

Kirklees Local Plan Examination Hearing Statement

Our ref NLP/ATu
Date September 2017

Subject: Matter 3: Hearing Statement on behalf of M62 Developments Limited – Overall Housing Need

1.0 Introduction

1.1 This Hearing Statement has been prepared by Lichfields on behalf of M62 Developments Limited and responds to the questions set by the Inspector in relation to Matter 3.

1.2 M62 Developments Limited is the landowner of site H523: Land at White Lee Road, Batley and has previously promoted it through the planning system jointly with Jones Homes (Yorkshire) Limited. This Hearing Statement should therefore be read in conjunction with the representations submitted during the Local Plan Consultation (2016) in relation to Land at White Lee Road, Batley (representor ID: 968476).

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

Question (a) - Does the identified Kirklees Housing Market Area provide a robust and appropriate basis for assessing housing needs?

2.1 M62 Developments considers that the evidence presented in the SHMA identifying Kirklees as a single housing market area (HMA) for the basis of planning to meet the full housing needs to be appropriate in accordance with National Planning Policy Framework paragraphs 47 and 159.

Question (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)?

2.2 M62 Developments considers that the demographic based projections in the SHMA are likely to under-estimate the level of housing need in Kirklees because the base-level (starting point) does not consider alternative levels of household formation to allow younger households who have been impacted upon by the market conditions during the recession to 'catch-up'. This is identified by planning practice guidance (PPG) as an important consideration. Further, the SHMA does not contain any scenarios in which the past migration trend scenarios presented in the SHMA provide a demographic starting point which could be higher than that identified in the SHMA and may be more appropriate.

2.3 The implication of this is that the demographic starting point identified in the SHMA is likely to be lower than that which is required to respond to local housing need. This affects the remainder of the OAN calculation, given that this is the basis for applying any further uplifts for market signals, economic needs and affordable housing needs.

Question (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?**
- **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?**

2.4 M62 Developments supports the adoption in the Plan of the ambitious 75% employment rate and reduced unemployment rate and consider that this reflects a positively planned approach to the economy of the district. However, there is a concern that this ambitious economic growth objective is not fully reflected in the OAHN and the relationship between economic growth and the housing requirement should be more clearly defined.

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

M62 Developments considers that the OAHN would be more appropriately defined if the headship rates applied in the SHMA were adjusted to accelerate headship rates in the younger age categories as per the comments in respect of question (b) above.

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

2.5 Paragraph 20 (ID: 2a-020) of the PPG provides that a worsening trend in market signal indicators will require “*upward adjustment to planned housing numbers compared to ones based solely on household projections*”.

2.6 The SHMA makes an additional assessment of market signals in line with the recommendations made by LPEG which sets out a streamlined approach, which considers an uplift based on the assessment of:

- 1 Lower quartile house prices to income ratios; and
- 2 Lower quartile rental prices to income ratios.

2.7 Based on this assessment, no market uplift is suggested in respect of market signals (above the 1,730dpa to meet economic-led needs).

2.8 However, Kirklees is currently experiencing:

- 1 Increasing levels of concealed households; an increase of almost 900 between 2001 and 2011;
- 2 Worsening affordability levels; and
- 3 Has under-delivered against its housing delivery every year since 2008/09 (an under-delivery of 6,362 in total over the past 8 years according to the Housing Supply Topic Paper EX30).

2.9 On this basis, we consider that an adjustment should be made to the demographic starting point. Consequently, it is considered that the OAHN for Kirklees is significantly higher than the Council’s current housing target of 1,730 dpa.

Question (f) - Should the assessment of OAHN take account of Un-attributable Population Change?

- 2.10 UPC comprises the population change between the 2001 and 2011 Censuses which cannot be attributed to births, deaths and migration. In line with PPG, the SHMA considers long term (both 5 and 10 year past trends) migration trends for Kirklees with and without an adjustment for un-attributable population change (UPC).
- 2.11 Past trend migration sensitivities highlight a dwelling requirement on the basis of past demographic trends with a range of between 1,525 and 1,631 dpa (without an adjustment for UPC). M62 Developments considers therefore that there should be no adjustment for UPC in the analysis.

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

- 2.12 It is considered that there should be no adjustment should be made to the OAHN calculation in light of Brexit.
- 2.13 There is no evidence, nor should the Council seek to predict, any change to economic fortunes consequent on the Brexit vote. Further, it is considered that migration trends are fully considered in the OAHN calculation made to date.

Summary

- 2.14 On the basis of the above, M62 Developments Limited considers that the proposed Plan is not positively prepared, effective or justified and does not fully address national planning policy guidance. The Plan is therefore unsound.

Proposed Change

- 2.15 To overcome the objection and address soundness matters, the Plan should:
- Review the OAHN and housing requirement, in particular headship rates, economic growth and market signals.
 - Increase the housing requirement.