

**NORTH DORSET LOCAL PLAN 2011 – 2016 PART 1
EXAMINATION**

**RESPONSE TO
INSPECTOR'S QUESTION 5 TO THE COUNCIL**

February 2015

Contents

1.	Introduction	2
2.	The Council’s Response.....	3
	Household Projections	3
	Implications of the 2012-based Household Projections.....	4
3.	Conclusion.....	6

1. Introduction

1.1 This statement is in response to a question asked by the Inspector on 27th February 2015.

1.2 The Inspector's question was:

The DCLG has published the 2012 based household projections in England – 2012 to 2037 (27th February 2015). Could the Council provide an assessment of whether or not these projections have any implications for the North Dorset Local Plan Part 1 of which I should be aware.

1.3 The 2012-based household projections gave the approximate number of households in each local authority in England in each year from 1991 to 2011. The projections also gave an estimate of the total number of households in each local authority area for each year to 2037.

2. The Council's Response

- 2.1 As stated in the Council's response to Inspectors Question 3 (INS008), DCLG publishes household projections derived from the ONS sub-national population projections. As stated in the Planning Practice Guidance (PPG)¹ these household projections should be the starting point for estimation of an objectively assessed housing need. The letter sent by Brandon Lewis on 19th December 2014 indicates housing figures produced through a Strategic Housing Market Assessment (SHMA) do not immediately invalidate figures within a local plan.
- 2.2 The Council's response to Inspectors Question 3 (INS008) should be read alongside this response.
- 2.3 The housing requirement figure for North Dorset has been evaluated through the 2012 SHMA Update (MHN005). This 2012 SHMA Update reviewed the available evidence and concluded that the housing need figure for North Dorset should be 280 dwellings per annum as included in LP1.
- 2.4 The 2012 SHMA Update was based on 2008-based ONS/DCLG projections of households and population, rebased to 2011 using Council Tax data to give an estimate of the number of households in 2011. This approach, having been tested at recent local plan examinations, is considered the most robust up-to-date assessment of housing need for North Dorset and the Bournemouth/Poole HMA as a whole.

Household Projections

- 2.5 Household projections have been produced by DCLG with a base date of 2008, 2011 and the most recent 2012. The 2011-based household projections were interim projections and only projected the increase in households over a 10 year period to 2021.
- 2.6 The economic downturn that started in 2008 heavily influenced the ability of households to buy a home. The DCLG 2008-based household projections were produced prior to the economic downturn and hence were based on trends where mortgage finance was more readily available. This led to high demand for housing and high household formation rates. These projections suggested a household growth of about 250 households per annum in North Dorset over the period 2011 to 2021.
- 2.7 Subsequent to the publication of the 2012 SHMA Update, the 2011-based interim household projections were produced. There has been widespread concern that these projections were unreliable as they were too heavily influenced by

¹ Planning Practice Guidance Paragraph: 015 Reference ID: 2a-015-20140306.

recessionary factors. These projections suggested a growth of about 175 households per annum in North Dorset over the period 2011 to 2021.

- 2.8 The Council, alongside its partners in the Eastern Dorset HMA, is currently preparing a revised SHMA to inform the revision of local plans across the area. The 2012-based household projections will form the starting point for assessing the housing need across the HMA. Early calculations on these recent 2012-based projections suggest a household growth rate of between 180 and 190 households per annum over the 2011 to 2031 period.

Figure 2.1: Estimated household change comparison

Source	Household growth (per annum)
CLG 2008-based household projections (2011 to 2021)	252
CLG 2011-based household growth (2011 to 2021)	175
CLG 2012-based household growth (2011 to 2031)	180 to 190
2012 SHMA Update household change (2011 to 2031)	273
Local Plan housing requirement (2011 to 2026)	280

- 2.9 The data to support the 2012-based household projections has not yet been released. It is therefore impossible to assess fully the implications of the new projections for North Dorset. Once this data is released, it will be used to inform the Eastern Dorset SHMA.

Implications of the 2012-based Household Projections

- 2.10 The Planning Practice Guidance² states:

Wherever possible, local needs assessments should be informed by the latest available information. The National Planning Policy Framework is clear that Local Plans should be kept up-to-date. A meaningful change in the housing situation should be considered in this context, but this does not automatically mean that housing assessments are rendered outdated every time new projections are issued.

- 2.11 This updated text within the Planning Practice Guidance echoes the wording in the letter sent by Brandon Lewis to Simon Ridley on 19th December 2014. This gives the Council time to consider the implications of the new household projections and new SHMA reports based upon them.

² Planning Practice Guidance Paragraph: 016 Reference ID: 2a-016-20150227

- 2.12 As the Planning Practice Guidance states, the household projections are the starting point for estimating the objectively assessed housing needs for inclusion in a Local Plan. Other factors also need to be taken into account such as vacancy rates, employment trends and commuting patterns and housing market signals. These factors will be considered in the revised SHMA for Eastern Dorset.
- 2.13 The Local Plan housing requirement of 280 dwellings per annum is significantly greater than the growth in households in the 2012-based projections. This indicates that there is sufficient headroom within the Local Plan to allow for factors such as vacancy rates and economic growth above the demographic projections.

3. Conclusion

- 3.1 As the recently released 2012-based Household Projections suggest a household growth rate below that established through the 2012 SHMA Update (MHN0005), the Council is of the opinion that there will be no implications for the adoption of Local Plan Part 1 in its current form. The Local Plan housing requirement builds in sufficient headroom above the demographic projections and therefore allows for higher rates of economic growth.
- 3.2 The 2012-based Household Projections will be considered in full through the revision of the SHMA for the Eastern Dorset HMA with the results of this being considered appropriately with a review of the Local Plan if necessary.