GL Hearn
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Derbyshire Dales Housing & Economic Development Needs Assessment

Derbyshire Dales District Council

Final Report: Executive Summary

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Prepared by

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1.1 Derbyshire Dales District Council (DDDC) is in the process of developing a new local plan to guide future development in the District, outside of the Peak District National Park (PDNP). This report assesses future needs for housing, employment land and retail floorspace in the District.

1.2 The National Planning Policy Framework (NPPF) sets out that local plans should seek to meet identified development needs where it is reasonable to do so and consistent with achieving sustainable development. It requires assessment of development needs to be undertaken “leaving aside” issues related to potential land supply, development constraints and infrastructure; with these factors then being relevant in considering whether the level of development needs identified can be sustainable accommodated. This report provides in effect “Stage 1” of this two stage process – defining development needs. Stage 2 of the process brings together information on needs and potential land supply to define housing targets, through the local plan preparation process.

1.3 The NPPF sets out that local planning authorities should work together to assess the full housing needs within the relevant Housing Market Area (HMA) or Functional Economic Market Area (FEMA).

1.4 The evidence points to a complex set of relationships between parts of Derbyshire Dales and surrounding areas, with the report concluding that the southern part of Derbyshire Dales District, including Ashbourne and Wirksworth, falls within a Derby-focused HMA and FEMA; whilst the northern part of the District (incoluding Bakewell and Hathersage) falls within a Sheffield-focused HMA/ FEMA. The central part of the District, including Matlock, should reasonably be seen as falling within an area of overlap between Housing and Functional Economic Market Areas; with influences from Sheffield; Chesterfield; and Derby.

1.5 For the purposes of local plan preparation, it is important that there is a consistent assessment of development needs across the plan area;[1] and thus this report deals principally with development needs in Derbyshire Dales District. As key information, including demographic and economic forecasts, are not published below local authority level, much of the information in the report deals with development needs across Derbyshire Dales District – including areas both within, and outside of, the Peak District National Park.

[1] Satnam Millenium Ltd. Vs Warrington BC [2015] EWHC 370 (Admin), 25 (iii)

Housing Need

1.6 The approach to defining housing need has followed that set out in Planning Practice Guidance. The starting point is the latest official (2012-based) population and household projections. The projections are however trend-based and Government's Planning Practice Guidance outlines that assessments needs to consider whether it is appropriate to plan on the basis of past trends, or whether wider evidence suggests that level of housing provision (in the absence of development constraints) should be adjusted to take account of:

- Employment trends
- Market signals
- Need for affordable housing

1.7 It sets out that employment trends should be considered to assess whether an alternative level or distribution of housing provision is necessary to support economic growth; or whether housing provision should be adjusted upwards to improve the affordability of market housing; or enhance the delivery of affordable housing. The Assessment follows this approach.

Trend-based Demographic Projections

1.8 Official 2012-based Sub-National Population Projections project forward population trends seen over the 2006/7-2012 period. They suggest that the District's population will increase by 8.4% between 2013-33, but because of changes in the age structure of the population this will not support any growth in the workforce.

1.9 Taking account of how households of different ages will occupy homes, and a level of vacant and second homes within the housing stock, the Assessment indicates that 244 dwellings per year would be required to accommodate this.

Economic Dynamics and Growth Potential

1.10 The report assesses the District's economic characteristics and growth potential. The District has a high number of businesses, but has low wages and an above average representation of part-time jobs. There is an above average representation of employment in public administration, tourism/ hospitality-related activities, mining/ quarrying, and agriculture-related activities. It benefits from a high quality of life, but transport accessibility is low compared to other parts of Derbyshire or the Sheffield City Region. The District's economy has a low representation of key sectors, including business and professional services, which are expected to perform strongly in the medium/ longer-term.

1.11 A range of economic forecasts have been considered in this report, alongside evidence regarding commercial market conditions, a business survey and interrogation of a range of economic data to consider potential future growth in jobs in Derbyshire Dales. This includes interrogation of econometric forecasts from Oxford Economics and Cambridge Econometrics, as well as research undertaken for the Sheffield City Region Local Enterprise Partnership (LEP). It has included a business survey together with detailed analysis of the economic base, which in particular highlights issues with recording of jobs in public administration.

1.12 The two core forecasts considered show employment growth which could range between 900 – 3,000 jobs over the 2013-33 period. Interrogation of the forecasts however shows that because of data anomalies, the Cambridge Econometrics forecasts over-estimate potential employment growth in public administration. The balance of evidence indicates that a reasonable evidence-based assessment of economic growth potential would be for employment growth of 1,700 jobs over the 2013-33 period. This is based on the most up-to-date econometric forecasts but with an adjustment to expected performance of the public administration sector which reflects anomalies within the official data.

1.13 Taking account of people moving into retirement, a higher level of net in-migration into the District would be required than seen historically. To support this level of employment growth would require 301 homes per year. This is an increase of 57 dwellings per year on the trend-based demographic assessment of need for 244 dwellings per year.

Affordable Housing Need

1.14 This report includes an assessment has the housing needs arising from households who require financial support – these households would be eligible for affordable housing. This indicates that taking account of the current supply of affordable housing, 93 households will require support each year in meeting their housing need.

1.15 The affordable housing need represents 38% of the need identified in the demographic-led projections, based on the 2012-based Household Projections; and 31% of the need derived from the higher, Economic-Led Projections.

Market Signals

1.16 Planning Practice Guidance sets out that “market signals” should be assessed to consider whether there is a case for adjusting housing provision, in effect to improve affordability over time, where there is evidence that in the past there has been a supply/demand imbalance.

1.17 The analysis undertaken indicates that the housing market in Derbyshire Dales is considerably more constrained than the surrounding areas, as reflected in relatively high house prices. The median house price in Derbyshire Dales is £218,500. Comparatively high house prices contribute to affordability pressures. This is partly a reflection of the high quality of place which the District offers. The evidence does not suggest that house prices have deteriorated over the period since 2007. Prices over this period have been broadly static. Sales volumes in Derbyshire Dales remain well below pre-recession levels.

1.18 Rental costs in the District have increased by 8% since 2011, which is above inflation. This level of growth is stronger than seen in the neighbouring areas and stronger than regional and national trends.

1.19 High housing costs make it difficult for younger households to get on the housing ladder. Lower quartile (entry level) house prices are 9.3 times earnings of younger households, compared to 5.5 across Derbyshire and 6.5 across England.

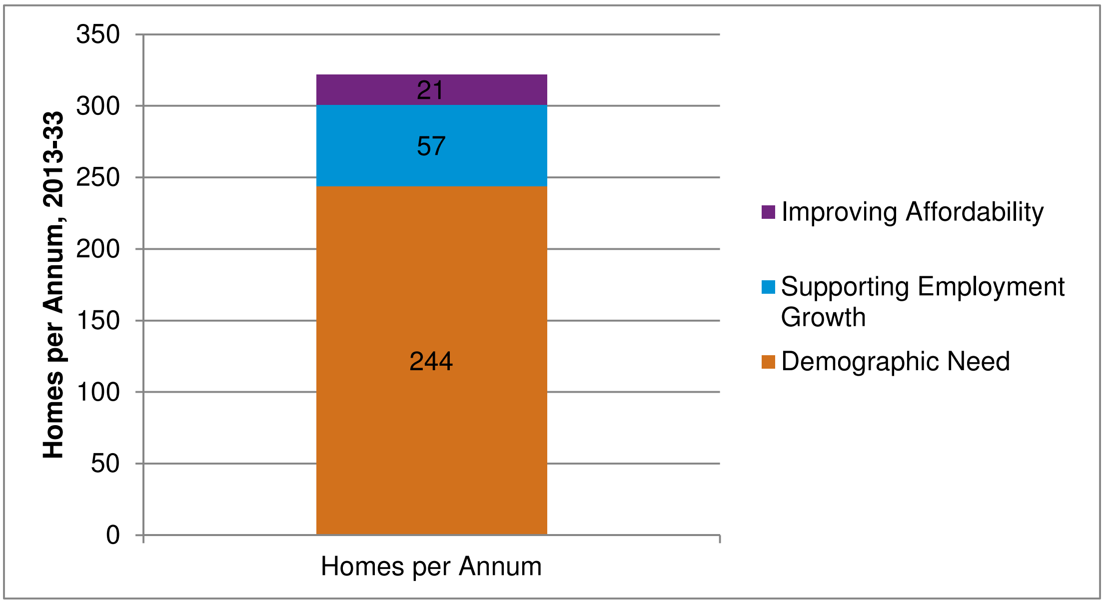
1.20 Nationally, increasing house prices and worsening affordability has resulted in a decrease in the level of homeownership and an increase in the numbers of households renting between 2001-11. The demographic evidence shows that household formation amongst households in their 20s and 30s fell.

1.21 Taking account of the evidence from market signals, GL Hearn conclude that it would be appropriate to consider an adjustment to the overall assessment of housing need to improve affordability over time in line with the approach outlined in the Practice Guidance. An improvement in affordability would be manifest principally in a greater ability of younger households to form. Using the demographic modelling to quantify this, an additional 21 homes per annum would be needed per year to achieve this (for the economic-led projection).

Conclusions regarding Objectively-Assessed Housing Need

1.22 Drawing the analysis together, the Assessment identifies an Objectively-Assessed Need (OAN) for 322 homes per year across Derbyshire Dales District between 2013-33. This is built-up as shown below:

Figure 1: Objectively-Assessed Housing Need – Derbyshire Dales, 2013-33



1.23 To set targets for housing provision, the assessment of need from this report needs to be brought together with evidence regarding the capacity of the District to accommodate development. However it is an important starting point for considering how much housing provision to plan for. Any unmet need should be assessed against the base demographically-assessed need shown (244 homes per annum).

Housing Need for the Plan Area

1.24 Derbyshire Dales District includes parts of the Peak District National Park. The Planning Authority for the National Park is the Peak District National Park Authority. Derbyshire Dales Local Plan will deal with the area outside of the National Park.

1.25 GL Hearn consider that it would be a reasonable planning assumption to assume that the demographic-based need can be split on the basis of the current distribution of population within those parts of the District inside and outside the National Park.

1.26 There is not an expectation that a National Park will seek to meet its objectively assessed housing needs in full. The policy focus is on meeting local needs with a specific focus on providing affordable housing within the Park; and working with local authorities to plan to meet housing needs across the wider Housing Market Areas .

1.27 It is unrealistic to consider that sufficient housing provision is likely to be delivered in the PDNP to support workforce growth.

1.28 Of the District's population, we estimate (based on interrogation of the distribution of the 2011 Census population) that 35.9% live within the National Park. 64.1% live outside of the National Park. Using these proportions we have sought to estimate the need arising from within the National Park, and outwith it.

Figure 2: Distribution of Housing Need between Plan Area and National Park

	Homes per Annum	Within PDNP	Plan Area
Demographic Need	244	88	156
Supporting Employment Growth	57		57
Improving Affordability	21	8	13
Total	322	95	227

1.29 **We identify an objectively-assessed need for 227 homes per annum within the Plan Area, and 95 homes per annum within those parts of the District which fall within the National Park.**

1.30 We would advise the Council to discuss and agree conclusions with the PDNPA, and to consider the likely supply (and by association any unmet need arising) in the National Park. The capacity to meet any unmet need will need to be tested through the plan-making process.

Housing Mix

1.31 The NPPF in Paragraph 159 requires local planning authorities to identify the range of types and sizes of accommodation likely to be needed by the population in future, including that required by those groups with specific housing needs.

Mix of Homes of Different Sizes

1.32 The report indicates that the majority of demand for market housing will be for mid-market homes with 2 and 3 bedrooms. This reflects demographic and market dynamics, as well as an expectation that some households will chose to downsize to smaller properties over the period to 2033, taking account of demographic trends. The evidence also points to a strong demand for bungalows from older households.

1.33 The majority of the need for affordable housing is for 1- and 2-bed properties, however the mix which should be planned for needs to take account of a number of wider issues related to how the affordable housing stock can be effectively managed. This includes the likely impact of extension of right-to-buy to housing association tenants, and the potential impacts of this on supply of family housing.

1.34 The report concludes that the following represents an appropriate mix of affordable and market homes to plan for over the 2013-33 period:

Figure 3: Recommended Housing Mix – Derbyshire Dales District

	1-bed	2-bed	3-bed	4+ bed
Market	5%	40%	50%	5%
Affordable	40%	35%	20%	5%
All dwellings	15%	40%	40%	5%

1.35 The mix identified above should inform strategic policies. In applying these to individual development sites regard should be had to the nature of the development site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The analysis of an appropriate mix of dwellings should also inform the 'portfolio' of sites which are considered through the Local Plan process, including: Site Allocations, Neighbourhood Plans and other planning documents. Equally it will be of relevance to affordable housing negotiations.

Affordable Housing Mix

1.36 In respect of the need for different types of affordable housing, this report has considered what households can afford; together with the supply through re-lets of existing housing stock. It identifies that 80% of the net need for affordable housing is for social and affordable rented homes, with 20% for equity-based intermediate housing options which include:

- Help-to-Buy Shared Ownership
- Affordable Rent
- Rent-to-Homebuy
- Low Cost Sale

1.37 In setting policies, the Council should bring together plan-wide viability evidence with the needs evidence in this report.

Specialist Housing and Accommodation for Older Persons

1.38 This report indicates that the number of residents aged over 65 is expected to increase by 9,400 (54%) between 2013-33. Demographic change is likely to see a requirement for additional care/ support and specialist housing provision, although many older households will remain in their current homes or general needs housing.

1.39 As a result of a growing older population and increasing life expectancy, the analysis projects an increase of 1,175 people with dementia and almost 2,500 people with mobility problems over the 2013-33 period. Some of these households will require adaptions to properties to meet their changing needs; whilst others may require more specialist accommodation or support.

1.40 Based principally on the expected growth in population of older persons, the report estimates a need for an additional 1,182 specialist dwellings for older persons over the 2013-33 period (59 per annum). This need is principally for market housing. Specialist housing includes sheltered and extra care housing. It forms part of the OAN identified above.

1.41 Decisions about the appropriate mix of specialist housing should take account of the current stock, other local needs evidence as appropriate, and policies regarding accommodation and care for older persons. The district and county councils should liaise as appropriate in this respect.

1.42 The Council should give consideration to how best to deliver the identified specialist housing need, including for instance the potential to identify sites in accessible locations for specialist housing; or to require provision of specialist housing for older people as part of larger strategic development schemes.

Need for Registered Care Provision

1.43 Registered care provision fall within a C2 use class; with households who live in care homes counted as part of the institutional rather than the household population. As such provision of residential care provision is treated in the analysis of housing need separately in this report from that for C3 dwellings.

1.44 The report indicates a net need for 436 C2 bedspaces for older persons over the 2013-33 period, equivalent to 22 per year. The assessment should be treated as indicative, and does not seek to set policies in how older persons with care needs should be accommodated. This does not form part of the identified OAN for housing of 342 homes per annum.

Meeting the Housing Needs of Other Vulnerable Groups

1.45 This report has considered the needs of a number of other vulnerable groups. Demographic projections suggest a 149% increase in the population aged over 85 from 2013 to 2033 with Census data suggesting that 84% of this age group have some level of disability. This suggests a growing need for homes which can be adapted to households’ changing circumstances (such as lifetime homes) as well as support for households to make adaptations to properties.

1.46 The Black and Minority Ethnic (BME) population in Derbyshire Dales is relatively small in national terms. It has however grown notably over the past decade. Characteristics of BME groups (including tenure profiles and occupancy patterns) suggest that such households may be disadvantaged in the housing market. Where possible the Council should provide advice to BME groups and in particular ensure that accommodation quality (particularly in the private rented sector) can meet the needs of such households which are disproportionately likely to contain children.

1.47 Lone parent households are particularly disadvantaged with a high reliance on rented housing. Projections suggest a small increase in the number of children in the District over the next few years and if past trends are repeated there will be a notable increase in the number of lone parents. Again advice about housing options and maintaining a good quality of accommodation will be critical to ensure that such households' needs are best met.

Need for Employment Land

1.48 This report has considered the need for employment land and floorspace in Derbyshire Dales taking account of economic trends and projected growth in employment, commercial property conditions and a survey of businesses in the District.

1.49 The evidence suggests that the office market in the District is modest in scale and focused on demand from local small and medium-sized businesses. Most demand arises from businesses of under 50 employees. Total office floorspace has increased in net terms (growing by 900 sq.m since 2000).

1.50 The industrial market in the District is larger in scale. The demand profile is focused towards small, local-based businesses. With a long-term national trend of declining manufacturing employment, the stock of industrial floorspace (including warehouse/ distribution floorspace) has however fallen in net terms over the period since 2000. Derbyshire Dales does not see significant demand from warehousing/ logistics firms, in contrast to a number of surrounding areas particularly those close to the motorway network.

1.51 The District predominantly appeals to SMEs and micro-businesses. Most businesses in the District are positive regarding the current economic outlook. A significant proportion of the businesses surveyed expect business actively, turnover, and staffing numbers to increaser over the next five years. 80% of the businesses surveyed expected turnover to increase over the next two years. The survey however will particularly provide information on business sentiment at the point-in-time at which it was undertaken.

1.52 This report provides forecasts for future employment floorspace needs. A number of demand-driven scenarios have been considered – including those based on econometric (demand) forecasts, and past rates of development (completions).

1.53 Demand forecasts identify a need for up to 15 hectares of employment land to meet development needs in the District to 2033. This includes both the plan area and the National Park.

Figure 4: Gross Employment Land Need – Labour Demand Scenario

Gross Need	Ha: Derbyshire Dales District
Net Demand	11.3
Allowance for Vacat Floorspace	1.1
Margin to Provide Choice and Flexibility	2.3
Total Gross Need	14.7

1.54 This has been compared to projections of past completions, which would indicate a need for 9 hectares of employment land (gross).

1.55 On a "policy off" basis, we consider that it would be appropriate to plan to provide 15 hectares (gross) of employment land provision with development potential across the District. This takes account of the preferred economic scenario, but includes an allowance to provide a choice of sites and flexibility of supply.

Employment Land Supply

1.56 The core existing employment sites provide potential for development of up to 7.8 hectares of employment land. The Council should consider the potential for up to a further 7.2 ha to be brought forward through mixed-use development schemes, such as on the quarry sites identified, through extensions to existing employment sites or through new employment site allocations.

Planning Policies relating to Existing Employment Sites

1.57 In addition to establishing policies regarding future employment land provision, the Local Plan needs to set out a clear policy framework in regard to existing employment sites. This report has included a review of exiting employment land supply, considering the market attractiveness and deliverability of development at these locations. The evidence suggests an overall need for new employment allocations, and does not identify existing sites that are of a particularly poor quality or not suitable for continued employment use. The Council would thus be justified in seeking to protect existing sites for continued employment use.

1.58 Specific policies are necessary regarding the mix of development appropriate on the three sites identified as having mixed use development potential - . GL Hearn considers that the existing policy framework/ planning consents for these sites are appropriate.

1.59 In respect of losses of employment land, we consider that substantive evidence should be sought from proposals seeking a change of use, where this is not permitted development.

Planning applications involving loss of employment land should be required to demonstrate that:

A. Is there an adequate supply of allocated employment sites of sufficient quality in the locality (the relevant settlement within the District) to cater for a range of business requirements;

B. There is an appropriate balance between population and employment in the relevant settlement, and that redevelopment would not have a detrimental impact on the local economy and commuting patterns;

C. Active marketing at a reasonable price had been undertaken for a continuous period of 2 years; with evidence provided that the size and quality of space provided did not meet local demand taking account of market conditions and expected future economic trends;

D. Employment or mixed use redevelopment would not be feasible, taking account of site characteristics (including physical factors, accessibility and neighbouring uses) and development viability;

E. Alternative sites are available within the local area to accommodate any businesses displaced through any redevelopment scheme.

Wider Actions to Support Economic Growth

1.60 The evidence suggests that broadband availability, affordability and parking facilities are key factors affecting the take-up of new floorspace. 62% of businesses flagged the availability of broadband as a key issue. Improvements to broadband infrastructure are needed to support economic growth in the District.