

JOHN HALL

HILL TOP FARM, BIRKENSRAW

MM3 OVERALL HOUSING NEED

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1. INTRODUCTION

1.01 These representations are made to the Examination of the Kirklees Local Plan Examination Stage 1 on behalf of Mr John Hall who has land interests at Hill Top Farm, Birkenshaw.

1.02 Mr Hall owns the land at Hill Top Farm, which is located to the north east of Whitehall Road, Birkenshaw (A58). Hill Top Farm adjoins land being promoted by Vernon Properties at Brownhill Farm. Both sites are identified as a single site in the Rejected Site Options Report November 2015 and November 2016 (see ID H675 and H1792).

2. MATTER 3 OVERALL HOUSING NEED

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?*

2.01 The Planning Practice Guidance (PPG) advises at paragraph 008 Ref ID: 2a-008-20140306 that needs should be assessed in relation to the relevant functional area eg by housing market area. In the case of Kirklees, although three localised housing market areas were identified in the Kirklees SHMA, which extended into other local authority areas namely Calderdale, South Leeds and Bradford, the SHMA analysis concludes that Kirklees forms a self-contained Housing Market Area. In general, we agree with the approach taken by the Council as there is clear evidence that Kirklees has high containment ratios (78.4% origin; 79.2% destination). The PPG at paragraph 009 Ref ID: 2a-009-20140306 sets out the sources of information that Council's should use to identify the assessment area and this includes household movement data with containment ratios of over 70% indicating a self contained housing market.

2.02 In respect to Kirklees, as with other neighbouring authorities that form part of the Leeds City Region, there are wider functional economic relationships with Leeds. The 2011 Census Travel to Work data identified that 66.8% of residents work in the district, however a significant minority travel outside of the District for employment purposes.

b) Do the demographic based projections in the Council's Strategic Market Housing Assessment (SHMA) (2016) (SD18) provide a suitable starting point for establishing objectively assessed housing need (OAHN)?

2.03 Yes this is the correct approach. The 2016 SHMA uses the 2014 DCLG based household projections as the starting point, which are the most up to date household projections. PPG paragraph 015 Ref ID: 2a-015-20140306 advises that household projections are the starting point in estimating overall housing need.

c) Is the applied jobs growth uplift rate (based on projected growth of 23,000 jobs 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?

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2.04 As set out in our representations made to the publication version, we welcome the alignment of the Council's economic strategy with housing growth and this approach is consistent with PPG paragraph 018 Ref ID: 2a-018-20140306. The SHMA (2016) recommends a housing requirement of 1,730 dwellings per annum and it is understood that this is based on additional jobs led scenario, which was produced following the publication of the 2014 household projections and was produced based on FTE jobs growth of 23,197. The outcomes under this scenario (SENS 1), set out in Table 6.4 of the SHMA (2016), are based on economic activity rates for a labour force aged 16-74 at current levels of 68% for the labour force, this differs from the CORE scenario based on uplifts applied to the 60-69 age group only.

2.05 In respect to the Council's forecast economic activity rates (EARs) we do not consider that these are based on robust evidence. Section 7 of the Council's Economic Strategy 2014 sets out an employment rate of 75%, to be achieved by 2020 and appears to relate to the 16-64 age group (Annexe A, Table 5, LE6 defines working age population as ages 16-64), however the OAN for housing using SENS 1 is based on a wider age group (16-74) and it is unclear how the Economic Strategy relates to SENS 1. The HBF also raise concerns in their submissions on this matter regarding how the 68% baseline has been identified for the 16-74 age group and we support these concerns as it is not clear from the Council's evidence.

2.06 As highlighted in the HBF submissions, if the Economic Strategy ambition of achieving economic activity rates of 75% is to be realised, more people will be needed to fill the jobs but from a smaller proportion of the population due to the ageing population profile.

2.07 Underpinning both the CORE and SENS 1 scenarios there is an assumption that the unemployment rate will reduce from 8.1% to 4.5%/4%. These figures are considered to be very aspirational, although a rate of 4.5% is considered to be achievable reflecting pre-recession Kirklees averages (see table in HBF's representations, MM3, para 14). A figure of 4% however has not been achieved in recent years in Kirklees and therefore it is questionable whether this is a realistic assumption. This is therefore considered to undermine the OAN arising from SENS1.

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

2.08 We would reiterate the comments made to the publication consultation. At paragraph 4.8 of the Housing Technical Paper (April 2017), it is recognised that the housing requirement is based on the most up to date national household projections (2014-based) as a starting point and this is in accordance with PPG paragraph 2a-015-20140306. We agree that this is an appropriate starting point and is in accordance with national guidance. This represents an update from the housing requirement set out in the previous iteration of the draft Local Plan consulted on in 2015 and reflects the findings set out in the 2016 Kirklees Strategic Housing Market Assessment (SHMA), which supersedes the 2015 SHMA.

2.09 It is noted however, that no adjustments have been made to take account of alternative migration or headship rates. It is clear however from PPG paragraph 2a-015-20140306 that:

'..they may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For examples, formation rates may have been suppressed historically by under supply and worsening affordability of housing..'

2.10 The outcome of the Edge Analytics assessment is that dwelling growth associated with 2012 and 2014 based household projections is very similar when compared to

the headship rates in the 2008 based model, which estimates a more rapid growth of household formation rates. Like the 2012-SNHP, the 2014-SNHP have been depressed due to the financial crisis of 2007-2008 and the subsequent economic recession. It is considered that the effects of this long deep recession are continuing to have some impact on household formation rates.

- 2.11 It would therefore be appropriate for a dwelling requirement based on one of the alternative scenarios modelled should be considered in order to take account of under supply and affordability issues. No consideration appears to have been given to the impact of the recession on the propensity of the 25-34 year old age group to form new households, an issue widely recognised. As the effects of the recession start to fade and the policy direction of Government to provide interventions that seek to increase home ownership for example Starter Homes and Help to Buy, there is likely to be an increase in headship rates, particularly in the younger age groups and therefore this should be reflected in a higher dwelling requirement. It is considered that the proposed requirement of 1,730 dwellings per annum does not take account of this, undermining the overall soundness of the plan and an uplift should be applied. An increase in household formation rates to take account of the above is justified by national policy, which seeks to significantly boost housing supply, the recent Government White Paper and the Local Plan Expert Group (2016) recommendations to Government.

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

- 2.12 The SHMA concludes that there are no market signals that would indicate an adjustment to the OAN; we do not consider that the evidence supports this conclusion particularly in respect to rates of development. PPG paragraph 019 Ref ID: 2a-019-20140306 advises that *'a meaningful period should be used to measure supply. If the historic rate of development shows that supply falls below planned supply, future supply should be increased to reflect the likelihood of under-delivery of a plan'*. The SHMA 2016 at Table 5.3 uses an 11 year period of analysis from 2004/05 to 2013/14, which we consider complies with guidance in the PPG. The SHMA concludes that the net completion rate has averaged 1,187 dwellings, there is however no analysis of why this figure, which is significantly below the OAN, justifies no adjustment to the OAN apart from a general statement at paragraph 6.29 of the SHMA 2016 that under

delivery 'is more likely to relate to market conditions and developer appetite for delivery'. Further, it is noted that this figure is somewhat distorted by the figures for 2006/7 and 2007/8, which are significantly higher than completion rates in other years. PPG paragraph 004 Ref ID: 2a-04-20140306 is clear that in undertaking an objective assessment of need plan makers should not apply constraints for example limitations imposed by the supply of land for new development and historic under performance. We conclude that insufficient account has been taken of market signals in assessing OAN.

2.13 The most recent Annual Monitoring Report (2015-16) highlights that during the first three years of the plan (2013-2016) there is a backlog of 2,346 dwellings based on a requirement of 1,730 dwellings per annum. In each of the three years the Council has significantly under delivered and insufficient account has been given to this.

2.14 The 2016 SHMA sets out the shortfall in affordable housing on an annual basis and identifies a shortfall per annum of 1,049 homes, which the Council acknowledges is a substantial shortfall (paragraph 8.35 of the supporting text to Policy PLP11). PPG para 019 Ref ID: 2a-01920140306 is clear that an increase in the overall housing number should be considered where it could assist in the delivery of the required amount of affordable housing. Neither the SHMA nor the draft Local Plan sets out a specific number of affordable homes that need to be delivered over the plan period and indeed the SHMA at paragraph 6.33 states that the two components of OAN market and affordable cannot be measured separately. This conclusion appears to be contrary to the findings of recent judgments (Satnam Milenium Ltd and Warrington Borough Council [2015] EWHC 370 (Admin) - see our previous representations to the publication version on this matter).

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

2.15 We would concur with the comments made by the HBF on this matter – please see their representations on Main Matter 3

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

2.16 The Brexit negotiations are still at a very early stage and the outcome is very uncertain. We consider therefore that no adjustments are required to OAHN in light

of Brexit. National Planning Policy has not changed; the government policy is still to significantly boost the supply of housing. In any future Local Plan review any impact arising from Brexit will be accounted for at that time, if required.