

Home Builders Federation (HBF) response to  
**Calderdale Local Plan Examination (Stage 1)**  
**Matters, Issues and Questions**

**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?*

**Questions**

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

The HBF do not wish to comment on this question.

**b) The identified housing need of 840 dwellings per annum (dpa) is based on the standard method in the revised National Planning Policy Framework<sup>1</sup> (NPPF). In the context that the Plan is being examined under transitional arrangements<sup>2</sup> 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.]*

The HBF do not consider that the use of the standard method is appropriate in this instance as the Local Plan is being examined under the transitional arrangements and against the NPPF 2012. Particularly in light of an up to date evidence base in the form of the SHMA 2018. The HBF are not aware of any justification for setting aside the figures in the updated SHMA. The SHMA 2018 concluded that to meet the objectively assessed need for housing, the Council should plan for 1,000 dwellings per annum.

**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?**

Planning Practice Guidance (PPG) ID 2a-004) sets out the standard methodology for assessing local housing need. In summary the standard methodology comprises:

- Demographic baseline based on annual average household growth over a 10-year period;
- Workplace-based median house price to median earnings ratio;
- Adjustment factor =  $((\text{Local affordability ratio} - 4) \times 0.25) / 4$ ;
- Local Housing Need =  $(1 + \text{adjustment factor}) \times \text{projected household growth}$ .

For Calderdale the OAN calculated using the Standard Method:

- Demographic baseline (2014 based household projections) = 754.5<sup>3</sup>
- Workplace-based median house price to median earnings ratio = 5.07<sup>4</sup>

---

<sup>1</sup> Revised in July 2018 and February 2019.

<sup>2</sup> As set out in paragraph 214 in the revised NPPF.

<sup>3</sup> 2019 Projection = 95,094, 2029 Projection = 102,639 Average = 754.5

<sup>4</sup> 2018

Home Builders Federation (HBF) response to  
**Calderdale Local Plan Examination (Stage 1)**  
**Matters, Issues and Questions**

- Adjustment factor =  $((\text{Local affordability ratio} - 4) \times 0.25) / 4 = ((5.07 - 4) \times 0.25) / 4 = 0.067$
- Local Housing Need =  $(1 + \text{adjustment factor}) \times \text{projected household growth} = \mathbf{805.05}$

The HBF consider that the correct figure is 805 dwellings per annum, based on the 2014 SNHP and the 2018 affordability ratio of 5.07 which correlates with the methodology set out in the PPG (ID 2a-004-5, published 20/02/19), and as set out above. However, it should also be remembered that this figure is only the minimum starting point, any ambitions to support economic growth, to deliver affordable housing and to meet unmet housing needs from elsewhere are additional to the local housing need figure. The Government's objective of significantly boosting the supply of homes remains. It is important that housing need is not underestimated.

In relation to the cap, PPG (ID 2a-04) states that *'where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), the local housing need figure is capped at 40% above whichever is the higher of:*

- a. the projected household growth for the area over the 10-year period identified in step 1; or*
- b. the average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).'*

This would give a figure of 1,127.7<sup>5</sup> dwellings per annum for Calderdale.

**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? In particular:**

- 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?<sup>6</sup> 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?***

The HBF have concerns that the proposed housing requirement does not represent an appropriate figure once consideration is given to the potential for economic growth and job formation. The HBF continue to consider that an appropriate balance should be sought between employment growth aspirations and the provision of homes.

The 2018 Experian REM projections suggest that the net FTE job growth for Calderdale will be in the order of 6,250 over the plan period 2016 to 2032, with the Employment Land Study 2018 equating this to between 64.91 and 72.54ha of employment land.

---

<sup>5</sup> 40% of 805.5 (10 year average projected household growth 2019-2029) = 322.2

Cap = 805.5 + 322.2 = 1,127.7

<sup>6</sup> As set out in Appendix 1.10 in the Council's Response to the Inspector's Pre-Hearing Note 1 (INS02) (March 2019).

Home Builders Federation (HBF) response to  
**Calderdale Local Plan Examination (Stage 1)**  
**Matters, Issues and Questions**

The lowest level of employment land projected in the Employment Land Study 2018 is associated with the 872dpa labour supply scenario with a figure of 46.79ha. The highest level projected is from the long term past take up rate scenario with a requirement for 78.26ha. The Employment Land Study (Para 7.90) also highlights that *'if the Council was to consider going for the top end of the employment land range, they would need to be mindful of the housing implications by either considering a higher level of housing deliver or reviewing other policy interventions.'*

***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?***

The HBF considers that the housing requirement has not had sufficient regard to Calderdale's role in the LCR, funding through the City Deal or planned strategic infrastructure improvements in the Borough.

Transformational Growth Projects highlighted by the Council Highways team, and funded through the West Yorkshire Plus Transport Fund, Growth Deal 3 and National Productivity Investment Fund, include improvements to the A629 and A641, reopening of a third platform at Halifax Station, a new railway station in Elland, and Clifton Enterprise Park. For example, improvement projects along the A629 from Halifax to Huddersfield are intended to unlock development potential in both Calderdale and Kirklees, and create 1,740 jobs by 2026<sup>7</sup>.

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

The SHMA 2018 identifies a net affordable housing need of 527 dwellings each year over five years to meet newly arising need and to clear the historic backlog. It is unlikely that the provision of 840dpa will deliver sufficient affordable homes to meet this need.

It is noted that policy HS6 looks for developments of 11 or more homes to provide between 20% and 35% affordable homes dependent on location. Even if 35% of the 840 dwellings were affordable only 294 dwellings would be provided each year, which would not be sufficient to meet the affordable housing need.

527 dwellings each year is a significant level of affordable homes to be provided, and that may not be delivered, if the housing requirement is not set at the appropriate level. The NPPF is clear that local planning authorities should use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing. It does not appear that this has been appropriately considered by Calderdale Council.

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

---

<sup>7</sup> <http://www.calderdalenextchapter.co.uk/about>

Home Builders Federation (HBF) response to  
**Calderdale Local Plan Examination (Stage 1)**  
**Matters, Issues and Questions**

The HBF does not consider that appropriate regard has been had to the higher OAN identified in the SHMA 2018.

**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)?**

It is noted that the 2032/33 plan period will not ensure a 15 year time horizon post adoption as preferred by the NPPF 2012, paragraph 157.

**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).**

It is not clear why the Council has chosen different Plan periods for housing and employment. At first glance it appears as if the Council may have chosen the housing Plan period to avoid having to provide any additional homes that may not have been delivered between 2016/17 and 2018/19.

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

Table 6.3 sets out a stepped housing requirement of 560 dwellings per annum for the period 2018/19 to 2020/21 with 910 dwellings per annum for the period 2021/22 to 22/23. It appears this stepped housing requirement is intended to reduce the backlog in housing supply at the start of the plan and is being used by the Council as a way of achieving a five-year land supply position on adoption. The HBF have concerns around what this means for the Council's 5-year housing land supply in relation to the housing requirement set out in Policy SD3. It is important to remember that this is not just a theoretical mathematical numbers exercise but represents actual households in housing need today, so it is unreasonable and unequitable to expect them to wait until later in the plan period before their current housing needs are addressed. The HBF do not consider the stepped trajectory to be justified and would recommend that further sites should be allocated for delivery in the first five years of the plan.

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

The HBF consider that the policy should refer to the overall housing requirement as a minimum and a net figure. This would create a positive approach to housing delivery and to ensure that decision makers are aware that permissions can be granted that will mean the Council delivering beyond their stated requirement. The HBF recommend that Policy SD3 should read '*Provision is made for a **minimum of** xx,xxx **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*'.

The HBF do not support a stepped approach. However, if the Council is intending to use a stepped requirement and this can be justified and demonstrated to be sound, then the HBF consider that this should be included within the policy.

Home Builders Federation (HBF) response to  
**Calderdale Local Plan Examination (Stage 1)**  
**Matters, Issues and Questions**

**Matter 4 – Housing Supply**

Issue - Does the Plan identify sufficient land to enable the housing requirement of 12,600 dwellings to be delivered over the Plan period?

**Questions**

**a) *Is the Council's approach to estimating supply from extant planning permissions, as set out in the housing trajectory, justified and robust? In particular:***

***i. Why are extant outline permissions excluded, and how are these dealt with in terms of supply?***

It is not clear why extant outline permissions have been excluded, the Housing Technical Paper does not appear to provide details as to why this decision has been made. It is also not clear how these have been dealt with in terms of supply.

***ii. Is the application of a 10% lapse rate to outstanding planning permissions on small sites justified and supported by evidence?***

The HBF would normally expect a lapse rate to be applied to the sites that currently have planning permission and have not yet commenced. This lapse rate would allow for changing circumstances which may lead to some sites not being brought forward.

It is not clear however how a lapse rate of 10% was determined, it is not apparent if this is appropriately reflective of the proportion of planning permissions that would normally lapse within the Borough.

***iii. Is the application of bespoke lapse rates on larger sites justified and supported by the evidence? What overall proportional reduction has been applied to this category of sites?***

The HBF would normally expect a lapse rate to be applied to the sites that currently have planning permission and have not yet commenced. This lapse rate would allow for changing circumstances which may lead to some sites not being brought forward. If a bespoke approach is to be used the HBF would expect particular consideration to be given to sites that have a history of repeat applications and non-delivery and to sites where constraints have been identified.

The Housing Technical Paper suggests sites with ten or more units have capacity for 962 dwellings, it proposes to discount these by 141 dwellings, this is approximately a 15% lapse rate.

**b) *Is the estimated windfall supply over the Plan period justified and supported by local evidence?***

Appendix 1 of the Calderdale Housing Technical Paper sets out the Council's evidence to support the use of a windfall allowance. The HBF would expect the Council to provide compelling evidence, as set out in the PPG and NPPF (2012), that these sites will continue to provide a reliable source of supply. The HBF consider that there is potential for the allocation of housing, combined with a more detailed assessment of housing land availability to significantly reduce the level of windfall development that comes forward. It is considered that the Council will need to monitor the provision that windfall development

Home Builders Federation (HBF) response to  
**Calderdale Local Plan Examination (Stage 1)**  
**Matters, Issues and Questions**

is making to the delivery of homes in the Borough to ensure that the supply remains and is continuing to provide additional flexibility and the opportunity to boost housing supply.

The HBF support the Council in not including windfalls within the first three years to reflect the fact that most windfalls that could have contributed to this period will already have planning permission.

- c) *The soundness of individual site allocations will be considered at Stage 2 of the Examination. However, is the Council's general approach to estimating supply and phasing rates on housing allocations soundly based? In particular:***
- i. Has the Council undertaken a comprehensive assessment of potential housing capacity within the urban areas, and allocated all sites of 0.25 hectares or more which are suitable, available and achievable?***
  - ii. Are the density multipliers applied to the allocations<sup>8</sup> justified and indicative capacities robust (as set out in Policy SD7)?***
  - iii. Which of the allocated sites have not been confirmed as being available?***
  - iv. Do the standard build-out rate and lead-in time assumptions, as set out on pages 19 and 20 in the Council's Housing Technical Paper, provide a robust starting point for estimating allocation site delivery rates? What other factors have been taken into account? Are the additional times listed in the bullets in paragraph 10.6 cumulatively applied?***
  - v. Does the baseline estimate of year 4 (2021/22) allow sufficient time for the submission of an application and delivery in the post-adoption period?***
  - vi. Does the housing trajectory allow for a step-up in delivery rates on large sites as development progresses?***
  - vii. Are the estimated delivery rates in the housing trajectory realistic and consistent with national guidance relating to the deliverability/developability of sites?***
  - viii. Are the lead-in times and phasing rates for the two Garden Suburb sites<sup>9</sup> justified and soundly based? [please note, this question relates to broad delivery estimates only. The suitability and overall soundness of these sites will be covered in detail at the Stage 2 hearing sessions]***
  - ix. Should an overall lapse rate be applied to allocations, within the supply calculations?***

The HBF do not wish to comment on individual sites. The HBF would continue to recommend that the Council's assumptions on sites in relation to delivery, potential capacity, lead in times and build out rates should be realistic and based on evidence supported by the parties responsible for housing delivery; engagement with the relevant landowner, promoter or developer; other stakeholders involved, and sense checked by the Council based on local knowledge and historical empirical data.

---

<sup>8</sup> As referenced in section 7 of the Council's Housing Technical Paper, and set out in Table 5 in the Council's Strategic Housing Land Availability Assessment 2014.

<sup>9</sup> Sites LP1451 and LP1463 in Brighouse.

Home Builders Federation (HBF) response to  
**Calderdale Local Plan Examination (Stage 1)**  
**Matters, Issues and Questions**

**d) Does the Plan allow sufficient flexibility to respond to changing circumstances? Should an additional buffer be applied to ensure that the overall housing requirement is met and exceeded?**

The HBF consider that the supply should be more than the housing requirement, to allow for flexibility and respond to changes in circumstances. It is important that the plan should seek not only to provide sufficient development opportunities to meet the housing requirement but also to provide a buffer over and above this requirement. The reasons for the inclusion of such a buffer are two-fold. Firstly, the NPPF is clear that plans should be positively prepared, aspirational and significantly boost housing supply. In this regard the housing requirements set within the plan should be viewed as a minimum requirement, this interpretation is consistent with numerous inspectors' decisions following local plan examination. Therefore, if the plan is to achieve its housing requirement as a minimum, it stands to reason that additional sites are required to enable the plan requirements to be surpassed. Secondly, to provide flexibility. A buffer of sites will therefore provide greater opportunities for the plan to deliver its housing requirement. The HBF recommend a 20% buffer of sites be included within the plan.

**e) Is the Council's approach to calculating five-year land supply, as set out in Table 6.4 in the Plan, robust and in line with national policy and guidance? In particular:**

**i. Why is a stepped requirement not incorporated, in line with the housing trajectory (Picture 6.1 and Table 6.3)?**

Table 6.3 sets out a stepped housing requirement of 560 dwellings per annum for the period 2018/19 to 2020/21 with 910 dwellings per annum for the period 2021/22 to 22/23. It appears this stepped housing requirement is intended to reduce the backlog in housing supply at the start of the plan and is being used by the Council as a way of achieving a five-year land supply position on adoption. The HBF have concerns around what this means for the Council's 5-year housing land supply in relation to the housing requirement set out in Policy SD3. It is important to remember that this is not just a theoretical mathematical numbers exercise but represents actual households in housing need today, so it is unreasonable and unequitable to expect them to wait until later in the plan period before their current housing needs are addressed. The HBF do not consider the stepped trajectory to be justified and would recommend that further sites should be allocated for delivery in the first five years of the plan.

**ii. Is the application of a 20% buffer supported by the evidence?**

The NPPF 2012 states that *'where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land.'*

It is evident from Table 1 below that there has been a record of persistent under delivery in Calderdale, and that the 20% buffer would be appropriate.

Home Builders Federation (HBF) response to  
**Calderdale Local Plan Examination (Stage 1)**  
**Matters, Issues and Questions**

<b>Table 1: Housing Completions</b>				
<b>Monitoring Year</b>	<b>Completions (Net)</b>	<b>Local Plan Requirement</b>	<b>Over / Under Supply</b>	<b>Cumulative</b>
2009/10	710	670 <sup>10</sup>	40	40
2010/11	494	670	-176	-136
2011/12	519	670	-151	-287
2012/13	521	670	-149	-436
2013/14	391	670 <sup>11</sup>	-279	-715
2014/15	418	670	-252	-967
2015/16	355	670	-315	-1,282
2016/17	397	670	-273	-1,555
2017/18	388	670	-282	-1,837
<b>Total</b>	<b>4,193</b>	<b>4,690</b>	<b>-1,837</b>	
2018/19	TBC	840 <sup>12</sup>	TBC	
<b>Total</b>		<b>5,530</b>		

As set out previously, whilst this plan is being examined under the transitional arrangements it is noted that in practice that once adopted the plan will be used alongside the NPPF 2019. Therefore, the HBF have also considered the implications of the NPPF 2019. The NPPF 2019 states that the supply of specific deliverable sites should in addition include a buffer of 20% where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply. Footnote 39 states the this will be measured against the Housing Delivery Test. The Housing Delivery Test 2018 identifies Calderdale as an authority which needs to apply the 20% buffer as it has only delivered 36% of the total number of homes required over the last three years.

***iii. Why are the extant permissions and site allocation totals different from those in the housing trajectory? Is a dual approach effective?***

The HBF consider that this dual approach is unlikely to be effective and is more likely to lead to confusion and a lack of clarity.

***f) What is the Council's latest position regarding five year housing land supply? Will there be a five-year supply on adoption of the Plan?***

The HBF would expect the Council to be able to demonstrate a five-year supply on adoption of the Plan.

The Housing Technical Paper sets out that the 5-year supply at 5,559 homes, which it suggests that at the start of the Plan period would equate to 5.51 years supply. The HBF note that it would only take a small change in supply or under-delivery of homes for the Council to no longer have a five-year supply (519 homes).

<sup>10</sup> RSS Requirement 670 dpa

<sup>11</sup> RSS Revoked

<sup>12</sup> Proposed Local Plan housing requirement 840dpa