



31 August 2017
Consultee ID: 941843/942144
Matter 3

Kirklees Local Plan Examination

Matter 3 – Overall Housing Need

This statement is prepared by WYG Planning Limited (WYG) on behalf of our client Strata Homes (Yorkshire) Limited ('Strata' or 'our client').

WYG submitted representations on behalf of Strata in relation to the Publication Draft Kirklees Local Plan in December 2016 which focused on the decision of Kirklees Council to include as a housing allocation a site known as land between Richmond Park Avenue and Sunnyside Avenue, Roberttown (Local Plan SHLAA Ref No H442).

This response seeks to address the key issues to be discussed at the forthcoming Examination Hearing concerning Matter 3. Please refer to our Hearing Statements to other matters which provides further details on our client's interest in this site.

Our response is structured such that it follows the questions posed in the Matters and Issues Agenda and should be read in conjunction with the representations we have previously submitted on behalf of our client.

Issue – Is the identified objectively assessed need of 31,140 dwellings soundly based and supported by robust and credible evidence.

a. Does the identified Kirklees Housing Market Area provide a robust and appropriate basis for assessing housing needs?

The Housing Technical Paper (SD23) comments that the housing market geography of Kirklees is complex and linked to the wider Leeds City Region. Bringing together previous research undertaken in 2010, 2014 and 2016, the Technical Paper concludes that although there are cross boundary linkages, Kirklees is a self-contained housing market area for the purposes of Local Plan policy making. The client broadly accepts this conclusion.

b. Do the demographic based projections in the Council's Strategic Housing Market Assessment provide a suitable starting point for establishing objectively assessed housing need?

Yes

c. Is the applied jobs growth uplift rate (based on projected growth over the Plan period) soundly based and justified? In particular:

- **Are the economic assumptions underpinning this forecast, namely a 75% employment rate and 4.5% unemployment rate achievable by 2031?**
- **Why was the jobs growth SENS1 scenario used instead of the CORE scenario? How does this fit with the aim in the Plan and the Council's Economic Strategy (LE6) of achieving a 75% employment rate over the Plan period?**

The Council in partnership with the Combined Authorities Regional Economic Intelligence Unit (REIU) produced a series of jobs growth forecasts for Kirklees which are presented in the Employment Technical Paper (SD22). The scenario based on the successful implementation of the Kirklees Economic Strategy and the achievement of a 75% employment rate (Scenario Jobs Led B – 75% Employment



Rate – SENS1) is viewed by the Council as being the preferred approach. The client considers that whilst challenging, this jobs-led growth scenario is nevertheless achievable.

In terms of the chosen employment rate of 75%, this is considered to be realistic and achievable (for the 16-64 age group). In fact, since the publication of the Employment Technical Paper in April 2017, the employment rate has risen from 69.3% (the figure referred to in the Technical Paper as at September 2016), to 71.1% in March 2017 (NOMIS). In the space of 6 months, there has been a 1.8 percentage point increase in the employment rate. Therefore, achieving 'around 75%' is not considered to be unrealistic particularly if the investment opportunities identified in the Kirklees SEP and the Leeds LEP are realised.

The 23,200 jobs growth forecast from the Jobs Led (SENS1) scenario above has then fed into the demographic projections presented in Edge Analytics Demographic Scenario Analysis for Kirklees Council. The Council's preferred scenario from the demographic analysis (also identified as SENS1) identifies a dwelling need of 31,140 dwellings equating to 1,730 per annum. However, the economic assumptions which underpin this scenario (SENS1) in the demographic analysis relate to an economic activity rate for the labour force being maintained at its base year level of 68%, but applied to an extended 16-74 age range, coupled with an unemployment target of just 4%.

In terms of the unemployment rate, 4% does not seem to be realistic for Kirklees having regard to previous unemployment levels. Even the 'pre-recession' period saw unemployment levels of between 4.3% and 4.7%. Therefore, whilst an unemployment target of 4.5% by 2031 would appear to be 'challenging' but achievable (presented in the Core Scenario), a target of 4% does not. Furthermore, applying the 'economically active in employment target' to an extended age range of up to 74 means that a significantly greater number of those over the age of 64 will need to continue to work than is currently the case. Even allowing for adjustments to the State Pension Age, the target does not seem realistic (or even appropriate).

There would therefore appear to be a discrepancy between the economic assumptions used to identify jobs growth over the 2013 – 2031 period (23,200 jobs) and those used to identify dwelling need over the same period in the demographic projections (31,140 dwellings). The economic assumptions used to identify jobs growth are supported. The economic assumptions used to identify dwelling need in SENS1 of the demographic analysis are however questioned.

Notwithstanding, the economic assumptions used in the Core (Jobs led) Scenario presented by the Demographic Scenario Analysis are more compatible (a 4.5% unemployment target with uplifts in economic activity rates applied to the 60-69 age groups in stages to account for changes to the SPA). However, this scenario identifies 35,980 dwellings (1,999 per annum). The 1,730 dwellings per annum target in the Draft Local plan (based on the SENS1 scenario) should therefore be viewed as an absolute 'minimum' if maintained and the policy worded accordingly.

d. Are the headship rates applied in the SHMA justified and based on robust evidence?

No further comment

e. Does the assessment of OAHN take sufficient account of (i) market signals, and (ii) backlog in delivery, in line with advice in Planning Practice Guidance (PPG)?

No further comment

f. Should the assessment of OAHN take account of Unattributable Population Change?

Unattributable Population Change (UPC) clearly shows that earlier population projections for Kirklees (and elsewhere in the country) have been underestimated. Between 2001 and 2011, the scale of UPC was significant. ONS could find no clear evidence to suggest whether the discrepancies were in the



Census numbers or in the estimation of migration flows between Census years. However, they nevertheless concluded that, based on the accuracy of the UK's registration systems for birth and deaths, it is likely to be a result of under estimating international migration. Despite the inclusion of UPC in migration estimates after 2011, population growth has nevertheless been underestimated by ONS in later projections.

Notwithstanding, the OAHN should take account of UPC in each of the scenarios used to calculate housing need. However, it is important to acknowledge that there still may be an underestimate of net migration.

g. Is there a need for any adjustments to OAHN in light of Brexit?

It is not considered appropriate at this time to make adjustments to take account of Brexit for the simple reason that it remains unclear what effects Brexit will have on West Yorkshire and specifically on the Kirklees Housing Market Area. It would be premature to introduce changes to the OAHN figures until there is a better understanding of the impacts of Brexit in terms of migration patterns.

There will be opportunity to amend the OAHN figures (if amendments are required) through a partial review of the Local Plan after Brexit, when the effects of leaving Europe become clear. However, it would be inappropriate (and premature) to consider changes at this time, which inevitably will be based on an incomplete picture of the effects of Brexit on the scale on population growth.