

**STAGE 1**

**Matter 3 - Objectively Assessed Need (OAN) and the Housing Requirement**

(Main Evidence Base : CD27 / EX/02 / EX/03)

**Issue**

1. **The Housing Market Area**

**Response**

1. *This issue is covered under Matter 1.*

**Issue**

2. **The OAN and 2014-based household projections**

*Is the Council's analysis of the implications of the 2014-based household projections contained within EX/03 robust? Does the analysis have any implications for the housing requirement?*

**Response**

2. The 2014-based Household Projections point to a need for 178 dpa which would be the relevant up-to-date 'starting point' for considering housing need (see EX/03, page 20). This is notably below the 241 dpa shown in the 2012-based Projections.

The differences relates almost entirely to lower assumed net internal migration to Derbyshire Dales. A key reason for lower housing need shown in the latest (2014-based) projections is expected lower growth in the population of older persons, particularly in the highest age groups (85 years and older). These groups have high headship rates, and thus population in these groups has a notable impact on the overall housing need. A 10-year migration trend sensitivity shows a reasonably similar level of housing need to the 2014-based SNPP (184 dpa).

EX/03 uses the same methodology as the 2015 HEDNA (CD 28) and in Planning Practice Guidance. It considers the need to apply uplifts to the demographic starting point to support economic growth and to improve affordability. Taking account of the Preferred Economic Growth Scenario in the 2015 HEDNA, for 1,700 jobs, provision of 260 dpa would be needed (based on 2014-based headship rates) (EX/03, page 26). This compared to a projection for 301 dpa in the 2015 HENDA Report. The difference reflects in particular the lower projected growth of older persons based on the latest ONS data.

The updated evidence from market signals and affordable housing need continued to point to affordability pressures in the District. An affordability uplift is therefore applied based on adjustments to household formation amongst younger persons aged 25-34. This results in a further uplift of 20 dpa and an OAN for 284 dwellings per annum for the District as a whole (EX/03, page 35). EX/03 therefore concludes that the updated evidence would point to an objectively assessed housing need for 5,680 dwellings over the 2013-33 plan period (284 dpa) district-wide (EX/03, page 37).

The OAN figure calculated using the 2014-based projections in EX/03 is lower than the

	<p>OAN using the 2012-based projections which show a need for 322 homes per year across Derbyshire Dales District between 2013-33 (CD27, page 6). The Council considers that the analysis in EX/03 is robust and uses the latest available information.</p> <p>The Council considers that this does have implications for the housing requirement in Policy S6, which should be reduced to take on board the latest evidence on OAN. It proposes that the housing requirement should be amended to 5,680 dwellings over the plan period (284 dpa).</p>
<b>Issue</b>	
3.	<p><b>Adjustments in the OAN to take into account economic growth, affordable housing needs and market signals</b></p> <p><i>Have sufficient upward adjustments been made in the OAN to take into account economic growth, affordable housing needs and market signals?</i></p> <p><i>In particular is the OAN adjustment of 21 homes per annum to improve affordability sufficient?</i></p>
<b>Response</b>	
3.	<p>To consider potential future growth in jobs in Derbyshire Dales the 2015 HEDNA (CD28) considers a range of economic forecasts, alongside evidence regarding commercial market conditions, a business survey and interrogation of a range of economic data. 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. 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 (CD28, page 231). To support this level of employment growth would require 260 homes per year (EX/03 Table 15, page 26). This is 82 dwellings above the 178 dpa identified in the 2014-based SNPP.</p> <p>EX/03 provides an update to the affordable housing needs assessment contained in the 2015 HEDNA. This assessed up to date information about housing costs, local incomes, the supply of affordable housing (through relets), and the number of newly forming households (drawn directly from the demographic projections). The analysis shows a need for 96 affordable dwellings per annum (EX/03, page 28). 34% affordable housing delivery would be needed to meet the affordable housing need in full. The submitted Plan sets a “at least” 30% target for delivery of affordable housing on schemes of 10+ dwellings/ 1,000+ sq.m (Policy HC4). This takes account of the level of need, and what level of affordable housing provision is realistically deliverable given residential development viability (33 – 40% being achievable across different value areas). Viability consideration clearly have a bearing on affordable housing delivery.</p> <p>EX/03 also provides an updated assessment of housing market signals. The updated analysis does not suggest a substantive change in the picture provided in the 2015 HEDNA Report.</p> <p>In considering upward adjustments in calculating OAN, it is important that there are households to occupy additional homes. On this basis, upward adjustments need to be supported by either additional in-migration or household formation.</p> <p>The analysis in CD28 and EX/03 recognises that there are inter-relationships between</p>

adjustments for economic growth, market signals and affordable housing. Any increases in provision from the demographic need likely to result in delivery of additional market and affordable housing; and the affordable housing need is sensitive to market housing costs (with the delivery of market housing thus potentially influencing affordability and the affordable housing need).

The OAN for 284 dpa represents a 60% increase on the demographic need shown by the 2014-based Household Projections. The upward adjustments made will contribute both to boosting delivery of affordable housing; and to increasing supply, addressing the market signals. The higher level of provision, by improving affordability, will allow more younger households to form and a specific adjustment is included to return household formation amongst those 25-34 to 2001 levels by 2033.

**Issue**

**4. The needs of older people**

*Have the needs of older people been taken into account in the OAN having regard to growth in population of this age group?*

*Should those older people who require care home bed spaces be included in the OAN?*

**Response**

4. CD28 assesses the housing need for older people in two ways. For older people who fall within the household population – i.e. those who can form an independent household – the population growth is included within the SNPP. The growth in the older persons population is treated the same as any other age group and converted into household growth using the CLG household formation rates. CD28 estimates a need for an additional 1,182 specialist dwellings for older persons over the 2013-33 period (59 per annum). The updated demographic modelling would indicate that this is slightly lower at 1063 dwellings (53 pa). This need is principally for market housing. Specialist housing includes sheltered and extra care housing (CD28, page 147). This forms part of the OAN figure.

CD28 also assesses the needs for registered care provision for older persons. This assesses the housing needs of the older population who cannot form independent households and therefore do not appear in the household projections. To assess the needs for this group CD28 uses the CLG institutional population projections. CD28 indicates a net need for 436 bedspaces for older persons over the 2013-33 period (22 per annum) (CD28, page 149). Registered care provision fall within a C2 use class, and as such is treated separately in this report from that for C3 dwellings. This is not part of, and is additional to, the OAN figure. The updated demographic modelling shows that this has fallen slightly to 500 dwellings (25 per annum, 2013-33).

The Council considers that it is better to have a clear OAN figures for C3 dwellings and C2 bedspaces rather than to aggregate these. This will allow effective monitoring for each, for instance considering future household projections against the C3 OAN.

The District Council has proposed a modification to Policy HC11 to explicitly state that support will be given to schemes that provide registered care accommodation (Use Class C2) in order to meet the identified District needs.

**Issue**

**5. The PDNPA contribution**

*Is the PDNPA contribution of 400 dwellings for the LP period justified?*

## Response

5. The Peak District National Park covers parts of nine District and Unitary Council housing authorities. The PDNPA work collaboratively with local authorities in order to establish the true extent of housing need using the Objectively Assessed Need model (OAN). Once this need is established, the PDNPA work with the local authority to meet as far as possible this objectively assessed need, only applying constraints where they consider development should be restricted to fulfil the Government's objective of recognising the high levels of protection afforded to National Parks.

The PDNPA Core Strategy adopted in 2011, supports the need for new build affordable housing, in principle, in 63 settlements across the National Park. These settlements are considered to be the most sustainable places for new housing and virtually every parish has at least one of the 63 settlements, or is adjacent to a parish that has one or more of the 63 settlements, so the housing need of every community can, in principle, be met relatively close to the source of that need.

The Core Strategy estimates delivery of between 615 and 1095 homes in designated settlements by 2026 with an additional 190 estimated outside these settlements (e.g. agricultural dwellings and change of use or conversion). This presents an estimate of between 805 to 1285 additional dwellings to 2026.

The indicative contribution of the National Park to housing need across the three most populated constituent authorities is broken down as follows:

- Derbyshire Dales to be 400 to 2033,
- High Peak to be 110 to 2031
- Staffordshire Moorlands to be 100 to 2031

This is confirmed under the provisions of the duty to-operate in the form of a Memorandum of Understanding in SD07 (Appendix 4 and Appendix 5 - Document 63)

It is evident that the need for housing far exceeds the environmental capacity of the National Park to deliver housing. The National Park Authority recognises this challenge and positively seeks to address local housing needs and explore opportunities to enhance the valued characteristics of the area provided that this does not result in conflict with National Park purposes.

Net figures from PDNPA 2015/16 Annual Monitoring Report show 700 homes (including 198 holiday homes) have now been completed between 2006 and April 2016. Holiday homes are included in housing figures as policy provides scope for these to be permanently occupied through change of condition in future (subject to criteria).

During 2015/16 permissions have already been realised on 2 key brownfield sites in the Derbyshire Dales, namely Bradwell (55 homes including 12 affordable) and Hartington (24 homes including 4 affordable). Total commitments in the Derbyshire Dales part of the National Park amount to 177 units in 2015/16.

In the period 2013 – 2016, there have been 61 net residential completions in the Derbyshire Dales part of the National Park. This equates to 15% provision already delivered after 15% of the plan period. Delivery rates in the National Park are therefore in accordance with the predicted trajectory and the requirements of Policy S6.