

**DERBYSHIRE DALES LOCAL PLAN EXAMINATION**  
**MATTER 3 – OBJECTIVELY ASSESSED NEED (OAN) & THE HOUSING**  
**REQUIREMENT**

**Inspector's issues and questions in bold type.**

This Hearing Statement is made for and on behalf of the HBF which should be read in conjunction with our previously submitted representation to the pre submission consultation dated 22<sup>nd</sup> September 2016. This representation only answers specific questions included in the Inspector's Stage 1 Matters, Issues & Questions document.

**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?**

The 2014-based SNPP shows a lower level of population growth than the 2012-based SNPP (Document EX/03 para 2.5) because of lower internal net migration and falling natural change due to more deaths than births (Document EX/03 para 2.9). The 2014-based SNPP also shows more ageing of the population (Document EX/03 para 2.7). The effect of these population changes on workforce growth suggests that stronger upward adjustments should be applied in order to balance housing and employment (Document EX/03 para 2.17). The sensitivity testing of fixed and variable 10 year migration trends identified higher levels of population and household growth (Document EX/03 para 2.20).

The 2014-based SNPP & SNHP plus 10 year variable migration rate and 8.9% vacancy & second home allowance results in 184 dwellings per annum (3,700 dwellings) which represents a demographic figure below the original HEDNA.

The 2014-based SNHP shows that household formation in the younger age group 25 – 34 years is projected to continue to decline over the plan period (Figure 5 in EX/03). It is agreed that an upward adjustment should be applied. However as set out in the HBF pre submission consultation representation this uplift is a demographic adjustment rather than a market signal adjustment. The sensitivity testing results in an uplift of only 20 dwellings per annum (Document EX/03 para 6.4) which increases the demographic starting point for OAHN to 204 dwellings per annum (5,600 dwellings).

In Derbyshire Dales market signals continue to worsen with average house prices increasing from £218,000 to £225,000 (Document EX/03 para 5.3). The Council's latest Viability Assessment dated December 2016 (Document CD19) shows that this average house price as quoted in the updated HEDNA

is most representative of Value Area 3 where average house prices are £181,000 to £239,990. In Value Areas 1 and 2 house prices are much higher at £235,000 to £299,000 and £300,000 to £407,000 respectively (Document CD19 para 5.1.1). The average house price of £225,000 disguises affordability pressures in specific parts of the District. The house price to income ratio remains at 9.2 (Document EX/03 para 5.5). The cost of rents in the private housing rental market are also increasing (Document EX/03 para 5.7) with households continuing to spend 37% of their monthly income on housing costs (Document EX/03 para 5.7). Since 2013 there continues an under delivery of housing (Document EX/03 para 5.11). The Council's 5 YHLS as at 1<sup>st</sup> April 2016 shows a shortfall of 564 dwellings so between 2013 – 2016 the Council only delivered 41% of its annualised housing requirement for this 3 year period. There are no specific adjustments for these worsening market signals in the Council's latest calculations.

If the Council is to balance its workforce with the preferred economic scenario for 1,700 jobs then 260 dwellings per annum (5,200 dwellings) will be needed (Figure 15 in Document EX/03). This economic led calculation is based on holding commuting and double jobbing ratios constant (Document EX/03 paras 3.8 & 3.10) but assumes increases in the economic participation rates of the working population in particular in females in age groups 25 – 34, 35 – 49 and 50 – 65 (Document EX/03 para 3.13). In its latest evidence the Council has confirmed that stronger economic adjustments are needed because of the lower 2014-based SNPP and SNHP demographic starting points. If population growth is lower (a reduction of 45%) so the overall population size is smaller and that population is growing older it seems counter intuitive that the proposed economic led housing figure of 260 dwellings per annum balances with the same economic growth as previously proposed. The applied adjustment seems small given that the requirement for a stronger economic adjustment has been identified.

The affordable housing need is re-calculated as 96 dwellings per annum (Document EX/03 para 4.6). Policy HC4 of the Local Plan acknowledges that affordable housing need is significant. However the lower demographic based OAHN identified in Document EX/03 will impact on affordable housing delivery. The latest Viability Assessment (Document CD19) shows that no more than 30% affordable housing is deliverable in Value Area 3 where the main settlements and the majority of future housing development situated. The Council's Annual Monitoring Report (Document SD11 para 3.3) shows only 19 affordable housing completions. Therefore it is inevitable that not all affordable housing needs will be met.

The HBF is opposed to the implication that the housing requirement is reduced as suggested by the Council (answer to Question 11 in Document EX/02). Market signals continue to worsen and affordable housing needs are significant. Whilst it is acknowledged that economic and market signal uplifts are not mutually exclusive a reduced housing requirement will diminish the opportunity to improve housing affordability and deliver affordable housing (Document EX/03 para 4.11).

### **Issue 3. Adjustments in the OAN to take into account economic growth,**

## **affordable housing needs and market signals**

**Have sufficient upward adjustments been made in the OAN to take into account economic growth, affordable housing needs and market signals?**

**In particular is the OAN adjustment of 21 homes per annum to improve affordability sufficient?**

The HBF concerns about adjustments for economic growth, affordable housing delivery and market signals are set out in our pre submission consultation representations. Our comments on the Council's latest evidence are set out in answer to Issue 2 above.

## **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?**

The growth of older age groups in the population has been taken into account. The Council has identified a separate need for C2 bed spaces. This need should be explicitly set out in the Local Plan. The Council's proposed modification (M30 in Document SD03) should also be referenced at para 4.30 of the Local Plan.

## **Issue 5. The PDNPA contribution**

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

The contribution is not justified the Council's 5 YHLS calculation as at 1<sup>st</sup> April 2016 shows between 2013 – 2016 the PDNPA contributed only 42 dwellings over the three year period (14 dwellings per annum) rather than the anticipated 20 dwellings per annum. The Council should provide evidence that the current shortfall of 18 dwellings will be recouped and that the 20 dwellings per annum contribution is a valid and realistic figure for its continued use in the housing trajectory. Without evidence that 20 dwellings per annum is achievable the contribution should be reduced. As set out in the Memorandum of Understanding (Document SD09) this figure is only an estimate and it is not a target. This estimate will be monitored. The achieved delivery since 2013 suggests a modification is necessary.

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