

**Potential modifications to the draft Local Plan following the receipt of the Planning Inspector's post-stage 1 hearings letter**

**Report of Director of Regeneration and Strategy**

**1. Purpose of Report**

- 1.1 This report considers the implications of the interim conclusions reached by the Planning Inspector examining the Calderdale Local Plan (Publication Draft) following the first stage of hearings between 26 June and 5 July 2019. The Local Plan is the Council's key land use planning document for the next 15 years and underpins the Council's 2024 vision with its emphasis on resilience, enterprise, distinctiveness, kindness and the attraction and nurturing of talents.
- 1.2 The post-hearing letter was received by the Council on 16 July 2019 and it is attached as Appendix 1 to this report. The Council's letter of reply to the Inspector is attached as Appendix 2 to this report.
- 1.3 On receiving this letter the Council commissioned Turley (who previously prepared the 2015 and 2018 Strategic Housing Market Assessments) to undertake further analysis of the relationship between Calderdale's housing requirement and our economic growth aspirations. The executive summary of the Turley study is attached as Appendix 3 to this report.
- 1.4 This report highlights the key conclusions of the Turley study and recommends the next steps that the Council should take to achieve a sound Local Plan that delivers a sustainable scale and distribution of new homes, jobs and facilities whilst protecting and nurturing our environment.
- 1.5 This report considers two alternative approaches to providing sufficient supply of housing. In responding to the Inspector, the recommended 'Sustainable' option embodies a focus on regeneration and brownfield sites within and around our town centres, timely delivery on allocated sites and creative mixed use where appropriate. Where new allocations are needed these are in sustainable locations close to existing or planned transport investments and established transport corridors. This approach balances environmental, social and economic factors, is sensitive to the Climate Emergency declaration and supports the delivery of 10,000 jobs and 3,000 affordable homes and over the next 15 years. This approach would enable the Council to adopt its Local Plan within an acceptable timescale, facilitate carefully planned investment and resist more damaging, ad hoc, lower quality proposals which are likely in the absence of an adopted Local Plan.

## **2. Need for a decision**

- 2.1 Whilst the Inspector is supportive on a number of key aspects of the Council's approach her letter expresses significant concerns about housing requirements and their alignment with forecasted economic growth.
- 2.2 The Council declared a climate emergency in January 2019. In relation to this, it is the Council's responsibility to make sure that all decisions consider the potential impact that they may have on the environment.
- 2.3 If accepted, the favoured approach set out within this report could lead to the Inspector making important Main Modifications (MMs) to the Local Plan in order to make it sound. These MMs would result in a higher housing requirement and changes to the pattern of growth. In part this would reflect some additional site allocations. However, in considering additional housing provision and site allocations it also encompasses an approach that seeks to maximise sustainability, respond to Climate Change and minimise incursion into the Green Belt. These changes necessitate a decision being taken by Cabinet.

## **3. Recommendations**

It is recommended:

- 3.1 That Cabinet notes the observations of the Local Plan Working provided at its meeting on 9 October 2019.
- 3.2 That the *Housing Update Paper* attached at Appendix 4 to this report provides the basis for the Council's case at the forthcoming Local Plan hearings.
- 3.3 That a six week public consultation is undertaken based on the changes set out in the *Housing Update Paper* in order to inform the Inspector's consideration of these matters at the forthcoming hearing sessions.

#### 4. Background and/or details

- 4.1 At the stage 1 hearings the Inspector considered legal and procedural matters (including the duty to cooperate; sustainability appraisal; Habitat Regulations Assessment; and consultation); vision, objectives and overall strategy; housing need and supply; employment land need and supply; and Travellers. The hearings were held over 5 days and contributions were made by residents, developers and environmental groups, as well as Council representatives.
- 4.2 The Inspector's letter does not cover every matter debated at the Stage 1 hearings. The broad context is supportive with the Council's approach to economic development and the facilitation of 10,000 new jobs over a 15 year period seen as sound. The letter does however have an emphasis on the issue of housing need and requirement, on which she has significant concerns.
- 4.3 At the Stage 1 hearings the Council's case was that Calderdale's housing requirement over the life of the Local Plan would be 840 dwellings per year (dpa). The background to the 840 dpa requirement is set out in a report to Cabinet on 12 February 2018. It will be noted that the option selected by Cabinet in February 2018 resulted in the least impact on the Green Belt of the options presented at that time. This requirement was calculated using the Government's standard method, which is based on projected average household growth, with an upward adjustment to take account of local affordability (a factor based on the relationship between median wages and house prices). At that time no adjustment was made to account for economic growth or any other factor. Economic growth and housing requirements are linked because growth requires a given level of workforce, which does in turn require a given level of housing. In the absence of sufficient housing, economic growth arguably results in an increased level of in-commuting, which is potentially unsustainable. Conversely the ability of local businesses to grow is restricted. Calderdale currently has a relatively high level of live-work self-containment (it is an identified 'Travel to Work Area'), and the objective should be to at least maintain this.
- 4.4 The requirement for 840 dwellings per year was carried forward to the Publication Draft of the Local Plan in August 2018. At the hearings, developer interests challenged the Council's approach to its housing requirement. The Council's case in response to this focused on the need to demonstrate exceptional circumstances to justify the release of Green Belt beyond that required to meet the demographic baseline, and also the steps the Council is taking to increase economic activity rates through initiatives such as the Inclusive Economic Strategy.
- 4.5 The Inspector noted that the Council's housing need figure of 840 dpa represented the minimum starting point for assessing housing need, using the new standard method (as set out in paragraph 60 of the NPPF 2019). However, the current national Planning Practice Guidance (paragraph 010) indicates that *'there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates'* and refers to situations where increases in housing are likely to exceed demographic trends due to growth strategies or strategic infrastructure improvements or where changing economic circumstances may affect demographic behaviour. The Practice Guidance also states that authorities should take account of up-to-date Strategic Housing Market

Assessments (SHMAs) which identify significantly higher needs than the standard method.

4.6 Helpfully the Inspector also notes that the relationship between employment growth and new housing is complex, and that the Council is actively seeking to increase participation rates through its Inclusive Economy Strategy (2018).

4.7 At paragraphs 11 and 12 of the Inspector's letter she states that:

*“The Council's evidence indicates that actual housing need is higher than the standard method indicates, and that an uplift above the minimum figure is warranted to support likely employment growth. In conclusion, taking account of all the evidence before me, I consider that housing need in the borough is higher than 840 dpa and is likely to amount to at least 1001 dpa. This would support baseline employment growth as a minimum, and aligns with the SHMA recommendations. It would also provide a better balance between identified OAN for housing and employment in the submitted Plan. Although the SHMA indicates that a higher housing figure of 1,129 dpa is needed to support the 'policy on plus transport' employment growth scenario, the relationship between employment growth and new housing is complex, and I note that the Council is actively seeking to increase participation rates through its Inclusive Economy Strategy (2018). It is also possible that other interventions may affect the labour force in addition to net migration.”*

*The housing requirement of 840 dpa in the Plan is the same as the identified housing need figure. As such, for the reasons set out above, I am concerned that the Plan's provision for housing would not adequately support the employment growth advanced by the Plan, and could result in higher rates of in-commuting or conversely impact on the ability of businesses to grow and develop. **Accordingly, the Council is requested to consider the implications of the above conclusions for the housing need and housing requirement figures in the submitted Plan, and confirm how it wishes to proceed.** Further work may be necessary to assess the implications of housing need and requirement figures which align more closely with the Plan's economic strategy. Linked to this the Council may determine it necessary to identify additional housing sites. Or alternatively the Council may wish to revisit the economic strategy to better align with housing growth.”*

4.8 The Regional Economic Intelligence Unit at West Yorkshire Combined Authority (WYCA) worked with the consultants who prepared the Employment Land Study for Calderdale, to create scenarios for the potential change in job numbers over the Plan period. In addition to the baseline forecast a 'policy-on plus transport' scenario was created which reflected the policies and programmes of the Local Economic Partnership's Strategic Employment Plan and the additional number of new jobs created because of the investment in transport infrastructure through the West Yorkshire + Transport fund. The scenarios are as follows:

- 1) Scenario 1 – **Baseline** forecast does not take into account policy aspirations (i.e. the Council does not intervene to grow the economy) - forecast total job growth of 7,791

- 3) Scenario 2 – **Policy-on Plus Transport** incorporates policy interventions such as those arising from the Leeds City Region Strategic Economic Plan (LCR SEP) and also direct and indirect job growth flowing from the transport infrastructure improvements being provided through the West Yorkshire Plus Transport Fund – forecast total job growth of **10,318**.

(A policy-on minus transport scenario was also created; however, it is not explored further because it is not considered to represent a realistic option on account of the impracticality of pursuing an approach that promotes economic growth without transportation improvements.)

For clarity it should be noted that total jobs cited above is converted into full time equivalents (FTEs) for the purposes of the Local Plan’s assessment of employment land requirements, and hence the net increase of 8,295 FTE jobs cited in table 6.8 of the Publication Draft Local Plan. This reflects the fact that housing requirements are influenced by the total size of the workforce; whereas employment land requirements are influenced by the space required for employees working at any given time.

- 4.9 As intimated above, Calderdale is part of the Leeds City Region (LCR), which benefits from a £1 billion plus Growth Deal overseen by the West Yorkshire Combined Authority and the Local Economic Partnership. The Local Plan reflects the ambitions in the LCR Strategic Economic Plan and makes provision for above baseline employment growth (i.e. the ‘policy on plus transport’ growth scenario) and delivery of at least 73 hectares of new employment land. The Council’s commitment to the ambitions of the LCR and the Growth Strategy programme are reflected in the progress that is being made on the delivery of several major strategic transport projects within Calderdale.
- 4.10 The options available to the Council must be considered in the context of the National Planning Policy Framework (NPPF) (2019). In relation to this paragraph 35.d of the NPPF establishes that in order to be ‘sound’ plans must be “*consistent with national policy – enabling the delivery of sustainable development in accordance with the policies in this Framework*”. The Council’s current economic aspiration (i.e. policy-on plus transport) is considered to reflect and accord with a number of statements in the NPPF:

*[Plans should] be prepared positively, in a way that is aspirational but deliverable (Paragraph 16.d)*

*Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development...*  
(Paragraph 80)

*[Planning policies should] set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration (Paragraph 81.a)*

*[Planning policies should] seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment (Paragraph 81.c)*

At paragraph 7 of her letter the Inspector notes that:

*“...Whilst the growth projections incorporate an element of aspiration, the Council confirmed its commitment at the hearings to the ambitions of the LCR and the Growth Strategy programme, and outlined the range of funding available and progress made in the delivery of several major strategic highways projects within Calderdale. The Council’s method for deriving the employment OAN makes reasonable allowances for losses and flexibility, and I am satisfied that the general approach is soundly based...” [My underlining]*

The quotation above refers to the Council’s growth aspirations having an element of aspiration and being soundly based. With these comments in mind it is considered that the Local Plan’s current approach to economic growth is consistent with the NPPF. Conversely it is considered that an approach that sought to restrain growth to baseline level or below would conflict with the NPPF and therefore be difficult to defend at the forthcoming hearings. Moreover, it could undermine the economic resilience of Calderdale at a time of uncertainty over the national economic outlook.

- 4.11 In terms of economic growth, as already indicated above, the Local Plan took the Regional Econometric Model (REM) as its starting point. The REM incorporates assumptions that reflect the real world, and as such the aspiration for economic growth, employment protection and provision of enhanced job opportunity is not something that can be easily switched-off or turned down. For example, the Council is integral to the West Yorkshire Combined Authority and is working with the other Leeds City Region councils to achieve the objectives of the Strategic Economic Plan. Therefore, aside from the planning policy conflicts of doing so, there is not in any case a straightforward option to reduce or restrain economic growth, without impacting on or having to extricate ourselves from existing programmes and projects that are already occurring beyond the Local Plan.
- 4.12 As indicated above, the Council’s consultant has modelled the housing growth needed to support the policy-on plus transport job forecasts presented in the 2018 SHMA. This modelling results in a requirement for 1,040 dpa over the life of the Local Plan. 910 dpa would only support the baseline scenario. These figures are a reduction compared to the 2018 Strategic Housing Market Assessment, which identified 1,001 dpa to support baseline growth and 1,129 dpa to support policy-on plus transport. The reduction compared to 2018 is influenced by the 2016 based fertility and mortality rates, published in May 2018, and the increased economic participation rates published by the Office for Budgetary Responsibility in July 2018.
- 4.13 At the Public Examination the Inspector will also expect the Council to demonstrate sufficient supply of housing to achieve its requirement. The increased requirement means that it is now necessary to identify greater housing supply. Housing supply can be increased though allocating new sites and/or reviewing the assumptions that are made about existing sites. In relation to this it is important to ensure that the Council’s assumptions around housing supply are realistic, evidenced and can stand-up to scrutiny at examination.

- 4.14 The character and distribution of the housing supply is considered to be of fundamental importance when considering whether the Local Plan will deliver sustainable development. In relation to this requirement, the Council declared a climate emergency at the start of 2019. The declaration was made because failure to act on climate will see: significant impacts on our health and wellbeing; extreme changes to weather patterns; crop failures; extinctions of plant, insect and animal species; and disruption to our local infrastructure and economy. These are both global and local issues; however, it is noteworthy that Calderdale has been particularly badly affected by flooding in recent years.
- 4.15 It will be noted from an earlier report considered by Cabinet on 30 September 2019 that, ensuring compliance with a national reduction profile for Green House Gas emissions set by the Committee on Climate Change will require a reduction in emissions in the order of 60%. It was agreed by Cabinet that for the purposes of the Local Plan this will be used as the target for carbon reduction until such time as the Committee on Climate Change further revises its assessment or until another regionally or locally derived emissions reduction pathway is adopted by the Council.
- 4.16 An increase in housing requirement from 840 dpa to 1,040 dpa requires an additional supply of 3,000 dwellings to be identified over the 15 year life of the Plan. Initial work focussed on identifying all of these dwellings through the allocation of more sites for housing – this approach can be described as the Standard Option. The implications of that approached are shown in table 1 below.

		Publication Draft	Revised No.	Comments
<b>A</b>	<b>Housing requirement (2017/18 – 2032/33)</b>	<b>12,600</b>	<b>15,600</b>	15 years at 840 and 1,040 dwellings per year respectively
<b>B</b>	<b>Sources of Supply</b>			
	Extant Planning Permissions	1,888		Council's Housing Land Availability database, permissions up to 30.09.17
	Windfalls	1,294		162 units delivered in Years 4 & 5, and 97 units delivered each year thereafter
	<b>Sub-total</b>	<b>3,182</b>		
<b>C</b>	<b>Number of dwellings required on new land allocations</b>	<b>9,418</b>	<b>12,418</b>	Housing need minus extant planning permissions and windfalls
<b>D</b>	<b>Allocations (Supply)</b>	<b>9,460</b>	<b>12,823</b>	Capacity of site allocations
<b>E</b>	<b>Total Supply</b>	<b>12,642</b>	<b>16,005</b>	Extant permissions plus Windfalls plus Allocations
<b>F</b>	<b>Difference</b>	<b>42</b>	<b>405</b>	Total Supply minus Housing Need

Table 1 – Housing requirement and sources of supply - meeting requirement through additional allocations – 'Standard Option'

- 4.17 In the "Standard Option" shown in table 1 all of the additional site allocations would be within the existing Green Belt. Officers have used GIS mapping to quantify and

compare the impact of potential allocations on the Green Belt. The impact on the Green Belt of the standard option to identifying additional supply can be seen from table 2 below. In this scenario the increase impact on the Green Belt is 0.62% (it should be noted though that a proportion of the existing reduction through the Publication Draft is attributable to the removal of a number of built-up villages from the Green Belt, which were previously washed-over village envelopes).

<b>Impact on the Green Belt and Countryside – Publication Draft (2018)</b>				
<b>Change (ha)</b>	<b>Existing</b>	<b>Local Plan</b>	<b>Difference</b>	<b>%</b>
<b>Area Around Todmorden</b>	8,769	8,769	0	0.00
<b>Green Belt</b>	22,821.5	22,413.4	408.1	1.79
<b>Impact on the Green Belt and Countryside - using “Approach as Submitted” (updated to 2019)</b>				
<b>Change (ha)</b>	<b>Existing</b>	<b>Revised Requirement</b>	<b>Difference</b>	<b>%</b>
<b>Area Around Todmorden</b>	8,769	8,769	0	0.00
<b>Green Belt</b>	22,821.5	22,270.5	551	2.41

Table 2 – Comparative impact on the Green Belt -- ‘Standard Option’

- 4.18 Exceptional circumstances must be demonstrated to justify the release of land from the Green Belt. Furthermore careful consideration needs to be given to sites in the Green Belt to ensure that they support sustainable development. In this respect key considerations include the extent which the site would be accessible to existing public and active travel modes, and whether the development would be of sufficient scale to support the delivery of new infrastructure and comprehensive masterplanning.
- 4.19 It should be noted that at paragraph 14 of the post-hearing letter the Inspector states that:

*“At the hearing session the Council suggested that the housing requirement of 840 dpa had been selected in order to limit Green Belt release, but were unable to point to specific evidence showing unacceptable harm to Green Belt purposes arising from higher housing requirements in the Cabinet report [i.e. the February 2018 report]. I also note that the Initial Draft Plan was based on a higher housing requirement figure of 1,261 dpa (taking account of shortfall in early years), and incorporated a proposed supply of 13,286 allocated dwellings rather than 9,460 identified in the submitted Plan. The aforementioned Cabinet Report indicates that some sites have since been identified as unsuitable for development but that there are still ‘more sites available than needed’. This is supported by evidence in the Council’s site assessment report which indicates that some site options were rejected on the basis of ‘the supply of more suitable and available sites elsewhere’ rather than fundamental issues relating to suitability and deliverability.”*

4.20 This indicates that the Inspector is not satisfied that there is an 'in-principle' reason to reject the notion of any further allocation of sites in the Green Belt. However, it does not follow from this statement that all of the additional supply should be identified in the Green Belt.

4.21 Officers have therefore considered the potential for delivering the housing supply so as to respond fully to the 1040 per annum delivery need whilst emphasising sustainable urban development , supporting established town centres , minimising car use and Green Belt land take. This alternative approach - the 'Sustainable Option' - makes a number of assumptions, that cumulatively remove the need to accommodate some 1,500 dwellings in existing Green Belt:

- 'Modern methods of construction' will accelerate delivery as they becoming increasingly common-place during the latter years of the Plan – this would enable the Thornhills Garden Suburb to deliver in full over the life of the Plan, facilitating the delivery of approximately 600 additional dwellings with no further loss of Green Belt;
- Removal of the additional supply that was included to provide flexibility (see table 1, line 'F'), removing the need for about 400 dwellings;
- Highly sustainable brownfield sites within and close to town centres that are currently discounted on flooding grounds will as a result of investment over the Plan period become developable, providing some 240 additional dwellings with no loss of Green Belt;
- Revisiting the assumptions around residential density on the allocated Mixed-use sites within and around Halifax Town Centre, providing 200 additional dwellings at no cost to the Green Belt;
- Revising employment allocation LP1622 at Mytholmroyd to a mixed-use live/work development, providing 50 further dwellings at no further cost to the Green Belt

4.22 Table 3 below summarises the requirement and supply at the publication and current stages based on the above Sustainable Option. Table 4 updates table 2; demonstrating that the additional impact on the Green Belt can be reduced from 0.62% to 0.4%. The Standard Option would involve responding to the Inspector's comments by release of Green Belt to deliver a further 3000 units over the life of the Local Plan (or 200 units per annum). The Sustainable Option reduces the additional Green Belt release figure by half. Although the Sustainable Option is preferred, the Housing Update Paper (Appendix 4) shows both options to enable a comparison to be made. (See also two maps comprising Appendix 5 showing potential site allocations as a result of both options).

		Publication Draft	Increased Achievability Revised No.	Comments
<b>A</b>	<b>Housing requirement (2017/18 – 2032/33)</b>	<b>12,600</b>	<b>15,600</b>	15 years at 840 and 1,040 dwellings per year respectively
<b>B</b>	<b>Sources of Supply</b>			
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<b>C</b>	<b>Number of dwellings required on new land allocations</b>	<b>9,418</b>	<b>12,418</b>	Housing need minus extant planning permissions and windfalls
<b>D</b>	<b>Allocations (Supply)</b>	<b>9,460</b>	<b>12,484</b>	Capacity of site allocations
<b>E</b>	<b>Total Supply</b>	<b>12,642</b>	<b>15,666</b>	Extant permissions plus Windfalls plus Allocations
<b>F</b>	<b>Difference</b>	<b>42</b>	<b>66</b>	Total Supply minus Housing Need

Table 3 – Housing requirement and sources of supply - meeting requirement through additional allocations – 'Sustainable Option'

<b>Impact on the Green Belt and Countryside – Publication Draft (2018)</b>				
Change (ha)	Existing	Local Plan	Difference	%
Area Around Todmorden	8,769	8,769	0	0.00
Green Belt	22,821.5	22,413.4	408.1	1.79
<b>Impact on the Green Belt and Countryside - Sustainable Option</b>				
Change (ha)	Existing	Revised Requirement	Difference	%
Area Around Todmorden	8,769	8,769	0	0.00
Green Belt	22,821.5	22,322.8	498.7	2.19

Table 4 – Comparative impact on the Green Belt – 'Sustainable Option'

4.23 The overall housing requirement will have implications for the delivery of affordable housing units (AHU). An objectively assessed need of 840 dpa or 12,600 houses over the life of the Plan would deliver 2,474 AHU against an OAN of 3,195. Meeting an undersupply of 721 AHU through the allocation of sites and application of policy HS6 would require an additional 3,605 dwellings to be delivered through the life of

the Plan at a contribution rate of 20%, theoretically taking the total requirement to 16,205 or 1,080 dpa. An OAN of 15,600 or 1,040 dpa would deliver 600 more AHU than the current situation, leaving a marginal shortfall of 121 AHU on the identified requirement. This is considered to be an additional factor in favour of the recommended requirement.

- 4.24 Officers are mindful that there may be concerns about the transport impacts of increasing Calderdale's housing requirement. In relation to this it should be noted that the number of sites used in the modelling for cumulative impact in 2018 was more than what was ultimately taken forward with the Submission Draft of the Local Plan. In this respect the maximum growth assumption of the modelled scenarios assumes 16,899 residential units compared to the 12,600 in the Publication Draft and 15,600 now put forward. It is therefore considered that the Council's transport evidence base remains a robust assessment of the potential impact of development.

## **5. Options considered**

- 5.1 The options available to the Council revolve around different approaches to both housing requirement and supply.

### Housing Requirement

- 5.2 Firstly, In relation to housing requirement it is considered that there are theoretically three distinct options available to the Council:

- 1) Maintain the housing requirement at 840 dpa and reduce expected economic growth to below the existing baseline figure (6,441 additional jobs);
- 2) Increase the housing requirement to 910 dpa and reduce expected economic growth to the baseline figure (7,791 additional jobs);
- 3) Increase the housing requirement to 1,040 dpa and maintain expected economic growth at the current policy-on plus transport level (10,318 additional jobs).

- 5.2 The planning policy and practical implications of these options are considered above; however, in order to bring objectivity to this process a further Sustainability Appraisal (SA) has been undertaken. It should be noted that all site allocations have previously been subject to individual SAs, as has the existing 840 dpa requirement. The new SA considers options 1, 2 and 3 above and is attached to this report as Appendix 6. The overall findings of the SA are set out below

### *SA Summary*

- 5.3 The three options have been subjected to SA and a summary of the outcomes is presented below, based on the three distinct elements of the SA assessment, which are social, environmental and economic impacts.

### *Social*

- 5.4 In terms of the three options, all were considered to have a positive impact; however, options 1 and 2 would result in a greater shortfall of affordable housing

delivery than option 3. It is therefore considered that option 3 would help ensure that a higher proportion of the borough's population would be in the right type and tenure of housing, increase housing choice, and help reduce social exclusion. In addition, the employment growth figures proposed by option 3 would result in a greater reduction in economic inequality and poverty. Option 3 would also improve accessibility through a greater investment in transport infrastructure. Overall, option 3 is considered to have the strongest positive effect on the social element of the SA.

### *Environmental*

- 5.5 In relation to the environmental objectives of the SA, option 1 would be likely to have the least uncertain impact as this would result in the same level of housing growth as proposed in the publication version of the Local Plan. Option's 2 and 3 would have a greater impact on the Green Belt, however the additional sites required to achieve the greater levels of growth proposed by options 2 and 3 have been subject to SA and will have identified necessary mitigation measures should they be required, and therefore there would be no greater impact on flood risk or nationally and locally designated habitats. Option 3 would result in a greater level of investment in transport and would help to reduce congestion levels, thus having a positive impact on air quality. Whilst option 1 would have the least impact on the landscape, it is considered that of the 2 options requiring a greater level of growth, option 3 would secure greater levels of mitigation in relation to this growth.

### *Economic*

- 5.6 The SA indicates that option 3 would have the strongest positive impact on the economic objectives of the SA. In tandem, the highest level of housing and economic growth proposed by option 3 would result in the strongest positive impact in relation to supporting economic growth and therefore the creation of new jobs, and as a result reduce economic inequality and poverty. Increased local populations will help ensure there is a larger local labour supply for local firms, and also result in additional spending in local shops and town centres.
- 5.7 Options 1 and 2 would not deliver the levels of growth that option 3 would achieve, and would undermine both economic growth aspirations and also result in additional in-commuting.

### *Conclusion of SA*

- 5.8 Overall, it is considered that option 3 results in the stronger positive effects against the SA objectives compared to the other options. In relation to social and economic objectives, option 3 promotes increased housing choice, social inclusion, economic growth, investment in transport and although the option would have a greater impact in terms of Green Belt, the additional sites required compared to the other options have been subject to SA and this will have identified any necessary mitigation measures.

### Housing Supply

- 5.9 In relation to housing supply two options have been identified.

- 1) The first option is extend the application of the existing site allocations methodology to the identification of additional housing supply. This has been described as 'Standard Option' (Option A).
- 2) The second option requires the Council to revisit a number of assumptions in a manner that requires greater ambition and optimism. This approach has been described as the 'Sustainable Option' (Option B).

5.10 It must be recognised that Option B presents greater risk around demonstrating deliverability/achievability of sites in accordance with the Planning Practice Guidance and National Planning Policy Framework. It must also be remembered that the overriding policy requirement for Plan preparation is to provide demonstrable certainty for housing delivery the first five years of the Local Plan and that Plan will have to be reviewed every five in the light of actual delivery in the proceeding period. A further SA has been undertaken to consider the implications of the alternative approaches to identifying additional supply.

### SA Summary

5.11 The two options have been subjected to SA and a summary of the outcomes is presented below, based on the three distinct elements of the SA assessment, which are social, environmental and economic impacts.

#### *Social*

5.12 Both options that were subject to assessment were considered to have a positive social impact, primarily due to both approaches involving the supply of land to deliver the Borough's housing need within the lifetime of the plan. The implementation of both options would result in a marginal shortfall of 121 units on affordable housing requirements and subsequently help to ensure that a higher proportion of the Borough's population would be in the right type and tenure of housing, increase housing choice, and contribute to reducing social exclusion. Notably, there is less certainty with Option B – 'Sustainable Option' in terms of the delivery of affordable housing due to the higher costs associated with the development of brownfield sites.

5.13 While the differences between the two options would not affect the overall result, the increased capacities on town centre, mixed-use allocations in Option B, would result in a more positive outcome due to a greater access to essential services, facilities and employment opportunities. Further, Option B has a slightly greater scope to support the delivery of public transport infrastructure through the delivery of higher densities in central locations close to public transport hubs.

5.14 In terms of employment opportunity, there is a positive impact as both options aim to meet the revised local housing need, which is a significant factor in attracting and retaining a skilled workforce. The options would have a strong positive impact in relation to supporting economic growth and therefore the creation of jobs, which would reduce economic inequality and poverty. Option B would result in a slightly more positive outcome due to the higher level of employment opportunities available in town centre locations.

#### *Environmental*

- 5.15 In relation to the environmental impacts of the two options, while the overall outcome in terms of scoring would be the same, there would be slightly different impacts when the various objectives were looked at in further detail.
- 5.16 Option A – ‘Standard Option’ would have a greater impact on the Green Belt and the natural and semi-natural landscape. There would also be a potentially greater effect on biodiversity, flood risk and traffic related impacts such as air quality and congestion, although the site assessment process and SA assessment will have identified the necessary mitigation measures to ensure any possible impacts are minimised.
- 5.17 Option B would support sustainable travel choices to a greater extent and therefore have a more positive impact on congestion, air quality and climate change. It would also be more beneficial with regard to the reduction of derelict and degraded land and the use of previously developed sites within and around town centres. By increasing densities in central locations, close to public transport hubs, approach 2 also provides a greater scope to support the delivery of public transport infrastructure, increasing opportunity for sustainable travel modes for prospective residents.

#### *Economic*

- 5.18 The assessment indicates that both options would have a positive impact on the economic objectives of the SA. The level of housing and economic growth proposed by both options would result in a strong positive impact in relation to supporting economic growth and therefore the creation of new jobs, and as a result reduce economic inequality and poverty. Increased local populations will help ensure there is a larger local labour supply for local firms, and also result in additional spending in local shops and town centres.
- 5.19 Option B however would have the strongest positive impact due to the development of derelict land contributing to the regeneration of town centres and ensuring prospective residents have good access to a range of employment opportunities.

#### *Conclusion of SA*

- 5.20 Overall, it is considered that Option B results in the stronger positive effects against the SA objectives compared to the other approach. In relation to social, environmental and economic objectives, Option B promotes increased housing choice, social inclusion, economic growth, sustainable travel choices and facilitates the reuse of derelict land in and around town centre locations. Although both approaches would have an impact on the Green Belt, Option B would have a lesser impact on this, and other environmental factors such as biodiversity and the protection of natural and semi-natural landscapes.

## **6. Financial implications**

- 6.1 It is worth noting at this stage that the Council's Medium Term Financial Strategy considered by Cabinet on 2 September 2019, anticipates that the Council will achieve housing building in excess of 1,000 homes per annum from the financial year 2022/23 onwards.
- 6.2 The additional house building detailed in this report has the potential to achieve further Council Tax in the region of £250k per annum on an ongoing basis. There is also the potential for the Council to receive additional New Homes Bonus.
- 6.3 It is also worth noting that savings approved at recent Budget Councils require the service to achieve additional Planning and Building Control fees of £100k per annum, and the recovery revenue costs of £150k per annum, by the introduction of a Community Infrastructure Levy from 2020/21 onwards.
- 6.4 The early adoption of the Councils Local Plan would reduce the Council's revenue cost attached to the Adoption of the Plan, and also allow the service the best opportunity to achieve savings in the financial year 2020/21.

## 7. Legal Implications

- 7.1 The Inspector is examining the soundness of the Local Plan against the provisions of national policy contained in the Framework (published in March 2012, "the 2012 Framework"). The "tests" of soundness at paragraph 182 of the 2012 Framework include that a local plan is;

*"Positively prepared – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development", and,*

*"Consistent with national policy – the plan should enable the delivery of sustainable development in accordance with the policies in the Framework."*

- 7.2 In the event that the Council decides to revise downwards the Local Plan's provision of employment land (so that it no longer accords with the Strategic Economic Plan of the sub-region), there is a risk that the Inspector may conclude that;

*(i) the Local Plan is not positively prepared (in that it fails to provide for the objectively assessed requirements for employment land), and,*  
*(ii) the Local Plan is not consistent with national policy (in that it fails to deliver sustainable economic growth in accordance with the requirements of paragraphs 18 to 21 of the 2012 Framework).*

- 7.3 The third test of soundness in the 2012 Framework is that the Local Plan should be effective, that is, "the plan should be deliverable over its period..." Clearly, if there are significant doubts surrounding the deliverability of particular allocations, then the Council runs the risk of the Local Plan being found unsound. The most likely outcome in those circumstances will be for the Inspector to recommend that

additional sites should be identified so as to render the Plan sound. That task will necessitate further delay in the progress of the Local Plan towards adoption.

- 7.4 Accordingly, given those potential consequences, the Council should seek to ensure that significant issues surrounding housing supply (including the deliverability of sites) are addressed at the current stage. That may necessitate the identification of additional sites for allocation.

## **8. Human Resources and Organisation Development Implications**

- 8.1 There are no implications presented by this report.

## **9. Consultation**

- 9.1 The Local Plan was subject to various consultation and engagement activities prior to being submitted. In particular there were opportunities to comment on sites in 2015 and 2017, and an opportunity to make formal representations when the Plan was published in 2018.

- 9.2 Nevertheless, it will be necessary to undertake a six week public consultation on the Housing Update Paper after a decision has been taken by Cabinet because the recommended position is different to that published in August 2018. It is important that there is clarity around the purpose, basis and scope of the consultation. Therefore the following parameters would apply:

- 1) The consultation is pursuant to the Public Examination (PE) rather than Council decision making process and as such, the results will be referred directly for consideration by the Inspector at the subsequent PE stage.
- 2) The consultation will be tightly focussed – i.e. only concerned with the revised requirement figure and the associated changes to the allocations. The consultation would be titled along the lines of *‘Consultation on updated housing requirement and resultant implications for site housing allocations in relation to the Calderdale Local Plan Public Examination’*.
- 4) The consultation would not be under regulation 18 or 19 of The Town and Country Planning (Local Planning) (England) Regulations 2012 because the Plan has already been subject to public engagement, published and submitted to the Secretary of State. In essence its purpose will be to inform consideration of the matters at the forthcoming hearing sessions and provide a mechanism for public involvement in the PE process.
- 5) The consultation will however ask the same basic questions as regulation 19 – i.e. whether the Council’s position is legally compliant, meets the Duty to Cooperate and is sound. Respondent will also be asked whether they wish to be heard by the Inspector at a future hearing.
- 6) The Sustainability Appraisal will be updated and made available for comments alongside the Housing Update Paper.

- 9.2 It should be noted that there will be a final formal opportunity for public comments at the end of the PE process, when the main modifications are made. The Inspector

will consider comments made at that stage in coming to her final conclusion on the soundness of the Plan. The decision to formally adopt the Plan will then be taken by the Council.

## **10. Environment, Health and Economic Implications**

10.1 Environment, health and economic implications go to the heart of this report and have been considered through the Sustainability Appraisals. More specifically, the recommended way forward presents the following implications:

- 1) **Environment** – The loss of Green Belt and other countryside beyond the Green Belt resulting from the recommended approach is set out in table 2 above. Proposals are acceptable from a site specific environmental perspective and through appropriate design, planning approval conditions and master planning can enhance biodiversity and public enjoyment of the environment. The recommended approach is associated with greater investment in transport and will mitigate the potential increase in commuting that could result from economic growth.
- 2) **Health** – Good quality housing (that addresses factors such as affordability and accessibility) and economic security are factors that influence the health and overall wellbeing of communities. The recommended approach will deliver more housing of all types and affordability levels.
- 3) **Economic** – Inclusive economic growth is necessary in order to tackle poverty and reduce inequality. The recommended approach will support the Council's full aspiration for economic growth, and enable local businesses to expand in a sustainable manner.

10.2 If they are pitched at the right level, it is considered that the above objectives are mutually supportive. The balance between these objectives will always be an important matter of public debate; however, it is considered that the recommended approach achieves a sustainable balance.

## **11. Equality and Diversity**

11.1 The Local Plan has already been subject to an Equality Impact Assessment. The recommended approach will support the delivery of affordable and accessible housing and help to reduce economic inequality. It is therefore considered that the impact on equality and diversity will be favourable.

## **12. Summary and Recommendations**

12.1 The recommended approach is to respond to the Inspector's comments by agreeing a 1,040 unit per annum housing delivery figure and by delivering that through the Sustainable Option described in this report. The new land allocations set out in Appendix 4 would be subject to a 6 week public consultation period with responses then being considered by the Local Plan hearing Inspector.

**For further information on this report, contact:**

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**The documents used in the preparation of this report are:**

1. Calderdale Local Plan (Publication Draft 2018)
2. Inspector's Stage 1 Post Hearings Letter, 16 July 2019
3. Council's Response to Inspector's Stage 1 Post Hearings Letter, 29 July 2019
4. Report by Turley on Housing Requirements, August 2019
5. Updated Local Plan Sustainability Appraisal, August 2019
6. National Planning Policy Framework, 2019
7. The Town and Country Planning (Local Planning) (England) Regulations 2012
8. Technical Note 9: Assessment of Cumulative Impact (2018)
9. Overview of Transport Evidence Base, January 2019
10. Calderdale Employment Land Study, June 2018

**The documents are available for inspection at:**

Documents 1-5: <https://www.calderdale.gov.uk/v2/residents/environment-planning-and-building/planning/planning-policy/local-plan>

Document 6:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/810197/NPPF\\_Feb\\_2019\\_revised.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf)

Document 7: [http://www.legislation.gov.uk/uksi/2012/767/pdfs/uksi\\_20120767\\_en.pdf](http://www.legislation.gov.uk/uksi/2012/767/pdfs/uksi_20120767_en.pdf)

Documents 8, 9 and 10: <https://www.calderdale.gov.uk/v2/residents/environment-planning-and-building/planning/planning-policy/local-plan/examination-library#evidence>

**List of Appendices:**

1. Post-hearing letter from Planning Inspector
2. Council's response to post-hearing letter
3. Executive summary of Turley report
4. Housing Update Paper
5. Sites allocations map
6. Sustainability Appraisals