

Calderdale Local Plan Examination

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16 July 2019

Dear Mr Seaman,

Calderdale Local Plan examination **Stage 1 – post hearings letter**

1. Thank you for the Council's contributions and assistance at the Stage 1 hearing sessions. Following the completion of the hearing sessions I am writing to set out my views on a number of key matters, and the way forward for the examination.
2. The letter does not cover every matter debated at the Stage 1 hearings but focuses on the issue of housing need and requirement, on which I have significant concerns. Other actions and potential modifications were discussed at the Stage 1 hearings and have been noted by the Council.
3. My comments in this letter are based on the submitted evidence and representations, and all that has been heard at the hearing sessions. However, the examination has not yet concluded, and consultation on main modifications has yet to take place. Consequently, my views in this letter are without prejudice to my final conclusions on the Plan.

Housing need and requirement

4. The submitted Plan identifies a housing need and requirement of 840 dwellings per annum (dpa) or 12,600 dwellings over the Plan period between 2018 and 2032. The figure is based on the Council's application of the standard method for assessing local housing need and the minimum number of homes needed, as set out in the revised National Planning Policy Framework (NPPF) (2019) and Planning Practice Guidance (PPG).
5. The application of the current standard method was discussed at the hearing session in the context that the Plan was submitted under transitional arrangements (prior to 24th January 2019), and therefore falls to be considered

against policies in the NPPF 2012. The PPG linked to the NPPF 2012 states that *'There is no one methodological approach or use of a particular dataset(s) that will provide a definitive assessment of development need. But the use of this standard methodology set out in this guidance is strongly recommended because it will ensure that the assessment findings are transparently prepared. Local planning authorities may consider departing from the methodology, but they should explain why their particular local circumstances have led them to adopt a different approach where this is the case. The assessment should be thorough but proportionate, building where possible on existing information sources outlined within the guidance'* (paragraph 2a-005-20140306). In this context I consider that the use of the standard method for assessing local housing need could, in principle, be appropriate for transitional plans where particular circumstances are demonstrated. The specific circumstances in the case of Calderdale, and justification for the need/requirement figure of 840 dpa are considered below.

6. The Council's housing need figure of 840 dpa represents the minimum starting point for assessing housing need, using the new standard method (as set out in paragraph 60 of the NPPF 2019). The current PPG (paragraph 010) indicates that *'there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates'* and refers to situations where increases in housing are likely to exceed demographic trends due to growth strategies or strategic infrastructure improvements or where changing economic circumstances may affect demographic behaviour. It also states that authorities should take account of up-to-date Strategic Housing Market Assessments (SHMA) which identify significantly higher needs than the standard method.
7. The Council is part of the Leeds City Region (LCR) which benefits from an agreed £1 billion plus Growth Deal overseen by the West Yorkshire Combined Authority and the Local Economic Partnership. The Local Plan reflects the ambitions in the LCR Strategic Economic Plan and makes provision for above baseline employment growth ('policy on plus transport' growth scenario) and delivery of at least 73 hectares of new employment land to meet objectively assessed need (OAN). Whilst the growth projections incorporate an element of aspiration, the Council confirmed its commitment at the hearings to the ambitions of the LCR and the Growth Strategy programme, and outlined the range of funding available and progress made in the delivery of several major strategic highways projects within Calderdale. The Council's method for deriving the employment OAN makes reasonable allowances for losses and flexibility, and I am satisfied that the general approach is soundly based. At the hearing the Council also confirmed that it has a reasonable level of self-containment and is not seeking to significantly alter this balance and the levels of commuting through the Plan.
8. The Council's SHMA (May 2018) identifies a demographic 'starting point' of 755 dpa, based on official household projections. This has been subject to sensitivity testing, in line with national guidance, which indicates that a projection of 924 dpa based on longer-term populations trends and capturing the most recent ONS population estimates would be justified. The application of an increase in response to evidence on market signals, particularly entry level house prices, indicates a need for up to 970 dpa.
9. The SHMA also identifies the amount of housing needed to support likely future job growth, amounting to some 1001 dpa to support baseline employment growth and 1,129 dpa in connection with the Council's 'policy on plus transport' scenario.

The study highlights the ageing nature of the population in Calderdale, and the role that additional housing plays in providing further working age residents to support jobs growth. In order to support future employment growth in the borough, the SHMA concludes overall that the OAN for Calderdale is 1001 dpa, but that the Council should take into account 'policy-on' factors relating to LEP priorities and the effects of infrastructure investment when translating the OAN into a housing requirement in the Local Plan.

10. The Council's Employment Land Study (2018) does not directly model the amount of employment land that would be needed to match the housing need/requirement figure of 840 dpa. However, it identifies that housing provision of 872 dpa, linked to projections in the SHMA 2015, would give rise to an OAN of about 46 hectares of employment land. The submitted Plan, in comparison, seeks to achieve an employment OAN of about 73 hectares (B uses classes) and allows for a significant element of choice by making provision for 111 hectares of new employment land over the Plan period.
11. The Council's evidence indicates that actual housing need is higher than the standard method indicates, and that an uplift above the minimum figure is warranted to support likely employment growth. In conclusion, taking account of all the evidence before me, I consider that housing need in the borough is higher than 840 dpa and is likely to amount to at least 1001 dpa. This would support baseline employment growth as a minimum, and aligns with the SHMA recommendations. It would also provide a better balance between identified OAN for housing and employment in the submitted Plan. Although the SHMA indicates that a higher housing figure of 1,129 dpa is needed to support the 'policy on plus transport' employment growth scenario, the relationship between employment growth and new housing is complex, and I note that the Council is actively seeking to increase participation rates through its Inclusive Economy Strategy (2018). It is also possible that other interventions may affect the labour force in addition to net migration.
12. The housing requirement of 840 dpa in the Plan is the same as the identified housing need figure. As such, for the reasons set out above, I am concerned that the Plan's provision for housing would not adequately support the employment growth advanced by the Plan, and could result in higher rates of in-commuting or conversely impact on the ability of businesses to grow and develop. **Accordingly, the Council is requested to consider the implications of the above conclusions for the housing need and housing requirement figures in the submitted Plan, and confirm how it wishes to proceed.** Further work may be necessary to assess the implications of housing need and requirement figures which align more closely with the Plan's economic strategy. Linked to this the Council may determine it necessary to identify additional housing sites. Or alternatively the Council may wish to revisit the economic strategy to better align with housing growth.
13. The Council's Cabinet Report in February 2018 does not clearly distinguish between need and the housing requirement, and it appears that some conjoining of the issues has occurred. In reviewing its position, the Council will need ensure the assessment of housing need and the process of determining the amount of housing that should be provided are carried out as separate stages, in line with national policy and guidance.

14. The presumption in favour of sustainable development in the NPPF 2012 requires that Local Plans should meet objectively assessed needs unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits when assessed against the policies in the Framework taken as a whole, or specific policies in the Framework indicate that development should be restricted. This is broadly replicated in the NPPF 2019 with the clarification that there should be a strong reason for restricting the scale, type or distribution of development. Any re-assessment of the housing requirement in the Plan will need to be undertaken within this context and supported by robust evidence as necessary. At the hearing session the Council suggested that the housing requirement of 840 dpa had been selected in order to limit Green Belt release, but were unable to point to specific evidence showing unacceptable harm to Green Belt purposes arising from higher housing requirements in the Cabinet report. I also note that the Initial Draft Plan was based on a higher housing requirement figure of 1,261 dpa (taking account of shortfall in early years), and incorporated a proposed supply of 13,286 allocated dwellings rather than 9,460 identified in the submitted Plan. The aforementioned Cabinet Report indicates that some sites have since been identified as unsuitable for development but that there are still 'more sites available than needed'. This is supported by evidence in the Council's site assessment report which indicates that some site options were rejected on the basis of 'the supply of more suitable and available sites elsewhere' rather than fundamental issues relating to suitability and deliverability. The extent is unclear and will need to be clarified as part of the Council's further work.
15. At the hearing session the Council accepted that the incorrect baseline household growth projections (for the period 2016–2026) had been applied in the local housing need workings, and that the minimum standard housing need amounted to 822 dpa rather than 840 dpa. This correction is consistent with guidance in the PPG that the current year should be used as the starting point for calculating household growth, taking account of the Plan's publication in 2018. This does not alter my conclusions reached above, but will need to be taken into account by the Council when considering how to deal with the issues raised in this letter.

Other matters

16. The Statement of Common Ground between the Council and ID Planning on the Thornhill Garden Suburb accepts that 693 dwellings are likely to be delivered beyond the Plan period. As such it would appear the Council is unable to demonstrate that the submitted plan for 12,600 dwellings would be met. The lead-in and phasing rates for the Garden Suburbs and other allocations were also discussed at the hearing session, along with other aspects of the Council's housing supply calculations. However, at this stage it is too soon to reach overall conclusions on housing supply, given the concerns raised above regarding housing need and requirement, and pending completion of future hearing sessions on the soundness of specific site allocations. Accordingly, I will deal with this issue at a later date.
17. A number of actions and potential main modifications to the publication draft Local Plan were discussed at the Stage 1 hearing sessions. The Council is requested to publish this list and place it on the examination website as soon as possible.
18. One of the actions involved the Council producing a Summary Note on access and highways infrastructure requirements and phasing associated with the two Garden

Suburb sites. I will write to the Council separately in due course to confirm the scope of information that this Note should cover.

Next steps

19. The above points on housing need and requirement are fundamental matters which relate to the soundness of the Plan. One option is for the examination to be placed on hold/temporarily paused to allow additional work to be completed and assessed before further hearing sessions are held. The Council would need to prepare a timetable for undertaking the work and seeking comments from representors. The provisional November dates for the Stage 2 hearings may need to be delayed.

20. I appreciate that the Council may need some time to reflect on the matters in this letter, and to determine its preferred course of action. An initial response setting out the Council's likely timescales for reaching a determination is requested by Monday 12th August 2019. In the meantime, if you have any questions please do not hesitate to contact me via the Programme Officer.

Katie Child

INSPECTOR