ED39 – Calculating an Objectively Assessed Need and Indicative Housing Figure for the National Park

11 March 2021

This Paper describes how DNPA identified an Objectively Assessed Housing Need and reached the Indicative Housing Delivery Figure for the Local Plan, requested in relation to Matter 4 of the Local Plan examination.

STEP 1 – Agreeing the starting point for an OAN

PPG requires that National Household Projection Figures (derived from ONS population projections) should be the starting point. However, the ONS does not produce population projections below local authority level to this geography.

Paragraph 14 of the PPG states that for national parks, available data does not allow local housing needs to be calculated using the standard method. Therefore national parks may continue to identify a housing need figure using a method determined locally, but in doing so will need to consider the best available information on anticipated changes in households as well as local affordability levels. The PPG also makes clear that estimating future housing needs is not an exact science. Even more so in the case of national parks where no one methodological approach will provide a definitive assessment. There is still an expectation that household projection figures produced by CLG should be the starting point. But it is also legitimate to consider local circumstances, alternative assumptions and recent demographic evidence.

STEP 2: DNPA has therefore sought to apply locally derived and best fit approach.
Work for the DNPA reviewed the best available data, taking into account SNPP and household projections, assessing the existing SHMA data and demographic scenarios produced by Edge Analytics to derive a best fit Objective Assessment of Need

This was done by considering **three methodological approaches**, described in more detail in the flow chart, below.

- **Option 1:** test a sharing of National Growth in line with the CLG consultation for the first Standard Methodology
- **Option 2:** Test disaggregated SNPP-14 (converted to households using CLG headship rates) for the DNPA area and three other demographic scenarios using localised migration trends over three time horizons using DCC POPgroup model, modelling completed by EDGE analytics, adjusted for market signals.
- **Option 3:** Consider housing need within the context of the HMA areas.

THE RECOMMENDATION IS THAT 23 DPA WITH A 30% MARKET SIGNALS UPLIFT IS THE MOST APPROPRIATE OAN

STEP 3: Review constraints and policy objectives

The OAN is only the starting point to consider a local plan housing indicative requirement. A figure of 30 for the OAN could be increased in light of local circumstances and policy aspirations. Equally, constraints mean that a higher need figure may not have to be met within the boundaries of the National Park.

POSSIBLE OPTIONS FOR POLICY-ON DWELLING REQUIREMENT	DPA
Meeting backlog affordable housing need	45
Historic delivery rates	50
Dwelling led targets which result in in-migration and slow ageing	62 – 73
Meeting a proportion of the needs of the wider HMAs	66- 118

OPTION 1 : testing the standard methodology approach

a) Calculating the DNPA's share of national growth (211 DPA)

b) calculating a need figure as a proprotionate share of the needs of three constituent councils required by national growth (their existing share of dwellings within the park) (191 DPA)

c) Assume dwelling growth as a proporitonate share of the needs of both HMA areas (based on an existing share of their dwellings) (149 DPA)

USED AS A BASELINE BUT DISCOUNTED AS THE STANDARD METHODOLOGY DOESN'T APPLY TO NATIONAL PARKS

OPTION 2: using bespoke demographic scenarios prepared by EDGE analytics

a) Testing the use of the SNPP-14 population projections, adjusted for CLG household projections and headship rates. Then for market signals at 10% (80 DPA)

b) Using past localised migration trends for Dartmoor NPA at different time periods (6, 10 and 13 years) (-1, 22 DPA, 23 DPA).

These need to be adjusted for market signals. Market signals impact little on the very small numbers. Therefore opted for 30% to reflect affordability pressures. (DPA 0, 29, 30)

USE OF SNPP-14 SCENARIO DISCOUNTED AS IT USES PROXY DATA SETS FOR MIGRATION AND IS A SHORT TERM PROJECTION, LA LEVEL PROJECTIONS ARE CONSTRAINED BACK TO NATIONAL ASSUMPTIONS

DEVON COUNTY COUNCIL POPGROUP MEASURES ALL MIGRATION AND LOCALISED TRENDS (SUB DISTRICT FERTILTY, MORTALITY AND MIGRATION TRENDS). TREATS THE NEEDS OF THE PARK AS DISTINCT.

SHORT TERM TRENDS DISCOUNTED - WOULD RESULT IN DWELLING REQUIREMENTS OF ZERO. THIS TIMESCALE ALSO COINCIDES WITH PERIODS OF RECESSION WITH LOW IN-MIGRATION AND DO NOT REFLECT THE CYCLICAL NATURE OF THE ECONOMY WITH YEARS OF RECESSION AND RECOVERY.

RESOLVED BY USING A LONG TERM TREND (ALSO TESTED IN THE JLP EXAMINATION) .

OPTION 3: Consider the housing needs of the Park within the context of the SHMAs. The latest SHMA for the Plymouth and South West Devon HMA was published in 2017. This includes areas of South Hams and West Devon with the DNPA area. The Exeter GESP technical note on an OAN was in early draft form and excluded the NPA from the OAN. Four models were derived from the Plymouth SHMA and applied different rates of appoortionment to the DNP area:

Dwelling growth as a share of the Plymouth SHMA overall (66 DPA)

As a share of the growth within West Devon and South Hams (100 DPA)

As a share of the Plymouth and SW Devon Need overall, extrapolated to the the DNPA (DPA 118)

As a share of the growth in West Devon and South Hams, extrapolated to the whole DNPA (174)

MOST APPROPRIATE OAN FOR DARTMOOR NPA IS AROUND 30 DWELLINGS PER ANNUM BASED UPON LONG-TERM MIGRATION SCENARIOS AND A SIGNIFICANT MARKET SIGNAL UPLIFT. THIS FIGURE IS LOWER THAN THAT OBTAINED FROM APPORTIONING THE NEEDS OF THE WIDER HMAS BUT WOULD BE CONSISTENT WITH THE LOCAL NEEDS FOR DNPA.

STEP 4: Understanding the starting point for a plan figure

Alongside the understanding of an OAN and an appropriate plan figure, DNPA sought to understand its broader demographic and housing market context, seek the views of the stakeholders, and balance this with national policy context for national parks. The National Parks Circular and NPPF set clear context around the appropriateness of these areas for growth and the meeting of broader housing needs.

DNPA's emerging housing strategy sought to:
-   Focus on meeting the affordable housing needs of local communities, in a focussed way rather than through a strategy of wider housing growth
-   Respond positively to demographic signals through a level of growth which would exceed the current 'static' population (i.e more than 50dpa), but recognising it will not reverse the demographic trends of ageing population seen nationally
-   Identify policy tools which enable and encourage younger families to live and work in the NP, and to reduce under occupancy by older people, including through good design, accessibility, and environmental standards

STEP 5: Understanding technical issues/context

Within this context, DNPA considered a range of technical issues, some of which took into account the national or emerging local policy objectives. This narrowed the approach, enabling a plan figure to be identified. These included:

-   Understanding housing need – the scale and nature of need, and requirements of specific groups
-   Identifying land availability – through the HELAA, and an emerging consideration of reasonable site options (taking into account not just what is available now, but also considering the best use of limited land in order to retain a future pipeline, and avoid over supply)
-   Taking account of evidence of constraints to supply including landscape, ecology, natural/historic environment
-   Understanding development viability
-   Considering historic delivery, and identifying appropriate monitoring and governance
-   Considering reasonable and pragmatic assumptions in recognition of the small numbers involved. In particular that modelling of demographic projections do not take account of emerging nuances of policy, and a significant proportion of planned delivery comes from windfalls.

These above factors led DNPA to the view that a figure of less that 80dpa was appropriate, leading to a range of 50-80dpa for the plan figure which was endorsed by Members in a Direction of Travel Paper.

STEP 6: Broader engagement

The above 'narrowing' of options ran in parallel with a range of stakeholder engagement, including in particular through the Issues Consultation, Parishes (sites) consultation, Authority Direction of Travel paper, Local Plan Member Steering Group, sector housing workshop and viability workshop. This sought verification of the range identified, and later the emerging indicative housing delivery figure.

STEP 7: Testing a Plan figure

Recognising the extensive breadth of factors which needed to be taken into account it was evident that further technical work would not lead to a precise figure within the range, but that a proposed figure should be tested and, if demonstrably meeting the aims of the strategy of balance, consulted upon in the draft Plan. The 65 was identified as the mid-point in the range and tested – the outcome being it:
-   Is deliverable against the projected windfalls and emerging identified site yields
-   Apportions to meet the HMA delivery, including the 600 'allowance' in the JLP area
-   Aligns with historic levels of affordable need, and would not lead to a potential oversupply against a 30 OAN
-   Takes account of the need for increased cross subsidy against a 30 OAN
-   Responds positively to demographic drivers, recognising the suite of other policy tools should deliver benefits which cannot be reasonably modelled
-   Strikes an appropriate balance – positively increasing delivery by 30% from the current 50dpa, whilst being accepted by stakeholders

This figure was agreed by DNPA Members for consultation in the Regulation 18 draft Local Plan.

STEP 8: Consultation

The figure of 65dpa was largely positively received at consultation, and considered to be seeking to deliver the Vision. Stakeholders broadly accept the figure and recognise safeguards exist, including the 'needs led' approach avoiding over delivery, and that an appropriate monitoring framework ensures a clear response to under delivery.