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Examination in Public

**Knowsley Borough Council Local Plan Core Strategy
Hearing Statement in respect of Matter 3 Housing
Provision**

On behalf of NV Assets LLP

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1 Introduction

- 1.1 This Hearing Statement has been prepared on behalf of NV Assets LLP, which is the owner of the former golf driving range at Bank Lane, Kirkby. The site is identified as a reserve location for housing development within Policy CS5 of the submitted Core Strategy (paragraph 5.50).
- 1.2 This Statement provides representations in relation to Matter 3 Housing Provision as highlighted within Examination document EX06. The Statement specifically focusses on the following issues relating to the preparation of Policy CS3 Housing Supply, Delivery and Distribution:
- Matter 3.2 – should the Regional Spatial Strategy backlog be included;
 - Matter 3.8 – has the SHLAA been prepared in accordance with current guidance; and
 - Matter 3.13 – is the housing trajectory realistic and deliverable.
- 1.3 The Statement summarises where the Plan is considered to be unsound as submitted, which soundness criteria it fails and why it fails. Subsequently, the Statement makes recommendations as to how the Plan could be made sound.
- 1.4 These representations follow the initial submission made to the proposed submission Core Strategy on behalf of our client by Steven Abbott Associates in December 2012. This current Statement focusses on specific matters relating to Core Strategy Policy CS3, although the previously submitted comments regarding other local plan policies remain.

Overall Summary

- 1.5 It is considered that the Local Plan Core Strategy (LPCS) as submitted is unsound, specifically in respect of the Council's rationale and formulation of its Plan period housing requirement.
- 1.6 There are a number of elements to the LPCS which are considered to be unsound including the preparation of the Council's evidence base, the identification of suitable land for housing development and the identified Plan period. However, this Statement is concerned specifically with the following points:
- The Council's housing requirement methodology;
 - The application of the 20% buffer required by the NPPF in relation to persistent under-delivery;
 - How the backlog in housing supply identified between 2003 and 2013 has addressed;
 - The Council's assessment of its current five year supply.
- 1.7 Several changes are necessary to make the LPCS sound although these changes are considered to be very significant and may also require an early review of the LPCS within the first five years of the Plan period.

2 Which Parts of the Local Plan Core Strategy is Unsound?

2.1 The following elements of the LPCS are considered to be unsound:

- The methodology behind the 450 dwelling per annum target, equating to 8,100 homes throughout the Plan period;
- The inclusion of the 'RSS backlog' between 2003 and 2010 averaged out over 18 years, forming part of the target annual requirement;
- The five year requirement has excluded the 20% buffer brought forward from later in the Plan period as required by the NPPF;
- The identified supply of deliverable and developable housing is insufficient to meet the Council's actual housing requirement when correctly applied.

2.2 There are a number of closely related matters which NV Assets also considers are unsound including: the validity of the Council's SHMA; the lack of justification provided between the SHMA evidence, the identified annual target of 450 dwellings and the assessment of 'objectively assessed needs' as required by NPPF; and the Plan period and effective start date.

2.3 This Statement does not intend to analyse these matters and expects that these will be tested during the Examination.

3 Matter 3 Housing Provision

MATTER 3.2: THE RSS BACKLOG

- 3.1 The Regional Spatial Strategy (RSS) for the North West (September 2008) was formally revoked on 20 May 2013 following an Order being laid before Parliament on 24 April 2013. As such, the RSS no longer forms part of the Development Plan and is not material to the preparation of Local Plans or the determination of current planning applications.
- 3.2 The RSS historically set the annual requirement for housing delivery in Knowsley at 450 dwellings per annum (DPA), which backdated the requirement to be calculated from April 2003. This target formed part of the statutory Development Plan and, similarly, other local authorities within the region were targeted with respective annual requirements which were adhered to.
- 3.3 The Knowsley Replacement Unitary Development Plan, which was adopted in June 2006 prior to the adoption of the RSS, included Policy H1 which identified a housing target of 230 DPA. Many of the Council's UDP policies were saved by way of a Direction issued by the Government Office for the North West in June 2009 – Policy H1 was not saved.
- 3.4 As the RSS requirement formed part of the statutory Development Plan and remained extant until May 2013, almost 4 years after UDP Policy H1 expired, it is considered wholly appropriate that the Council's housing requirement should account for any under or over delivery of housing achieved since 2003. In this instance, the Council has consistently under-performed with an identified backlog between 2003 and 2010 of 1,867 dwellings (discussed in greater detail at Matter 3.13 below).
- 3.5 In accordance with good practice recognised as the Sedgefield approach, numerous subsequent planning appeal decisions and the emerging draft guidance provided within National Planning Practice Guidance (NPPG), any under supply of housing must be carried forward and delivered within the first five years of the new Plan period. The emerging NPPG provided by Department for Communities and Local Government (DCLG) states:
- “Local planning authorities should aim to deal with any under-supply within the first five years of the Plan period where possible. Where this cannot be met in the first five years, local planning authorities will need to work with neighbouring authorities under the duty to cooperate.”* (Assessment of Land Availability, Section 8)
- 3.6 In this instance, the Council has included the RSS backlog within the calculation of its annual target of 450 DPA (as identified at paragraph 9.9.3 of the Council's *Planning for Housing Growth – Technical Report*, July 2013), spreading the backlog over the 18 year Plan period. It is considered that this approach is entirely unsound for the following reasons:
- A local authority's housing requirement must be based on objectively assessed needs (paragraph 47, NPPF);

- Housing undersupply represents a failure to meet past objectively assessed needs and cannot be used to form a future requirement as this essentially provides a net reduction against the authority's Plan period targets (i.e. undersupply should be delivered in addition to the future annual requirement rather than forming part of it);
- The inclusion of the backlog within the annual requirement has not been justified against the Council's evidence base including the SHMA and Housing Position Statement.

3.7 The LPCS does not meet the following tests of soundness:

Positively Prepared – the RSS backlog has not been appropriately addressed to meet the Council objectively assessed future housing needs up to 2028 and has not identified an appropriate methodology for delivering the required housing either within the Borough or within neighbouring authority areas;

Justified – the Council's evidence, the formulation of its Plan period requirement and the inclusion of the RSS backlog averaged over 18 years is not an appropriate strategy and insufficient justification has been provided to ensure transparency;

Effective – as highlighted above, the inclusion of the RSS backlog within the annual requirement essentially hides the deficit accrued between 2003 and 2010. If corrected by adding the backlog to the annual requirement, insufficient measures are proposed for the delivery of housing either within the Borough or within neighbouring authorities; and

Consistent with National Policy – this approach fails to meet the requirements of paragraphs 14, 47, 158 and 159 of the NPPF and is also contrary to emerging guidance within National Planning Practice Guidance.

MATTER 3.8: STRATEGIC HOUSING LAND AVAILABILITY ASSESSMENT

3.8 The Council's calculation of its current deliverable and developable supply of housing land is questioned as the data provided within the Council's Housing Position Statement (July 2013) is inconsistent. Specifically, the data provided within Table 3.12 presents different figures in relation to the identified commitments and SHLAA sites than is presented within Appendices G, H and I.

3.9 As an example, Table 3.12 identifies a total risk assessed supply of 3,017 units within the first 5 years of the Plan period, whereas the data provided within the appendices equals 2,995. Further, the total risk assessed supply for years 6-10 is identified at Table 3.12 as 2,192, but is shown to total only 1,720 within the appendices. The discrepancy appears to be the calculation of SHLAA sites, especially in years 6-10, with a difference of approximately 472 dwellings between the table and the appendices.

3.10 The Council's evidence base in relation to identifying a current supply of housing is therefore considered to be unreliable and unsound and should be corrected prior to the adoption of the

Core Strategy. The correct presentation of this information is critical to ensuring that the Council has identified sufficient housing land to meet its Plan period housing requirement.

MATTER 3.13: IS THE HOUSING TRAJECTORY REALISTIC AND DELIVERABLE

3.11 This matter is considered to be critical to the soundness of the Knowsley LPCS. Aside from the Council's failure to demonstrate a robust, transparent and justified approach to its housing requirement, the failure to apply an appropriate methodology to housing supply and delivery prevents the Plan from meeting any of the tests of soundness.

3.12 The critical issues identified include:

- Calculation of the deliverable supply (as discussed in Matter 3.8 above)
- Calculation of the developable supply (as discussed in Matter 3.8 above)
- Failure to correctly apply the 20% buffer
- Failure to carry forward the identified under-supply between 2010 and 2013
- Failure to correctly assess whether a five year supply is achieved against the actual annual requirement

3.13 Further to those matters discussed above, the Council has failed to appropriately apply the 20% buffer required by paragraph 47 of the NPPF. Importantly, the buffer should bring forward 20% worth of required housing from later in the Plan period which, using the Council's figures, equates to 450 dwellings. This must be added to the baseline five year requirement (2,250 dwellings) to form the actual five year requirement of 2,700 dwellings. With the buffer in place, the annual requirement for the first five years of the Plan period is 540 dwellings and consequently the annual requirement for later in the Plan period (e.g. years 11-15) will be less than 450 DPA.

3.14 As identified under Matter 3.2, it is recognised as good practice by numerous Inspectors, emerging practice guidance and the established Sedgefield approach, that any under-supply in housing delivery must be carried forward to be delivered in the first five years of the Plan period. Using the Council's approach of a Plan period start date at 2010, the identified backlog of 743 units accrued between 2010 and 2013 must be added to the established five year requirement. In this instance, the five year requirement would be 3,443 dwellings.

3.15 However, it is considered necessary to also account for the RSS backlog (1,867 units) accrued between 2003 and 2010, which provides a five year requirement of 5,310 dwellings when added.

3.16 In summary, the Council's five year requirement is calculated as follows:

- | | |
|--|-----------------|
| • Proposed annual requirement | 450 dwellings |
| • Baseline five year requirement (450 x 5) | 2,250 dwellings |
| • Actual five year requirement inc. 20% buffer (2,250 + 450) | 2,700 dwellings |
| • Equivalent annual requirement for years 1-5 (2,700 / 5) | 540 dwellings |

- Actual requirement plus 2010-13 backlog (2,700 + 743) 3,443 dwellings
- Equivalent annual requirement for years 1-5 (3,443 / 5) 687 dwellings

- Actual requirement plus 2010-13 and RSS backlogs (3,443 + 743 + 1867) 5,310 dwellings
- Equivalent annual requirement for years 1-5 (5,310 / 5) 1,062 dwellings

- 3.17 Although contested above, the Council identifies a current deliverable supply of risk-assessed housing land equal to 3,017 dwellings within the first five years. If it is considered that this supply figure is accurate, the Council would still have a significant shortfall in housing supply considered against the actual five year requirement with full backlog included. In the worst case scenario, the Council may fall short of the 5,310 dwelling target by 2,293 dwellings.
- 3.18 By using the Council's Plan period start date of 2010, carrying forward the identified undersupply of 743 dwellings, and adding the 20% buffer the Council can only demonstrate a supply equal to 4.4 years (3,017 [supply] / 687 [requirement] = 4.4 years).
- 3.19 Using the worst case scenario, considered to be the accurate assessment of current housing supply, the current supply of deliverable housing equates to only 2.84 years' supply (3,017 [supply] / 1,062 [requirement] = 2.84 years).
- 3.20 Regardless of which approach is taken forward in terms of the backlog, the Council cannot demonstrate a five year supply of deliverable housing. In accordance with paragraph 49 of the NPPF, a local plan will not be considered up to date where a local authority cannot demonstrate a current five year supply of deliverable housing land. Consequently, the LPCS as submitted is not sound.
- 3.21 The LPCS does not meet the following tests of soundness:

Positively Prepared – the housing trajectory does not fully account for the identified backlogs and has not identified sufficient housing land to meet the actual annual requirement;

Justified – the approach proposed by the Council is not appropriate for the delivery of housing, the promotion of housing growth or sustainable development as the evidence has been incorrectly applied;

Effective – using the Council's own figures and its own approach, it is considered that the Plan period objectives are not deliverable as the Council cannot demonstrate a five year supply of deliverable housing land; and

Consistent with National Policy – this approach fails to demonstrate a five year supply of deliverable housing land and fails to correctly apply the 20% buffer (brought forward from later in the Plan period). The LPCS discords with the Government's objective to boost

significantly the supply of housing and fails to satisfy the requirements of paragraphs 14, 47, 49 158 and 159 of the NPPF.

4 How to Make the Core Strategy Sound

4.1 This Hearing Statement highlights some critical elements of the proposed Knowsley LPCS that are unsound. The following changes could be made to the proposed plan to make it sound although these changes may require a significant additional quantum of work to be completed and may delay the adoption of the Core Strategy.

4.2 The proposed modifications are:

1. Amend the annual target of 450 dwellings (Plan period target of 8,100 dwellings) to remove the RSS backlog. The annual target must be fully justified based on the objectively assessed needs of Knowsley Borough and not loosely based on household projections and growth aspirations;
2. The RSS backlog should be delivered within the first five years of the Plan period (2013 – 2018) in accordance with the Sedgefield approach and emerging practice guidance within the NPPG;
3. The identified backlog between 2010 and 2013 should also be added to the annual target and delivered within the first five years;
4. The Council must identify a significant additional quantum of deliverable housing land for up to 2,300 new homes to be granted planning permission and delivered within the first five years of the Plan period. There is an identified urgent need for new housing now, both to meet the shortfall in supply against the Council's five year requirement and to meet the backlog identified as a result of historic under-delivery;
5. The Council must also identify additional developable housing land for years 6-10, and years 11-15, if possible, in order to accord with paragraph 47 of the NPPF. The current identified supply for years 6-10 falls below the requirement of 2,250 at 2,192, with the 11-15 year supply almost non-existent at 472 dwellings;
6. The Housing Position Statement (July 2013) must be updated to provide consistent land availability calculations between the data within Appendices G,H and I and Table 3.12, to ensure clarity and transparency within the Plan's evidence base; and
7. The target annual requirement should be phased across the 15 year Plan period to account for the 20% buffer being brought forward from later in the Plan period in accordance with national policy (i.e. a higher annual target should be applied to years 1-5 than years 6-15).

4.3 As identified within Section 2 of this Statement, there are other matters surrounding the Council's evidence base which are considered to also require attention prior to the LPCS being adopted; however, the matters considered above are critical and are of the greatest impact to the delivery of the Council's housing growth objectives.