



Supplementary Statement in Response to Matter 3: Housing Provision

Our ref 41205/02/MW/CSi
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To Programme Officer
From Nathaniel Lichfield & Partners
Copy Taylor Wimpey UK Limited and Redrow Homes Limited [ref: 1104]

**Subject Knowsley Local Plan Core Strategy Examination:
Matter 3: Housing Provision**

1.0 Introduction

1.1 Nathaniel Lichfield & Partners [NLP] were instructed by Taylor Wimpey UK Limited [Taylor Wimpey] and Redrow Homes Limited [Redrow] to make representations on the Publication Knowsley Local Plan Core Strategy [PKLPCS] in 2012.

1.2 The following supplementary statement forms the written representations that are made on behalf of Taylor Wimpey and Redrow in relation to the forthcoming Examination in Public [EiP] hearing session concerning Matter 3: Housing Provision. Separate written representations have been lodged on behalf of Taylor Wimpey and Redrow Homes to address Matters 2 (Spatial Development Strategy & Principles) and 5 (Green Belt).

1.3 This statement supplements Taylor Wimpey and Redrow's earlier representations in relation to housing provision [Reference 1104]. Policy CS3: Housing Supply, Delivery and Distribution is considered unsound because:

- 1 It is not justified. The housing requirement does not support the economic growth aspirations evidenced in Policy CS4.
- 2 It is not effective. The residential delivery targets fail to allow for flexibility should the economy recover quickly; nor does it fully take into account the significant level of under provision since the RS based date (2003).
- 3 It is not consistent with national policy. Policy CS3 would not enable the delivery of sustainable development in accordance with the Framework. It would not support strong and vibrant communities by providing the supply of housing to meet the needs of the present and future generations.

1.4 This statement expands upon these representations in the light of the Inspector's issues and questions. Where relevant, the comments made are

assessed against the tests of soundness established by the National Planning Policy Framework [the Framework].

2.0 **Policy Context**

2.1 The relevant planning policy context for this statement is provided by national planning policy contained in the Framework. At the heart of the Framework [§14] is a presumption in favour of sustainable development which should be seen as a golden thread running through both plan making and decision taking.

2.2 Other relevant policy requirements of the Framework relevant to Matter 2 are provided at §47, §82–§85, §154, §156-§160, §173 & §182.

3.0 **Planning Issues**

3.1 Taking account of the policy context outlined above, the preceding section responds to Issue 1 Questions 3.2, 3.4 and 3.5; Issue 2 Questions 3.6 and 3.7; and Issue 3 Questions 3.9, 3.10, 3.11, 3.12 and 3.13.

Issue 1: Whether the Proposed amount of housing development meets the objectively assessed needs of the Borough

3.2 What are the full objectively assessed needs for market and affordable housing for the borough, and how have they been derived? Does the evidence base give a clear understanding of these needs – can the major differences between the SHMA and recent population and household projections be reconciled? Should the Regional Spatial Strategy backlog since 2003 be included?

3.2 Taylor Wimpey and Redrow Homes have some concerns with the approach taken by KBC to deriving its housing requirement figure. NLP have therefore provided a Technical Housing Paper at Appendix 1 analysing the objectively assessed needs prepared by KBC.

3.3 In total, sixteen housing ‘targets’ were modelled by KBC to inform the definition of the Objectively Assessed Need [OAN] for housing in the Borough over the 18-year Plan period 2010 to 2028. These are set out in Table 1 of Appendix 1.

3.4 The Planning for Housing Growth – Technical Report [PHGTR]’ (July 2013) noted that ‘an appropriate annual target for housing growth in Knowsley will fall within the range of 194 dpa to 1,000 dpa, and is likely to appropriately centre within a range of the mid-point of these extreme scenarios [para 9.5.2].

3.5 Taking into account the information collated in the PHGTR, KBC concluded that an annual average of 450 dwellings per annum [dpa] would be appropriate from April 2010 to March 2028, or 8,100 dwellings in total.

3.6 Furthermore, the PHGTR notes that ‘the Council has failed to deliver sufficient housing in the recent past to meet needs...the Council recognises that

performance against a previously adopted housing target (i.e. RS) can represent a useful examination of the additional houses which should have been provided in the past. The Council considers that the most appropriate approach is to recommend uplift on the level of baseline household projections to account for this backlog' [para 9.2.5]. However, this approach has not been consistently applied to the Scenarios outlined in Table 1 of Appendix 1. Taylor Wimpey and Redrow consider that it is entirely appropriate to include the RS backlog since 2003 in the calculation of the housing requirement.

- 3.7 KBC's most up-to-date SHMA (2010) identifies an affordable housing need of 568 dpa and a need for 741 market dwellings per annum. This is significantly higher than the most recent 2011-based (interim) CLG household projections. However, the SHMA recognises that the acute level of affordable housing need identified is a guide and that these intentions may not be able to be realised. Whilst it is important to recognise the very high level of affordable housing need identified in the SHMA, Taylor Wimpey and Redrow considers that any housing requirements figure must be reasonable and justifiable. It is questionable whether a housing requirements figure of 1,309 (combined total of affordable and market housing need) would be deliverable or achievable in Knowsley.
- 3.8 It is considered that a housing requirements figure between 500 dpa and 600 dpa would be a more appropriate level of housing provision that would go some way towards reconciling the acute affordable and market housing need identified in the SHMA, against the more modest level of demographic growth projected for the Borough in the latest projections.

3.4 Have employment factors been taken into account in determining the scale of housing need? In broad terms is the planned scale of new housing in balance with the anticipated growth in jobs? If not, what are the consequences for patterns of commuting?

- 3.9 Taylor Wimpey and Redrow note that in preparing the housing requirement, no economic modelling was undertaken by the Council to dovetail with the housing and demographic analysis. Taylor Wimpey and Redrow Homes consider that there is a need to undertake a more robust, evidence-based, approach to assessing the need for housing in Knowsley over the period 2010-2028.
- 3.10 In particular, KBC has not modelled any scenario that explicitly seeks to provide a level of housing growth that would enable the Council's economic aspirations to be sustainably realised. As noted in the Government's draft Beta guidance, '*Plan makers should make an assessment of the likely growth in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area.*'
- 3.11 NLP modelled a range of housing scenarios, incorporating recent demographic trends, the 2011-based (interim) SNPP and equivalent CLG household projections and various economic growth targets as set out in other elements

of KBC's Local Plan evidence base (specifically the 2013 'Planning for Employment Growth – Technical Report') in the Housing Technical Note (appended to this Matter paper). This generated a wide range of requirements, from 241dpa to as high as 1,152 dpa (or 345 dpa – 1,256 dpa incorporating an allowance for backlog of 104 dpa).

- 3.12 KBC currently experiences a net outflow of commuting, with more residents in employment than there are jobs in the Borough. To achieve zero job growth over the plan period, KBC would need to deliver 403 dpa. Such a level of growth does not make any allowance to cater for the significant under delivery against the previous housing target. This would not help to alleviate the current net outflow of commuters.
- 3.13 In order to achieve the Council's stated employment growth aspirations and ensure sufficient levels of employment growth to counteract the net outflow of commuters, KBC would need to deliver around 1,150 dpa. Adjustments to the level of out-commuting or unemployment rates would reduce this dwelling requirement further, although this would still remain at a level significantly above the 450 dpa in the draft Local Plan.
- 3.14 By providing only 450 dpa, this would result in a very modest level of job growth that does not align fully with the Council's economic aspirations or their provision of 183.5ha of employment land in the PKLPCS [Policy CS4]. No economic modelling was undertaken by the Council to dovetail with the housing and demographic analysis.
- 3.15 Whilst recognising that there is not a direct causal relationship between job growth and housing requirements, it is generally recognised that the two are nevertheless fundamentally related, and a level of housing provision that bears no relation to KBC's economic aspirations would result in internal inconsistencies in the Local Plan and have unsustainable consequences.

3.5 What exactly is the reasoning behind the selection of the 8,100 dwellings target? If it is not based on fully meeting objectively assessed needs:

- 3.16 Taylor Wimpey and Redrow Homes have some concerns with the Council's justification for selecting the 8,100 dwelling target. We have therefore undertaken our own assessment considering what the Council has put forward. On the basis of the evidence contained within Appendix 1, an objectively assessed need for Knowsley Borough would constitute a figure somewhere in the range of **500 dpa to 600 dpa**, incorporating an allowance for backlog. This would, at a minimum, meet need and demand arising from future projected demographic change within the Borough. It would also support some economic growth, and would also be sufficient to deliver a suitable level of affordable housing in line with identified local needs.

3.17 Taylor Wimpey UK Limited and Redrow Homes consider that there is no compelling local evidence to justify lower levels of housing provision particular the 450 dpa figure put forward by the Council. There are no environmental or infrastructure capacity grounds to warrant lower levels of growth in the Borough. The Council acknowledge in their evidence that they need Green Belt to accommodate their housing and employment needs and this course of action is entirely appropriate. All the evidence has been prepared and the Council is in a position to allocate the Green Belt sites for development now.

3.18 It is important to note that whilst this 500-600 dpa range exceeds the 450 dpa figure in the PKLPCS, the PHGTR demonstrates that there is significant 'headroom' built into the Council's housing land supply such that the target of 8,100 could be exceeded by 1,264 dwellings should the dwellings be completed as projected. The Council states that this provides flexibility within the housing trajectory over the plan period and could enable a requirement of 520 dpa to be achieved without the need for further allocations. This is considered reasonable and can be accommodated by the Council's identified supply. It would also represent the economic growth aspirations of the Council and the requirement of the Framework to meet objectively assessed need.

4.0 **Issue 2: Whether the broad distribution of housing development across the borough is consistent with the spatial strategy and evidence base.**

3.6 Given the limited capacity for further housing in the urban area of Halewood, does the KLPCS make adequate provision to at least maintain Halewood's relative role among the four main townships?

4.1 Taylor Wimpey and Redrow Homes consider that the PKLPCS makes adequate provision to maintain Halewood's role in the spatial strategy through the allocation of the East Halewood Site. Without the East Halewood Site the spatial consequences would be detrimental to the role of Halewood as it is the most suitable and sustainable strategic housing allocation on the edge of Halewood. It is considered that the early delivery of the East Halewood Site would ensure that Halewood's role is secured early on in the plan period.

3.7 How will implementation of the proposed broad distribution be managed? What happens if, over time, housing delivery does not accord with the proposed broad distribution - is it necessary to have a contingency in place or to specify a certain level of deviation which would trigger a review of the policy?

4.2 Taylor Wimpey and Redrow agree that a contingency should be put place to ensure that the broad distribution of housing is appropriately managed.

4.3 Taylor Wimpey and Redrow also consider that the policy wording is flexible in terms of its delivery and management of the spatial distribution. It would not be

unreasonable to accept a deviation of 10%. If it becomes apparent a strategic site is not deliverable and could have an effect on the spatial distribution it would be appropriate to have a trigger in place.

5.0 **Issue 3: Whether the KLPCS is sufficiently clear, effective and robust to ensure timely delivery of the proposed amount of housing development.**

5.1 Taylor Wimpey and Redrow have concerns that the PKLPCS is not effective in the timely delivery of the proposed housing requirement. As we have set out in Matters 2 and 5, we are concerned with the effective implementation of Policy CS5 with regards to the release of the reserve Green Belt Sites.

5.2 Overall, Taylor Wimpey and Redrow consider that the only solution to maintain deliver housing over the plan period is to allocate Green Belt Sites now alongside its regeneration sites.

6.0 **Issue 3 – Whether the KLPCS is sufficiently clear, effective and robust to ensure timely delivery of the proposed amount of housing**

3.9 Are the density assumptions used in the SHLAA unduly cautious? KLPCS paragraph 5.24 refers to densities “up to 40 dph” being appropriate – is this an upper limit and if so, are there not some locations where higher densities would be acceptable?

6.1 Taylor Wimpey and Redrow consider that the density assumptions in the SHLAA comprising 30 dwellings per hectare are considered to be unduly cautious. They are an estimate of what could come forward and other locations may need a mixture of high medium and low density. In particular density could increase in more urban locations where apartment developments are more suitable. Fine grain analysis of the density assumptions used in the SHLAA would need to be undertaken to ensure that the Council isn't over or under estimating the number of units to be delivered on a site.

3.10 Is a 20% discount for non-delivery of SHLAA sites appropriate? Is it right to not take windfalls into account?

6.2 Taylor Wimpey and Redrow Homes consider that it is appropriate to apply a 20% discount rate for the non-delivery of SHLAA sites. The incorporation of a 20% discount ensures that the housing trajectory is realistic and will not lead to the over estimation of delivery. KBC has not made an allowance for windfall sites in their deliverable supply. In this instance, the approach is considered robust and appropriate. The vast majority of sites that will come forward over the coming years will have been identified through the SHLAA process. Making an allowance for windfalls to form part of the delivery particularly in the early years of the plan, would introduce uncertainty into the Council's deliverable

supply. This approach is consistent with the provisions of the Framework [para 48].

3.11 How much of the need for affordable housing is likely to be met, realistically, over the plan period? What are the implications for the objective of re-balancing the housing market?

6.3 The Framework stipulates that Knowsley must ensure the delivery of sufficient dwellings to meet the objectively assessed needs of the area. As such, KBC must aim to meet its full affordable housing requirement over the plan period whilst ensuring that development remains viable. Over the past 4 years, Knowsley has delivered 458 affordable dwellings (gross), equating to an average of 115 dwellings per annum. Demolition figures are not available for 2010-11 or 2011-12, but the Council's net delivery in 2009-10 was -136 dwellings and -90 in 2008-09.

6.4 Knowsley has a considerable affordable housing need and increasing the overall housing requirement will ensure that a greater number of affordable homes are delivered per annum. Delivering a greater number of market homes will ensure that dwellings remain affordable in Knowsley. This will also alleviate future affordable housing requirements.

3.12 How exactly will the phased release of housing land be managed? Will the SHLAA sites be subject to phased release and if so, what mechanism will be used? Is the plan effective without the inclusion of a phasing mechanism as part of policy CS3?

6.5 Taylor Wimpey and Redrow Homes consider that the phase release of SHLAA Sites is unclear and needs to be considered through the redrafting of Policy CS3. We have provided a suggested strategy in this regard.

3.13 Is the housing trajectory realistic and deliverable? Does it demonstrate a reliable 5 year housing supply (including NPPF 20% buffer) and developable sites for years 6-10?

6.6 Taylor Wimpey and Redrow consider that housing trajectory is overly optimistic for the following reasons:

- 1 The lead in times, development densities and the viability of sites are overly optimistic and could lead to considerable under delivery against the Council's housing requirement.
- 2 43% of the Council's 5 year supply is made up of sites without planning permission. In accordance with the provisions of the Framework, the Council must provide appropriate evidence to demonstrate the likelihood of these sites being delivered in the first 5 years. This evidence has not been provided it is therefore considered that the Council cannot demonstrate a deliverable 5 year supply of land.

- 3 A significant proportion of the sites identified in the Council's trajectory are considered to have marginal viability or are unviable. Despite this, they are still considered to be able to deliver units in the 1-5 and 6-10 year period. The deliverability of these sites is therefore highly questionable.

6.7 Taylor Wimpey considers that Green Belt Sites such as East Halewood and Edenhurst Avenue should be identified to come forward now and be included in the 5year housing land supply to meet the shortfall.

7.0 **Conclusions**

7.1 In summary, we conclude:

- 1 There are concerns that the Council is not meeting its objectively assessed needs and a more appropriate dwelling target would be in the region of 500 – 600 dpa. It is considered that a figure of around 520 dpa could be accommodated by the existing KLPCS and would better represent the economic growth aspirations of the Council and the requirement of the Framework to meet objectively assessed needs. The Council has identified sufficient land in the Green Belt to meet these needs. However, they would need to allocate the reserve locations and safeguarded land to come forward now to meet their needs.
- 2 There is a pressing need for homes in the Borough that has not been addressed since 2003.
- 3 Regardless of which housing requirement figure is carried through to the adopted Local Plan, additional deliverable housing land needs to be brought forward if the 5-year deliverable supply requirement set out in the Framework is to be met.

Appendix 1: Housing Technical Paper