

Is the Council's proposed revised housing requirement of 14,950 (997 per year) justified and consistent with national policy?

1. Questions b to d

1.1 CPRE's Evidence Paper 2 to the Publication Draft Consultation (Sep 2018) used the Plan's Spatial Portrait as the starting point. We estimated that, working from a 'policy-off' baseline for demographics, commuting ratios and economic activity rates, there would potentially be a workforce shortage of 13,500 people by the end of the Plan Period compared to the 'policy-on' employment target. We observed that this shortage can only be met from five possible sources:

- Increased economic activity in 65+ age group within the baseline population – ie the ageing population works for longer
- Increased economic activity in 15-64 age group within the baseline population – ie worklessness and unemployment reduce
- Reduced out-commuting
- Increased in-commuting
- Net in-migration of economically active people – either from other authority areas, or from other countries.

1.2 Logically, only increases in economic activity and net in-migration can have an above-baseline effect on household formation.

1.3 In-migration from other authority areas will primarily be from nearby authorities, all of which have their own job growth targets and many of which fall within the West Yorkshire Combined Authority (WYCA) area, so it is inevitable that any net workforce growth from in-migration which supports the Strategic Economic Plan (SEP) must come from outside the Combined Authority Area, from other places also aggressively pursuing above-trend growth.

1.4 In-migration from other countries is now broadly unsupported by the national policy to limit immigration. There is also currently no UK spatial-economic policy to drive a migration of workforce from the South-East towards other regions.

1.5 To quote the Calderdale Inclusive Economy Strategy (EV63, p12) *“Nationally it is estimated that over 30% of people in employment in the UK are over the age of 50, and there are unlikely to be enough younger people entering the labour market to replace this group as they retire.”*

1.6 Since in-commuting and out-commuting are also effectively zero-sum changes in relation to the total WYCA workforce, **there are therefore only two sources of additional workforce that are compatible with both the SEP and with national policy: increased economic activity in 15-64 and 65+ age groups within the baseline population. If these two sources do not add up to the Calderdale 'policy-on' growth target, then there is no realistic way to deliver that target.**

2. Question i

2.1 Based on the Inspector's Interim Findings, the Council were presented with what Friends of the Earth refer to as 'the paragraph 12 choice' – revise the housing figure up or the job growth figure down (or a combination of the two). CPRE's position, as set out above, is that whilst the Inspector's concern was that 'the Plan's provision for housing would not adequately support the employment growth', the problem is rather that the simple logic of where a potential workforce could arise from would not adequately support the employment growth advanced by the Plan. We have previously analysed this and do not need to revisit it, aside from noting that the external influences of Brexit and COVID-19 can only push the Council's job target further into the realms of fantasy.

2.2 Therefore the in-migration scenario needed to support its job growth target is unachievable. In the light of this, **we contend that the Council has not adequately considered the option of reducing its employment growth figure as a justified means to align with the housing requirement.**

3. Question j

3.1 We expressed our concerns in responding to the additional consultation (February 2020) that the Sustainability Appraisal of the proposed changes is devoid of any depth of inquiry and provides no basis for weighing up the relative merits of the options. The worst amongst its many failings is that it makes no attempt to consider whether the different numerical options could be delivered more or less sustainably through different spatial scenarios.

3.2 The Local Government Association *Good Plan Making Guide*, para 4.14, states "*The main aim of the sustainability appraisal is to identify and compare the significant effects of options – whether positive or negative – and respond to these effects*"
<https://www.local.gov.uk/sites/default/files/documents/principle-4-620.pdf>

3.3 The persistent use of 'uncertain' as an appraisal finding, with no attempt at further inquiry to refine that finding, leaves the SA wholly unequipped to fulfil its purpose within the plan-making process.

3.4 **In our view, the Inspector should refuse to accept the SA as a source of any meaningful evidence, and should require the Council to do a fresh SA that enables the Plan to be meaningfully judged against reasonable alternatives.**

4. Questions m and n

4.1 Para 2.4 of the Turley report (CC21) makes a baseline assumption that commuting rates will remain at the 2011 level. This links to our answer to questions b to d above, in that it eliminates changes to net commuting as a potential source of additional workforce to support the envisaged job growth.

4.2 Both population growth and household growth have been falling steadily for some years, based on the ONS projections; and that almost all of the future population growth is expected to be in 65+ age cohorts. This effectively eliminates increased economic activity amongst 16-64 age cohorts within the 'policy-off' population as a source of additional workforce, and therefore their impact on additional household formation (ie by forming smaller households) must be assumed to be low.

4.3 Consequently, any economic uplift in housing requirement above the standard method can only be accounted for an almost entirely migration-base strategy. This is so far removed from the historical trend as to be highly implausible.

4.4 National guidance currently remains based on the 2014 household projections, and a review of the standard method is expected later this year. A report by Pegasus Group notes that falling trend-based projections might be a product of historical under-provision, while an acceleration in supply could produce a subsequent increase in the trend-based projection and therefore on the figure generated by the standard method.

<https://www.pegasusgroup.co.uk/wp-content/uploads/2020/07/Pegasus-Group-Review-of-the-Standard-Method-JULY-2020.pdf>

4.5 Government live data tables for Calderdale reveal a 10-year historical average of 297 dwellings per year, or which 22 per year (7.4%) have been in affordable tenures. The 2018-based household projections suggest a need for 460 homes per year, which in itself would amount to a 55% increase in supply if this were adopted as the requirement, whereas 997 per year would require more than tripling the build rate.

4.6 Prior to the scrapping of the Regional Spatial Strategy (RSS) the Calderdale figure was proportionately lower than that for neighbouring authorities. This specifically acknowledged the geographical constraints of Calderdale in terms of topography and environmental sensitivity. To the extent that housing supply in Calderdale were historically relatively constrained this was therefore based in environmental realities.

4.7 The environment has not changed in a way that would suggest a tripling of build rate could be absorbed now that previously could not. Indeed, the climate and biodiversity emergencies only serve to emphasise the need for all new development to have a net benefit to the environment.

- 4.8 There *may* be a justification for a housing uplift based on addressing specific unmet needs, for which the SHMA would offer an evidence base. If this were the case, then we would expect the uplift to correspond, not only in quantity but also in location and type/tenure mix, to those specific needs, ie affordable need and housing suitable for the growing population of over 75s. For many or most of these groups, downsizing and reduced dependence on cars will be important factors. There is no evidence that these specific types of needs, and the spatial patterns of development to support them, have formed the basis for any justification of a housing requirement number other than that supplied by the standard method.
- 4.9 **Consequently, whilst national guidance is still based on the 2014 projections (840 per year) it is clear that the 'policy-off' trend for Calderdale is downward, and reversing the trend requires very specific policy interventions. In our view, if the Council wishes to justify a higher figure, it must do so on the basis of the specific housing needs and spatial outcomes that it would deliver, since the evidential basis for an economic uplift simply does not stand up to scrutiny. In other words, any quantitative uplift can only be justified by qualitative outcomes for people and places.**