included the five year supply approach in the submitted plan (Option A, Table 6, page 6 of EX45).
- 1.3 Two overarching options were set out (Option A: annualised average requirement and Option B: stepped delivery) each with a sub-option showing how the shortfall in completions since the Local Plan base date would be dealt with. The sub-options for each category were the “Sedgefield” approach (overcoming the shortfall since the Local Plan base date in the first five years) and the “Liverpool” approach (overcoming the shortfall since the Local Plan base date over the remainder of the plan period):
 - Option A: Annualised average requirement (31,140 dwellings delivered equally over 2013-2031 = 1,730 per annum):
 - “Sedgefield”
 - “Liverpool”
 - Option B: Stepped housing requirement (31,140 dwellings delivered including 1,400 dwellings per annum from 2013/14 to 2019/20 followed by 1,940 dwellings per annum for the remainder of the plan period):
 - “Sedgefield”
 - “Liverpool”
- 1.4 As set out in the remainder of this note, the council have concluded that Option B (stepped delivery) approach with the “Liverpool” method of overcoming past shortfall is the most appropriate approach to meeting the development needs in Kirklees during the plan period and ensuring plan-led development in Kirklees. This note should be read in conjunction with EX45 (Housing Phasing and Delivery Options Paper, April 2018).
- 1.5 Potential modifications included in this document have not been subject to sustainability appraisal testing or public consultation. Should it be necessary to make any modifications these will be added to the full schedule of modifications to the Local Plan which will be made

¹ EX45 – Housing phasing and delivery options paper (April 2018)

available for comment and subject to sustainability appraisal at a later stage of the Examination in Public, subject to the delegated powers agreed by the council's Cabinet.

Stepped delivery

- 1.6 Past housing delivery rates have been relatively low in Kirklees (averaging 1,049 dwellings per annum on average in the 10 years to 2016/17). The stepped housing requirement approach acknowledges the lower past delivery rates and has a lower initial requirement to allow time for the Local Plan and the sites it allocates to have an impact before the housing requirement increases. This particularly relates to sites currently subject to policy constraints such as green belt sites and also strategic sites which partially rely on the provision of infrastructure and therefore have longer lead-in times. These issues were discussed at the Stage 4 hearings.
- 1.7 The stepped housing requirement of 1,400 dwellings in the early part of the plan period (as set out in EX45) is evidence based as it reflects the average of the completions since the Local Plan base date (2013) plus existing commitments and capacity expected to be delivered from Local Plan allocations to 2019/20. The step change to 1,940 per annum from 2020/21 reflects the increase in deliverable land options following adoption of the Plan and still allows the housing requirement to be met during the plan period.
- 1.8 The site specific evidence discussed at the Stage 4 hearings has informed the phasing information. The phasing table and housing trajectory are indicative as it is impossible to evidence the actual annual delivery which will occur on each site as this is controlled by the developers, landowners, site specific sales rates and other market conditions. The stepped housing requirement therefore provides the flexibility to deal with changing circumstances.

Meeting shortfall since the start of the plan period

- 1.9 The council is of the view that the reasons which justify the stepped delivery are also considerations in determining how the shortfall since the Local Plan base date is overcome. In addition, even using the stepped housing requirement there is still an existing shortfall of 875 dwellings since the Local Plan base date. The "Liverpool" method of meeting this shortfall over the plan period provides sufficient time to catch up with the past under-delivery, especially as the requirement will step up in 2020/21.
- 1.10 Applying the "Liverpool" method allows the flexibility to ensure past shortfalls can be overcome during the plan period when the most land is available, particularly due to the removal of green belt constraints on sites and strategic sites where lead-in times show delivery towards the end of the five year supply period or beyond it. In the years following Local Plan adoption it minimises the risk to the five year supply especially if there is a further poor year of delivery by avoiding further shortfalls having to be overcome in the first five years.
- 1.11 The "Liverpool" approach also minimises risks in relation to meeting the Housing Delivery Test and potential risk of an early plan review which could be triggered through annual monitoring. The application of the "Liverpool" method of overcoming the shortfall since the start of the plan period does not affect the overall delivery of housing during the plan period and as such the Objectively Assessed Need for housing can still be met during the plan period. The "Liverpool" approach therefore provides further flexibility to add to that provided by the stepped housing requirement whilst still ensuring compliance with national policy and meeting housing needs.

Preferred approach summary

- 1.12 The council's preferred stepped approach (Option B with the "Liverpool" method of overcoming the shortfall) shows that the five year supply can be demonstrated and that this position is not as marginal as for other options considered so presents less risk and provides sufficient flexibility to adapt to changes in delivery.
- 1.13 The preferred approach therefore provides a greater chance of the plan-led system being successfully implemented (in accordance with NPPF) by providing the flexibility to resist challenges to the five year supply during the early part of the plan period. This preferred approach still demonstrates that the Objectively Assessed Need for housing can be met during the plan period and is therefore NPPF compliant. It also still boosts significantly the supply of housing during the plan period whilst allowing the Local Plan strategy to lead the development in the district throughout the entirety of the plan period. The approach also minimises risks to the plan-led system by taking into account the low housing completions to date and provides flexibility if changes to delivery rates occur on sites.

Other approaches

- 1.14 Option A (annualised average requirement) with "Sedgefield" was presented as a potential approach but this only demonstrates 4.9 years supply so the council do not feel that such an approach is justified.
- 1.15 The remaining options presented in EX45 comprised Option A (annualised average requirement) with a "Liverpool" approach to meeting shortfall and Option B (stepped requirement) with a "Sedgefield" approach to meeting shortfall. These two options show a five year supply from adoption of the plan as set out in EX45 (Table 9). The council feel that the risks to the plan-led system and five year supply would be greater using either of these options as they both offer less flexibility than the council's preferred approach. The council would, however, recognise that both options are capable of being found 'sound' as a five year supply could be demonstrated at adoption.
- 1.16 It should be recognised that all of these options are subject to the further refinement of several site options.

Conclusion

- 1.17 As set out in this note, using both the stepped approach and "Liverpool" method ensures that development can be plan-led rather than the five year supply potentially being undermined shortly after adoption.
- 1.18 The council's preferred approach incorporating the stepped and "Liverpool" approaches accords with the Spatial Development Strategy (SD1) which will state that the requirement of 31,140 dwellings is a minimum but does not specify an annual housing requirement. It should also be noted that the council are not proposing a restrictive phasing policy so sites would not be prevented from delivering homes earlier than anticipated.