An Alternative Approach to Housing Numbers

## Introduction

In our responses to the draft Local Plan consultation, we have criticised the proposed housing numbers and their application to other key policies, including the proposed site allocations. This paper explains our rationale, method and evidence for proposing a lower housing number.

CPRE strongly supports the principle of meeting people's needs for homes. In our view, all new homes should add to the sustainability of places by prioritising the need for affordable dwellings, achieving maximum possible standards of design and energy efficiency, and making best use of previously-developed land and optimising travel by sustainable modes. We also consider that 45 dwellings per hectare is the minimum net density that can be deemed sustainable.

In order to contribute constructively to the discussion of numerical housing requirements, and to square these with our own policy position, this paper seeks to outline an alternative approach to housing numbers in Kirklees - which we consider would be consistent with national policy whilst also avoiding the damage to both the environment and to the plan itself by unrealistically high numbers.

Our approach is based on four assumptions:

1) that 20-year data for housing completions is a reliable measure of the ongoing balance between land supply and the capacity of the private and social sectors to build houses in any given district;

2) that the Lyons Commission figure of 243,000 new homes per year is a fair and accurate expression of total housing need bearing in mind all relevant factors of shortfall, demographics and economic aspirations;

3) that comparing a district's population, growth rates and housing completions with the national ones gives a reasonably accurate expression of the relative demand for housing in that district compared to the national average;

4) that NPPF only requires Local Plans to seek to meet objectively assessed need insofar as doing so would not generate unsustainable development, and that a sound plan should therefore aim to significantly boost housing supply whilst also prioritising place-making, environmental wellbeing and public health.

# **Our Methodology**

We began by gathering data for all housing completions during the 20 year period 1995/6 to 2014/15. We generated a 5 year and a 20 year gross mean; and taking the 20 year mean as a more reliable measure of performance, compared this to the Local Plan requirement to show the boost in long-term completions required to meet the Local Plan requirement.

We then looked at how national expressions of housing supply would translate to Kirklees if they are applied in proportion to the district's share of the UK population.

We took four national housing supply scenarios:

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96,120 - the amount of private sector housing built in 2014/15 - we have called this 'market baseline'

124,956 - the market baseline boosted by 30%, reflecting the Charted Institute of Housing evidence for how far the private sector believes it can boost completions in the short-term based on currently available financial incentives - 'optimistic market'

149,947 - adding a further 20% to the market optimistic scenario on the basis that, on average, affordable housing delivery is achieved at a rate of 20% of market provision

243,000 - the figure recommended by the Lyons Commission for meeting all historical shortfall and newly arising need across all tenures.

This enabled us to generate figures for the number of completions we would expect to be needed in each district to achieve the four targets, if the trend-based spatial variation between districts continues to follow its long-term pattern.

Our data was sourced from <u>www.gov.uk/government/statistical-data-sets/live-tables-on-house-building Table 244</u>: permanent dwellings completed, by tenure, England, historical calendar year series. During the 20 year period there are six years in which Kirklees supplied no data, so the mean calculation is based on the 14 years for which data are available.

## Our findings

The Government data for gross completions shows Kirklees achieving a 20-year mean of 794 and an even lower 5-year mean of 520. The Government figure for 2013/14 is 560 completions, which disagrees strikingly with the figure of 1,036 used in the draft Local Plan. The reason for this anomaly is not known, but the longer term mean figures suggest that the Council's 1,036 figure is far from typical, even if it is correct.

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Measure	Annual	Plan Period	% boost required to deliver	Analysis		
20 year historical annual mean completions	794	13,498	0	The similarity between the Local Plan		
Local Plan annual target	1,725	29,340	117%			
Kirklees proportionate share of national supply scenarios:				target and the Lyons		
1. Market baseline	724	12,308	0%	Commissions target suggests that the analysis of objectively assessed need (OAN)		
2. Market optimistic	941	15,997	19%			
3. Market optimistic + 20% for affordables	1,130	19,210	42%			
4. Lyons Commission	1,831	31,127	131%			

for Kirklees is about right. However, when comparing this to the historical delivery rates, it highlights several important factors:

- ! The longstanding discrepancy may be partially due to relative lack of demand for housing compared to other districts across the country Kirklees is growing faster than the national average but much slower than many areas close to London;
- ! The discrepancy may also be partly attributable to physical constraints on the amount and rate of housing that can realistically be developed in Kirklees compared to elsewhere, but for which there is no analysis of evidence;
- ! Even if meeting the OAN is a laudable aim, it is so unlikely to be achievable that planning land supply on the basis of doing so will undermine the plan by creating, for practical purposes, a huge over-supply of sites.

# Implications for Land Supply

CPRE has objected to proposed housing allocations which account for 4,662 dwellings, principally on land to be removed from Green Belt. The Council argues that the need to meet housing requirements generates the exceptional circumstances to justify removing land from the Green Belt. However, we contend that these circumstances are only theoretical and do not exist in practice, because - if the OAN is correct - it remains so undeliverable that no amount of incursion into the Green Belt to allocate sites will have any meaningful benefit to housing supply.

Worse still, an inflated and unachievable housing target sets up the whole Plan for failure, by imposing wildly unrealistic demands on the five-year land supply. The mechanism by which this happens is fully explained in CPRE's recent report 'Set Up to Fail', which is attached to our response.

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Whilst it is of course difficult to pinpoint a housing target that strikes the right balance between achievability and the theoretical OAN, we can say, from a pragmatic perspective, that those sites that are less suitable to delivering the overall Spatial Development Strategy and/or present greater localised constraints through their landscape and infrastructure impacts should not be developed unless all more appropriate sites have been exhausted.

Removing the 4,662 dwellings on our objections sites from the Plan reduces the total requirement to 24,678. This represents a 94% boost in the rate of supply compared to that achieved over the preceding 20 years, and a 50% boost compared to the Council's declared completions in 2013/14 of-1,036. Therefore the resulting boost is still very significant and very unlikely to be achieved.

Supply Sources		Amount
CPRE suggested housing requirement		24,678
Sites built 2013/14 (ONS)		-560
Sites with planning permission		-6,350
Windfall allowance	Boosted for increased density (45 dpha) 2021-31: 450/30*45 = 675 per annum	-6,750
Losses		+1,530
Sub-total		12,548
5% flexibility		+627
Total dwellings on sites to be allocated		13,175

On this basis we have reviewed Table 4 of the Draft Plan as shown below.

Further, in line with our comments on density assumptions, these 13,175 should be assumed to be delivered at a minimum 45dpha net. Therefore it is important to consider the potential land-take of our suggested figure compared with that in the Plan.

19,933 dwellings at 30 dpha = 664 hectares.

13,175 dwellings at 45 dpha = 293 hectares.

Therefore, by taking a more realistic approach to housing delivery <u>and</u> boosting housing density to a level that is better suited to delivering sustainable development, it would be possible to provide a very significant boost to housing supply using <u>less than half the amount of land</u> the Plan currently proposes to allocate. This would also, of course, substantially reduce the need for safeguarded Kirklees Local Plan Consultation January 2016

CPRE Appendix 1:

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sites and negate the need for a Green Belt review, and enable much greater focus on previously developed sites.