Matter 2. Quantity of Development needed in the Borough

Housing requirement for the Plan period 2015 to 2035
To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need can be met over the plan period\(^1\).

Policy 3 in the Plan sets out a strategic aim to facilitate the delivery of 18,400 new homes in the period 2015 to 2035 (920 per year). Paragraph 4.38 advises that the Plan takes as its minimum starting point a local housing need of 585 homes per year based on the Government’s standard method. However, it goes on to state that an additional 327 homes per year are needed to meet planned economic growth meaning that the objectively assessed need for housing is 912 homes per year (net). The Council’s main evidence is set out in Economic Forecasts and Housing Needs Assessment (June 2018)\(^2\).

The Council’s response to PQ21 advises that the housing requirement for the plan period (2015-2035) is a range: 11,700 (20 x 585) to 18,400 (20 x 920) dwellings\(^3\).

Q2.4. Does the Plan clearly establish a housing requirement figure for the Borough for the Plan period as required by national policy?
1. Policy 3 states that the ‘Local Plan’s strategic aim is to facilitate the delivery of 18,400 new homes in the period 2015-2035 (920 per annum)’\(^1\). This is then slightly confused by the policy going on to consider the supply of land and what is required once completions have been deducted, and by discussing how the 5yr housing land supply will be calculated in relation the Local Housing Need (LHN) as derived from the Standard Methodology. The bullet point finishes stating that ‘the housing requirement is expressed as a range with the bottom of the range being the Local Housing Need figure and the top of the range being 920 dwellings per annum’.

2. The HBF consider that the clarity of this policy could be improved. Firstly, the HBF do not consider that a range is appropriate it suggests that the top figure would be a maximum and could limit development of homes. The HBF do not consider that this is line with national policy which looks to support the Government’s objective of significantly boosting the supply of homes. It is also not in line with paragraph 60 of the NPPF which states that ‘to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional

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\(^1\) NPPF 60 and 65.
\(^2\) SDEB44.
\(^3\) The Council’s response to PQ23 states that the intention is to avoid setting an actual figure for the bottom of the range in the plan/policy itself but rather that would vary throughout the Plan period reflecting the latest inputs to the Government’s standard methodology for calculating local housing need. This is considered as part of matter 5 under the five year requirement.
circumstances justify an alternative approach which also reflects current and future demographic trends and market signals'.

3. The Council have identified a local housing need (LHN) of 585 dwellings per annum (dpa), they identify this as being the LHN as calculated in early 2018. The HBF have considered the LHN using the Standard Methodology set out in PPG, using the most up to date information it can be calculated as follows:

**Step 1 - Setting the baseline:**
2014-based household projections in England average annual household growth over a 10-year period, with the current year being used as the starting point. The household projection for 2020 is 131,913 and in 2030 it is 137,085, therefore the growth equals 5,172, giving an average of 517.2 dwellings each year.

**Step 2 - An adjustment to take account of affordability:**
The most recent median workplace-based affordability ratio for Doncaster (2019) is 4.89.

Where an adjustment is to be made, the formula is:

$$\text{Adjustment factor} = \left( \frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

For Doncaster this would be: Adjustment Factor = $$\left( \frac{(4.89 - 4)}{4} \right) \times 0.25 + 1 = 1.055625$$

Minimum annual local housing need figure = (adjustment factor) x projected household growth
For Doncaster this would be: Minimum annual local housing need figure = 1.055625 x 517.2 = 546dpa.

**Step 3 - Capping the level of any increase**
The Doncaster Core Strategy was adopted more than 5 years ago, therefore the local housing need figure is capped at 40% above whichever is the higher of: the projected household growth for the area over the 10 year period identified in step 1; or the average annual housing requirement figure set out in the most recently adopted strategic policies.

The Doncaster Core Strategy has a housing requirement of 1,230 new homes each year 2011-2028, 40% above 1,230 would be 1,772dpa. The capped figure is greater than the minimum annual local housing need figure and therefore does not limit the increase to the local authority’s minimum annual housing need figure.

4. It should be noted that the Standard Method identifies a minimum annual housing need figure, it does not produce a housing requirement figure. It should also be noted that the Government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The Standard Method provides a minimum starting point, and there may be circumstances where it is appropriate to consider whether the actual housing need is higher than the Standard Method.
indicates. PPG (ID: 2a-010) goes on to state that these circumstances can include
growth strategies for the area; strategic infrastructure improvements; previous levels of
delivery; or where previous assessments of need are significantly greater than the
outcome from the Standard Method.

5. Doncaster undertook a Housing Needs Survey in 2015, which was updated in 2016,
this identified an objectively assessed need (OAN) of 920 homes each year to allow for
Doncaster’s economic growth. This OAN calculation considered jobs growth and an
assessment of market signals.

6. The Peter Brett Economic Forecasts and Housing Needs Assessment 2018 identifies
a demographic starting point from the 2014-based household projections of 562dpa,
which if adjusted to match a business as usual job forecast would equate to 579dpa.
However, to match the jobs growth aspiration of the Sheffield City Region it identifies a
jobs-led housing need pf 1,073dpa. Therefore, it is clearly apparent that there are
circumstances identified that would require a housing figure significantly greater than
the outcome of the Standard Method.

7. It is also noted that the 2018-based household projections are now available, and as a
comparison, between 2020 and 2030 the 2014-based projections show an increase of
5,172 whilst the 2018-based projections show an increase of 9,622.

8. Planning for the Future (March 2020) states that the Government is reviewing the
formula for calculating Local Housing Need and is looking to introduce a new approach
which encourages greater building and makes sure the country is planning for the
delivery of 300,000 new homes a year. Since the submission of the Doncaster Local
Plan it is noted that the Government have published for consultation on Changes to
Planning Policy and Regulations, this includes a new method for calculating the LHN.
The new method is considered to align with Government’s aspirations for the housing
market, provide stability and certainty for all stakeholders and address the issues with
the current approach. The HBF note that this new method for calculating the LHN
would see a significant increase to the LHN for Doncaster, the HBF calculate the new
LHN for to be 961dpa. This significant increase is likely to have implications for how
quickly the plan will need to be reviewed particularly if the plan does not identify an
appropriate housing requirement or insufficient sites have been allocated to create
flexibility in supply.

9. The Council identify that the housing requirement will be expressed as a range with
the bottom of the range being the LHN and the top of the range being the 920dpa. As
set out above the HBF do not consider that the LHN produced from the Standard
Method would provide an appropriate housing requirement, it is evident that the actual
housing requirement should be higher. The HBF also consider that using the LHN
without it being defined and therefore subject to change each time new data is

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4 Proposed new Standard Method: Existing Stock = 137,784, 0.5% of Existing Stock = 688.92, 2018-based
household projections – 2020 = 132,311, 2030 = 141,100, average = 879, Ratio of median house price – 2009 =
4.74, 2019 = 4.89, Adjustment Factor = 1.0931, New LHN = 960.75dpa
available does little to provide clarity and would not be consistent with paragraph 16 of the NPPF which states that plans should ‘contain policies that are clearly written and unambiguous’.

10. The HBF consider that a clear housing requirement should be set, using the standard method as a starting point and taking account of the need for a higher figure based on the evidence provided by the Council. This figure should be identified as a minimum net figure, the HBF consider this would add clarity to the policy. The HBF considers that it would be appropriate for the policy to identify that the 18,400 new homes in the period 2015 to 2035 is a minimum requirement and a net figure not just an aim or the top end of the housing requirement range. The HBF consider that reference to the supply in relation to the remaining requirement should be moved to the justification or a table rather than included in this element of the policy. The HBF also consider that reference to the LHN should be moved to the justification, where it should be recognised as the starting point in calculating the housing requirement and the minimum requirement.

**Q2.5. Is expressing the housing requirement as a range consistent with national policy or otherwise justified? If so, what should the bottom of the range be (assuming that it must be a fixed figure)?**

11. As set out above the HBF do not consider that setting the housing requirement as a range is consistent with national policy, and do not consider that it is otherwise justified.

*The Government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates. Such circumstances could include where:*

- there are growth strategies that are likely to be deliverable (for example where funding is in place to promote and facilitate additional growth); or
- previous levels of housing delivery are significantly greater than the outcome from the standard method⁵.

*The Economic Forecasts and Housing Needs Assessment (June 2018) used the emerging targets in the Sheffield City Region’s update to its Strategic Economic Plan as the basis for a policy-led growth scenario. Assumptions were made about economic activity rates, unemployment, double-jobbing and commuting to calculate the additional population that would need to live in the Borough to meet an increase in job demand of around 1,565 (1%) per year. This was then converted into a need for a total of 1,073 net additional homes per*  

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⁵ PPG ID:2a-010-2019-0220.
year between 2015 and 2032, or 912 per year between 2016 and 2026 (the assessment period used in the standard method)\(^6\).

Figure 16 in the Housing Topic Paper\(^7\) indicates an average of 658 net additional homes in the Borough each year between 2004 and 2018. The Council’s response to PQ20 advises that census data indicate an average of 766 net additional dwellings between 2001 and 2011, and that if its own completions data are used to cover the period from 2011 to 2018 together this shows an average of 778 between 2001 and 2018.

An increase in the total housing figures included in the Plan should be considered where it could help deliver the required number of affordable homes\(^8\).

Paragraph 6.9 of the Plan states that there is a need for an additional 209 affordable homes per year over and above the Council’s own build programmes. The Council’s response to PQ34 advises that a total of 3,461 affordable homes could be delivered between 2015 and 2035 (average 173 per year) taking account of completions up to 2019, commitments, and allocations in the context of policy 8. Additional affordable homes are also likely to be provided with funding from the Council’s own delivery programme, commuted sums from some smaller sites, and clawback arrangements in some planning obligations.

**Q2.6. Is the strategic aim in policy 3 to facilitate the delivery of 18,400 new homes in the period 2015 to 2035 (920 dwellings per year) justified and positively prepared? In particular:**

a) Is it appropriate to plan for a higher figure than the standard method indicates (585 homes per year)?

b) Are the economic growth assumptions upon which the strategic aim of 18,400 new homes is based aspirational but deliverable between 2015 and 2035?

c) If such economic growth were to materialise, would it be likely to affect demographic behaviour to the extent that an additional 335 homes are needed every year between 2015 and 2035 (on top of the 585 per year that the standard method indicates are needed)?

d) Do previous levels of housing delivery in the Borough indicate a need for more than 585 homes per year?

e) Should the Plan aim to deliver more than 585 homes per year in order to help meet the need for affordable homes?

12. The HBF considers that it is appropriate to plan for a higher figure than the standard method indicates. PPG\(^9\) states that ‘the government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth’. The PPG is also clear that the standard method is the starting point. Therefore, the HBF consider that Doncaster should be supported in looking to provide a higher housing figure.

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\(^6\) SDEB44 paragraphs 2.19-2.40 and 4.29-4.31.

\(^7\) DMBC4.

\(^8\) PPG ID: 2a-024-2019-0220.

\(^9\) PPG ID: 2a-010-20190220
13. The PPG\textsuperscript{10} also highlights that there can be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates. These circumstances include where there are growth strategies; strategic infrastructure improvements; or where previous levels of housing delivery or previous assessments of need are significantly greater than the outcome from the standard method. The HBF considers that these circumstances exist in Doncaster and support the use of higher figure.

14. The Economic Forecasts and Housing Needs Assessment (June 2018) identified a need for a total of 1,073 net additional homes per year between 2015 and 2032, or 912 per year between 2016 and 2026. Both of these figures are clearly significantly higher than that provided by the standard methodology.

15. Economic Forecasts and Housing Needs Assessment (June 2018) sets out the sectors where growth is expected this include manufacturing, civil engineering, retail, education and most significantly transport and distribution. The economic growth assumptions are considered to be deliverable with schemes such as the iPort Logistics Park and Doncaster Sheffield Airport contributing significantly to their delivery.

16. The previous levels of delivery are shown in table 1 below. It shows that over the last ten years Doncaster have delivered an average of 829 homes each year, and over the last five years have delivered more than 1,100\textsuperscript{11} homes each year. The HBF consider that this is significantly above the figure provided by the standard methodology, and supports the need for a higher housing requirement.

\begin{table}[h]
\centering
\begin{tabular}{|c|c|c|c|c|c|c|c|c|c|c|}
\hline
\textbf{Doncaster} & \textbf{09/10} & \textbf{10/11} & \textbf{11/12} & \textbf{12/13} & \textbf{13/14} & \textbf{14/15} & \textbf{15/16} & \textbf{16/17} & \textbf{17/18} & \textbf{18/19} & \textbf{Total} & \textbf{Average} \\
\hline
Net Additional Dwellings & 506 & 817 & 457 & 316 & 654 & 792 & 1,162 & 1,049 & 1,208 & 1,327 & 8,288 & 829 \\
Affordable Completions\textsuperscript{12} & 32 & 118 & 183 & 75 & 106 & 296 & 156 & 184 & 201 & 220 & 1,571 & 157 \\
\hline
\end{tabular}
\caption{MHCLG Completions Information}
\end{table}

17. The Housing Needs Study 2019 identifies a net annual imbalance of 209 affordable dwellings each year. However, this assumes that the backlog is addressed over a 10-year period, if the need were to be met over the next 5-years the affordable housing need increases to 509 affordable dwellings each year for the first five years. Policy 8 requires housing sites of 15 or more homes (0.5ha or above) will normally be expected to include 23% affordable homes in the high value housing market areas or 15% elsewhere. If the housing requirement was reduced to 585dpa, it is evident that the affordable housing need would not be met. Even at 920dpa the affordable housing requirement would be difficult to achieve, the Housing Topic Paper identifies the

\textsuperscript{10} PPG ID: 2a-010-20190220
\textsuperscript{11} Average of 1,108dpa
\textsuperscript{12} Table 1011: additional affordable housing supply, detailed breakdown by local authority
affordable housing require of 209dpa as 23% of the 920dpa, however, this target only applies to developments of over 15 homes and to those in the high value areas. Table 1 above shows that over the last 10 years the Council have delivered 1,571 affordable homes at an average of 157dpa, this is with a higher housing requirement of 1,230dpa over much of the period. The HBF consider that a higher housing requirement should be provided in order to help support the delivery of affordable homes.

Policy CS10 of the adopted Core Strategy looks to deliver a net addition of 1,230 new homes each year, 20,910 in total over the period 2011 to 2028.