

Calderdale Local Plan Examination

STAGE 1 - Hearings

MATTERS, ISSUES AND QUESTIONS (MIQs)

Council Responses

MATTER 3 – Housing Need

Issue - Is the identified housing requirement of 12,600 dwellings between 2018 and 2033 (840 per year) justified and consistent with national policy?

a) Is the identified Housing Market Area appropriate and robustly-based?

- 3a1) The housing market for Calderdale was initially assessed as part of the Strategic Housing Market Assessment (SHMA) produced in 2011 as part of the evidence base for the Core Strategy. The updating of the SHMA in 2015 (EV 35) gave the opportunity to further address the Housing Market Area (HMA). In the second section of the SHMA 2015 commencing on page 13, the report summarises the manner in which the HMA has been assessed. (The HMA was not reconsidered in the SHMA 2018 (EV 36).
 - 3a2) The important conclusions are found in para 2.65 of the SHMA 2015 (EV 35) state that that Calderdale functions as a self-contained housing market, although there are important connections with other authorities. Travel for work associations with both Kirklees and Bradford are important, but the evidence demonstrates that Calderdale is a Travel to Work Area (TTWA) under the definitions generally used.
 - 3a3) The Leeds City Region commissioned Newcastle University (Centre for Urban and Regional Development Studies (CURDS) to consider the Housing Markets within the City Region. This is included within the Local Plan Examination Library as EV 63. This report concludes that Calderdale is a single Local Housing Market Area (see the Executive Summary para ES5 on page 2).
 - 3a4) Taking the evidence as a whole, the Council has long understood that the district functions as a single HMA and TTWA, and as a result has planned on that basis.
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b) The identified housing need of 840 dwellings per annum (DPA) is based on the standard method in the revised National Planning Policy Framework (NPPF). In the context that the Plan is being examined under transitional arrangements and against the 2012 NPPF, is the use of the standard method appropriate and soundly based? What is the justification for setting aside the figures in the updated Strategic Housing Market Assessment (SHMA) (May 2018)? [In its response the Council is requested to provide a table which allows comparison between housing needs based on the standard method and the SHMA 2018. It should include a SHMA figure which takes account of under-supply since 2016.]

- 3b1) The chronology of events is important in the context of this matter. The Council previously based the Local Plan on the Objectively Assessed Needs (OAN) identified through a Strategic Housing Market Assessment (SHMA) required by NPPF 2012 and supporting Planning Practice Guidance. The outcomes of this approach increased housing requirements from those established within the Replacement Calderdale Unitary Development Plan (RCUDP) 2006) and the Regional Strategy for Yorkshire and the Humber (revoked in 2013) as may be seen in the Table below). The 2015 SHMA (EV35) (used ONS 2012 Based statistics released in 2014) recommended that 946 be used as the annual housing requirement.
- 3b2) The initial Draft of the CLP (2017) used the SHMA 2015 recommended requirement of 946 dwellings per annum. Taking account of undersupply (from 2012 to 2016), this gave a housing requirement of 18,920 over the plan period to the plan period 2017 to 2032, which was 1,261 dwellings per year. Taking account of net completions and permissions the number of dwellings required to be allocated was 13,286, equating to 886 dwellings per year.
- 3b3) The SHMA 2018 (EV36) reworked the 2015 SHMA to take account of the 2014 Based ONS Household Statistics released in 2016. It recommended 1,001 additional dwellings per year to be the appropriate figure. It was received after the Council agreed to make use of the Standard Methodology on 12th February 2018 (See the Cabinet Report and Minutes in the Examination Library as BP01). The 2018 SHMA update (received in May 2018) therefore has had a limited effect on the Publication Local Plan.

Table of Housing requirements for Calderdale expressed in different Plans and Documents

Document	Overall Total	Annual Requirement
RCUDP: 2006	6,750 (15yrs)	450
Y&H RSS: 2008	14,060 (22yrs)	500 (4yrs) 670 (18yrs)
SHMA: 2015	14,190 (15yrs)	946
SHMA: 2018	19,019 (2016/17 to 2034/35 – i.e. 19 years)	1,001 (1105 with under-delivery 2016/17 to 2018/19) ¹
Standard Methodology used in Publication Local Plan using 2016 Affordability factor	12,600 (15yrs) LHN	840
Standard Methodology used in Publication Local Plan using 2017 Affordability Factor)	12,555 (15yrs) LHN	837
Standard Methodology used using 2017 Affordability Factor	12,636 (15yrs) LHN	843
<i>Standard Methodology – using ONS Household Projections (2016 Based)</i>	<i>9,150 (15yrs) LHN</i>	<i>610</i>

- 3b4) It should be noted from the table above that there are difficulties comparing approaches that use different periods and start and end dates. However, it can also be seen that there is a wide range of possible futures derived from the housing statistics that have been identified over the years. The range of figures and the Council's response to this uncertainty implied by the large range led to significant tensions particularly regarding the ability of the district to accommodate the identified requirements in a sustainable manner. These tensions were only resolved when the Government indicated the introduction of the Standard Methodology to assess housing requirements, called Local Housing Needs(LHNs).
- 3b5) The Government signalled their intention to move to a standard methodology for the calculation of LHNs in the Housing White Paper and consultation in 2017. The Government's consultation was at the same time as consultation was being undertaken on the Initial Draft of the CLP. The Council were aware of the changing national direction of planning policy and also the tensions that were inherent in the OAN process with its ever increasing housing needs. In late 2017/early 2018 the Council was anxious to progress to publication of the Plan, in face of potential intervention from the Secretary of State and an uncertain and evolving national policy context. In order to provide the certainty required to finalise the Plan for Publication, it was necessary for the Council to take a formal decision that would define the approach going forward.

¹ As requested by the Inspector, total under-delivery between 2016/17 and 2018/19 = 1,664; 1,664 divided by 16 whole years remaining of SHMA period to 2034/35 = 104; 1,001 + 104 = 1,105 DPA.

- 3b6) The Council's Cabinet therefore considered various options on 12th February 2018. (The Cabinet Report is included in the Examination Library as Background Paper BP 01). Cabinet resolved to set our housing requirements in accordance with what was then emerging national planning policy. (The Resolution of Cabinet is included in the Examination Library as Background Paper BP 02). This reflected our wish to align ourselves with the Government's direction of travel and also took on board the fact that Calderdale's urban areas are tightly constrained by Green Belt and the district also has physical constraints which limit the ability of the area to accommodate new development in a sustainable manner.
- 3b7) In all other respects we continued to prepare the Plan in accordance with NPPF 2012 because the Draft text for consultation was not published until March 2018, followed by the final Revised NPPF with its transitional arrangements in July 2018. The publication of the Revised NPPF did not therefore occur until after the Council took the formal decision in June 2018 to publish the Plan in August of that year.
- 3b8) The Council carefully considered the merits of submitting before or after 24 January, and concluded that delaying submission presented more policy tensions on account of the fact that the greater part of the Plan had been predicated on the NPPF 2012. Re-working the Plan as a whole to bring it in line with NPPF 2018 would have been a sizeable task, requiring further political governance and consultation, and as such it would have taken us outside the timeframe for submission stated in our LDS, which was itself updated and approved by the Council following the threat of intervention at the end of 2017.
- 3b9) It has also been noted by the Council that the transitional arrangements in the Revised NPPF differed from the Draft text for consultation. In this respect paragraph 209 of the Draft text stated that:

"The policies in the previous Framework will apply for the purpose of examining plans, where those plans are submitted on or before [] [this will be the date which is six months after the date of the final Framework's publication]. In these cases the examination will take no account of the new Framework." [Our underlining]

Whereas paragraph 214 of the revised text states that:

"The policies in the previous Framework will apply for the purpose of examining plans, where those plans are submitted on or before 24 January 2019. Where such plans are withdrawn or otherwise do not proceed to become part of the development plan, the policies contained in this Framework will apply to any subsequent plan produced for the area concerned."

- 3b10) The deletion of the explicit statement that no account will be taken of the new NPPF appeared to the Council to signal the opportunity to take a more realistic and practical approach to reconciling the issues. In relation to this

whilst, there obviously needed to be transitional arrangements, there can be no logical reason why an approach to housing requirements based on new government policy should be inherently unsound just because the Plan was submitted before rather than after 24 January 2019.

- 3b11) This is particularly the case because the Plan embodies a very thorough approach to housing requirements and allocations, reflecting long analysis of supply, demand, household generation and affordability data together with extensive local knowledge of the Borough and its potential to accommodate development.
- 3b12) Indeed, the latest 2016 based ONS household projections (now withdrawn) only serve to demonstrate the volatility of a purely mechanistic approach. Whilst acknowledging that these projections should not be used to justify a lower housing requirement, they do add weight to the pragmatic approach that incorporates local knowledge and experience that the Council has employed.
- 3b13) The Council fully appreciates that, as with all Local Plans, there are, naturally, competing policy tensions; however, we believe that our Plan is both ambitious and transformational greatly increasing the requirement established by the Plan over those of the former RCUDP (2006) or the Regional Strategy (2008), with which it previously had to be in conformity. The Council is cognisant of significant Green Belt constraints, the existence of the internationally protected wildlife habitats, severe flood risks and highways capacity issues which constrain development options. It is therefore the Council's position that a housing requirement predicated on the SHMA (2018) would have increased the tensions, making it more difficult to accommodate the housing requirements.

c) Does the standard method employed in the Calderdale Plan accord with the methodology in the Planning Practice Guidance (PPG) and appropriately apply the adjustment factor for the area? Why has the affordability ratio published in March 2017 been employed in lieu of the ratio published in March 2018? Are there any implications for housing need in Calderdale? What would the cap be?

- 3c1) The standard method employed by Calderdale accords with the Planning Practice Guidance and uses the data provided by the ONS and MHCLG. The calculation is set out at Appendix 1.4 of the Council's response to the Inspectors Pre-Hearing Note 1 - <https://www.calderdale.gov.uk/v2/sites/default/files/Response-to-Inspectors-Pre-Hearing-Note.pdf>
- 3c2) The March 2018 ratio was not available when the Council finalised its approach to housing requirements in February 2018. Notwithstanding this the March 2018 ratio would not make a material difference to the figure. A cap would not be applicable to Calderdale in view of relative affordability of property.

d) The housing requirement of 12,600 dwellings/840 DPA is based on the minimum number of homes needed using the standard method. Is this requirement and the absence of an uplift justified and soundly based

i. How does the housing requirement of 12,600 dwellings align with forecast jobs growth and the planned provision of about 111 hectares of employment land over the Plan period? To what extent would the proposed level of housing provision allow the Council to achieve its economic ambitions and deliver employment growth in line with the Plan's priorities and jobs growth forecasts? What level of housing growth would provide the necessary labour force to support planned jobs and employment growth?

3d1) The answer to this question must be read in conjunction with the text at paragraphs 2c1 to 2c7 of matter 2, which discuss out-commuting and self-containment.

3d2) The above mentioned 111 ha of employment land comprises:

- 97 ha gross allocations;
- 84 ha net allocations;
- 14 ha committed sites and existing Primary Employment Areas.

3d3) The OAN for employment land is 73 ha, i.e. 11 ha less than the net amount of employment land to be allocated. This 11 ha provides additional choice and flexibility because even the best sites in Calderdale present challenges on account of factors such as steep topography. Furthermore it should be noted that the OAN takes account of the loss of employment land to other uses and existing employers seeking to relocate from unsatisfactory premises.

3d4) In the light of the information above, and the steps that the Council is taking to increase its employment rate, it is not considered that more than 12,600 dwellings are required to facilitate our economic aspirations.

ii. Does the housing requirement of 12,600 dwellings have appropriate regard to Calderdale's role in the LCR, funding available via the City Deal, and planned strategic infrastructure improvements in the borough?

3d5) The funding available through the City Deal and associated planned infrastructure improvements (see refreshed IDP May 2019) are necessary for the 12,600 dwellings to come forward across the life of the Local Plan in an acceptable manner. It is therefore not the case that the Council is over-

planning infrastructure relative to its scale of housing ambition; neither is it the case that the Council has restrained its ambitions to exploit City Deal with a view to suppressing the requirement for housing – the Council considers that proposed housing and infrastructure are in harmony. It should be noted that the delivery of 12,600 homes over the life of the Plan will require an average annual housing delivery to be approximately double the existing rate.

- 3d6) In the context of this question, it should be noted that Calderdale has the smallest population of the five West Yorkshire Authorities; it also has the greatest proportion of upland rural areas; and has experienced the most serious problems associated with flooding. Calderdale's approach safeguards the most sensitive areas (the Special Protection Area/Special Area of Conservation and the Moors). At the same time the allocations in Southeast Calderdale will (in combination with that proposed by Kirklees) deliver a quantum of development that is regionally significant.

iii. Will the provision of 12,600 homes/840 DPA ensure that identified affordable housing needs are delivered?

- 3d7) Appendix 5 of the Housing Technical Paper (Examination Library EV 33) sets out the likely delivery of affordable housing based on the delivery of housing allocations throughout the Plan period. Using the equivalent need of 193 dwellings per annum over 15 years (plus the undersupply from 2016/17 and 2017/18), this equates to a need for 3,195 Affordable Housing Units (AHU) between 2018/19 and 2032/33. The Affordable Housing Trajectory (AHT) in Appendix 5 shows a likely delivery of 2,543 AHU on Local Plan site allocations. It was therefore concluded that there could be an undersupply of 652 AHU over the Plan period.
- 3d8) There, however, is an error in the AHT, as contributions have been calculated for sites of 10 and less in zones A and B, and less than 15 in zones C and D. In practice, the Council will not require a contribution on such sites. In total this amounts to **69** units that needs to be added to under delivery, giving a total undersupply of **721** AHU over the Plan period.
- 3d9) Meeting undersupply of 721 AHU through the allocation of sites and application of policy HS6 would require an additional 3,605 to be delivered through the life of the Plan at a contribution rate of 20%. This would represent a 28.6% increase on the current OAN of 12,600 dwellings.
- 3d10) The Council's answer to Matter 3, Question B sets out why an OAN of 12,600 is considered to be most appropriate. Clearly a 28.6% increase on this figure would have fundamental implications in terms of the environmental constraints on Calderdale and the need to limit the release of Green Belt. Notwithstanding this the Council is also concerned that simply increasing the OAN would in any case represent an unreliable and crude approach to achieving a specific level of affordable housing delivery.

- 3d11) The November 2014 Written Ministerial Statement provides that for sites of 10 units or less affordable housing and tariff-style contributions should not be sought. However, this position was scrutinised by the Court of Appeal judgement in *Secretary of State for Communities and Local Government v West Berkshire District Council and Reading Borough Council* [2016] EWCA Civ 441, which confirms the correct approach to the WMS should councils wish to seek thresholds below that stated in national policy. As such, the Council has considered whether a reduction of site size threshold or increasing the proportional requirement of on-site provision would address the Borough's affordable housing need.
- 3d12) Whilst the judgement made a reduced threshold possible, it was ruled that Inspectors must consider whether the evidence base and local circumstances justify the proposed thresholds. In relation to Calderdale, a notable conclusion of the viability assessment (January 2018) related to the challenges delivering affordable housing within settlements located in 'cold' (and some medium) market areas on both greenfield and brownfield sites. An increase in requirement would therefore raise the question as to whether delivery of the sites would indeed be viable. In addition, the lack of suitable sites within the 'very hot' or 'hot' market areas reduces the Council's ability to seek a higher affordable housing contribution. Sites in these areas are generally much smaller than in other market areas, further reducing the potential for significant affordable housing delivery. None of the evidence points to justification for diverging from the thresholds set by the WMS.
- 3d13) Cognisant of the importance of increasing affordable housing delivery, the Council has established a number of programmes (some with partners) to deliver housing on Council and Registered Provider owned sites. In 2017, Cabinet agreed to establish a Local Development Company (LDC) to support the delivery of homes in Calderdale and to meet housing need as part of a viable business model. A number of housing allocations in the Local Plan will be delivered through the LDC. In addition to this, the Council and Together Housing Group have entered into a partnership to deliver approximately 500 new homes throughout the Borough. The Calderdale Together Housing Investment Programme (CTHIP) includes a number of Local Plan allocations. Additionally, The North Halifax Transformation Programme focuses on four sites in North Halifax, again Local Plan housing allocations (LP0523, LP1009, LP0261, and LP0531). This project will see the Council enter into an agreement with a delivery partner to meet local housing need.
- 3d14) Table 23 of the Housing Technical Paper sets out the Local Plan sites and corresponding housing programmes. The delivery of the sites within these programmes will make a significant contribution to the provision of affordable housing. Furthermore, it is likely that the rate of contribution on these sites will be significantly higher than policy HS6 would require. For example, the latest position with regards to site LP0523 (Land at Furness Avenue, Halifax) is that the site will provide 79 affordable rent homes and an 82 unit extra care scheme (also affordable rent) totalling 161 affordable rent units. This is more

than double the 73 AHU stated in the trajectory and in Table 23 of the Housing Technical Paper. Similarly, on site LP0353 (Fairfax Crescent, Halifax), the Registered Provider is aiming to deliver all shared ownership units, which would result in 100% affordable tenure. The Council has also received a full application relating to site LP1078 for the development of 267 dwellings, 191 of which are to be affordable housing of varying tenure (private development). This amounts to a 72% contribution rate that is considerably higher than the 25% rate that has been calculated in the trajectory.

3d15) The Council has recognised the challenge of delivering sufficient affordable housing. Increasing the number of allocations or alternatively lowering the policy threshold for requiring a proportion of affordable housing are discounted above; however, the Council is actively working with its partners to meet this need on publically and RP owned land.

iv. Has appropriate regard been had to the higher objectively assessed need of 1,000 homes per year as identified in the SHMA 2018?

3d16) The SHMA 2018 (Examination Library EV 36) was published after the Council resolved to use the standard methodology in February 2018 – see <https://www.calderdale.gov.uk/v2/residents/environment-planning-and-building/planning/planning-policy/local-plan/examination-library#background>. A number of different scenarios were however considered in February 2018: 1,125; 840; 902; 976; and 1,018. It is therefore the case that the Council has had regard to a number of different options, both above and below 1000 homes per year. The Council's response to Matter 3, Question 3 sets the reasoning for the approach adopted.

v. Is the Plan period for housing (2018/19 – 2032/33) sufficient to take account of long-term requirements and opportunities, and consistent with national policy (taking account of the estimated date of Plan adoption in 2020)?

3d17) The Council is realistic about the challenge it faces in delivering an uplift in housing supply of about 100% relative to the historic trend. The Council recognises that our housing requirement will need to be reviewed by year 5 of the Plan. By this stage we will have evidence of actual post-adoption delivery rates and be able to adjust the requirement accordingly. At the current time it is not considered that changing the Plan period material advances the debate.

vi. Are the different Plan periods for housing and employment growth justified and workable? (2018/19 – 2032/33 for housing, and 2016/7 – 2032/33 for employment)

3d18) The preparation of evidence and decisions that have needed to be taken at different stages in the plan making process have meant that the Plan periods for housing and employment are not fully aligned. Given the need to review the Plan at year 5 it is not considered that this difference is of any consequence over the Plan period as a whole.

e) Is the stepped housing requirement, as set out in the housing trajectory and Table 6.3 in the Plan, justified and soundly based?

- 3e1) As stated in Pre-hearing Note 1 - Appendix 1.9 (CC 01), and notwithstanding the terminology employed in paragraph 6.7 of the Local Plan, the Housing Trajectory of deliverable housing sites is stepped in relation to the supply of sites but the actual requirement is an annual average over the plan period as agreed by Cabinet (BP 01, Cabinet Report 12.2.18, Housing Requirements and Allocations and BP 02, Minutes of Cabinet meeting 12.2.18). This approach reflects the facts that the majority of allocations are not anticipated coming forward before Year 4 whilst the Council had made the decision to pursue the requirement as an annual average. The Council recognises that it would have been more appropriate to step the housing requirement (stepped trajectory) to more closely reflect realistic levels of delivery in the early part of the Plan period given the step change represented by the housing requirement figure of 840 dwellings pa. Such an approach would also enable a closer alignment of the Housing Trajectory and the Five Year Housing Land Supply when calculated at the base date of the Local Plan (2018/19). Given the step change required to deliver the housing requirement the Council considers that such an approach would comply with the guidance in paragraph 34 of the PPG (as revised 13/9/18).

f) Should Policy SD3 refer to the overall housing requirement as a minimum and a net figure, and include reference to the stepped requirement?

- 3f1) The intention is that the housing requirement figure in Policy SD3 be a minimum figure, in other words a floor rather than a ceiling, with the intention being that should the full housing requirement be delivered a moratorium would not be placed on further housing growth. Policy SD3 seeks to increase the dwelling stock by the amount stated and is therefore a net figure rather than a gross figure with only net completions counting towards the figure of 12,600. This corresponds with the approach in the Local Plan Initial Draft 2017 (PC 01.1). The Council therefore considers that the inclusion of the words 'minimum' and 'net additional dwellings' would add clarity to Policy SD3. The revised Policy would then read as follows:

"Provision is made for a minimum of 12,600 net additional dwellings to be delivered within Calderdale between 1st April 2018 and 31st March 2033, in order to meet the housing needs of the Borough."

- 3f2) As mentioned in response to question 3e) above, the housing requirement in the Local Plan (SD 01) is an average housing requirement and not a stepped

requirement and therefore there is no need to refer to a stepped requirement in Policy SD3.