DECISION

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO PLANNING & DEVELOPMENT COMMITTEE

Agenda Item No. 7

meeting date:THURSDAY, 28 NOVEMBER 2019title:HOUSING REQUIREMENTsubmitted by:DIRECTOR OF ECONOMIC DEVELOPMENT AND PLANNINGprincipal author:COLIN HIRST, HEAD OF REGENERATION AND HOUSING

1 PURPOSE

- 1.1 To receive information on the outcome of the consultation on the Strategic Housing and Economic Needs Assessment (SHENA) and to consider the Council's position with regard to future housing requirements.
- 1.2 Relevance to the Council's ambitions and priorities
 - Community Objectives To deliver a coordinated approach to planning through up to date planning policies and to meet the housing needs of all sections of the community.
 - Corporate Priorities To protect and enhance the existing environmental quality of the area and to match the supply of homes in our area with the identified housing needs.
 - Other Considerations None.

2 BACKGROUND

- 2.1 Recent Government legislation requires that all Local Plans and their underlying evidence base need to be reviewed every five years. In addition the current Core Strategy already contains within it a commitment to review its overall boroughwide housing requirement figure within five years of its adoption. The Core Strategy will be five years old in December and therefore the Council has commissioned from independent consultants a detailed review of the housing need for the borough.
- 2.2 Members considered a report at the meeting of this Committee on 1 August 2019 (Minute 161 refers). In that report the details of the need to undertake a SHENA was set out as a requirement for the Housing Evidence Base. In particular the importance of progressing this work to inform the review and update of the Local Plan, providing an up to date housing requirement beyond the five year anniversary date of the Core Strategy (14 December 2019).
- 2.3 Members considered a further report at the meeting of this Committee on 3 October 2019 (Minute 296 refers) where it was resolved to undertake a six week period of consultation on the findings of the report.
- 2.4 The report was published on the Council's website with hard copies placed for reference at the Council Offices, local libraries and the Station Buildings, Longridge. Letters were sent to 477 organisations including all Parish Councils and relevant representatives of the housebuilding industry, together with other statutory consultees informing them of how to access the information and inviting them to respond. All comments received have been

passed on to the Council's consultants for their detailed response, and redacted copies are available for reference at the Council Offices, Level B Reception.

- 2.5 As part of the consultation, the consultants gave a presentation and hosted a question and answer session on their findings at the Ribble Valley Housing Forum held in the Council Chamber. The consultants have also held a meeting to review the findings of the report with the Development Plan Working Group to discuss the SHENA in further detail. A total of 40 responses have been submitted.
- 3 THE SHENA
- 3.1 The full report can be viewed on the Council's website using the following link <u>https://www.ribblevalley.gov.uk/info/200364/planning_policy/1732/evidence_updates_20</u> <u>19 onwards</u>. A summary of the key issues from the report are included at Appendix A to this report for information. The consultants have provided a briefing and response note on relevant technical aspects of the representations received. A summary of their considerations is included at Appendix B. Any further updates on representations received will be given at the meeting verbally.
- 3.2 As Members will be aware, the fact that the Council's adopted Core Strategy is reaching its five year anniversary has a key consequence in relation to the identified housing requirement established in the Core Strategy following changes in National policy and the introduction of the Standard Methodology for establishing housing requirements. The introduction of the new standard methodology requires Local Planning Authorities to use the standard methodology to establish their housing requirements once their adopted Plan becomes five years old.
- 3.3 The consultant's report establishes that applying the standard methodology will give a minimum housing requirement of 148 dwellings when adjusted for affordability. This will be the default position at the point the housing requirement in the adopted Core Strategy reaches its five year anniversary. This will be the initial starting point in determining five year supply and in dealing with planning appeals. However, as the consultants report sets out, there are wider determinates for housing requirements which the Council is required to take into account for the purposes of plan making, which are set out in National policy. Applying these factors the consultants have identified through their modelling that a requirement of up to 248 dwellings would be required to support an unadjusted baseline employment forecast and to support growth in the economy by 0.2% per year.
- 3.4 The consultants have further developed through their evidence and consideration of relevant information that a housing requirement of 280 dwellings per annum reflecting the current adopted requirement would further boost capacity of the labour force, reflect existing delivery and help avoid risks to investment in the area going forward.
- 3.5 The minimum figure generated by the standard methodology is clearly well below the current requirements, albeit this will be the default position. However, it is also clear from the evidence that a higher requirement should be planned for if economic considerations and affordability are to be addressed. Members will need to consider the most appropriate level of housing to adopt going forward in order to inform the plan making process around the update of the Local Plan.

- 3.6 Going forward the update of the Local Plan will need to be formulated around a sound, robust and defendable figure if challenges through appeal and the relevant plan preparation stages are to be dealt with. Ignoring the requirement to take account of the wider determinants of housing, will leave the Council vulnerable at future stages and it can be anticipated that arguments around the appropriate level of supply, taking account of factors beyond the standard methodology will have to be dealt with. By undertaking the SHENA and addressing the issues raised places the Council in a stronger position. However, the plan making process itself is an iterative process which in any event will be subject to any future changes to the standard methodology. Members also need to be aware that as new household population projections come forward (envisaged every two years by the ONS) Local Planning Authorities are expected to review their requirements in any event.
- 3.7 The housing requirement figure is clearly going to be of significant interest and will be scrutinised in some detail. However, at this stage, Members may wish to initially adopt, for planning purposes the lower, constrained figure of 248 dwellings per annum as a basis to further test the Council's economic assumptions and the wider review of housing development strategies that will form part of the Local Plan update.
- 3.8 The figure would remain as the key target for planning purposes pending any further consideration of the housing requirement by Members as the plan making process develops. Should Members choose to reflect the existing housing requirement as the preferred approach, this would be consistent with the current plan and would provide the least opportunity for challenge.
- 3.9 It is clear from our consultation that there are ongoing concerns regarding the scale of development being reflected in the borough and it is appropriate that this issue should be examined more fully through the development plan process. Opting for a mid range figure of 248 will provide the Council with a basis for testing scenarios whilst establishing a reasonable figure to plan for. It should be acknowledged however that this level of housing requirement will be subject to the need to revisit going forward and may change, and will be subject to challenge.
- 3.10 Members will recall, the consultants issued a draft report for the purposes of consultation. Following the consideration of the consultation responses, the consultants will be asked to issue a final report taking account of the representations and this report will be published as the final report for the purposes of the Council's Local Plan evidence base.

4 RISK ASSESSMENT

- 4.1 The approval of this report may have the following implications
 - Resources There are no direct consequences as a result of this report, however testing the figure through both appeal and the Local Plan process may well be subject to additional resource requirements.
 - Technical, Environmental and Legal The Council is required to address the standard methodology by virtue of the Core Strategy reaching its five year anniversary. The Council has been proactive in producing the SHENA to inform its position and provide a basis for ongoing work.

- Political Housing matters have a high public profile.
- Reputation The actions set out in this report demonstrate that the Council is well managed and is proactive in taking steps to ensure it can plan appropriately for housing in the borough in line with National policy.
- Equality & Diversity No issues.

5 **RECOMMENDED THAT COMMITTEE**

5.1 Note the responses to the consultation and agree an initial housing requirement for the purposes of progressing the Local Plan be established at 248 dwellings per annum.

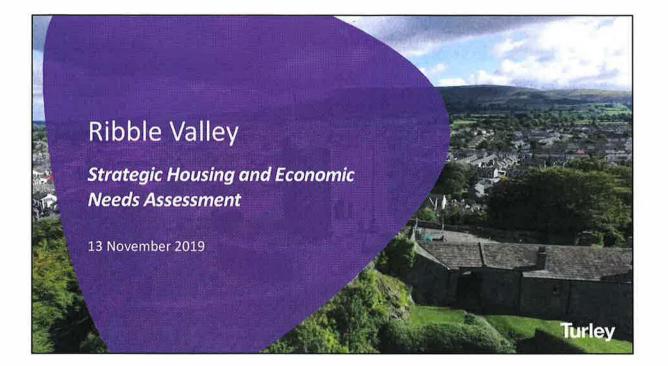
COLIN HIRST HEAD OF REGENERATION AND HOUSING NICOLA HOPKINS DIRECTOR OF ECONOMIC DEVELOPMENT AND PLANNING

BACKGROUND PAPERS

Strategic Housing and Economic Needs Assessment – September 2019 – Turley

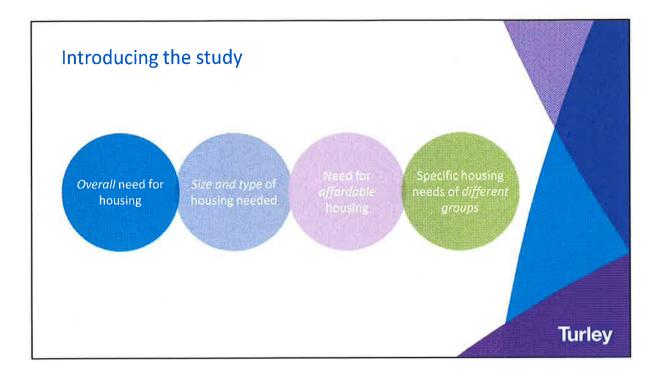
Consultation responses

For further information please ask for Colin Hirst, extension 4503.

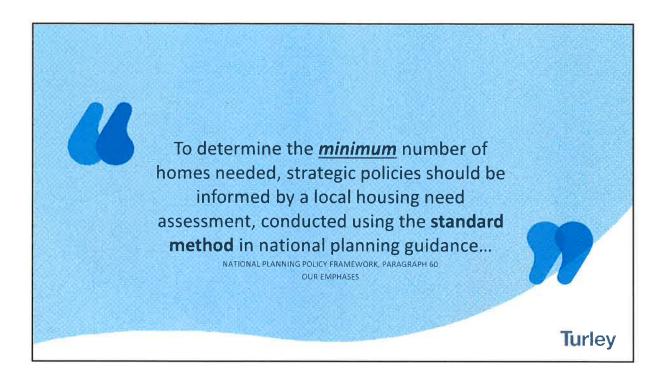


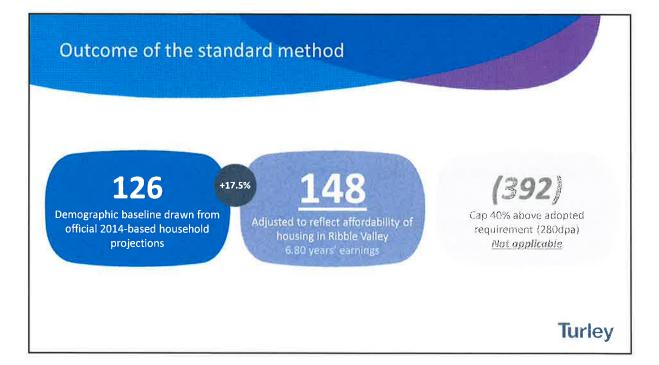


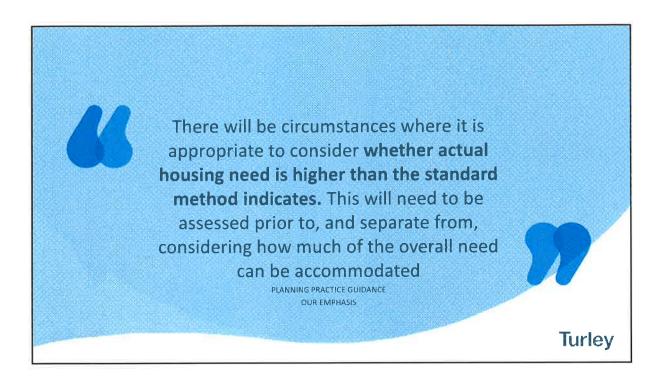
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Prospect of higher housing need in Ribble Valley Is the input demographic baseline reliable? Has past delivery been significantly higher? Has a previous assessment evidenced a significantly greater need? Could housing act as a barrier to investment and economic growth?

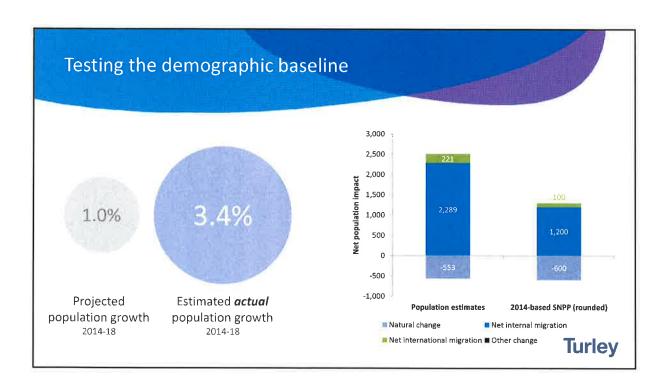
Testing the demographic baseline

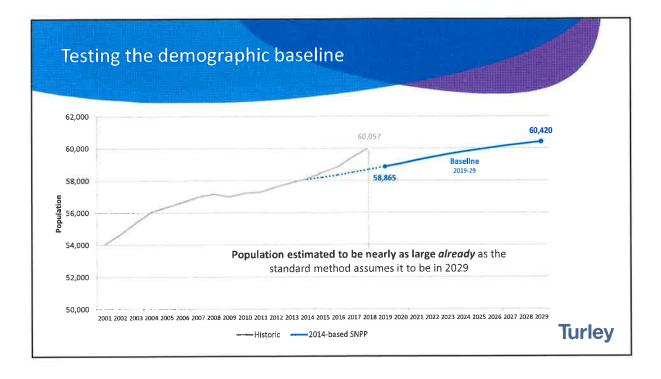
Demographic baseline underpinned by projections which show:

"...the number of households there would be...**if a set of assumptions** based on previous demographic trends in population – births, deaths and migration...**were to be realised in practice**"

DURCESS NATE OF ADST.

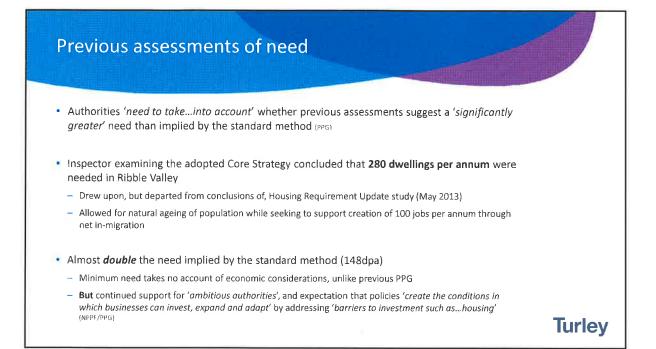
- Projections are <u>2014</u>-based...
 - Take account of population change to that point
 - Make assumptions based on trends in preceding five years (2009-14)
- ...but the population continues to be officially estimated up to <u>2018</u>
 - Allows comparison with growth assumed to date
 - Testing reliability and suitability of assumptions

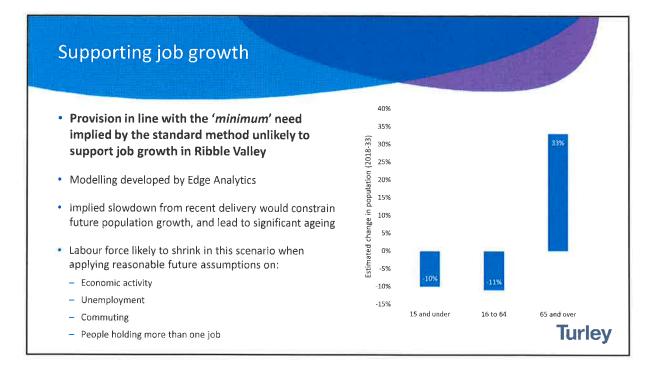






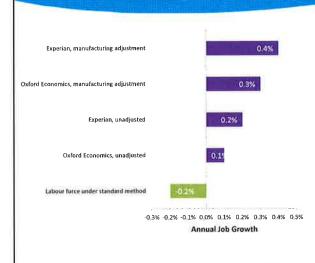
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7

Supporting job growth



Forecasting houses consider there to be a reasonable prospect of future job growth, based on structure and performance of the local economy Improving upon recent trend

- But still understating proven resilience of local manufacturing industry?
- Decline contrary to sub-regional initiatives?
- Growth unlikely to be supported by standard method, which could actively discourage investment and intensify labour shortages



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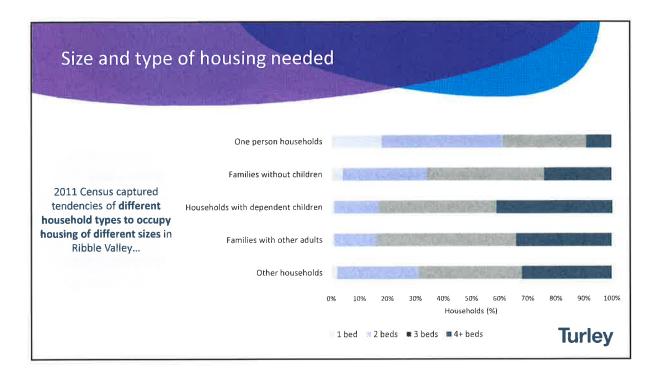
Turley

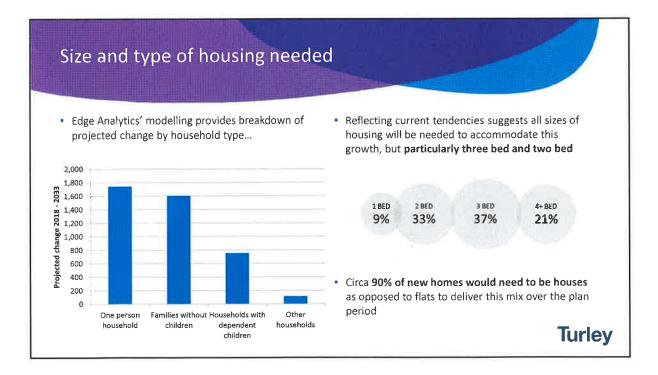
Drawing the evidence together

• Establishing need beyond 'minimum' requires judgement, particularly at this stage of plan-making process

- Conclusions need to be kept under review and considered in context of employment land and economic strategy
- Modelling suggests that up to 248 dwellings per annum could be needed to support unadjusted baseline employment forecasts, and grow economy by 0.2% each year
 - But assumes decline in manufacturing employment
 - Working age population (aged 16-64) would continue to shrink over plan period to 2033
- · Aligning with existing requirement for 280 dwellings per annum would further boost capacity of labour force
 - Maximise resilience of local economy, and reduce prospect of labour shortages
 - Midway between standard method (148dpa) and current delivery (c₁400dpa)

Size and type of housing needed **Turley**







Affordable housing need

- Separate and well-established methodology through which affordable housing needs can be estimated
- Draws upon secondary information and data held by the Council, including:
 - Housing Register
 - Lettings
 - Supply pipeline

802 households in priority bands on Housing Register **741** affordable homes becoming available (inc. pipeline)

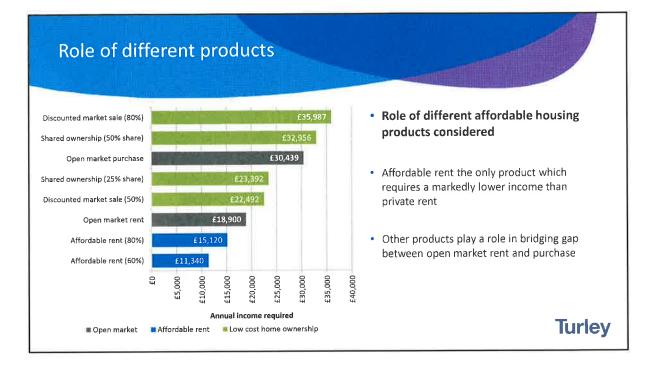
61 affordable homes short currently

235 newly forming or existing households in need annually152 affordable homes become available annually

83 affordable homes needed annually

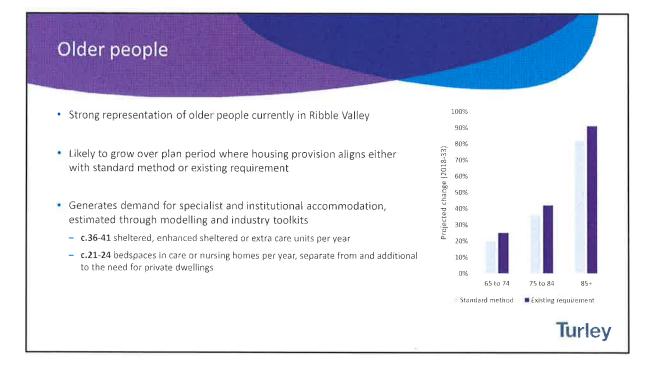
61 + (83 x 14 yrs) = 1,228 affordable homes needed, or <u>88 per year</u> (2019-33)

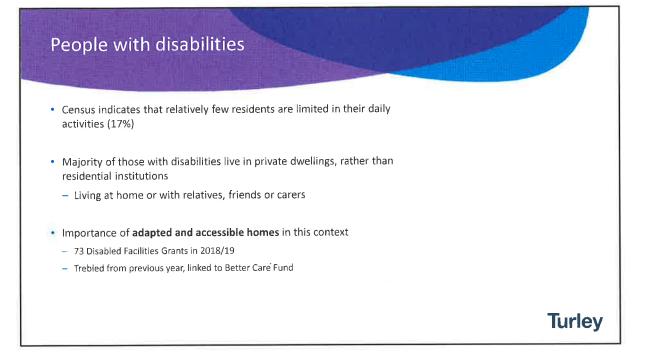
c.292 dwellings per annum potentially required to meet need in full, assuming policy compliance (30% affordable housing)

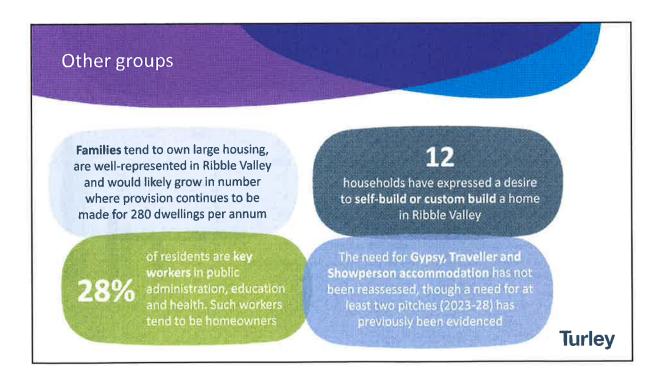




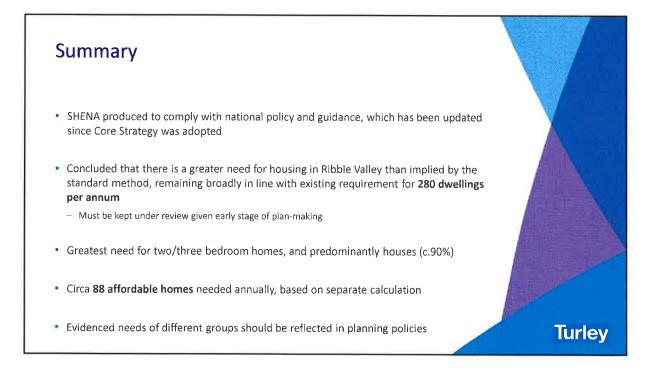














Briefing

Appendix B

Ribble Valley Strategic Housing and Economic Needs Assessment

November 2019

Interim view of comments to the consultation on the SHENA

- This note provides an initial review of comments sent by the Council by close of consultation on 18th November 2019, in the context of its consultation on the draft Strategic Housing and Economic Needs Assessment (SHENA).
- 2. In reviewing the comments, we have limited our review to those which directly comment on the technical aspects of the SHENA. We have not summarised issues which relate to the interpretation of evidence into policy, a process which the Council will be progressing in its review of the Local Plan. Other issues that we consider the Council better placed to review and respond on have not been identified in this note¹.

Theme / Point of technical concern	Representor	Draft response
The SHENA is focussed on evidence at a borough level and does not differentiate, or disaggregate, needs to reflect the diverse communities therein	Responses 13,3,17	The brief for the SHENA required borough level analysis. A breakdown to a lower spatial level falls outside of the scope of this commission.
The evidence used is outdated and a new housing survey should be completed	Responses 3,16,40	The SHENA has drawn upon the latest datasets available which are considered to be robust and appropriate for undertaking an assessment in accordance with the PPG, which does not necessitate a primary survey. The SHENA has not drawn upon or relied on any primary surveys which have been undertaken for individual parishes /
Question validity of the forecast presented in Figure 3.3, with a further suggestion that population decline is	Responses 3,16,28	neighbourhoods. Figure 3.3 represents a projection modelled by Edge Analytics using the POPGROUP software which is a hypothetical scenario whereby the planned future provision of

Table 1: Common technical themes raised and the consultant's response

¹ By way of example this includes issues such as a perception of a conflict of interest in the commissioning of Turley and COM comments made with regards the process of consultation or the Council's discussions with other adjacent authorities.

unlikely because 'new houses equals increased population'		new homes is constrained to the outcome of the standard method (currently 148 homes per annum) over a defined plan period. It is presented by way of illustration of the potential impact of such a scenario. More broadly, population growth will not always result from new housing supply because a need is generated by existing residents as they live longer and their household circumstances change (e.g. young adults moving from the family home; separation of couples)
Section 2 (Housing Stock) should include analysis of the ability of existing stock to be adapted to meet needs	Responses 9,11	A reference could be included, albeit it is considered better placed in section 7, where information is provided by the Council / LCC. We are not aware of a robust local data source which is publicly available to facilitate such analysis.
The analysis in Section 7 should include a clearer presentation as to the need for adaptable homes in relation to older people.	Responses 9,11	It is noted that the SHENA includes analysis around adaptations with regards the specific group 'People with disabilities'. Reference will be added to the role that adaptable homes can play in enabling older person households to reside within their homes for longer, with any supporting evidence related to national or local research as to this being a preference of households in this age group.
Further evidence should be presented on additional specialist housing supply needs	Responses 9,11	The issues raised with regards mapping additional specialist housing supply needs, with reference to temporary supported housing for young people and people fleeing domestic abuse, are noted. The SHENA presents information on the needs of specific groups in accordance with the PPG. It is understood that the Council's housing team collects more detailed qualitative data and information which provides a greater level of understanding on these sections of the housing market. Where the Council has specific information it sees value in referencing related to these points these could be added in to complement the existing analysis.
The SHENA does not consider or take account of the fact that	Responses	The model configured by Edge Analytics integrates an evidence-based assumption



49% of Ribble Valley residents commute out of the borough on a daily basis.	5,10,2,21,39	 around future commuting flows into and out of Ribble Valley. This is referenced at paragraph 3.26 of the draft report with further detail included in Appendix 1. The model assumes that the ratio recorded by the 2011 Census² (a net in-commute into Ribble Valley, with more people travelling in than out on a daily basis) remains constant over the plan period. As the population grows, this assumes that the absolute flows in and out increase in size with the number of people assumed to commute in on a net basis increasing slightly. The consideration of flows in both directions is important in understanding the link between a local change in jobs and a changing population and by inference a housing need. It is not appropriate to only consider the outflow of residents in this context.
		commuting flows through policy will need to be carefully considered and the resultant impact on other authorities from which labour is currently sourced, or is the destination for commuters out of Ribble Valley, would need to be considered between the plan-making authorities in the context of national policy. This falls outwith the scope of the technical evidence in the SHENA.
Tourism underpins about 3,000 jobs in Ribble Valley and these jobs are put at threat by the building of new homes	Responses 5,10,8,2	The impact of house building on the economy falls outside of the SHENA analysis. The forecasts of employment growth used within the analysis are provided by reputable forecasting houses and are considered in the context of other baseline evidence published by the Council. These are intended to provide a range of potential scenarios of employment growth to inform the understanding of the potential impact on housing need.

² While it is recognised that commuting patterns may have changed since 2011, the Census remains the most recent comprehensive survey of such movements and is considered to remain the most appropriate basis for the modelling assumptions



No account is given to the relationships with adjacent authorities	Responses 8,29	 The SHENA uses official population projection datasets produced by ONS and a recognised demographic cohort model (POPGROUP). The ONS datasets represent a national model with projections around migration, for example, therefore building in assumptions around future flows of people which are based on historic trends (themselves influenced by house-building). The SHENA evidence focuses on the housing market in Ribble Valley in accordance with the project brief and the requirement for it to be part of the informing evidence base for the Local Plan which is also based on this administrative area. It is understood that the Council will maintain discussions with neighbouring authorities with regards the Local Plan Review policies for housing provision and how these relate to the emerging policies of other adjacent authorities. This will take account of the SHENA as well as future updates and the evidence base published / or being prepared by other neighbouring authorities.
No account is given to environmental impact or environmental improvement in the SHENA	Response 8	The PPG confirms that the assessment of housing need should be undertaken separately from a consideration of constraints or land availability ³ . In establishing the housing requirement, the Council will need to take account of a range of factors including environmental considerations.
The housing requirement should take account of over- provision in recent years	Responses 6,24	The SHENA analysis includes consideration of historic rates of delivery. It is clear to set the recent levels of higher than planned provision in the context of longer-term trends, such that the average rate of provision since the start of the current plan period (235dpa; 2008-19) actually falls below the adopted housing requirement. As a result, there is no "over-provision" against the adopted requirement in policy terms.

³ PPG Reference ID 2a-001-20190220



There is no solid forecast or evidence to support a sizeable job loss in manufacturing	Response 6	The report recognises that local information and strategy would challenge the cited forecasts' assumption that manufacturing employment will fall in Ribble Valley. To illustrate the impact of such a loss of jobs in the sector not occurring a number of adjusted scenarios are presented (Figure 4.6).
It is not clear how potential job growth is derived, and in what sectors. The assessment uses national figures to promote job growth then refuses to accept national figures that show sizeable job losses in industries like manufacturing	Response 24	A breakdown of employment growth by sector could be made available, but was beyond the defined scope of the SHENA which is not intended to represent or replace more comprehensive economic evidence. The more optimistic assumption on manufacturing was considered to be justified by sub-regional strategies and local evidence of a resilient sector, which is not always fully reflected in nationally produced forecasting models. The SHENA is clear to recognise that it has drawn upon economic evidence available at the time of drafting. This reflects the early stage of the plan-making process. The SHENA recommends that this is kept under review, specifically where it is used by the Council to determine the housing requirement, with the absence of a full update to the employment land evidence and associated update an important consideration in the Council's interpretation as to the recommended level of need associated with
The basis for preferring employment forecasts which are higher than suggested by Experian and Oxford Economics is not robust.	Response 29	supporting job growth (paragraph 4.57). The SHENA identifies a potential concern, in the context of other available evidence based reports and strategies, that the scale of manufacturing employment change in the baseline forecasts obtained from Oxford
Detailed up-to-date employment land and economic development studies are needed for a robust and reliable assessment of Ribble Valley's future housing needs.		Economics and Experian are not reflective of local circumstances evidenced in the Economic Baseline report. It is considered reasonable to apply a sensitivity test in this regard and to understand the potential implications of a different future for this sector on housing need.



		In the context of the response above the implications for the housing requirement are set alongside a recommendation that the Council continue to review and update its evidence base with specific reference to an employment land assessment which was not included within the scope of the SHENA.
The SHENA should assess the specific need for "rent to buy" products, as an affordable route to homeownership	Response 19	The report provides a high-level consideration of the cost of initially accessing various products, relative to the open market. While not explicitly described as such within the report, the cost of initially accessing "rent to buy" is understood to be comparable to the rental products presented at Table 6.9 (i.e. 80% market rent). This could be clarified, with a description of this specific product added, within the final report as necessary.
The SHENA understates the extent to which an older population will drive economic growth and create jobs	Response 16	The employment forecasts cited in the report allow for jobs supported through the specific requirements and spending of an ageing population. While the report frequently refers to the traditionally defined "working age population" (16-64), its modelling of the changing labour force (Table 3.4) accounts for the economic participation of those aged 16 to 89. This is based on forecasts produced by the Office for Budget Responsibility which allow for changes in the state pension age and other societal factors, as referenced at paragraph 3.26.
The analysis of older persons' housing needs in section 7 could be enhanced through reference to published strategies; nationally recognised design standards; a broadening to include people aged 55+; and an aggregation of annual need to reflect likely delivery of schemes (typically 60+ bedspaces) over a plan period	Response 30	Noted, and reference can be made to additional documentation within the final version of the SHENA.

Reference should be made to the County Council's Housing with Care and Support Strategy, and its underlying needs analysis	Response 30	Noted, and reference can be made to additional documentation within the final version of the SHENA.
Specific reference should be made to the needs of young people aged 16+ including the context of move-on to independence	Response 30	This could be reflected within the final report as deemed necessary by the Council.
The SHENA should assess the need for bungalow provision ⁴ to inform development management policies and/or site allocations	Response 34	High-level consideration can be given to the prospective role of bungalows in delivering the mix of housing needed in Ribble Valley. This would be included alongside the existing analysis of the need for different types and sizes of housing.
There is inconsistency in the number of households reported to be on the Council's self-build register	Response 37	This could be attributable to the point in time at which the snapshot was taken, though can be further explored with the Council prior to finalising the SHENA.
The SHENA provides no evidence for its statement that traveller/gypsy sites will be needed between 2023 and 2028	Response 24	The SHENA confirms that such needs have not been reassessed as part of its scope, but were previously considered in the separate Gypsy, Traveller and Showperson Accommodation Assessment in 2013. Its conclusions are referenced in the SHENA and have not been subject to review as part of the brief for the SHENA.
The SHENA should not depart from the need for 148 dwellings per annum calculated through the standard method, and the "exceptional circumstances" required to do so have not been proven	Responses 28,29	Paragraph 60 of the NPPF states that the standard method calculates only the 'minimum' need. The PPG ⁵ is clear that local authorities are required to consider as part of their assessment of housing needs whether there are circumstances which suggest that housing need is higher than the output of the standard method indicates. Such a departure is considered to be justified in Ribble Valley, and does not necessitate the demonstration of exceptional circumstances. It is important to note that the SHENA presents an evidence-based assessment of

⁴ As age-restricted general market properties for private sale to households aged 55 and over

⁵ TB Planning draw a distinction between text in the PPG and the NPPF, claiming that omission from the latter is in some way significant. However, this belies the fact that the two documents are expected to be read together, with the PPG providing essential further detail on how the NPPF is to be applied in practice



		potential housing need, following the PPG. It will be for the Council to arrive at what it judges to be an appropriate housing requirement taking into account the evidence of need and other factors as set out in the NPPF/ PPG.
Unclear why the need for affordable homes should increase the annual housing requirement, and such a suggestion is not justified	Responses 28,29	Affordable housing need is calculated through a separate methodology which accounts for the needs of existing households. National guidance continues to require the outcome of this calculation to be considered in the context of its likely delivery as a proportion of mixed tenure developments. This is set out in the PPG as separate from the adjustment made in the standard method to reflect the comparative scale of affordability issues.
Detailed up-to-date employment land and economic development studies are needed for a robust and reliable assessment of Ribble Valley's future housing needs	Response 29	It is clearly accepted within the SHENA that a full update to the employment land evidence is not currently available (paragraph 4.57). The SHENA is clear to state that its recommendations with regards the likely implications of supporting employment growth on housing need should be kept under review pending the further development of the economic evidence base by the Council
The SHENA should consider the appropriateness of planning for a higher level of need, taking account of the impact for maintaining a 5 year housing land supply	Response 29	This is beyond the scope of the SHENA, which is required to assess the prospect of a higher need 'prior to, and separate from, considering how much of the overall need can be accommodated' ⁶ . Housing need must be based on an 'unconstrained assessment' ⁷ .
SHENA appears to be comprehensive and in line with current Government policy and guidance	Response 38	Noted
Conclusions on overall housing need supported, with one response suggesting that the recommended figure of 280	Responses 34,36,37,27,23	Noted

⁶ PPG Reference ID 2a-010-20190220

⁷ PPG Reference ID 2a-001-20190220

dwellings per annum may need to be uplifted further

19 November 2019

RIBP3002