

## **Housing Requirement**

### **Introduction**

1. This Examination Note has been produced by Allerdale Borough Council to give a brief summary of the key issues that were central to the development of the Housing Requirement included in the Submitted Allerdale Local Plan (Part 1) Development Plan Document (DPD) **[CD1]**.

### **Cumbria Housing Market Areas**

2. In 2006 the Cumbria Housing Group developed and agreed a set of 20 HMAs covering the whole of Cumbria. These were then used as the basis for the first round of Strategic Housing Market Assessments (SHMA) produced in 2009. These HMAs were once again confirmed as relevant and representative of the housing market across Cumbria and were therefore used as the agreed basis for the 2011 round of SHMA and housing and planning policy across Cumbria.
3. The update of the Duty to Cooperate Compliance Statement **[CD10a]** demonstrates that there is a county wide consensus on the Housing Market Areas that have been used as the basis for carrying out SHMA. As detailed in **CD10a** the Housing Market Areas that cover the Allerdale Local Plan Area largely conform to the local plan boundary except for a small area of the National Park which covers very sparsely populated areas.
4. In terms of West Cumbria, Copeland and Allerdale do not have a shared HMA and therefore, both authorities are planning to meet their own population growth and economic aspirations. In both respects the requirement has been influenced by similar local factors and shared economic drivers.

## **Housing Requirement**

### **The Copeland Approach – Housing Requirement**

5. The Copeland Borough Council formally adopted the Core Strategy and Development Management Policies on 5 December 2013. The Plan sets a baseline requirement of 230 dwellings per year derived from projected household growth, past delivery and market capacity. An aspirational figure of 300 dwellings per year is also allowed for, to cater for the ‘nuclear investment’ scenario.
6. The basis of the household requirement is detailed in Copeland’s Housing Topic Paper. The baseline requirement of 230 was initially established using the North West Regional Spatial Strategy target and was subject to consultation as Copeland Council’s Preferred Option (2010). The Council also tested an ‘RSS plus 10%’ (250) and ‘RSS plus 30%’ (300).
7. The ‘Projections Paper- Projecting Employment and Housing Change (2011)’ **[EB1]** was produced jointly to produce consistent modelling for West Cumbria. It was used as one of a number of considerations to inform the level of housing requirement and ensure the figure was consistent with the economic strategy.
8. In terms of housing growth Copeland has clearly stated that there is sufficient capacity within their plan area to deliver their adopted objectively assessed needs.

### **The Allerdale Approach – Housing Requirement**

9. A Housing Growth Topic Paper (May 2013) **[TP4]** has been produced to set out the background and evidence used to determine a suitable housing requirement for Allerdale Local Plan Area. An update (October 2013) **[TP4a]** was subsequently produced to provide clarity on the Allerdale Housing Market Areas (HMAs), the

## **Housing Requirement**

decision-making process and data used. These papers together provide a clear justification for the scale of housing requirement in the Allerdale Local Plan.

10. The Allerdale Housing Requirement has been developed using up-to-date and robust evidence to ensure that our vision and objectives can be achieved. The Projections Paper - Employment and Housing Change (2011) **[EB1]** has provided a set of scenarios for growth ranging from a demographic driven (5 year migration) projection of 111 to an economic projection of 497. The full range of scenarios are detailed in **TP4** section 4. These projections were;
  - Developed by Cumbria County Council, Experian and GVA using the 'POPGROUP' model.
  - Employment forecasts are workplace based, with simplistic linear link between job growth in inward migration
  - The regional economic forecasts were developed by Experian and predicted a sustained recovery from 2010.
  - Population projections were undertaken using DCLG assumptions combined with up-to-date and localised inputs related to migration.
  - Household projections were undertaken using DCLG assumptions current and projected headship rates that underpin the latest (full) 2008 based Sub National Household Projections.
11. Given the economic forecast and the reliance on DCLG 2008 based assumptions the Council believes these are positive projections.
12. Household projections published by the Department for Communities and Local Government provide the starting point estimate of overall housing need, however, a locally focused set of projections **[EB1]** provide a more refined and multiple scenario based alternative. The Council is mindful of the need to plan in support

## **Housing Requirement**

economic growth and has therefore developed a housing requirement to support projected household projects and economic growth.

13. Policy S3 of the Allerdale Local Plan establishes an aspirational yet realistic and deliverable housing requirement of 304. This represents the mid point between the most pertinent demographic household projection and the economic projection modeled within the Projections Paper **[EB1]**. This level of growth is greater than the RSS target (267), and represents a 77% uplift on historic average completions.
  
14. The Council is confident that this level of housing more than meets the objectively assessed need for the Plan Area, while also allowing sufficient numbers to support the aspirations of economic growth. The Council has not adopted the figure directly from the economic driven scenario given;
  - The economic projections are workplace based and therefore the high level of household growth suggested by this approach, results from harmonising the working age population required to meet the anticipated employment growth. The population of the District is predicted to age significantly over the plan period, when this is coupled with the forecast growth of 1,300 jobs during the same period there are clear implications for the availability of people of working age to fill the jobs created. The forecasting model assumes a simplistic linear approach that this shortfall in the workforce will be filled by people moving into the area, thus increasing the demand for housing. It is recognised by Allerdale (and Copeland Borough Council) that in practice migration from outside is likely to be tempered by commuting from closely neighbouring authorities, especially Copeland where the modelling suggests substantial job losses in the nuclear sector.
  - Figures generated from household projections are not intended to be directly transferable into housing targets within emerging policy. They need to be

## **Housing Requirement**

considered alongside local evidence, policy aspirations and factors influencing supply.

- The fragile nature of local housing market and the implications of over supply.
- The Council must plan for economic growth; however, it is important that the plan is deliverable and realistic. In reaching a conclusion regarding the housing target, Allerdale has considered the understandable aspirations for a growth-oriented figure, in the context of the local housing market, economy and the available evidence. The Council believes that representations advocating figures of up to 800 per annum, do not appear to be based on evidence that the housing market or economy could actually achieve it.