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Sent by Email only

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Dear Sir / Madam,

Kirklees Draft Local Plan: Strategy & Policies

1. Thank you for consulting with the Home Builders Federation (HBF) on the Kirklees Draft Local Plan: Strategy & Policies consultation.
2. The HBF is the principal representative body of the house building industry in England and Wales and our representations reflect the views of our membership of multinational PLCs, through regional developers to small, local builders. Our members account for over 80% of all new housing built in England and Wales in any one year including a large proportion of the new affordable housing stock.
3. We would like to submit the following comments to the Strategy and Policies document.

General Comments

4. The HBF is keen to work with the Council in order to achieve an adopted local plan which enables an increase in the rate of house building across Kirklees. There are, however, a number of key areas where we have concerns and it is considered that the plan would benefit from modifications or further evidence prior to the next stage of consultation. The following comments are provided based upon our substantial experience of local plan examinations across the country.

Duty to Co-operate

5. The HBF welcomes the reference to the duty to co-operate and the Leeds City Region Local Enterprise Partnership Strategic Economic Plan (SEP), within paragraphs 1.20 and 1.21 of the consultation document. The HBF is keen to further explore how the ambitions of the SEP have influenced the growth ambitions of the local plan.
6. The Council is yet to publish a detailed statement upon how it has discharged its duties as part of the duty to co-operate. In terms of housing provision it is clear that the Council considers Kirklees to represent a single housing market area, albeit with three sub-areas (paragraphs 4.6 and 4.7 2015 Housing Technical Paper). This analysis is consistent with the findings of neighbouring authorities, such as Calderdale. It is, however, clear that there

are significant linkages between Kirklees and surrounding areas, particular reference is made to Calderdale, Bradford and Leeds (paragraph 4.6 Housing Technical Paper). It is, therefore crucial that the outcome of discussions with these authorities upon housing issues are identified and appropriate actions taken within the plan. To enable such an assessment to occur in a transparent manner it is recommended that a full statement upon the compliance with the duty to co-operate be provided alongside the publication draft of the local plan.

Vision and Strategic Objectives

7. The HBF generally welcomes the vision and strategic objectives which provide a positive statement upon the ambitions of the Council and the plan. The references to '*...encouraging inward investment and stimulate economic growth*' and '*..high quality housing which offers choice and meets the needs of all our communities including affordable housing*' are particularly welcomed.

Option DLP2 4.3.3

8. The HBF supports the Council in promoting and encouraging the re-use of brownfield land but not setting a specific target for its re-use within the draft local plan. This is considered to provide an appropriate balance between the desirability of re-using such land but also the need to deliver the housing needs of the area.

Policy DLP4: Masterplanning Sites

9. The draft policy is unclear whether the requirement for masterplans will relate to all developments or apply above a threshold. It is noted that 'Option DLP4 4.5.1' refers to the development of large sites this is not replicated within the policy, nor is there any reference to a threshold size. Whilst the benefits to utilising masterplans are noted and elements of the policy will be applicable to most development the imposition of a requirement for all applications to provide masterplans is considered inappropriate.
10. Part 'n' of the policy requires an assessment of '*..the potential for energy efficient design including renewable energy schemes*'. The Council will be aware that in terms of housing development the government was clear through its Housing Standards Review that the issue of energy efficiency is solely a matter for the Building Regulations. In this regard, whilst the Council may wish to encourage developments to exceed the Building Regulations, it would be inappropriate to place a mandatory requirement upon housing developments to consider how they can exceed the statutory requirements.

Policy DLP5: Safeguarded Land

11. The HBF supports the principle of identifying safeguarded land, this should provide certainty over the Green Belt boundaries beyond the plan period. This is consistent with the NPPF, paragraph 85.
12. Whilst providing support in principle the HBF is unaware of any evidence pertaining to the longevity of the Green Belt boundary afforded by the quantum of safeguarded land identified within chapter 13 of the *Allocations and Designations* consultation document. The NPPF, paragraph 85, identifies that where necessary Local Plans should provide safeguarded land to meet longer term development needs stretching '*well beyond the plan period*' and that local authorities should satisfy themselves that Green Belt boundaries '*will not need to be altered at the end of the development plan period*'. Furthermore NPPF paragraph 83 is clear that once established Green Belt boundaries should be '*...capable of enduring beyond the plan period*'. There is therefore an in-built presumption within the NPPF that where it is justified to amend Green Belt boundaries this should be undertaken as part of the local plan process and that the new Green Belt boundaries should not require alteration at the end of the plan period.
13. Whilst there have been numerous interpretations of the above requirements the HBF consider that a 15 year time horizon post plan period should be adopted. This would accord with the NPPF preference for Local Plans to be drawn up over a 15 year time horizon (paragraph 157). To ensure that Green Belt boundaries within Kirklees are not required to be altered at the end of the plan period sufficient safeguarded land to meet development needs until at least 2046 should be identified.
14. It is recommended that prior to the next stage of consultation the Council clearly sets out its rationale for the identification of safeguarded land and provide an analysis, including other potential sources of supply, which identifies the longevity afforded to the Green Belt by the amount of safeguarded land being provided.

Option DLP5 4.6.2

15. Whilst the Council's reasoning for not taking this option forward is understood it is important that the plan is sufficiently flexible to meet changing and unforeseen circumstances. In this regard it is considered that a buffer of housing site allocations be provided to account for any under-delivery from allocations or other sources of supply, this is discussed in greater detail against paragraph 45 below.
16. It is also important that the plan provides adequate triggers to enact a full or partial plan review, where the plan is deemed to be failing. In terms of housing provision this could be the failure to maintain a five year supply of

deliverable housing sites, or a continued failure to meet the annual housing requirements of the plan.

Policy DLP6: Efficient and effective use of land and buildings

17. Whilst the HBF is supportive of the re-use of previously developed land the NPPF provided a clear break from previous national policy, from prioritisation towards encouragement. The Government has sought to provide this encouragement through a variety of measures, such as the Starter Homes Initiative.

18. It is therefore recommended that the first part of the policy be amended to encourage rather than prioritise the re-use of brownfield land. This change would be reflective of the NPPF (paragraph 111).

Policy DLP9: Supporting skilled and flexible communities and workforce

19. The draft policy identifies that major new development will be required to contribute to the creation of local employment opportunities and to support growth in the overall proportion of local residents in education or training. The HBF is supportive of delivering appropriate employment and training opportunities. The requirement for this to form part of a planning obligation is not, however, supported. The inclusion of additional items to planning obligations not only slow down the planning process but also add additional financial burdens to the development industry. It is notable that the 2015 *Local Plan and Community Infrastructure Levy* study whilst noting that this policy will have an impact upon viability (table 2.1) does not make specific allowance for the requirement due to the difficulties in assessing the cost implications. It is therefore recommended that a cautious policy approach be adopted and that this policy, if justified, should not be a mandatory requirement upon all developments.

20. The Council will also be aware that many of our members have their own training programmes, this should be recognised. Furthermore from April 2017 many firms will also be subject to the Apprenticeship Levy. The HBF, therefore recommend that in the event that the policy can be justified these issues be reflected within the policy or supporting text.

Housing Strategy

21. The housing strategy is included within chapter 7 of the consultation document. Whilst other elements of housing delivery are provided a policy context within the consultation document there is no specific policy in relation to the overall housing requirement. This is a significant omission which should be addressed prior to the next stage of consultation. In developing such a policy it is important that it is expressed in a positive manner which

reflects the Government's ambition to boost significantly housing supply. It is therefore recommended the proposed housing requirement be expressed as a net minimum requirement.

22. The housing strategy section does, however, suggest a requirement for 29,340 dwellings over the plan period (2013 to 2031). This equates to an annual requirement for 1,630 dwellings per annum (dpa). This figure is not directly linked to any one scenario tested within the work undertaken by Edge Analytics on behalf of the Council, within its March 2015 document '*Kirklees Demographic Analysis & Forecasts Evaluating the impact of the 2012-based DCLG household projections: An Addendum to the September 2014 report*', but rather sits at the mid-point within a range of economic forecasts including various sensitivity tests. The HBF is supportive of the Council in attempting to align its economic and housing strategies, indeed to not do so would be unsound.
23. Whilst we are supportive of the alignment of the economic and housing strategies, based upon the existing evidence, we consider that the proposed housing requirement lacks aspiration and is unlikely to create the levels of growth set out within the SEP and the draft plan. It is therefore considered that the suggested requirement of 1,630dpa is too low and an uplift is required. The reasoning behind our conclusions are set out against the various components of identifying an objectively assessed housing need (OAN) below. It should be noted that the following comments are based upon the information provided by the Council and the HBF has not, at this stage, undertaken any modelling of the housing needs within Kirklees.

Demographic issues

24. The modelling work undertaken by Edge Analytics utilises three different headship rates to model the impact of 15 different scenarios. These headship rates are based upon the headship rates applied to the 2008 based sub-national household projections (2008 SNHP), the 2011 interim SNHP and the most recent 2012 SNHP. The 2012 SNHP are used to derive the preferred OAN for Kirklees (see table 1, 2015 *Housing Technical Paper* and paragraph 4.20, 2015 *Strategic Housing Market Assessment (SHMA)*). The utilisation of the 2012 SNHP as a starting point is supported and considered consistent with the PPG. The 2012 SNHP are driven by three key elements; natural change (births and deaths), migration (international and national) and headship rates. Whilst the study takes account of natural change and the potential changing patterns of migration through the economic scenarios there is no consideration of whether the headship rates within the 2012 SNHP should be modified.
25. It is widely recognised that headship rates may have been depressed within the 2012 SNHP due to the effects of the recession and consequent

lower rates of development and finance availability. The headship rates identified within both the 2011 interim SNHP and 2012 SNHP deviate away from the long-term trend of increased headship rates. Whilst some commentators suggest this lowering may be a factor of structural change we consider that the recession will undoubtedly have played a part and is likely to have dampened headship rates. This view is supported by the 2015 PAS guidance *Objectively Assessed Need and Housing Targets: Technical advice note* (paragraphs 6.13 to 6.15) and suggests that alternative scenarios are tested. The PPG also supports such an approach noting that;

‘The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing’ (PPG ID 2a-015).

26. Whilst it is recognised that the 2008 and 2011 interim SNHP headship rates are modelled these are used for little more than comparative purposes. There is no discussion upon whether a full or partial catch-up to previous rates should be considered or why the 2012 SNHP headship rates are the most appropriate for Kirklees. A sensitivity test which considers a full or partial catch-up to the 2008 headship could be utilised to consider this issue in greater detail. Such an approach has been considered in numerous other OAN studies.
27. The issue of headship rates is particularly important within the 25 to 34 year old age group, which will have the highest propensity to form households and take-up jobs. This group were particularly hard-hit by the recession and as such the household representation rates are likely to have been significantly depressed. A significant rise in this age group to take-up the new jobs provided within Kirklees will inevitably lead to higher rates of household formation than has been projected within the 2012 SNHP. Furthermore the PPG and SNHP are clear that the household projections are firmly rooted in previous trends and do not take account of Government policy. Current and emerging Government policy is to actively encourage home-ownership particularly amongst younger families through schemes such as Help to Buy and Starter Homes. These policy interventions are likely to lead to increases within headship rates, particularly amongst the younger age groups.
28. The HBF therefore recommends further consideration be given increasing the household formation rates across all age cohorts but particularly the 25 to 34 age group.

Economic Issues

29. The preferred housing requirement is an average of the various jobs led scenarios, including those which are subject to sensitivity testing (paragraph 4.14 2015 Housing Technical Paper). Whilst it is recognised that the modelling of OAN is not an exact science this creates a number of issues, not least the fact it assumes that all the jobs-led scenarios are appropriate and should be provided equal weight, the HBF do not consider this to be the case.
30. The HBF initially question the validity of including economic scenarios which identify a housing requirement less than the baseline demographic need. The 2015 report by Edge Analytics and *Housing Technical Paper* identify a baseline housing requirement of 1,520dpa. Four of the economic scenarios rank below this requirement baseline requirement. These scenarios would not meet the basic demographic needs of the area and as such should not be considered suitable scenarios. This issue was discussed within the June 2014 PAS technical advice note paper '*Objectively Assessed Need and Housing Targets*' which suggests such an approach to be unsound (paragraph 6.2). A simple removal of these four scenarios would lead to a housing requirement of 1,842dpa, utilising the average approach adopted by the Council.
31. Furthermore the sensitivity tests suggest a reduction in the unemployment rate to 4%, which sits below the pre-recession average of 4.5%, by 2020. This is on top of the increases in economic activity rates applied to the older age groups within all scenarios. The core scenarios also include a reduction in the unemployment rate. In these scenarios the reduction is to the pre-recession average of 4.5% by 2020. Whilst the decrease in unemployment to 4% is a laudable aim its realism and justification is questioned. The HBF is unaware of any substantial evidence to support the realism or achievability of the sensitivity test.
32. The HBF consider that achieving an unemployment rate of 4.5% by 2020 will in itself be challenging, given this is in less than four years and requires a significant reduction upon current levels. The 2015 PAS guidance *Objectively Assessed Need and Housing Targets: Technical advice note* advises against over-optimistic assumptions in relation to economic activity rates. To do so would put the economic potential of the area and the plan in jeopardy. Therefore without justifiable evidence the HBF questions the utilisation of the sensitivity tests in determining the overall housing requirement.
33. It is recommend that in determining the most appropriate housing requirement the Council seek to align its economic and housing strategies. The draft plan, paragraph 6.8, clearly states that based upon the evidence from the SEP and the Kirklees Economic Strategy (KES) the plan seeks to

deliver 32,200 jobs over the plan period (2013 to 2031). Paragraph 4.17 of the Council's 2015 *Employment Technical Paper* reaffirms this figure and identifies that this is based upon a 75% employment rate. An analysis of the rate of job creation aligned to the various housing strategies (paragraph 3.12) of the 2014 Edge Analytics paper (*Kirklees Demographic Analysis & Forecasts Assumptions, Methodology & Scenario Results*) indicates that the highest tested level of additional jobs created over the plan period is 27,651 (Jobs-led scenario D), this is somewhat short of the ambition for 32,200 jobs. It therefore appears, based upon current evidence, that there is a potential mismatch between employment and housing growth.

34. The recent interim conclusions of the Inspector of the Cheshire East Local Plan Strategy, dated 12th November 2014, clearly identify the folly of not aligning employment and housing strategies. It is therefore recommended that the Council reconsider its housing requirement in light of the stated ambition for job creation.

Market Signals

35. The 2015 SHMA provides a relatively brief assessment of the market signals outlined within the PPG (ID 2a-019). The market signals analysis within the SHMA considers house prices, rents, affordability, rates of development and overcrowding. According to the PPG a worsening trend in any indicator requires an upward adjustment to planned housing numbers compared to ones based solely on household projections (paragraph 2a-020). Whilst considering the aforementioned signals the 2015 SHMA does not consider land prices. This indicator is useful for identifying stress within the market and as such its omission is considered a flaw in the evidence base which should be rectified.
36. In conformity with the PPG the 2015 SHMA also utilises comparator areas. The data analysis of market signals is considered to be over too short a timescale, only stretching back 4 years to 2010. Longer term analysis would be more useful to identify stress in the market, again it is recommended that this be rectified. The 2015 SHMA concludes within paragraph 4.30 that Kirklees is a relatively stable market and that no uplift to the OAN is required.
37. Notwithstanding the above comments, the HBF agree that some of the market signals tested would not, at face value, appear to indicate a need for a significant uplift of the housing number. In our view the exceptions to this are rate of development, rents, overcrowding and affordable housing need.
38. The assessment of rates of development is considered to lack a thorough analysis. Whilst Kirklees has done better than the comparator areas in terms of the quantum increase, it has been lower than the national

trend. In coming to conclusions upon this increase it should be considered that at least one comparator area, Rochdale, has been subject to significant demolition through Housing Market Renewal programmes over recent years. The large scale of demolitions will inevitably have impacted upon the net development rates within this comparator area. Furthermore whilst the Kirklees figure only lags marginally behind the national average this must be considered in the context of a national housing crisis and the lack of delivery to meet needs nationally. Therefore the fact that Kirklees lagged behind the national average, even marginally, is a cause for concern.

39. In addition an analysis of delivery against the housing targets for Kirklees provides further evidence that an uplift may be required. Table 2 of the Council's 2015 *Housing Technical Paper* Council identifies under-delivered against the former RSS targets by 1,385 dwellings or approximately 11% of the requirement. This under-delivery would have been significantly worse had the Council not performed well prior to 2007/8.

40. In terms of rents it is noted that they have risen considerably quicker than any comparator area and the national average. Whilst the 2015 SHMA assumes this is a factor of the student market (paragraph 4.26) there is no analysis to justify this assumption or the stress this is placing upon the overall market.

41. Overcrowding whilst showing positive reductions is still above the national average of 3.1%, standing at 4.8%. In addition whilst the affordability of housing appears to be improving, based upon the short-term trends, the annual imbalance remains high at 1,048 dwellings, or 64% of the proposed housing target. This suggests a real need to address the issue. In such cases the PPG advises;

'An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes'. (ID 2a-029)

42. It is also likely that if a longer-term analysis of affordability were to be assessed the relative affordability of housing within Kirklees will have deteriorated.

43. In light of the above market signals the HBF recommend that a moderate uplift is considered. The recent examinations of Eastleigh and Uttlesford suggest in such cases a 10% uplift may be appropriate. This will, however, be dependent upon the individual circumstances of each area.

Table 4: Meeting the Housing Requirement

44. The table identifies that in the first year of the plan period there have been 1,036 net housing completions leaving a remaining net requirement for 28,304 new dwellings, based upon the Council's preferred housing requirement. This net requirement figure is likely to have changed due to nearly two years additional housing completions. The following table summarises the anticipated sources of supply, based upon 1st April 2014.

Source	Delivery
Sites with planning permission	6,350
Windfall allowance	4,500
Demolition allowance	-1,530
Allocations	19,933
Total	29,253

45. The identified supply provides a potential buffer of 949 dwellings. This represents 3% of the remaining housing requirement, or 5% of the allocations. The HBF supports the inclusion of a buffer of sites. Our reasoning for this is two-fold. Firstly the plan housing requirement is identified as a minimum to conform to NPPF requirements to boost supply and plan positively. It therefore stands to reason that the plan should seek to surpass this requirement. Secondly a buffer will provide a balance against the inevitable under or none delivery from some existing commitments or proposed allocations. This is particularly important in Kirklees due to the recent history of under-delivery against housing targets.

46. Whilst a buffer is welcomed the HBF query whether it is sufficient to ensure that the housing requirement is met in full. The sources of supply are reliant upon all 6,350 sites with planning permission coming forward. Whilst the HBF has not undertaken any analysis at this stage, this does not appear to take into account the inevitability that a number of these applications will lapse. Many local plans have undertaken studies to identify the lapse rates within their area, such as Scarborough, or have applied a notional 10% lapse rate to account for unimplemented permissions, such as Calderdale. The 10% lapse rate accords with a number of appeal decisions, notably Rothley (appeal reference: APP/X2410/A/13/2196928) and Honeybourne (APP/H1840/A/12/2171339). A similar level of discount upon existing permissions should be considered within Kirklees.

47. The HBF supports the reduction in the windfall allowance based upon previous rates of delivery. The Council's 2015 *Housing Technical Paper* provides a reasoned justification for the reduction of this source of supply (paragraphs 4.23 to 4.27). The HBF also note that the effect of having an up to date plan with allocations and a more robust and fine grained evidence base, through the *Strategic Housing Land Availability Assessment (SHLAA)* also provide further justification for moving away from past trends.

48. It is, however, noted that the windfall allowance still accounts for nearly 16% of the remaining housing requirements over the plan period. Failure to achieve such a figure would place the delivery of the plan under serious threat. The HBF therefore suggest that prior to committing to a 450dpa windfall allowance, over the last 10 years of the plan period, the Council provide further evidence to confirm the likelihood of this delivery occurring, or include further safeguards to ensure that the housing needs of the plan are met if they fail to materialise.

49. The HBF supports the consideration of demolitions within the sources of delivery.

Policy DLP11: Housing Mix and Affordable Housing

50. This policy deals with both housing mix and the requirements for affordable housing. Each element is considered below.

Housing Mix

51. The HBF supports the need to deliver a mix of housing and agrees that this should take account of the SHMA. The figures within the SHMA should, however, be viewed as indicative targets only and not detailed prescriptions for all schemes of 10 units or more, as advocated by paragraph 7.32 of the draft plan. This is because the SHMA only provides a snap-shot in time and the needs will vary both geographically and over-time. Therefore rigid requirements would not be appropriate, particularly in a diverse district such as Kirklees. Furthermore issues such as viability, site characteristics and market demands should also be taken into account to ensure delivery of the overall housing requirement is achieved.

52. The Council should also have regard to its own aspirations for economic growth. The achievement of growth will be reliant upon attracting investors to locate to Kirklees. Part of this investment will be based upon the housing offer available and being planned. To attract such investment there is likely to be a need for an element of aspirational housing. This will also help to ensure working families are retained within the area and not lost to other areas.

Affordable Housing

53. The policy indicates a requirement for at least 20% affordable housing on sites of 10 or more. This indicates that the Council will seek higher contributions than 20%, albeit the policy also discusses going below this target where justified and that quantities greater than 20% will be encouraged. This creates a confused policy position and lacks clarity upon what the Council is seeking. The NPPF states that;

'Local planning authorities should set out their policy on local standards in the Local Plan, including requirements for affordable housing...'(paragraph 174)

54. The inspector of the Leeds Core Strategy, in an interim letter to the Council (dated 8th November 2013), noted in paragraph 5 that;

'Unless Policy H5 (affordable housing) sets thresholds and targets which are certain, viable and deliverable, I cannot see how I can conclude that the Core Strategy will meet the identified need for affordable housing.'

55. The proposed policy, by suggesting it is a minimum requirement, does not provide this certainty. It is therefore suggested that, presuming the 20% target can be justified, the policy wording be amended by removing the words *'at least'*.

56. The viability of the 20% affordable housing target across the whole of the district is also questioned. The outputs of the Council's *Local Plan and Community Infrastructure Levy* study indicates difficulties of such a target within 'value areas' 4 and 5. Indeed the conclusions to the report (page 69) state;

'... a 20% affordable housing requirement is not viable in all value areas and therefore we believe there is a case for variation with a lower rate in Value Areas 4 and 5, which could also help to incentivise development..'

57. This is particularly concerning given that these areas include the main urban areas of Huddersfield and Dewsbury where a significant amount of development is intended to be focused.

58. The viability study is based upon a number of assumptions, some of which are not considered to be representative of actual operational costs. The Council will be aware that the HBF and a number of our member companies made submissions to a stakeholder questionnaire which was used to inform the study. These comments are still considered valid.

59. The policy makes no reference to the impending introduction of *Starter Homes*. It is recognised this is an evolving policy area and that the details of the scheme were not available at the time of publication of this consultation. It is, however, considered appropriate that the Council consider the implications and an appropriate policy response prior to the next stage of consultation.

Policy DLP 25: Design

60. Part D of the policy requires a number of sustainability criteria which must be fulfilled. The policy, nor the supporting text, identify whether all of these requirements are considered mandatory for all developments, or whether they are examples of sustainability issues which could be included. A good example is Part D (iv) which suggests the provision of electric vehicle charging points in new developments. On this issue the NPPF, paragraph 35, is clear electric vehicle charging points should only be provided where practical and by no means seeks this to be a requirement for every property.
61. The impact of the policy requirements is also not considered within the Council's *Local Plan and Community Infrastructure Levy*. Table 2.1 of this study suggests no cost implications associated with this policy. This is clearly not the case and as such the HBF recommend that the policy clearly state that the Council will encourage rather than require the inclusion of these criteria.

Information

62. I would be pleased to be kept involved in the Local Plan preparation process as well as the development of other planning documents. I trust the Council will find the comments useful and the HBF would be happy to discuss them further prior to the next stage of consultation.

Yours sincerely,

MJ Good

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