

Matter 5 The Housing Requirement

Issue 5 - Is the identified housing requirement in Policy ST1, justified and consistent with national policy?

5.1 Is the Plan period 2020 to 2038 justified and consistent with national policy which requires strategic policies to look at least 15 years ahead from adoption?

1. It is noted that the Plan period runs from 2020 until 2038. The NPPF¹ looks for strategic policies in Plans to look ahead over a 15-year period from adoption. As the Plan is only starting the examination process late in 2022, the Plan may not cover a 15-year Plan period on adoption. Therefore, the HBF considers that it may be beneficial to take a cautious approach and to extend the Plan period.

5.2 Is the housing requirement of 10,476 homes during the 2020-2038 period (policy ST1) and the proposed uplift above Local Housing Need (LHN), to a figure of 582 dwellings per annum (dpa), justified by the Council's evidence? Are the assumptions of the 2019 Housing and Economic Development Needs Assessment and Addenda (SS-010, SS-007 and SS-024) soundly based, particularly in relation to:

a) Identifying a baseline figure;

2. The Housing and Economic Development Needs Assessment (HEDNA) (November 2020) sets out the calculation of the local housing need (LHN) from the Standard Method. It identifies a LHN of 288dpa, using household growth figures from 2020 to 2030 and the affordability ratio from 2019. The PPG² states that authorities will need to calculate their local housing need figure at the start of the plan-making process and that this number should be kept under review and revised where appropriate. It goes on to suggest that local housing need calculated using the standard method may be relied upon for a period of 2 years from the time that a plan is submitted to the Planning Inspectorate for examination. The latest LHN based on the Standard Method would be 279dpa³. However, the standard method identifies a minimum annual housing need figure it does not produce a housing requirement⁴, and the PPG sets out a non-exhaustive list of circumstances when it might be appropriate to plan for a higher housing need figure than the standard method indicates. The HBF support the Council in opting to utilise a housing requirement over the LHN figure identified by the standard method.

b) Forecasts for economic growth;

3. The HEDNA states that the unadjusted Oxford Economics (OE) forecast is 112 jobs only, caused by gains in health and social care jobs being offset by losses in manufacturing. It goes on to suggest that if uplifts are applied to the transport and manufacturing sectors as undertaken in the 2019 EDNA then around 3,800 jobs could be generated over the period 2020 to 2037. It also states that the Experian baseline forecast is 3,928 jobs over the same period with a more positive outlook for transport & storage and manufacturing. When

¹ Paragraph 22

² PPG ID: 2a-008-20190220

³ Household growth projections: 2022 – 51,177, 2032 – 53,549, average = 237.2, Median workplace-based affordability ratio – 6.81, Adjustment factor = 1.175625, LHN = 237.2 x 1.175625 = 278.86

⁴ PPG ID: 2a-002-20190220

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Bassetlaw Local Plan Examination
Matters, Issues and Questions

consideration is given to the supply of active employment sites, displacement and multiplier effects it suggests that 5,900 jobs could be generated.

4. The HEDNA Addendum (April 2022) provides a focussed update to the HEDNA 2020 and specifically considers changes to the employment supply position and any resulting impacts on labour requirements and housing needs. Appendix A paragraph 3.18 sets out that two forecasts have been accessed with a range of jobs from 9,852 jobs to 11,354 jobs.

c) Alignment of jobs and workers; and

5. The HEDNA (2020) recommends that the Council test 562 dwellings per annum (dpa) to 591dpa as their economic led need. Table 19 sets out the potential housing need for each of the economic led need scenarios, it provides a range from 236dpa for the Baseline OE forecasts and 1:1 commuting through to 646dpa for all sites and 1:1 commuting.
6. The HEDNA Addendum (April 2022) provides a focussed update to the HEDNA 2020 and specifically considers changes to the employment supply position and any resulting impacts on labour requirements and housing needs. Table 2.5 of the report sets out the projected housing need based on the job growth forecasts it suggests figures from 523 dpa to 590 dpa. The 590 dpa figure is based on the higher employment forecast and uses the commuting pattern from the census.
7. The HBF support the Council in considering the economic led need, however this evidence suggests that the Council could have sought to increase the housing requirement further to reflect the full economic led needs and to ensure alignment between jobs and workers.

d) Assumptions of housing requirements arising from economic growth.

8. The NPPF⁵ seeks to achieve sustainable development by pursuing economic, social and environmental objectives in mutually supportive ways. The Council should be seeking to support the long-term sustainability of the District by achieving a sustainable balance between employment and housing growth. The Council should also recognise economic benefits of housing development in supporting local communities as highlighted by the HBF's latest publication Building Communities – Making Place A Home (Autumn 2020)⁶.
9. The Council consider that a housing requirement based only on LHN would not support economic growth in the District. Economic growth would be constrained because of a shortage of skilled local labour and increase levels of in-commuting, which would be unsustainable by putting great strain on the transport network. The HEDNA 2020 identifies a minimum housing requirement of 591 dwellings per annum, which will support the full extent of jobs growth (9,735 jobs).
10. As set out in the PPG⁷, the Government is committed to ensuring that more homes are built and supports ambitious Councils wanting to plan for growth. The PPG states that a higher figure “can be considered sound” providing it “adequately reflects current and future

⁵ NPPF 2021 Paragraph 8

⁶ https://www.hbf.co.uk/documents/10454/HBF_Report_building_communities_Sept_2020.pdf

⁷ PPG: ID 2a-010-20190220

Home Builders Federation (HBF) response to the
Bassetlaw Local Plan Examination
Matters, Issues and Questions

demographic trends and market signals”. The HEDNA 2020 and addendum 2022 demonstrate that “circumstances” exist to justify a housing need higher than indicated by the standard methodology. The HBF support the Council in planning for more homes than the minimum LHN.

5.3 In relation to Affordable Housing Needs, is the identified need for 214 dpa been based on robust, up-to-date information? How has this been considered in the overall housing requirement? Based on the thresholds and requirements in Policy ST29, will affordable housing needs be met?

11. The HEDNA 2020 also identifies an affordable housing need for 214 rented dwellings per annum. The PPG states that total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments. As set out in the PPG⁸, an increase in the total housing figures may be considered where it could help deliver affordable housing. The Council’s Whole Plan Viability Assessment identifies that affordable housing provision of only 15% on brownfield sites and 25% on greenfield sites is viable. Whilst it is not possible to deliver the full requirement for affordable housing through contributions from market housing schemes, a higher overall housing requirement which supports economic growth would also contribute towards delivery of greater number of affordable homes.

5.4 Should there be a housing requirement for designated neighbourhood areas in Policy ST1? (paragraph 67 in the NPPF) If so, what should this be?

12. The NPPF⁹ states that strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development. It goes on to state that where it is not possible to provide a requirement figure for a neighbourhood area the local planning authority should provide an indicative figure, if requested to do so by the neighbouring planning body. Bassetlaw has a number of Neighbourhood Planning Bodies, some that are designated, some where Plans are in progress, some where plans are made and some where Plans are under review. The HBF would suggest that the Council should include a housing requirement, or if that is not possible a indicative figure, for the neighbourhood areas.

⁸ PPG: ID 2a-024-20190220

⁹ NPPF 2021 Paragraphs 66 and 67