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Planning. Design. Economics.

**Bradford Local Plan Core Strategy -
Publication Draft**

Representations on Policy H01

On behalf of CEG Land Promotions Ltd;
Persimmon Homes (West Yorkshire); Barratt
David Wilson Homes - Yorkshire West Division
and Redrow Homes

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50335/02/JG/CD

Contents

1.0 # Introduction

1.1   This statement has been prepared by Nathaniel Lichfield & Partners [NLP] on behalf of CEG Land Promotions Ltd [CEG], Persimmon Homes (West Yorkshire) [Persimmon], Barratt David Wilson Homes - Yorkshire West Division [Barratt] and Redrow Homes [Redrow] following the publication of the Bradford Local Plan Core Strategy – Publication Draft [BLPCS].

1.2   This statement forms representations to Policy HO1 and in particular the housing requirement set out in the BLPCS, which proposes a figure of at least 42,100 homes in Bradford (net) over the plan period 2013 to 2030.

1.3   Representations on other policies within the plan are being individually made by the above parties and are submitted under a separate cover.

2.0

Summary of City of Bradford MDC Position

Policy H01

2.1 Policy HO1 outlines the 10 principles which will underpin the housing policies of this Core Strategy and subsequent DPDs within Bradford's Local Plan in relation to "....principles for achieving sustainable housing growth". They are outlined as:

1. Distributing housing growth in a way which reflects accessibility to jobs and services and supports the role of Bradford as a Regional City, and Keighley, Ilkley and Bingley as Principal Towns;

2. Prioritising, wherever possible, the use and recycling of previously developed land and buildings and fully exploring the opportunities for housing growth to lever investment into the remodelling and environmental improvement of existing urban areas;

3. Making most efficient use of land, recognising that it is a scarce resource, and thus setting challenging but achievable density targets for developers to adhere to;

4. Phasing the release of land to ensure that housing growth is coordinated with planned infrastructure provision and to encourage the take up of brownfield land in the most sustainable locations while ensuring delivery of housing targets in line with a published housing trajectory;

5. Ensuring that development provides an appropriate mix of housing to fulfil the needs and aspirations of the District's current and future populations, improving housing choice and supporting healthy and balanced local housing markets and diverse and cohesive communities;

6. Ensuring that housing development meets high standards of construction and design, including the incorporation of low carbon technologies and renewable energy generation, wherever feasible and viable;

7. Making adequate provision for affordable housing and ensuring that housing is of the size, type and tenure to address the most pressing needs for those who cannot access market housing;

8. Acting to maintain and improve the existing housing stock addressing in particular the issues of overcrowding;

9. Using the powers and resources available to reduce the number of empty homes, in particular long term vacant properties;

10. Setting out broad principles for the identification and allocation of specific housing sites within the LDF so that individual site related choices support and do not undermine the core policies of this document.

2.2 It goes on to add that:

"One of the key roles of the Core Strategy is therefore to assess and then set out the number of new homes which will need to be planned for to meet the needs of the district's current and future population and thus support the local economy".

(Paragraph 5.3.8)

And that

"At a more practical level, determining the housing requirement is critical to the Core Strategy since it feeds directly into the spatial strategy by determining how much land is needed for new housing development".

(Paragraph 5.3.10

2.3 It continues by then outlining that the Council had sought independent advice on the level at which the housing numbers per annum should be set and that it subsequently commissioned a Housing Requirement Study to investigate and evidence this.

2.4 It concludes 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 recommended that the housing requirement be set at the mid-point of a range of 1807 to 2565 dwellings per annum".

(Paragraph 5.3.13)

2.5 Following on from this, it's policy in relation to the District's Housing Requirement is stated as follows:

Policy HO1: The District's Housing Requirement

A. Provision will be made within the Local Plan to facilitate the scale of new housing development as set out in Table HO1.

B. After allowing for net completions over the period 2004-13 and an allowance for the projected reduction in the number of vacant homes, the Local Plan will allocate land to meet the remaining requirement for at least 42,100 homes over the period 2013 to 2030;

C. Forthcoming DPD's will assess the projected losses to the existing housing stock from clearance and change of use and increase the level of allocations to compensate accordingly.

2.6   It then helpfully produces "Table HO1", which graphically illustrates the Council's view on Bradford's District Housing Requirement. For information, it is set out in full below.

Table HO2.1   Bradford District Housing Requirement

Bradford District Housing Requirement 2004 to 2030			
A	Statutory Development Plan Housing Requirement 2004-08	1,560 x 4	6,240
B	Statutory Development Plan Housing Requirement 2008-11	2,700 x 3	8,100
C	Housing requirement Study Based Housing Requirement 2011-13	2,200 x 2	4,400
D	Total Housing Requirement 2004-13	A + B + C	18,740
E	Net Completions 2004-13	(From AMR)	11,053
F	Residual unmet Need 2004-13	D - E	7,687
G	Housing Requirement Study Based Housing Requirement 2013-30	2,200 x 17	37,400
H	Total Housing Requirement 2004-30	D + G	56,140
Bradford District Housing Requirement 2004 to 2030			
I	Net Completions 2004-13	=	11,053
J	Allowance for Reduction in Vacant Homes	=	3,000
K	Remaining Requirement to be Met by Housing Site Allocations	H – I - J	42,087

Source: Bradford City Core Strategy Development Plan Document Publication Draft 2014

Conclusion

2.7   In conclusion, as can be seen from above, the Council is seeking to plan for 42,087 dwellings over the plan period 2013 to 2030, at an average of 2,475 dpa (2,200 dpa excluding backlog).

2.8   This figure was evidenced from the housing requirement recommendation of 2,186 dpa set out in the August 2013 Housing Requirements Study Addendum Report undertaken by GVA and Edge Analytics[1], with adjustments made for the substantial under-provision of dwellings between 2004-2013 (-7,687) and an assumption that 3,000 empty homes will be brought back into use.

2.9   The assumptions concerning bringing empty homes back into use are supported in policy terms by the NPPG and can be justified by the Council through evidence of high and sustained levels of refurbishments across Bradford in recent years. We therefore have no issue with this assumption.

2.10   However, this statement contends that there are a variety of limitations with the projections and the Council's interpretation of the findings, not least the facts

[1] Paragraph 4.6

that these are demographic and trend-based only and do not take into account any policy changes that may affect actual household formation in future.

2.11   The key methodological limitations as we see it are set out and considered in the next section of this statement.

Critique of Bradford MDC's Approach

3.0

3.1 A summary of the four developer's concerns about the methodology used in assessing housing numbers are set out below.

Issue 1: Economic Aspirations

3.2 The Bradford District Housing Requirements Study: Addendum Report (August 2013) models a range of projections incorporating both the demographic-led projections (incorporating the 2011-based interim SNPP and the earlier 2010-based SNPP) plus an alternative set of employment-led projections, specifically the job growth projections of the April 2012 run of the Regional Econometric Model [REM], which suggested a change in FTE employment equal to 27,041 between 2011-28, or 1,591 per annum.

3.3 However, Policy EC2 of the BLPCS states quite clearly that:

"The Council will support the delivery of at least 2,897 new jobs annually in the District in the period to 2030".

3.4 This 2,897 figure is therefore identified as a specific target of the Local Plan. Furthermore, the supporting text to this Policy dismisses the earlier 2011 job projections produced by the REM on the grounds that they are:

"based largely on trend-based modelling of how the economy might perform in future years. In this respect they are not wholly complete assessments of jobs growth and related land requirement".

(Paragraph 5.1.14)

3.5 On this basis, it is our opinion that there is a clear disconnect between the job target set out in the Core Strategy and the job targets underpinning the housing requirement figure - the former is more than 50% higher than the REM job figure used in the Council's housing evidence base. Such an approach could lead to unsustainable outcomes, resulting in Bradford becoming a magnet for high levels of in-commuting, with the undesirable side effects of congestion and escalating house prices likely to result. Consequently, this clearly undermines the economic vision for the area in our opinion.

Issue 2: Application of Headship Rates

3.6 We have significant concerns regarding the robustness of the modelled scenarios in the August 2013 Housing Requirements Addendum.

3.7 Essentially, the report assumed three alternative approaches to headship rates over the plan period. One approach was to use the higher headship rates from the CLG's 2008-based household projections from 2011-2028 (essentially excluding all reference to the lower 2011-based headship rates to 2021). The other approaches used the interim 2011-based household projection headship

rates to 2021, but thereafter assumed either a continuation of the trend projected in the 2011-based interim projections for the period 2011 to 2021, or alternatively 'freezing' headship rates at projected 2021 levels. The Addendum states that:

"neither approach is ideal and would in both cases produce theoretical results"

(Paragraph 2.10).

3.8   The Addendum Report recognises that the latest 2011-based household projections suggest a reduction in the rate of household growth projected for Bradford City when compared with the previous 2008-based household projections. This is because the former dataset projects trends derived from a period:

"characterised by an unprecedented, deep recession and slow economic growth, fiscal austerity and historically low rates of housing completions. The interim projections therefore reflect these limiting conditions on household formation and project the continuation of these trends for a further 10 years."

(Paragraph 2.8)

3.9   However, whilst recognising that using these approaches embed the conditions prevalent in the 2011-based interim projections, and could therefore lead to a continuation of past trends over the plan period, the modellers nevertheless conclude that:

"the most appropriate basis for projecting is the trend based assumption".
(Paragraph 4.3)

3.10   This assumption is critical, because it artificially constrains the mid-point housing figure taken forward in the BLPCS.

3.11   Beyond 2021, we consider that the best approach is to apply the rate of annual change in household formation from the 2008-based household projections to reflect such long term trends (and in the absence of other long-term projections of household formation). This approach has found favour with an increasing number of Inspectors at Local Plan EiPs, including those recently at Lichfield District and South Worcestershire.

3.12   It is worth noting that both GVA and Edge Analytics were the consultants behind the SHMA document referred to by the Inspector in the South Worcestershire EiP. This document was found unsound and included similar assumptions on headship rate formation post-2021 as the August 2013 Bradford Local Housing Requirement Addendum has. Indeed, following the South Worcestershire District Plan Stage 1 hearings, Edge Analytics have acquiesced to the Inspector's wishes and have modelled a new scenario using NLP's index approach as stated above.

3.13   For these reasons, we consider that the 'trend' and 'fixed' headship rate approaches modelled by Edge Analytics are invalid and, consequently, should not be used to define the objectively assessed need for housing since they do not represent the most appropriate strategies when considered against reasonable alternatives. The Council has therefore failed to use the most appropriate and up-to-date statistical evidence to inform its housing strategy for the City, as required in paragraph 158 of the Framework.

Issue 3: Taking a mid-point of the identified Range

3.14   The figure of 2,200 dpa taken forward by Bradford City Council in the BLPCS is clearly referenced as being the 'mid-point' (2,186 dpa) between the trend based employment-led scenario of 1,807 dpa, with the previous February 2013 employment-led scenario (which applied 2008-based headship rates) of 2,565 dpa.

3.15   This mid-point figure was recommended by GVA / Edge Analytics in paragraph 4.6 of Bradford District Housing Requirements Study: Addendum Report August 2013 which stated:

> *"Given the uncertainty over where the real future performance of the economy and housing market might fall in the spectrum between assumptions underlying the 2008 and 2011 based household projections, the Local Planning Authority may consider that the most prudent approach would be to adopt a housing target which reflects this mid-point figure of 2,186 dwellings per annum".*

3.16   Whilst we agree that modelling is not an 'exact science', and that there needs to be an element of judgement as to where an appropriate figure might lie, by taking a random mid-point between the two upper and lower ranges suggests that the modellers have limited faith in the robustness of either scenario, and have ended up recommending a figure that is not substantiated by any of their many model runs.

Issue 4: Economic Activity Rates

3.17   In constructing the employment constrained projections for the February 2013 Bradford Housing Requirements Study, Edge Analytics varied older person economic activity rates to reflect changes to pension ages in the long term. Edge Analytics assumed that for the 50-64 and 65-74 age groups, economic activity rates would incrementally increase by 10% between 2011 and 2030 to reflect the gradual impact of this employment factor. (Paragraph 5.32)

3.18   The implication of this adjustment is that a lower level of in-migration is required to support existing or new jobs and hence it can be associated with a much lower level of population and housing growth as a result.

3.19   Whilst it is agreed that changing statutory retirement ages are likely to have some impact upon economic activity rates, the Housing Requirements Study

does not provide any evidence to demonstrate the extent to which the scale of increase that has been modelled is likely to occur in practice.

3.20   The figures that result from this key set of employment-led scenarios can be viewed as illustrative at best and should not be considered as providing a reliable indicator of future demographic change and housing requirements. For example, if this degree of change was to be even slightly lower, the planned level of housing provision would result in a shortfall in housing, to deliver against the forecast level of employment.

Issue 5: Vacancy Rates

3.21   It is standard modelling practice to translate households into dwellings by applying an allowance for second homes / empty properties. To take an example, Figure 3.4 of the 2013 Addendum (set out below) calculates that under the employment-led (REM) scenario, the number of households will increase by 42,333 between 2011 and 2028. The GVA / Edge Analytics then increase this figure by 3%, to derive a dwelling requirement of 43,603. However, this is erroneous, as this does not result in an overall vacancy rate of 3%. The correct calculation should have been 42,333 / 0.97 = 43,642 dwellings between 2011-2028, some 39 dwellings higher. This error is replicated across all the modelled scenarios.

Table 1: Overall projections of household change translated into annual housing targets

Scenario	Change in Households 2011-2028	Dwellings Required 2011-2028 (3% vacancy assumed)	Net Annual dwelling requirement
Employment-led (REM) Trend	29,831	30,726	1,807
Employment-led (REM) Fixed	31,130	32,064	1,886
Employment-led (REM)	42,333	43,603	2,565

Source: Paragraph 3.11 of the Bradford District Housing Requirements Study: Addendum Report: August 2013

3.22   Whilst this is a minor arithmetical point, there is a further inconsistency with their use of an assumed vacancy figure of 3%. The February 2013 Housing Requirements Study states that:

> "Examining empty properties, the analysis shows that as of July 2012 4.7% of all stock in Bradford was classified as empty. This is higher than the standard benchmark of 3%".

> (Paragraph 4.58)

3.23   On this basis, a figure of 4.7% should have been factored into the aforementioned calculation, rather than 3%.

3.24   As such, it is suggested that the employment-led (REM) scenario, which forms the top end of the range suggested in the Addendum, would equate to the following dwelling requirement: 42,333 / 0.953 = 44,421, or 2,613 dpa (rather than the 2,565 dpa quoted in the report). Similarly, the lower end of the range, using the Employment-led (REM) Trend scenario, should equal 31,302 dwellings, or 1,841 dpa. The mid-point of this range would therefore be 2,227 dpa, not 2,186 dpa.

Issue 6: Affordable Housing Need

3.25   The Framework states that LPAs should:

> "Use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the HMA".

[Paragraph 47]

3.26   In this regard, the Council's most recent 2013 SHMA update concludes that the total gross affordable housing requirement is 769 dwellings annually, based on eliminating the backlog over ten years (rather than the five years recommended in guidance).

3.27   Policy HO8 of the BLPCS has a target that between 20% and 25% of total gross housing completions should be affordable housing. On this basis, to eliminate the 769 dpa affordable housing need, a minimum of 3,076 dpa would need to be provided. The provision of 2,200 dpa would only provide around 550 affordable dpa in the event that the 25% target is achieved.

Conclusion

3.28   In summary, it is considered that the Housing Requirements Study and subsequent Addendum underpinning the Council's BLPCS's housing target is unsound on the grounds that:

1. There is a clear disconnect between the Council's housing needs figure and their economic growth aspirations that will have unsustainable consequences. The job growth underpinning the Housing Requirements Study (at 1,591 new jobs per annum) is significantly below the 2,897 jobs per annum target in the Core Strategy.

2. The assumptions underpinning household formation post-2021 are flawed. The consultants have used 'trend' and 'fixed' headship rates for many of the scenarios, resulting in a lower level of household growth than might realistically be expected.

3. An arbitrary 'mid-point' between two main scenarios has been taken forward as the objectively assessed need (2,186 dpa), which does not align with any of the main scenarios.

4. Key assumptions concerning economic activity rates are overly optimistic, which artificially reduces the level of dwellings required to accommodate economic in-migrants to the City.

5. There are arithmetic errors regarding the application of vacancy rates to convert households into dwellings, which would increase the requirement still further.

6. The Borough's SHMA identifies a net annual affordable need of 769 dpa, of which only a proportion would be met should 2,200 dpa be delivered in total.

3.29 Overall, this review has raised significant concerns with regard to the robustness of the modelling and how this has been interpreted by the Council.

3.30 In light of these concerns, NLP has undertaken a separate modelling exercise using the PopGroup demographic model that explores the implications of running the CLG 2011-based household projections to 2021, and the 'indexed' approach to household formation thereafter.

3.31 This model is considered in the next section of these representations.

4.0 Alternative Demographic Model

Introduction

4.1 Where possible this model has sought to replicate GVA's scenarios whilst applying more robust assumptions concerning headship rates and levels of job growth.

Scenarios and Assumptions

Scenarios

4.2 The scenarios modelled fall into three broad categories:

- Demographic led,

- Economic-led; and,

- Supply / policy led.

4.3 The starting point remains the baseline demographic scenario, with various data variables and assumptions applied for other subsequent scenarios over the Plan period 2013-2030, as follows:

4.4 **1. Demographic-led**

— How much development is required to meet projected levels of population change?

i) Scenario A: Baseline 2011 — A scenario utilising the latest ONS 2011-based sub-national population projections [SNPP] and the headship rates from the CLG 2011-based household projections. It has been assumed that post 2021, the CLG 2008-based headship rates are applied (the 'index' approach);

Sensitivity

Scenario Aa: Static Headship Rates — A scenario which incorporates the ONS/CLG inputs of Scenario A to provide a projection to 2021; between 2022 and 2030, the 2021 headship rates are held constant;

Scenario Ab: Trend Headship Rates — As above, although post-2021 the CLG 2011-based household projection trends are continued on a linear basis;

Scenario Ac: Catch-Up Headship Rates — As above, change post 2021 is targeted to achieve the CLG 2008-based Household Projections end-rates by 2033;

ii) Scenario B: CLG Household Projections — Annualising the CLG Household Projections (2011-2021) whilst making an allowance for vacancy rates (1,674 dpa for Bradford)

4.5

2. Economic Led

– How much development is required to ensure forecasts of future employment change are supported by the local labour supply?

Scenario C: Bradford REM Jobs – A "policy-off" trend-scenario based upon REM Job Growth analysis used to underpin the GVA employment-led analysis. This provides potential unconstrained employment growth in Bradford (1,590 jobs per annum);

Scenario Ca: Bradford REM Jobs + Catch Up Headship – This scenario applies the above assumptions whilst factoring in Catch Up, rather than Indexed, Headship Rates post 2021;

Scenario D: Bradford Core Strategy Jobs – a 'Policy on' trend scenario based upon achieving the Council's economic aspirations as outlined in their emerging Core Strategy (Policy EC2). This models the level of housing necessary to achieve potential unconstrained employment growth in Bradford of 49,250 jobs over the course of the plan period (2,897 jobs per annum).

Scenario Da: Bradford Core Strategy Jobs – This scenario is based upon achieving the Council's economic and employment growth aspirations, as outlined in their emerging Core Strategy (Policy EC2), but with a realistic 3% unemployment rate.

4.6

3. Policy / Supply Led

– What are the implications in terms of the number of people, households and jobs of delivering a certain amount of development?

Scenario E: Average Past Delivery – using past delivery trends to illustrate what the market has previously delivered and projecting this forward over the Plan period (1,292 dpa for Bradford).

4.7

The above 7 scenarios and associated sensitivities provide a wide range of outputs, evidencing housing and employment development needs based upon different factors under different scenarios. All scenarios provide development requirements over a timeframe starting in 2013 and ending in 2030.

4.8

There are a number of assumptions which NLP has adopted to form the basis for most modelled scenarios. These include:

1   A base population derived from 2011 ONS Mid-Year Population Estimates by single year of age and gender which are based on the 2011 Census population counts. Equivalent 2012 ONS Mid-Year Population Estimates by single year of age and gender are also factored into the model.

2   Fertility rates are applied to the population using projected Fertility Rates and differentials for Bradford from the ONS 2010-based SNPP.

3　Mortality rates are applied to the population forecast using projected Mortality rates and differentials for Bradford from the ONS 2010-based SNPP.

4　Inputs on headship rates (using the CLG 2011-based interim household projected headship rates up to 2021, and the 2008-based rates after this time) (sensitivity tests excepted).

5　In Bradford (as in any area), it is expected that housing vacancies and second homes will result in the number of dwellings exceeding the number of households.　In establishing future projections, it is likewise expected that the dwelling requirement will exceed the household forecast.　Hence a rate of 5.3% has been factored into the model, based upon the most recent vacancy data available for the District (CLG Council Tax Base 2013).

6　To calculate the unemployment rate, NLP took the:

- December 2010 NOMIS unemployment figure (10.4%) to equate to the 2010 rate;

- December 2011 figure of 11.4% to equate to the 2011 rate; and,

- December 2012 figure (11.0%) to equate to 2012.

NLP kept the former figure constant for 2013 and 2014 to reflect initial stabilisation at the current high rate, and then gradually reduced the rate on a linear basis to the 7-year average (05-12) over a five year time frame.　This figure was then held constant to the end of the forecasting period on the grounds that this is a better reflection of the long term trend than the current high rate.

7　It has been assumed that the commuting rate (1.06) remains static with no inferred increase or decrease in commuting levels for the scenarios.

8　Economic activity by age cohort is taken from ONS and NLP projections of future economic activity, which take account of shifting trends in economic activity and changes to pension ages.
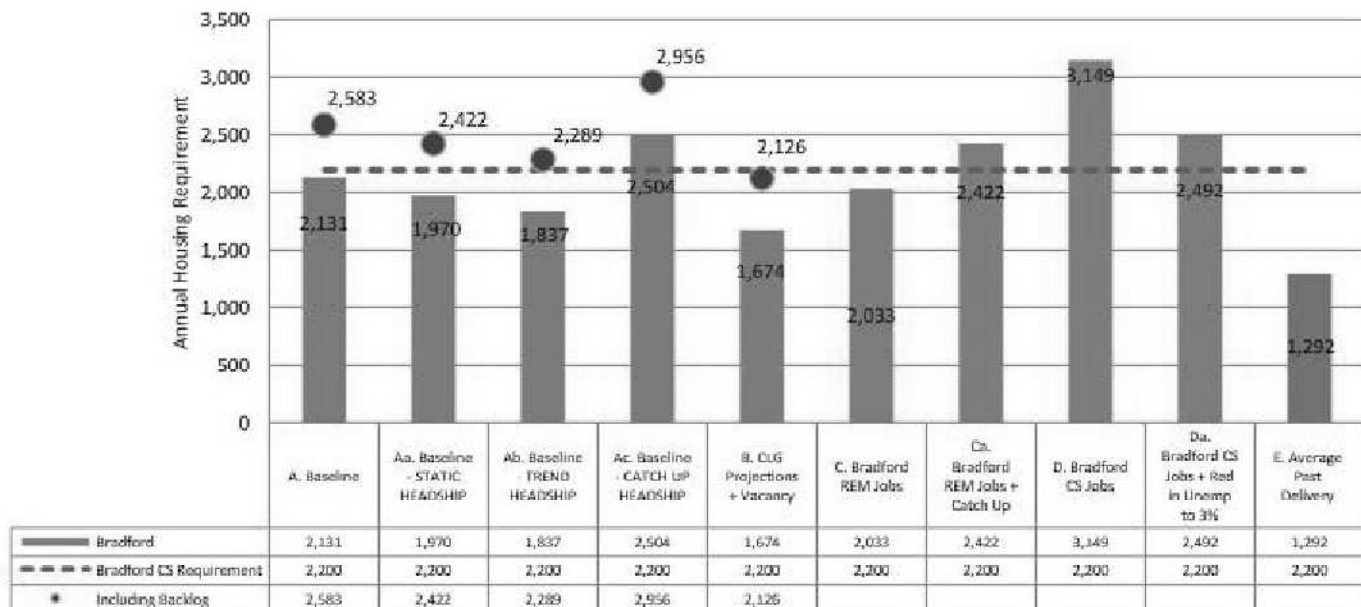
Findings

4.9　A summary of the dwelling requirements for each of the scenarios between 2013-2030 are set out in Table 2 and Figure 1 below.

4.10　They demonstrate that there is considerable variation between the seven scenarios and associated sensitivities.　The requirement fluctuates from a low of 1,292 dpa under the Average Past Delivery Scenario, to a high of 3,149 dpa under the Bradford Core Strategy Jobs Growth Scenario.　Alternative demographic-led scenarios, as well as each of the economic-led scenarios, fall between these two 'book-ends'.

Table 2 - Summary of Scenario's 2013-2030

	Natural Change	Net Migration	Population Change	Dwelling Change p.a.	Dwelling Change p.a. incl backlog	Dwelling 2013-2030	Job Growth
A. Demographic Baseline				2,131	2,583	43,911	
Aa. Demographic Baseline – Static	85,800	-9,903	75,897	1,970	2,422	41,174	25,192
Ab. Demographic Baseline – Trend				1,837	2,289	38,913	
Ac. Demographic Baseline – Catch Up				2,504	2,956	50,252	
B. CLG 2011 Household Projections			-	1,674	2,126	36,142	-
C. Bradford REM Jobs	81,813	-6,150	75,662	2,033	-	34,555	27,025
Ca. Bradford REM Jobs + Catch Up Headship	81,813	-6,150	75,662	2,422	-	41,172	27,025
D. Bradford Core Strategy Jobs	93,077	36,546	129,623	3,149	-	53,536	49,260
Da. Bradford Core Strategy Jobs + 3% unemployment	88,889	8,176	97,065	2,492	-	42,372	49,286
E. Average Past Delivery			-	1,292	-		-

Source: NLP

Figure 1 – Bradford Modelling Scenarios

	A. Baseline	Aa. Baseline - STATIC HEADSHIP	Ab. Baseline TREND HEADSHIP	Ac. Baseline - CATCH UP HEADSHIP	B. CLG Projections + Vacancy	C. Bradford REM Jobs	Ca. Bradford REM Jobs + Catch Up	D. Bradford CS Jobs	Da. Bradford CS Jobs + Red in Unemp to 3%	E. Average Past Delivery
Bradford	2,131	1,970	1,837	2,504	1,674	2,033	2,422	3,149	2,492	1,292
Bradford CS Requirement	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Including Backlog	2,583	2,422	2,289	2,956	2,126					

4.11   All demographic scenarios, when modelled, do not take full account of previous under delivery (2004-2013). Therefore, an allowance must be made in addition. As Bradford MDC will be aware, the Core Strategy Policy HO1 correctly makes

allowance for the incorporation of past under delivery into the Council's future housing requirement (totalling 7,687 dwellings or 452 per year).

4.12 It is important to note that the figures do not take into account Bradford Council's policy initiative of bringing 3,000 vacant units back into use, which the Council have deducted from their total OAN housing requirement. As stated earlier the assumptions concerning bringing empty homes back into use are supported in policy terms by the NPPG, and can be justified by the Council through evidence of high and sustained levels of refurbishments across Bradford in recent years. We therefore have no issue with this assumption.

4.13 However, in contrast, if the Council intends to plan for the provision of 49,250 new jobs over the plan period - as it suggests in Policy EC2 - then a figure closer to 3,200 dpa would be required. However, it is important to caveat this point with the fact that the Policy EC2 jobs target (2,897 new jobs annually) is derived on the basis of:

- A growth in the working age population in full employment by 27,800 (broadly equivalent to the modelled REM figure), plus;

- Jobs for an estimated 21,464 residents estimated to be claiming Job Seekers Allowance [JSA] by 2030.

4.14 The Council is therefore assuming that the additional job growth above and beyond the level forecast in the REM will come from residents already living in the City, and hence no additional housing would be required.

4.15 Whilst the feasibility of achieving an unemployment rate of zero in Bradford is clearly laudable, it is in our view unrealistic, as there will always be a level of 'churn' in the jobs market and historically such a level of unemployment has never been achieved in recent years. Subsequently, one of our scenarios (Scenario Da: Bradford Core Strategy Jobs) was based upon achieving the Council's economic aspirations, as outlined in their emerging Core Strategy (Policy EC2), but with a 'best case' 3% unemployment rate, with a commensurate reduction in housing likely to be required.

4.16 However, even this scenario is a 'best case' set of circumstances since a 3% unemployment rate will be very difficult to achieve in any economic conditions. We say this particularly since Bradford's jobseekers allowance claimant rate is currently 5.3% of the population aged 16-64 - above both the region (3.9%) and national (3.0%) averages[2]. This is a trend that has been apparent for some time and therefore illustrates the difficulties faced by the Council.

4.17 In these circumstances, the 3% unemployment figure we have used in Scenario Da is the best possible realistic outcome for the Council in our opinion. It may be that an Inspector in the future may take a less optimistic view than that of the Council or ourselves on the likely level of unemployment. As such, it has to be recognised that the 3% scenario – and subsequent housing number required - is the lowest realistic housing number we believe

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[2] Bradford District Monthly unemployment update - Jobseekers Allowance (JSA) claimants - 19th March 2014

the Council will need and may be above 2500 dpa if a future Inspector considers other less favourable economic scenarios are more realistic.

Conclusion

4.18 The inclusion of a specific jobs target within the draft Core Strategy (Policy EC2) means that the OAHN of 2,200dpa is inconsistent with the plan's housing policies.

4.19 The Council's 2,200 dpa figure is predicated on the achievement of circa 1,600 jobs per annum in accordance with the April 2012 REM. However - as is clearly set out in both the Core Strategy and the accompanying Background Paper 3 - this model has not been used by the Council to inform the Local Plan. Instead, a target of 2,897 jobs per annum has been employed.

4.20 We note that the Council's commitment to creating more jobs is in line with the Frameworks aim to support and encourage sustainable economic growth (Paragraphs 18-22).

4.21 To deliver this level of job growth, our modelling has demonstrated that the Council would need to plan for around 3,200 dpa if it succeeded in its aim of providing 2897 jobs with no Job Seeker Allowance (JSA) claimants in Bradford.

4.22 We consider that it is very laudable that the higher job growth figure is being sought and that it is predicated on the basis of bringing down the number of JSA claimants in Bradford to zero by 2030. However, we also consider that this assumption of 'full employment' is unrealistic in view of the fact that the claimants are unlikely to all have or be able to gain the skills / training to get the new jobs and the lack of history of 'full employment' in the area and region. In these circumstances, our analysis has sought to examine the housing implications of reducing unemployment levels gradually over time, which would in turn reduce the overall housing requirement figure from 3,200 dpa.

4.23 Our modelling work has developed a scenario that has sought to reduce the level of unemployment from its current rate of 11%, to an aspirational, but still possible level of 3%, whilst still delivering the Council's required 2,897 jobs per annum (as per Policy EC2). We believe that this work demonstrates that the balance of the new jobs would be taken up by new residents. Moreover, it does show that the housing target needed to achieve this is almost 2500 dpa (2492) and that this would consequently be substantially above 2,200 dpa number the local authority has indicated is necessary.

4.24 Given the above, it is necessary to object to the Core Strategy Local Plan objectively assessed housing need figure as it stands. In our opinion, the number of dwellings per annum should rise to approximately a 2,500 dpa level - a figure we consider is reasonable and credible, based on our assessment of the Core Strategy and OAN for housing.

5.0

Tests of Soundness

5.1   In conclusion we consider, as it stands, that Policy HO1 fails to meet the tests of soundness because:

- The policy has not **justified** its required housing numbers since it is based on the incorrect assessment of the demographic evidence.

- It is not **effective** as the level of housing recommended is not sufficient to meet the full, objectively assessed need for market and affordable housing in the housing market area.

- It is not **consistent** with national policy as it fails to reflect the requirements of The Framework, which requires Local Plans to meet full, objectively assessed need for market and affordable housing.

- The Local Plan is not **positively prepared,** as the Council has failed to plan for the housing its higher levels of job growth will require.

Recommended Change

5.2   In order to address the conflicts identified above and to ensure that the housing need policy criteria set out within Policy HO1 is sound, it is requested that City of Bradford MDC:

- Update its SHMA evidence base to ensure that it utilises the most up-to-date demographic information currently available.

- Amend Policy HO1 B to state:

  "After allowing for net completions over the period 2004-13 and an allowance for the projected reduction in the number of vacant homes, the Local Plan will allocate land to meet the remaining requirement for at least 47,187[3] homes over the period 2013 to 2030"

- Revisits Table HO1 to reflect the higher level of housing required and the 2500 dpa housing requirement figure we consider is reasonable and credible based on our modelling.

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[3] The 47,187 figure is reached via the following calculation: Total Housing Requirement 2004-13 (18,740) plus Housing Requirement 2013-2030 (2,500 x 17 = 42,500) minus Net Completions 2004-13 (11,053) and minus Reduction in Vacant Homes (3,000) = Total 47,187

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