

# **Leeds City Region Housing Requirements**

**A report for the Leeds City Region Partnership and Local  
Enterprise Partnership**

**Final Report 06<sup>th</sup> Feb 2015**

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## Leeds City Region Housing Requirements

### 1.0 Introduction

- 1.1 The Leeds City Region Partnership has been working since 2004 on strategic planning issues which the eleven authorities in the Partnership have a shared interest in. The Partnership collaborated with the Regional Planning Body on the development and subsequent implementation of the RSS. When the regional arrangements came to an end in 2010 the Partnership took on an enhanced role in respect of strategic planning.
- 1.2 In response to the then impending revocation of the RSS the Partnership, in 2011, approved an Interim Strategy Statement which sought to maintain the key principles from the RSS in respect of; the roles of places, the consequent settlement network and the approach to accommodating development. It did not seek to reconsider the quanta of development to be planned for. The report that accompanied the Interim Strategy Statement made clear that further work would be needed at an appropriate time to address quanta of development and its distribution across the city region.
- 1.3 Since that time the Yorkshire and Humber RSS has been revoked and the Duty to Co-operate has been placed on the statute book. The Duty introduced an effectively 'bottom up' approach to Strategic Planning which has had its share of 'teething problems'. The scale and distribution of housing provision has been one of the main matters where in some parts of the country the Duty to Cooperate arrangement has failed to deliver. This has included a failure to plan for an appropriate scale of housing in a Plan, particularly in relation to economic growth, and the failure to recognise and respond to the cross boundary impacts of planning for housing, particularly where housing market areas and Plan areas do not align.
- 1.4 Within the City Region the outcomes for plan making have been mixed and in some cases related to perceptions of how well the Duty to Co-operate process has dealt with these housing related issues. Three Plans; Core Strategies in Kirklees and York and a Sites and Policies Development Plan Document in Harrogate have all been withdrawn at examination stage because of concerns expressed by Inspectors at the level of housing growth being proposed. In other cases, Leeds being the most recent example, plans have been found both to be sound and the Duty to Co-operate satisfactorily discharged.
- 1.5 In response to these challenges the eleven authorities which make up the Partnership have collectively commissioned work to address planning for housing. This work is intended to ensure the Plans already in place and those currently being reviewed are capable of supporting a boost to the housing supply and to ensure the ambitions set out in the Local Enterprise Partnership (LEP) Growth Deal and Strategic Economic Plan submitted to Government in March 2014 can be accommodated in Development Plans. The work will also inform future Plan reviews.
- 1.6 The work commissioned to address planning for housing is in a number of discrete but inter-related parcels. These are;
  - A common methodology for determining the objectively assessed need for housing which will help ensure the alignment of evidence in neighbouring authorities Plans that may be being prepared to different timetables.

- An analysis of the current evidence on the geography of housing markets and the potential cross boundary implications of this geography.
- A review of the work carried out on assessing housing need and setting the housing requirement in the most recent Plans either adopted or approaching adoption in seven of the ten Plan making authorities. The remaining three authorities have commissioned work that is currently underway to fully update their objectively assessed need. The outcome of all this work is set out as part of section 3 of this report.

1.7 This report brings together the earlier work on the housing requirement and presents an understanding of how the ten Plan Making authorities in the city region are addressing provision of housing. It then compares this to the collective ambition to deliver housing growth across the city region as set out in the Growth Deal and Strategic Economic Plan prepared by the City Region LEP. It concludes with an outline of the next steps in respect of planning for housing across the City Region.

## **2.0 Plan making in the city region**

- 2.1 The strategic context for Plan making across the city region has, since 2004, been informed by the RSS and its legacy of evidence. For housing provision the context began to move on in 2011 because of a combination of two things. The decision to revoke the RSS which took some time to deliver and the inclusion in the housing requirement policy of the adopted RSS the requirement to review the need and demand for housing by 2011. Consequently Plan examinations that took place from that time onward have included a retesting of the former RSS housing requirements. This has over time evolved into a full re-assessment of housing requirements based on policy as set out in NPPF.
- 2.2. The broad strategy for accommodating development in the city region as set out in the RSS Core Approach and the Leeds City Region policies has enjoyed support from all authorities across the city region. The housing requirement was contested at the time of the RSS EiP and consequently did not enjoy unqualified support across the city region. When it became clear in 2011 that the RSS faced imminent revocation there was little time to devise and agree a common strategy for accommodating development across the city region once the RSS was revoked. The Leeds City Region Interim Strategy Statement was the pragmatic response to those circumstances. Plan reviews were progressing and it was important to ensure that these reviews did not take place in a strategic policy vacuum.
- 2.3 The Interim Strategy Statement re-confirmed the Partnership commitment to the principles set out in the Core Approach of the RSS. This helped to maintain the foundations of the strategic relationships between places across the city region and the continued importance of re-investing in these places. It also helped to provide the context for the development of consistent outcomes from the Duty to Cooperate in Plans.
- 2.4 One of the key challenges of Plan reviews, the provision of housing was not addressed in the Interim Strategy Statement. This challenge is compounded by the inevitable different timetables of Plan reviews and the local circumstances that dictate the progress of these reviews. It was clear from the difficulties being encountered by individual authorities, leading in some cases to the withdrawal of Plans, that improving the choreographing of Plan reviews was required. Furthermore the expectations in the outcome in Plans of the exercising of the Duty to Cooperate were increasing. The 'larger than local' issues which the Duty was designed to address were becoming more acute and the development industry was challenging Plans on this basis.
- 2.5 A further consideration in developing the work on housing provision is the different approaches to Plan making in individual authorities. This is in part a consequence of the move from a portfolio – LDF approach – to the single Plan advocated in the National Planning Policy Framework. Critical to the portfolio approach is that the Plan to identify the individual sites follows on quickly from the Core Strategy which sets the quanta and broad distribution of development. The risk with the single Plan approach is the potential complexity of the Plan and the difficulty in completing the statutory steps in a timely way. At this time (autumn 2014) none of the authorities in the city region has taken a new style single Local Plan to the Examination stage.
- 2.6 Whatever approach is taken in the Plan making process the housing outcome should be the identification of sites to boost the land supply.

- 2.7 The remainder of this section describes the Plan making circumstances of each authority. This provides the context for the work described later in the report on the objective assessment of need for each authority and consequent housing requirements.

### **Barnsley**

- 2.8 Barnsley Council adopted its Core Strategy on 8th September 2011, the current development plan consists of the Core Strategy, the Barnsley Education Sites DPD and the remaining saved policies of the Unitary Development Plan. Work had begun on a Sites and Places DPD but the Council is now working towards a combined Local Plan, aiming for a publication version summer 2015. The Local Plan will contain proposed changes to parts of the Core Strategy as well as proposed policies and site allocations.

### **Bradford**

- 2.9 Bradford Metropolitan District Council adopted the Replacement Unitary Development Plan in October 2005. The Council is now in the process of preparing a Local Plan, the plan will be made up of a collection of planning documents including the Core Strategy. The publication draft of the Core Strategy was approved by the Council in December 2013 and subject to consultation between mid-February and the end of March 2014. The Core Strategy will be proceeding to Examination in spring 2015.

### **Calderdale**

- 2.10 Calderdale Council currently has a Unitary Development Plan in place; the plan was adopted on the 25<sup>th</sup> August 2006 and was amended in 2009. The Council is now preparing a Single Local Plan to at least 2031 which will include both the Core Strategy and Land Allocations. The current SHMA considers the time period to 2033. The 'Preferred Options' of the Core Strategy was subject to public consultation in late 2012, it is expected that a publication draft of the Local Plan will be available 2016.

### **Craven**

- 2.11 Craven Council adopted the Local Plan 2<sup>nd</sup> July 1999 for the period to 2006. The Council is now preparing a new Local Plan; an informal early draft is out for consultation until November 2014. The Local Plan is expected to be submitted for examination in 2015.

### **Harrogate**

- 2.12 Harrogate adopted its Core Strategy in 2009. This made provision for 390 new homes per year in line with the now revoked RSS. A Sites and Policies DPD to deliver that growth strategy was submitted for Examination in November 2013 but following concerns raised by the Inspector was withdrawn from examination in June 2014.

- 2.9 The Council is now preparing a new Local Plan that will set out the overall growth strategy for the District up to 2035, together with detailed policies and proposals to deliver that growth. The published LDS sets out the timetable for completing the Plan with an initial consultation timetabled for July 2015 and adoption in spring 2018.

### **Kirklees**

- 2.14 Kirklees Council currently has a Unitary Development Plan in place which was adopted on the 1<sup>st</sup> March 1999. An LDF core strategy was submitted for examination in April 2013 but withdrawn in October 2013 (see paragraph 1.3). A Local Plan is currently being prepared, early engagement and evidence gathering is ongoing and a Consultation Draft on the Preferred Options is expected to be published in summer 2015.

### **Leeds**

- 2.15 The Leeds Core Strategy was adopted at full Council on 12<sup>th</sup> November following receipt of the Inspector's report on 10<sup>th</sup> September 2014. The report concluded that the Plan is sound provided a number of modifications are made to the submission Plan.
- 2.16 Sites Allocations Plan which will follow on from the core Strategy was the subject of an issues and options consultation in 2013. The next step will be a publication draft consultation which is timetabled for late 2014.

### **Selby**

- 2.17 Selby District adopted its Core Strategy on 22<sup>nd</sup> October 2013, however there were legal challenges to that adoption. These challenges were dismissed by the court in 2014.
- 2.18 The Council is continuing work on a on a Sites and Policies Local Plan (PLAN Selby) and is currently gathering evidence and is undertaking Initial Consultation between 24 November 2014 and 19 January 2015. Further Consultation is programmed for late 2015 with Publication and Submission in 2016. It is this document that will identify the land supply for housing to meet the requirement in the adopted Core Strategy.

### **Wakefield**

- 2.19 Wakefield has a suite of adopted Development Plan Documents that nest within a Core Strategy adopted in 2009. The Site Specific Policies Local Plan identifies land for housing up to 2022, this was adopted in 2012.

### **York**

- 2.20 York does not have an adopted Development Plan. The emerging Local Plan was approved for publication consultation by the cabinet on 25<sup>th</sup> September 2014. However following changes in the political makeup of the Council, the full Council resolved on 9<sup>th</sup> October to ask for a further review by officers of the housing requirement, trajectory and sites. This work is currently underway and will report to an all-party Local Plan Working group later in the year. For the purposes of this report the Plan referred to is the Cabinet version unless otherwise stated.

### **3.0 Objectively assessed needs work in the city region**

- 3.1 The NPPF sets out the policy approach to be taken in objectively assessing the need for new homes and then determining the housing requirement in the review of a Development Plan. Paragraph 47 refers to Local Plans meeting their full objectively assessed need for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this framework. Paragraph 159 refers to authorities assessing their full housing needs working with neighbouring authorities where housing market areas cross administrative boundaries.
- 3.2 The advice in the web based National Planning Practice Guidance and further guidance from PAS – ‘the ten steps to owning your housing numbers’ sets out a process for deriving the objectively assessed need and then testing the implications of that need figure against policy considerations. This second stage of policy consideration helps to bring clarity to applying the NPPF policy test of ‘as far as is consistent with the policies set out in this framework’.
- 3.3 It is clear from both pieces of guidance that there are a combination of factors which will affect the objectively assessed need calculation (prior to any policy considerations). These include nationwide factors such as the uncertainty in the national population projections that are updated every two years and in the household formation rates that underpin the DCLG household forecasts, also updated every two years. There may also be local factors which affect the calculation such as; economic circumstances, migration, market signals including the need for affordable housing and changes in commuting ratios.
- 3.4 Given the range of factors to be considered and the complexity of the interactions between these factors the guidance referred to above advocates the use of scenarios to test different combinations of assumptions. This helps to better understand the uncertainties inherent in such forecasting and how policies in the Plan can help to manage that uncertainty.
- 3.5 In addition to the uncertainties set out above, there is the potential for different assumptions being made about the interactions between the factors which affect housing growth in the Plan’s prepared by adjoining Local Authorities. This possibility can impact on the exercising of the Duty to Co-operate between neighbours with consequential effects on the soundness of Plans. To help to reduce this risk the City Region Partnership has agreed a common methodology for determining objectively assessed need. This is set out in a report for the City Region by Edge Analytics (The Objective Assessment of Housing Requirements – Establishing a Common Methodological Approach’). This report sets out a common start point and a robust and transparent methodology which enables a clear consideration of the different factors which shape housing growth and of how different scenarios are used to explore the impact of different factors.
- 3.6 Experience of Plan making in different parts of the country has shown that a failure to properly consider housing market geography can lead to an unsound Plan. In response to this the City Region commissioned a review of the evidence on the geography of housing markets at the same time as the work to determine a common methodology for objectively assessed need. The review (Understanding the cross boundary impacts of housing markets) considered local, regional and national evidence drawn from previous studies of housing market geography. The report identified uncertainty in the geographies identified and in the potential strategic cross boundary relationships which would need to be explored through the Duty to Co-operate. It highlighted the fact that housing market relationships between

different areas operate at a number of different levels. Where cross boundary market relationships exist, they are not always of sufficient scale or significance to warrant the formulation of new market area definitions. However the work did help in framing the dialogue between authorities on this matter and further work will be undertaken once the results of the 2011 census are fully available. To date the dialogue has focussed on those authorities whose Plans are approaching examination or where new work on Strategic Housing Market Assessments is being commissioned.

- 3.7 The Government's invitation last year to Local Enterprise Partnerships (LEP) to submit proposals for Growth Deals underpinned by Strategic Economic Plans was taken up by the Leeds City Region LEP. As the work developing the proposals progressed it became clear that an up to date understanding of the relationship between the economic growth proposals in the emerging 'Deal' and housing growth to support this economic growth was required. To do this Edge Analytics were commissioned to prepare an aggregate assessment of need for housing for the whole city region based on forecasting demographic and economic change.
- 3.8 The report from Edge Analytics (Leeds City Region – Demographic Forecasts 2012-31) used the now agreed common methodology to present a series of macro level scenarios of housing growth that showed how demographic and economic component of the forecast along with different assumptions about household formation rates interacted to give a range of possible quanta of housing growth that would be required to support the City Region's economic ambition. The report presents a number of scenarios for housing growth, in considering which scenario is the most appropriate for the city region circumstances the Jobs-led (REM)\_EA2 scenario is recommended, this is one of 2 scenarios that takes into account jobs growth. The other scenarios are variations on the drivers of demographic change, particularly migration. This is recommended because it is important to ensure that there is alignment between economic growth and housing growth.
- 3.9 The report's main economic scenarios for housing growth showed a range of between 10,239 and 12,948 new households per year across the City Region depending on assumptions made about the activity rates in the workforce, household formation rates and economic in-migration. This range provides the reference point for the objectively assessed need for the whole city region which can be tested against the collective outcome of individual authorities' objectively assessed need calculations and against the consequent housing requirements set out in Plans. This testing explores the degree of alignment between the outcome of the city region scenarios work described above and the aggregate of the individual plan objective assessment of housing need described below.
- 3.10 This work provides a useful starting point in establishing the general scale of growth across the City Region; however the economic scenario for the City Region does not constitute Objectively Assessed Need. The next step is therefore to consider the Objectively Assessed Need in each Local Authority Plan and the audit of each assessment against the LCR common methodology. This assessment will determine if there are any matters in the approach taken that could adversely affect the meeting of the overall city region housing requirement or raise cross boundary strategic issues with neighbouring authorities.
- 3.11 Edge Analytics were commissioned to carry out this audit which looked at the Plans of seven (of the ten) authorities. The remaining three authorities have commissioned new work using the LCR methodology to objectively assess their need. The outcome of this work will be

incorporated into the overall findings of from this section of the report, when it becomes available.

### **Barnsley**

- 3.12 Work to determine the objectively assessed need for housing in Barnsley to inform the Local Plan is currently being prepared. The 2008 Strategic Housing Market Assessment (SHMA) prepared by arc4 is currently being updated. The SHMA update will be informed by the Edge Analytics work which provides an updated suite of population and household forecasts 2014-2033 using the latest inputs and updated economic assumptions. The Edge Analytics work provides a range of annual household growth figures based on a series of scenarios. The scenario SNPP2012 provides the suggested starting point for the objective assessment of housing need and provides a range of annual household growth between 725 and 888.

### **Bradford**

- 3.13 The Bradford Core Strategy evidence to support the Housing Requirement was prepared by GVA and Edge Analytics. An initial Housing Requirements Study was issued in February 2013, it was based on the then current 2008 based household projections. This study was supplemented by an addendum report, issued in August 2013, which re ran the modelling to incorporate the interim 2011 based household projections issued by the CLG in April 2013. Conclusions of the work are that the district is expected to see rapid and sustained population growth over the period and that the housing requirement should be aligned to a level of household growth consistent with the expected expansion in the district's economy as indicated by the Regional Econometric Model. The rate of household formation which will occur within this growing population is more difficult to predict because it is more sensitive to changes in the economy and the housing market. The Addendum Report therefore suggested that the housing requirement be set at the mid-point of a range of 1807 to 2565 dwellings per annum.
- 3.14 The review of this work by Edge Analytics through the city region audit report referred to above recommended further testing of the scenarios for Bradford to take account of the 2012 population projections and the 2011 census. This has led to Bradford commissioning further work from Edge to implement these recommendations.

### **Calderdale**

- 3.15 The housing requirement in the 'Preferred Options' of the Core Strategy is based on work carried out by GVA (with Edge Analytics). In November 2011, GVA delivered a 'Housing Requirements' report to Calderdale Council. This was produced as an extension to the Strategic Housing Market Assessment (SHMA), which was delivered by GVA in April 2011. The report 'Shaping the Housing Future of Calderdale Housing Requirements' (Feb 2012) recommends a housing requirement for Calderdale between 572 and 999 homes per annum.
- 3.16 Calderdale's demographic evidence is now subject to a full update. This will provide input to a revised SHMA and housing requirements study for Calderdale. The update will include demographic analysis for sub-district areas of Calderdale. This work is being completed by Turley Associates with demographic analysis provided by Edge Analytics.

### **Craven**

- 3.17 The North Yorkshire and York Strategic Housing Market Assessment (SHMA) 2011 was commissioned by the North Yorkshire Strategic Housing Market Partnership in September 2010. GVA were the consultants commissioned. Appendix 1 of the SHMA includes a Craven-Specific analysis. Craven District Council also commissioned additional analysis on population estimates and projections from Edge Analytics Ltd following the publication of the SHMA, which is presented in a report entitled “Craven District Population Estimates and Projections March 2012”.
- 3.18 Both the 2011 SHMA and the 2012 Edge Analytics report examine population information for Craven from the Office of National Statistics (ONS) and other sources such as Department of Communities and Local Government (DCLG) sub-national household projections and the 2011 SHMA Household survey. However the Edge Analytics report benefits from more recent information on population change from the Office of National Statistics, which also includes important changes to ONS population estimation methodologies. The recently released first phase 2011 Census figures are also considered.
- 3.19 The North Yorkshire SHMA 2011 presents hypothetical dwelling requirements based around the levels of growth under Core Scenario 1 (based on Sub National Population Projections), taking into account existing long term vacant private sector stock, which serves as a useful proxy for understanding the latent capacity in the existing stock to absorb future demand. This analysis indicates that the 2008 based SNPP projections would result in an annual net dwelling requirement of 323 dwellings in Craven.
- 3.20 The Craven Edge Analytics Report (2012) makes use of more up to date population information and improved population estimation methodologies from ONS. Edge Analytics used POPGROUP technology to develop scenario forecasts for Craven district for a 2011–2033 plan period. Forecasts were produced both at district-level (for the whole of Craven district, including the Yorkshire Dales National Park) and at small-area level (for 6 sub-areas within Craven district). The Edge analysis clearly demonstrates that the SNPP (2008 based) growth scenario (i.e. Core Scenario 1 in the 2011 SHMA) is unrealistic and should be considered only as a benchmark against which to compare the alternatives. The methodological revisions to Craven’s mid-year estimates results in a contrasting growth trajectory (Migration-led-revised scenario), with population decline due to natural change and relatively low net migration suggesting flat growth over the projection period. This results in a consistent reduction in the size of the labour force and a significant ageing of the population profile. The dwelling growth suggested by the household numbers in each scenario varies considerably, with the SNPP suggesting an average of 336 per year. However, the 137 to 208 range suggested by the four remaining scenarios is a much more robust base from which to consider future development strategies.
- 3.21 The recent Edge review recommends that the analysis be brought up to date using more recent data assumptions. This additional work has been commissioned from Edge Analytics and the outputs are expected November 2014 along with an SHMA update which should be complete in December 2014.

### **Harrogate**

- 3.22 Harrogate has commissioned Justin Gardener and GL Hearn to review the objectively assessed need for the District as part of a wider Strategic Housing Market Assessment (SHMA). This takes as its starting point the common LCR methodology prepared by Edge.

This work is at an early stage however existing evidence (source York and North Yorkshire SHMA 2011) indicates that the objectively assessed need figure for Harrogate will be higher than the requirement in the adopted Core Strategy.

- 3.23 To date Edge Analytics has undertaken some initial demographic and forecast analysis for Harrogate. Justin Gardner and GL Hearn are using this as a basis for the full SHMA and it is likely that additional scenarios will need to be tested. Harrogate anticipates that this work will be completed towards the end of January 2015.

### **Kirklees**

- 3.24 The housing requirement as outlined in the (now withdrawn) Local Development Framework (LDF) Core Strategy was set at 22,470 for the period 2010–2028. This was defined on the basis of an ‘effective demand’ calculation, rather than the forecast scale of household growth suggested by demographic trends. As Kirklees is proceeding to a Local Plan and given the situation with regard to the revocation of the Regional Spatial Strategy (RSS), the availability of new demographic information and the likelihood of representations challenging the Local Plan, Kirklees Council has updated its demographic evidence. The 2012 Strategic Housing Market Assessment (SHMA) prepared by GVA is currently being updated.
- 3.25 The SHMA update will be informed by the Edge Analytics work which provides an updated suite of population and household forecasts 2013-2031 and 2031-36 using the latest demographic trends and updated economic assumptions principally associated with the Kirklees economic strategy as the basis for a number of scenarios. The Edge Analytics work provides an annual dwelling requirement for each scenario. These will be updated when the 2012 based DCLG household projections are published.
- 3.26 The draft scenario outcomes show that on the basis of demographic factors annual housing need ranges from 1461 to 1854; on the basis of current trends in job growth need ranges from 1317 to 1591; and on the basis of the ambitions of the Kirklees economic strategy need ranges from 1571 to 1849. For comparison the withdrawn core strategy proposed annual provision of 1250 dwellings and RSS 1700 dwellings.

### **Leeds**

- 3.27 The Edge review of the approach taken by Leeds concludes that it was completed using appropriate data and assumptions and tested a range of scenarios. These scenarios revealed a potential range from 2460 to 5405 households/yr based on different scenarios that tested assumptions about migration and job growth. The Council are advised to bring the analysis up to date using the recently published data from the 2011 census on economic activity rates and commuting ratios. Additionally it is suggested that the implications of the 2012 population projections (issued in May 2014) are tested. However it should be noted that the Inspector conducting the examination of the Plan concluded that a further hearing to explore the implications of the 2012 population projections was not required to enable him to reach a conclusion on the soundness of the Plan. Section 4 of the report considers the Inspectors conclusions on the Core Strategy Housing Requirement.

### **Selby**

- 3.28 The Selby Core Strategy evidence to support the Housing Requirement was prepared by Arup Associates. This work does not include a forecasting model but does identify a number

of scenarios and draws on the forecasts prepared by Edge Analytics for the North Yorkshire and York SHMA – Selby appendix. The work mainly draws on the 2010 population projections the autumn 2011 run of the REM however an update includes an assessment of the 2011 interim Household projections. The scenarios produced a range of annual household growth figures of 403 – 519 (excluding the base line natural change only scenario).

- 3.29 The Edge review commented that the ‘choice of key assumptions has largely been determined by the prior North Yorkshire and York SHMA or by the official ONS projections. The Inspector concluded in his finding that the Core Strategy is sound, that the housing requirement has been determined using appropriate evidence.
- 3.30 The Edge review concluded that there would be benefit in; evaluating the scenarios using a recognised forecasting model, bringing the analysis up to date using more recent data and assumptions drawing on the 2011 census and to consider the likely implications of the 2012 population and household projections.

### **Wakefield**

- 3.31 The stable and relatively up to date Development Plan circumstances in Wakefield mean that there is less reason to examine the changing effect of demographic and economic evidence on the housing requirement. The examination of the Site Specific policies Plan considered the implications of the 2006 and 2008 household projections and the then current 2010 economic forecast from the REM.
- 3.32 The Edge review recommends an examination of the implications of the more recent evidence from the 2011 Census, the 2012 population projections and the REM to update understanding of the drivers of household growth in the District, in due course.

### **York**

- 3.33 The work to determine the objectively assessed need for housing in York was carried out for the Council by Arup. The most recent work on this matter is an update of the evidence and analysis for the publication draft Plan completed in August 2014. This update took into account the 2011 interim household projections, the 2012 ONS population projections and economic forecasting provided by Oxford Economics. This economic forecast was compared with forecast provided by Experian REM (as adjoining authorities used this forecast) and Cambridge Economics. The comparison with the Experian/REM forecast showed that the forecasts by the two different econometric modellers showed a very similar overall job growth of around 13,500 FTE over the period to 2030. The household formation rates used in the 2011 interim household forecast were tested against the earlier 2008 household forecast and more recent information from the census and the workforce survey. The conclusions of the work by Arup suggested a range from 838 to 877 with the higher figure drawing on an economic ‘policy on’ scenario.
- 3.34 The review of this work by Edge Analytics carried out as part of the overall review of work by individual authorities on Plan housing requirements identified further work to test and validate the Arup analysis.

This included:

- Testing the work using a recognised forecasting model

- Bring the scenarios up to date using more recent data and assumptions
- Use these updates to test the most recent 2012 based population projections
- Test this 2012 demographic based projection against recognised job forecasts.

Edge Analytics has been commissioned to provide demographic and economic scenarios which address the recommendations set out above.

- 3.35 Having reviewed all the work that has been carried out to determine the objectively assessed need, the next step is to see how this is translated into a housing requirement. The next section of the report addresses this matter.

## **4.0 The city region housing requirement**

- 4.1 The development of a city region housing requirement involves an amalgamation of the results of a bottom up assessment of the overall housing requirement for the city region, which is then compared with the assessed need for the SEP. It is assumed that there are not any city region wide policy constraints which would have the effect of reducing a housing requirement figure derived from the city region objectively assessed need that is set out in section 3 above.
- 4.2 In understanding the overall housing requirement for the city region it is important to keep in mind that there are a number of drivers, each with a degree of uncertainty attached to them. For example, migration has in recent years been a quite volatile component of change with the 2011 census showing that earlier estimates were in some areas not very accurate. As the NPPG says, devising the housing requirement is not an exact science, and in the management of these uncertainties there is a role for both policies in the Plan and its implementation through the allocation of sites. In view of this uncertainty the city region housing requirement is described as a range as set out at paragraph 3.9.
- 4.3 The Planning Practice Guidance also recognises that market signals including land prices, house prices, affordability of homes and rents all provide useful information that can help shape future planning for housing. The City Region Partnership has carried recent work on relative affordability of homes in different parts of the city region and produces an annual housing market monitor.
- 4.4 The individual authority narrative below brings together the outcome of the work on understanding the current position in respect of housing requirements in each authority which is described in the earlier section of the report. Where an authorities' position is currently in review a range of figures may be used.

### **Barnsley**

- 4.5 The Barnsley Core Strategy takes the RS figure for annual net additions to the dwelling stock of 1,015 as its basis for the future housing numbers giving a total of 18,270 dwellings for the whole plan period. To this is added 1,704, representing an uplift of 21% on the supply target over the years 2008-2016 to reflect the award of Growth Point status in 2008, giving a figure of 19,974. Following the ending of Growth Point funding in March 2011 the uplift is effectively spread over the whole plan period. With the further addition of a flexibility allowance of 1,526 to sustain growth<sup>1</sup>, the total for the plan period (2008 to 2026) is therefore 21,500. The housing requirement is not expressed as an annual figure. The inspector concluded in his findings that the housing trajectory appears to be a sound assessment of likely future performance.

### **Bradford**

- 4.6 The Bradford Core Strategy Publication Draft Policy HO1 requires that provision is made for at least 42,100 new homes over the period to 2013 to 2030 in addition to those already completed in the preceding period. The total quantum is derived from an annual housing target of 2,200 dwellings per annum over the period 2013-30 which is in line with both the

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<sup>1</sup> The figure of 1,526 represents an additional 100 dwellings per year from 2011 to 2026 to enhance the Borough's attractiveness to housing growth within the Sheffield and Leeds City Regions (100 x 15 = 1,500). This is added to the 19,974 and the sum rounded up to 21,500.

housing requirement study carried out in 2013 and also the additional work commissioned from Edge Analytics in 2014 which implemented the recommendations from the audit of the earlier work.

### **Calderdale**

- 4.7 The Calderdale UDP, adopted in 2006 makes provision for 450 dwellings per annum over the plan period or a total of 6,750 dwellings. The 'Preferred Options' of the Core Strategy that was subject to public consultation in late 2012 states that 16,800 new homes are required before 2029, an average of 800 per year.

### **Craven**

- 4.8 The Craven Local Plan adopted in 1999 for the period to 2006 requires that provision is made for 375 dwellings within Craven District outside the National Park to give an overall provision of 2,300 dwellings in the District for the period 1991-2006. The early draft of the new Local Plan identifies a requirement for at least 2,400 new homes over the 15 year plan period (to 2030) representing an average annual building rate of 160 dwellings per annum.

### **Harrogate**

- 4.9 The adopted Core Strategy includes a housing requirement of 390 homes per annum. However, as a result of the concerns raised by the Inspector examining the now withdrawn Sites & Policies DPD, Harrogate is no longer able to rely on this adopted figure for the purposes of calculating its land supply position. Instead Harrogate is using the most up to date information available which indicates a range of between 862-1086. Housing sites are identified in the adopted Local Plan from 2001 and a selective alteration adopted in 2004. All but one of these has now been developed.

### **Kirklees**

- 4.10 The draft scenario outcomes show that on the basis of demographic factors annual housing need ranges from 1461 to 1854; on the basis of current trends in job growth need ranges from 1317 to 1591; and on the basis of the ambitions of the Kirklees economic strategy need ranges from 1571 to 1849. For comparison the withdrawn core strategy proposed annual provision of 1250 dwellings and RSS 1700 dwellings. These scenarios will be updated when the 2012 based DCLG household projections are published.

### **Leeds**

- 4.11 The conclusions the Inspector reaches in his report into the soundness of the Core Strategy provide a useful summary of the situation in respect of the housing requirement. He says:

Most of the employment led scenarios contained in the Council's summary lead to figures in the region of 70,000. Assessing housing need is not an exact science and small changes in headship rates and other assumptions can have a significant impact on the calculations. However, on the basis of the evidence before me I am satisfied that the Core Strategy figure of 70,000 (net) is based on a reasonable objective analysis of the need for new housing in Leeds up to 2028.

- 4.12 The modified Core Strategy sets out the Housing requirement as follows: 70,000 net new dwelling will be delivered between 2012 and 2028. Phasing 3660 2012 to 2016/17 stepping up to 4700 thereafter.
- 4.13 The emerging allocations DPD will provide the land to meet the requirement set out in the Core Strategy.

### **Selby**

- 4.14 The adopted Selby Core Strategy includes a requirement of about 7200 dwellings over the plan period 2011 to 2027, equating to about 450 dwellings per annum in the period up to March 2027. With new allocations required to be identified in the Sites and policies Local Plan for at least 4360 dwellings in this period the remaining approximately 2683 dwellings will be provided for through existing commitments (both completions and planning permissions between 2011 and 2014).

### **Wakefield**

- 4.15 The Core Strategy housing requirement is based on the RSS requirement of 1600 homes per year between 2008 and 2026. The examination of the Site Specific Policies Local Plan looked again at the evidence underpinning the housing requirement and acknowledged the Council growth ambitions, including Growth Point Status under the previous Labour Government which aims to deliver an additional 320 homes per year between 2008 and 2017.

### **York**

- 4.16 This section describes the position in the Local Plan as approved by Cabinet on 25<sup>th</sup> September 2014 and it is subject to review. The plan making process is currently 'on pause' whilst the further work on the housing requirement requested by the Council meeting on 9<sup>th</sup> October is completed. The objectively assessed need for housing set out in the preferred options draft Plan has been re-assessed (see section 3 of the report) and the Housing Requirement in the Plan is 996 dwellings per year. The end date of the Plan is 2030. Following the 'pause' in Plan preparation the all-party Local Plan Working Group agreed on 17<sup>th</sup> December to advise cabinet to set a housing requirement of 926 per year, subject to the outcome of the 2012 household projections.
- 4.17 The Plan identifies a site specific land supply for the whole plan period with an over-supply of around 2,000 homes. This land supply fully meets the requirements for York and there are no outstanding Duty to Cooperate strategic issues in respect of housing. The housing trajectory in the Plan includes a 20% over supply for the first 6 years to address persistent under delivery. Around 70% of the housing requirement will be delivered on strategic sites – these are sites over 5ha.

### **Overall conclusions on the requirement in each authority**

- 4.18 As can be seen from the analysis above some authorities have a clear position in an adopted plan or are very close to that. Others are working towards that position. To date all authorities are looking to meet their full objectively assessed need in their Plan. All LCR authorities are aiming to accommodate objectively assessed need within their authority area, therefore not looking to neighbouring authorities to provide part of their need. LCR

Authorities are not currently providing need for neighbouring authorities. At this point in time however it cannot be confirmed that this will remain the case.

- 4.19 Although the examination of the land supply is not the remit of this piece of work, it is worth drawing together information in this report on land supply, which has been gathered as part of this housing requirement study. The NPPF makes very clear that the purpose of the policy approach it articulates for housing is to boost the supply of homes. Such a boost requires sites to be identified.
- 4.20 At present only Wakefield has an up to date adopted Development Plan which identifies sites for housing to meet the requirement. Selby has identified a strategic site in its Core Strategy and is now preparing a Sites and Policies Local Plan to deliver the Core Strategy. Leeds and Bradford are also both progressing allocations Local Plans to follow on from their Core Strategies. The remaining authorities are preparing single Local Plans which will determine both the requirement and the supply.

## **5.0 Conclusions**

- 5.1 Table 1 at the end of the document provides a summary of the plan requirement in each Local Planning Authority. If you compare the sum of the Plan requirements with the range of need identified in the work for the LEP Strategic Economic Plan it shows that the adopted and emerging Plans will collectively provide for the scale of need identified in the work for the Strategic Economic Plan. This means that the emerging Plan regime across the city region will be able to deliver the boost to housing sought in the LEP Growth Deal.
- 5.2 Paragraph 5.1 sets out the position as at November 2014. At that time there was not a firm date for the publication of the DCLG 2012 Household Projections (expected Feb 2015), though the population projections that they are based on were published in May 2014. These population projections maintained the lower population growth rate shown in the 2010 population projections when compared with the 2008 series which underpinned the last complete household projection. Once the 2012 Household projections are published further testing of the assumptions that underpin the forecast for the SEP will be carried out.
- 5.3 In addition the work on housing market geography across the city region carried out earlier in 2014 will be revisited once the full results of the 2011 census in respect of migration and travel to work patterns are available. Local migration data from the 2011 census data is expected to be released early December 2014.
- 5.4 There also remains work to be done to ensure that the supply of land is made available to meet the requirements. At present a number of authorities are finalising or have finalised Core Strategies but have yet to complete the Plans that identify the land supply to meet the requirement in the Core Strategy. Other authorities are taking the single Plan approach and are identifying requirement and supply at the same time.
- 5.5 Plans currently being prepared include housing requirements that align with scale of provision identified in the SEP. One of the main challenges particularly in those parts of the city region with weaker housing markets is identifying suitable sites that are deliverable and viable. It is recommended that Local Authorities work proactively with the Leeds City Region Enterprise Partnership and West Yorkshire Combined Authority to develop intelligence and approaches to bring forward the supply of land and accelerate delivery. Such work will help to ensure that the commitment in the SEP to deliver more than 10,000 per year to 2021 can be achieved.

**Table 1 Leeds City Region Housing Requirement - Summary of the Position in each Local Planning Authority**

<b>Authority</b>	<b>Plan Requirement / Housing Need</b>	<b>Source / Comments</b>
Barnsley	1,194	Core strategy requirement of 21,500 divided by 18 years
Bradford	2,200	Core Strategy Publication Draft
Calderdale	800	Core Strategy preferred options draft 2012
Craven	137 - 208	Early draft Local Plan
Harrogate	862 - 1086	Figures from the 2011 SHMA - currently under review
Kirklees	1317 - 1854	Based on output from Edge Analytics, scenarios will be revised following household projection release and plan requirement to be established through new SHMA.
Leeds	3,660 to 2016/17 then 4,700 thereafter(to 2028)	Adopted Core Strategy
Selby	450	Need - Based on all evidence, the best estimate is a need for at least 450 dpa over the first 10 years of the plan period perhaps increasing by an unknown amount for the last 5 years. Requirement - At least 450 dpa from existing commitments and new allocations, plus an additional at least 105 dpa from windfalls.
Wakefield	1,600	Plus growth point 320 yr. between 2008 and 2017
York	870	Figure subject to review following Council meeting 9 <sup>th</sup> Oct 2014 and the 2012 DCLG household projections.
<b>Total</b>	13,090 – 14,962	This range is based on a combination of plan requirement figures where available and housing need where there is no plan requirement in place. This range represents the current collective understanding of housing being planned for in the LCR but will be subject to change.
<b>LCR SEP Scenario</b>	10,239 – 12,948 (mid-point 12,038)	Based on economic growth scenario Jobs-led (REM)_EA2 (see para graph 3.8). This scenario provides a useful starting point in establishing the general scale of growth across the City Region; however the economic scenario for the City Region does not constitute Objectively Assessed Need.