



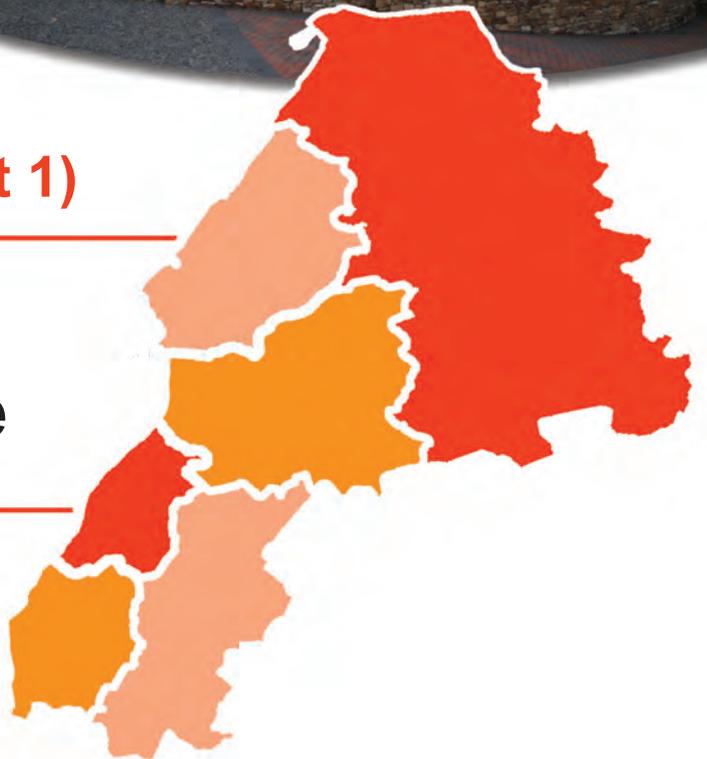
## Allerdale Local Plan (Part 1)

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# Housing Growth Topic Paper Update

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October 2013



## **1 Introduction**

### **1.1 Background**

1. In May 2013 Allerdale Borough Council produced a short topic paper concerning the future population, household projections, land supply and housing needs of the Plan Area. The study set out the potential scale of future housing requirements in the districts, based upon a range of housing, economic and demographic factors, trends and forecasts. This sought to provide the Council with a summary of evidence on the future housing requirements of the district to help plan for future growth and make informed policy choices.
2. The study subsequently formed a key part of the evidence base underpinning the Allerdale Local Plan Pre-Submission Draft (Part 1), which was published in June 2013.
3. The Council has produced this short update to the Housing Requirement Topic Paper to provide clarity on the Allerdale Housing Market Areas (HMAs), the decision-making process and data used. This will concisely demonstrate that the 'Local Plan meets the full, objectively assessed needs' of the Allerdale HMAs.

### **1.2 Housing Market Area Context**

4. In 2006 the Cumbria Housing Group<sup>1</sup> developed and agreed a set of 20 HMAs covering the whole of Cumbria. These were then used as the basis for Strategic Housing Market Assessments and remain the agreed basis for housing and planning policy across Cumbria.
5. The HMAs are broadly contained within Planning Authority boundaries with the exception of the Lake District National Park which encompasses areas in a number of Districts. Allerdale Local Plan Area overlaps with the National Park in a small number of areas comprising of very sparsely populated areas of countryside, therefore, in practice the boundaries of the HMA's correspond with the plan area. Across Cumbria as market areas are agreed, contained, and as there are no critical constraint in terms of land supply or infrastructure capacity it has been agreed between authorities that the objectively assessed housing need can be delivered within individual plan areas. Therefore, there are no strategic cross boundary issues in relation to housing delivery.

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<sup>1</sup> The Cumbria Housing Group is a formal grouping of the six District/Borough Councils, National Park, Cumbria County Council and representatives of Registered Providers that co-ordinates housing activity in Cumbria.

## 2 Objectively assessed need

### 2.1 Introduction

6. The Local Plan sets a realistic yet aspirational target of 5,471 dwellings over the plan period 2011-2029. This equates to an annual requirement of 304 dwellings. This is greater than the Office for National Statistics 2008-based Household Projections and is in excess of locally derived POPGROUP population projections. 304 is considered to be the most appropriate approach combining the economic and demographic forecasts in the context of the housing market in Allerdale and represent an aspirational, yet realistic housing requirement for the plan period.

### 2.2 The 2011-based CLG Household Projections

7. According to the 2011 Census the total number of households within the Allerdale was 42,345. This represents a 3% rise from the 2001 census compared with a 7% rise suggested by the 2008 Based Projections, which was used for the basis of POPGROUP and the West Cumbria Evidence Base Projections paper.

**Figure 1: Household Projection comparison**

	2011-based CLG Household Projections					2008 based Household Projections between 2011-2021	
	2011	2021	Change	Annual Households	Annual Dwellings	Annual Households	Annual Dwellings
Allerdale	42,317	43,621	1,304	130	134	293	302
Cumbria	221,896	226,889	231,368	2,314	2,338	1,887	1,944

Source: CLG (interim) 2011/2008-based household projections, Cumbria County Council, 2011

8. While the latest projections suggest that household growth will continue across West Cumbria, the level of change between 2011 and 2021 is projected to be lower than the previous 2008-based household projections suggested. The difference is particularly marked for Allerdale, with the most recent projections being around 55% lower than the 2008-based projections. This suggests an underestimation of population by the mid-year estimates, and subsequent correction by the 2011 census.
9. Comparing the latest ONS projections (2011-2021) to the West Cumbria Evidence Base Projections paper shows that the locally informed projections compare more favourably, however, the difference is clearly evident.

**Figure 2: Household Projection comparison**

	2011-based CLG Household Projections					Annual Dwellings		
	2011	2021	Change	Annual Household Growth	Annual Dwellings	CS3 - 5 year migration trend	CS4 - 10 year migration trend	CS5 - Employment baseline
Allerdale	42,317	43,621	1,304	130	134	111	186	497
Copeland	30,536	31,958	1,422	142	146	112	166	118
West Cumbria	72,853	75,579	2,726	172	280	223	352	615

Source: CLG (interim) 2011/2008-based household projections, Cumbria County Council, 2011

## 2.3 Allerdale Local Plan Housing Requirement

10. The Housing Growth Topic Paper (May 2013) reviewed a set of bespoke economic and demographic scenario based projections that provide a locally focussed indication of population and household change. The Paper detailed the reasoning and data behind the decision to adopt a housing requirement of 304 dwellings per year. 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. However, given representations and after discussion with the development industry, the Council feels further clarity on the process would be beneficial. Therefore, the next section sets out the reasoning, and justifies the decision to plan for a lower household growth than the maximum employment baseline scenario suggested

### 2.3.1 Work based economic projections

11. The economic projections in the *West Cumbria Evidence Base Projections Paper* are workplaced based and therefore the high level of 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 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 practise 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.

### **2.3.2 Maximising economic growth**

12. 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 West Cumbria 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. Since 2003/04 housing delivery in the Allerdale Local Plan Area has varied from a maximum of 222 and an average delivery of 172 net dwellings per annum.

### **2.3.3 Projecting economic growth**

13. HM Treasury<sup>2</sup> suggests that the UK is on the road to economic recovery, and from analysis expects an average increase in GDP of 1.4% in 2013 raising to 2.1% in 2014. The extent to which recovery will be sustained or these national figures are representative of the West Cumbria economy is debateable. The *West Cumbria Evidence Base Projections Paper* was produced in 2011 using regional GDP projections from Experian. These predicted a sustained recovery from 2010 onwards with increasing GDP. This early sustained economic and job growth has not occurred as predicted, and the growth has been more gradual. The economic growth projections and associated employment constrained household modelling must be viewed with this in context.

### **2.3.4 Growth of the nuclear sector**

14. Lastly, the Council has ruled out basing the housing requirement on the Nuclear New Build (NNB) scenario from the *West Cumbria Evidence Base Projections Paper* given the uncertainty surrounding this economic scenario both in terms of timing and effects on Allerdale. Available modelling suggests that the uplift in employment and requirement for additional housing that may arise with NNB is likely to be low in Allerdale, with the majority of impact taking place in Copeland Plan Area (Housing Growth Topic Paper Figure 3: Annualised dwelling requirement).

## **2.4 Affordable Housing and Spatial strategy**

15. The provision of affordable homes is one of the Council's key priorities. The Strategic Housing Market Assessment (SHMA) identifies a need

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<sup>2</sup> HM Treasury - Forecasts for the UK economy: a comparison of independent forecasts (September 2013)

for approximately 181 affordable dwellings per annum equating to nearly 60% of the annual housing requirements. Market housing is central to facilitate the supply of affordable homes; however, given the level of need, the Council will also work with partners and explore other mechanisms for delivery of additional affordable units.

16. The Spatial Strategy has been developed to promote sustainable communities by locating the majority of new development close to services and facilities with good public transport links. The level of growth allocated across each settlement and tier of the hierarchy is based upon the role and size of the settlement, key Plan principles and strategy as well as its environmental and infrastructure capacity. It is acknowledged that housing markets vary across Allerdale, and therefore there can be different levels of viability between settlements. This can make delivery of policy goals such as affordable housing challenging, especially in low market areas. Furthermore, a compounding issue is that these low market areas are often also areas of great affordable need.
17. A simple solution would be to direct an increased proportion of housing to areas with more buoyant housing market and better viability, and/or to greatly increase the overall level of housing. However, these steps could fundamentally undermine the Spatial Strategy and therefore the aims and objectives of the Plan. Dramatically increasing overall housing numbers is likely to lead to a skewing of the Spatial Strategy as delivery will favour more attractive areas first. While focusing delivering on more viable areas will fail to address key housing issues across the Plan area. Both these outcomes will not significantly boost the provision of housing and will fail to address affordable issues across the Borough.

### 3 Windfall

#### 3.1 Introduction

23. While local planning authorities have traditionally included windfall (unallocated development) sites when demonstrating their land supply, the National Planning Policy Framework (NPPF) has made clear that allowances for windfall sites should not be included unless there is robust evidence to do so.
24. Historically, windfall sites have formed a significant part of the overall supply of past residential development in Allerdale. This section provides an analysis of windfall housing development in order to demonstrate the justification for making an allowance for windfall as part of the overall housing requirement set in the Local Plan.

#### 25.2 Historic Windfall Delivery

25. Overall between 1<sup>st</sup> April 1999 and 31<sup>st</sup> March 2012, windfall sites accounted for around 72% of gross housing completions.

	Completions on Allocated Sites	Completions on Windfall Sites	Records Not Available	Total (gross)
1999/00	21.74%	57.39%	20.87%	115
2000/01	36.24%	56.88%	6.88%	218
2001/02	42.76%	53.71%	3.53%	283
2002/03	48.13%	45.45%	6.42%	187
2003/04	35.52%	64.48%	0.00%	183
2004/05	5.32%	94.68%	0.00%	94
2005/06	4.57%	95.43%	0.00%	197
2006/07	37.67%	62.33%	0.00%	300
2007/08	12.44%	87.56%	0.00%	217
2008/09	12.57%	87.43%	0.00%	167
2009/10	13.07%	86.93%	0.00%	153
2010/11	27.07%	72.93%	0.00%	133
2011/12	7.37%	92.63%	0.00%	217
Total (gross)	25.45%	72.08%	0.00%	2,464

Source: Building Control records.

26. Windfall sites in particular small sites have made a significant contribution to housing supply in Allerdale. Vast majority of completions are within existing settlement limits. Its contribution is particularly evident towards the later years of the Local Plan.

#### 26.2 Allerdale Local Plan (Part 1)

27. Taking the available evidence into account, it is considered that a 10% future windfall allowance is acceptable, considering;
- The past pattern of development demonstrates that windfall has formed a significant proportion of new dwellings completed in the Plan Area.
  - The SHLAA does not consider small sites of under 0.3 ha and the site allocations will be unlikely to allocate very small sites.
  - The Council's strategy to encourage the effective reuse of previously developed and vacant sites within the Plan Area in line with local regeneration and sustainability objectives.
28. Like allocated sites, windfall sites will not be developed if there is no market demand, to reflect this, the 10% rate should be pegged against the requirement of 304 units for each remaining year.
29. Windfall development cannot by its very nature be guaranteed. Changes in market behaviour or/and policies will have to be recognised and response to through ongoing monitoring and assessment.