

# **Draft Local Plan**

## **Housing Provision Background Paper**

# I. INTRODUCTION

- I.1 This Paper supplements Policies S3, S4 and S5 of the Draft *Local Plan Strategy Document* and should be read alongside these policies. It sets out the implications of:
- New demographic data that has been released by the Office for National Statistics since the *Further Consultation* was prepared;
  - Revision to the distribution of housing development; and
  - How the delivery of housing development will be managed through the Local Plan.
- I.2 The Draft *Local Plan Strategy Document* was published for consultation on 05 February 2013. It identifies, in Policy S5(A), that provision will be made for at least 23,800 (net) dwellings in the East Riding over the 17 year plan period. This will deliver an average of 1,400 (net) dwellings per annum.
- I.3 In setting out the scale and distribution of housing in the East Riding, the Council has taken into account a number of sources of information. This has included the level of housing need, household and population projections, and housing land supply, as well as the over-arching requirement to achieve sustainable development.
- I.4 A *Core Strategy Further Consultation* was published in October 2011 and set out that the Council would support the provision of 1,500 (gross) dwellings per annum across the East Riding. Over the 17 year plan period this resulted in a total housing requirement of 25,500 (gross) dwellings.
- I.5 Since the publication of the *Further Consultation* new data has been released by the Office for National Statistics, principally new subnational population projections and headline information from the 2011 Census. These have been used, alongside responses to the *Further Consultation*, to inform the revised scale and distribution of housing.
- I.6 Responses to previous consultations have also led to revisions aimed at providing more certainty in delivering housing. By reducing the scale of development aimed at the Countryside and Villages, and re-focussing towards identified settlements, the *Draft Strategy Document* seeks to provide certainty as to where new development will come forward.
- I.7 The need to ensure that the *Local Plan* is deliverable and that the policies achieve their objectives, is also reflected in the change from a gross to net housing requirement. Through this, fluctuations in losses to the housing stock are compensated for. The *Draft Strategy Document* provides a clear steer for the *Allocations Document* to identify sufficient land without relying on significant windfall developments.

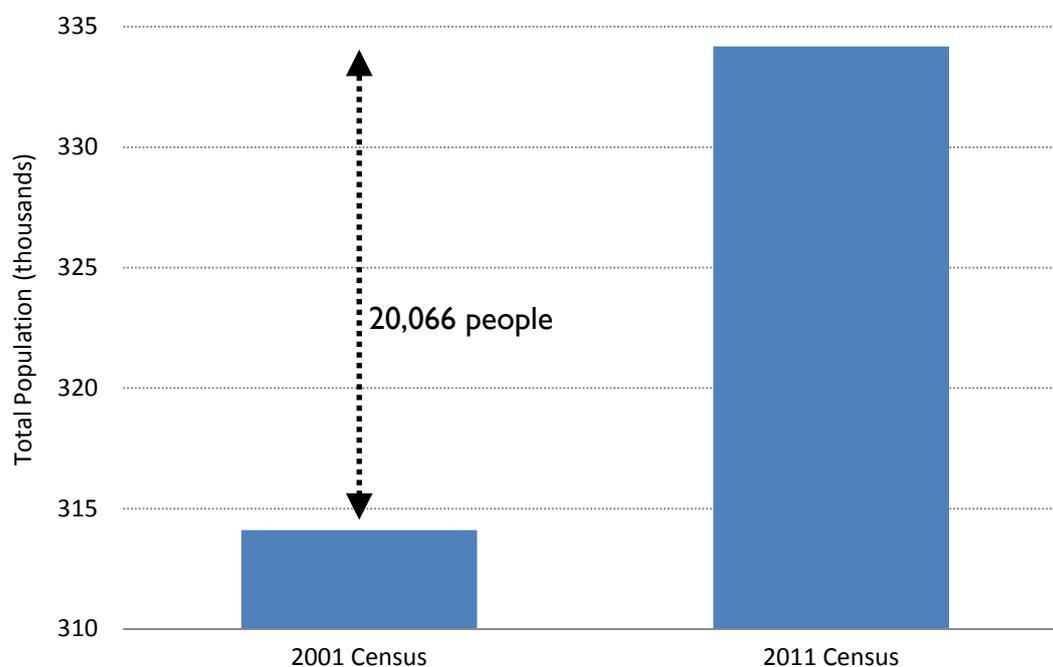
## 2. CENSUS DATA

2.1 The Census took place on 27 March 2011 and initial population and household data was published by the Office for National Statistics (ONS) in July 2012<sup>1</sup>. This provides a baseline figure for the number of households and people within the East Riding at that date.

2.2 In comparison to the 2001 Census this shows that in the East Riding there has been a:

- 6.4% increase in the population between 2001 (314,113 people) and 2011 (334,179 people). This represents an increase of approximately 2000 people per annum (figure 1).

Figure 1: 2001-2011 Population Growth

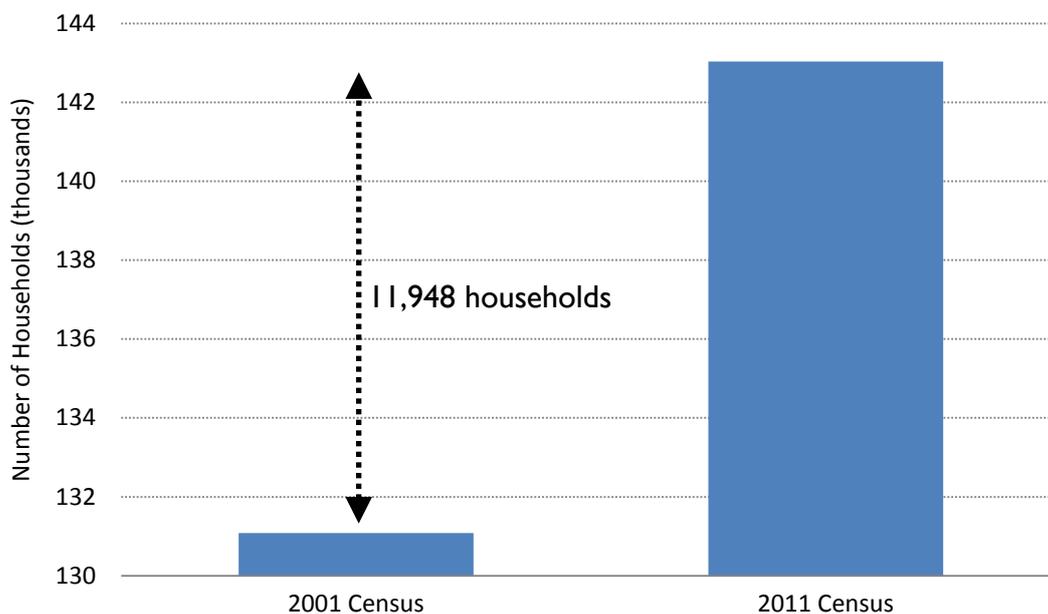


(source: ONS 2001 and 2011 Census)

- 8.5% growth in the total number of households that had "at least one usual resident" between 2001 (131,084 households) and 2011 (143,032 households). This represents an increase of approximately 1,200 households per annum (figure 2).

<sup>1</sup> <http://www.ons.gov.uk/ons/guide-method/census/2011/index.html>

Figure 2: 2001-2011 Growth in Households



(source: ONS 2001 and 2011 Census)

2.3 Through comparison of these sets of Census data, it shows that there has been sustained growth in the number of people and households in the East Riding. However, the pace of growth in the East Riding has been much lower than had been forecast by the ONS and Government to take place. This has resulted in over-estimates in the population and household projections, which have previously been used to inform the preparation of the Local Plan. Section 3 of this paper sets out the key changes that have been considered in preparing Policy S5 of the *Draft Strategy Document*.

### 3. POPULATION & HOUSEHOLD PROJECTIONS

3.1 The *National Planning Policy Framework* (March 2012) identifies that local planning authorities should have a clear understanding of housing needs in their area. Whilst a *Strategic Housing Market Assessment* (SHMA) was published in October 2011 and informed the scale and distribution of housing proposed in the Further Consultation, additional demographic data has now been released by the Office for National Statistics (ONS). In particular, two subnational population projection data sets have been released by the ONS since October 2011, which set out the long-term population growth in the East Riding. These are the:

- 2010-based subnational population projections<sup>2</sup>, which were released in March 2012; and
- Interim 2011-based subnational population projections<sup>3</sup>, which were based on the 2011 Census and released in September 2012.

#### Population Growth

3.2 Following the 2001 Census the ONS has published annual Mid Year Population Estimates for the East Riding, which estimate the level of population growth that took place in the preceding year. This uses a variety of data sources to calculate the level of natural population change (births and deaths taken from the General Register Office), international migration (using the International Passenger Survey) and internal migration (moves from elsewhere in the UK using GP Patient Registers).

3.3 The 2011 Census shows that ONS had significantly overestimated the level of population growth experienced in the East Riding since 2001. In comparison to the ONS 2010 Mid Year Population Estimate<sup>4</sup>, which was rolled forward to the same base date (27 March 2011) as the Census, it can be calculated that almost 20% of the population growth forecast by the ONS to take place in the East Riding since the 2001 Census has not been experienced.

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<sup>2</sup> <http://www.ons.gov.uk/ons/rel/snpp/sub-national-population-projections/2010-based-projections/index.html>

<sup>3</sup> <http://www.ons.gov.uk/ons/rel/snpp/sub-national-population-projections/Interim-2011-based/index.html>

<sup>4</sup> <http://www.ons.gov.uk/ons/guide-method/census/2011/census-data/2011-census-data/2011-first-release/first-release--quality-assurance-and-methodology-papers/2011-census-day-rolled-forward-population-estimates.xls>

	Population at 27 March 2011	Population growth since Census 2001
2010 Mid Year Estimate (rolled forward)	339,320	25,207
2011 Census	334,179	20,066

3.4 In addition, the 2011 Census population for the East Riding has been rolled forward to give a population estimate for mid-2011 (334,700). The ONS have compared the population change since 2001 for both the rolled forward mid-2011 estimate and a mid year estimate that has been based on the 2011 Census<sup>5</sup>. Analysis by the ONS Population Statistics Research Unit shows that for the East Riding the level of population decline, particularly in 20-29 year olds, has actually been much faster than previously forecast<sup>6</sup>.

3.5 The 2011 Census-based mid year estimate also allows for direct comparison with previously released subnational population projections. These contain a forecast of the number of people that would be resident in the East Riding at mid-2011. It shows that the three population projections (2006-based; 2008-based; and 2010-based) that preceded the Census all over-estimated the population of the East Riding for mid-2011.

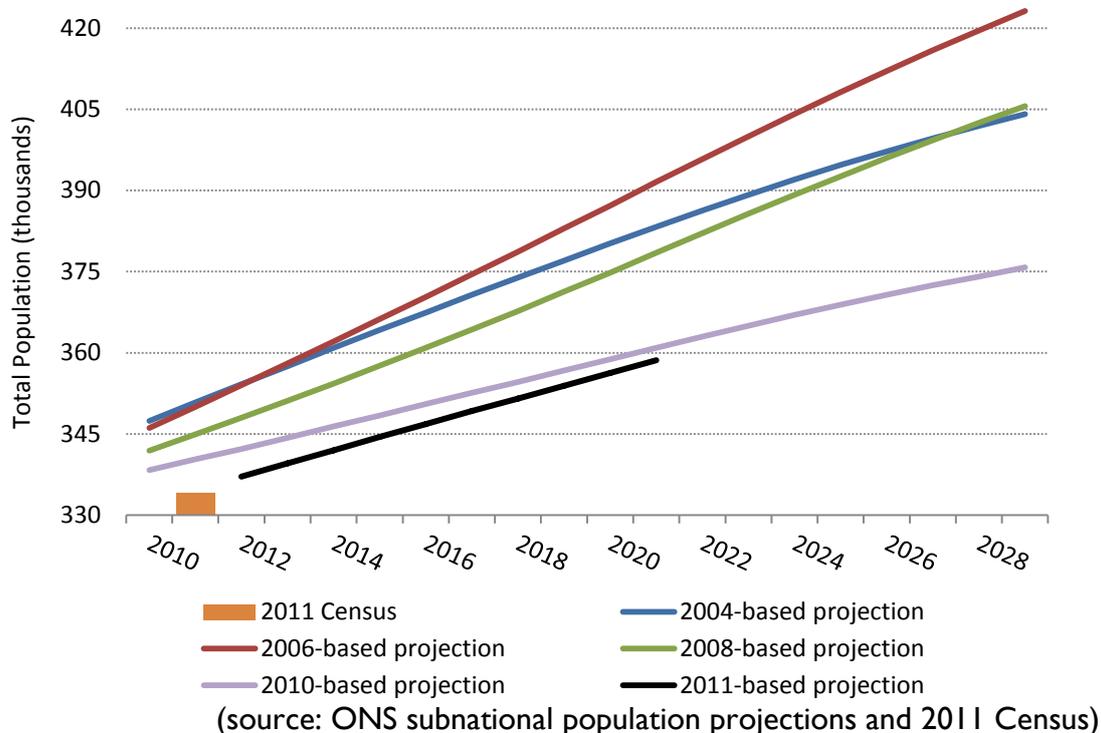
	Estimated population in mid-2011
2004-based subnational population projection	350,800
2006-based subnational population projection	350,000
2008-based subnational population projection	344,900
2010-based subnational population projection	340,300
2011-based subnational population projection (Census based)	334,700

3.6 There is a clear trend showing that the more recent ONS subnational population projections have revised down the pace of population growth for the East Riding (figure 4). The interim 2011-based subnational population projections is the latest set of population forecasts that has been released by the ONS. Whilst these take into account the implications of the Census, they only present a short-term trend to 2021. The ONS have not identified when the next set of subnational population projections, which would cover the whole of the Draft *Local Plan* plan period, will be released.

<sup>5</sup> <http://www.ons.gov.uk/ons/guide-method/method-quality/specific/population-and-migration/population-statistics-research-unit--psru/latest-publications-from-the-population-statistics-research-unit/index.html>

<sup>6</sup> <http://www.ons.gov.uk/ons/guide-method/method-quality/specific/population-and-migration/population-statistics-research-unit--psru/la-cohort-change-over-time-2001-to-2011.xls>

Figure 4: Projections of Population Growth

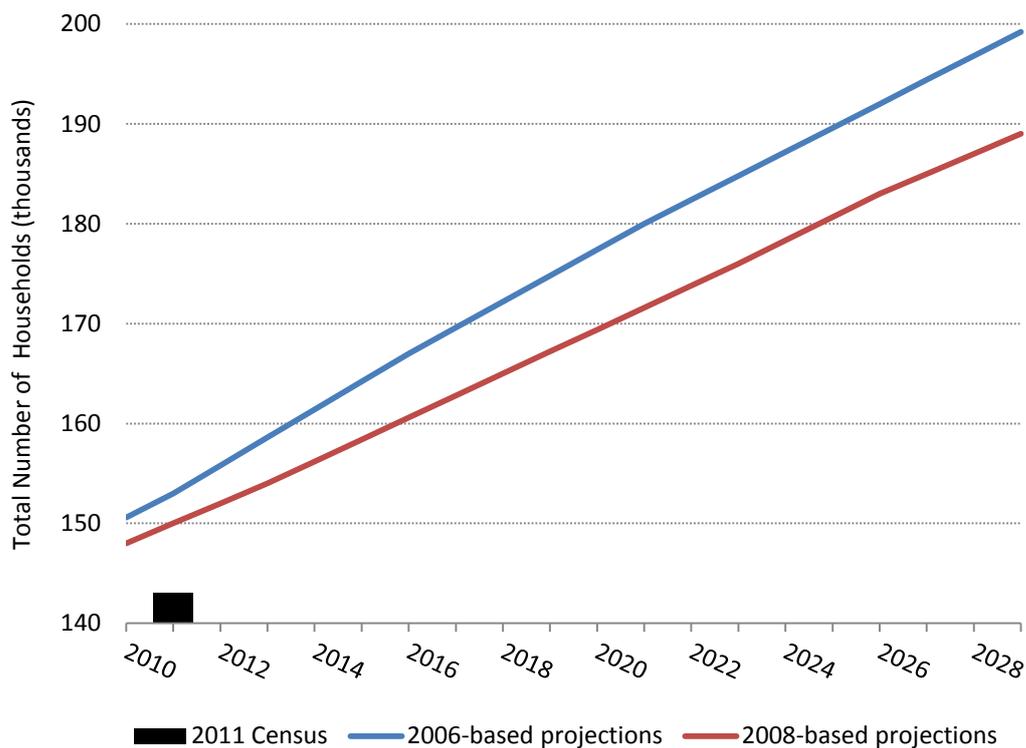


### Growth in Households

- 3.7 The latest forecasts of future growth in the number of households in the East Riding are set out in the 2008-based household projections<sup>7</sup>. These were published by Government (Department of Communities and Local Government) in November 2010 and are based on the 2008-based subnational population. It estimates that 2,120 new households would form per annum in the East Riding over the period 2008-2033. The 2008-based household projections were considered through the preparation of the *Core Strategy Further Consultation* document.
- 3.8 No new projections of household growth have been published by Government since the *Further Consultation* (October 2011). Therefore, there are no household forecasts available that have taken into account subsequent changes in the ONS subnational population projections (ie. the 2010 and 2011-based subnational population projections) and the implications of the 2011 Census. Publication of household data from the 2011 Census highlights that previous household projections (2006-based and 2008-based) have significantly overestimated the level of growth experienced in the East Riding (figure 5).

<sup>7</sup> <http://www.communities.gov.uk/publications/corporate/statistics/2033household1110>

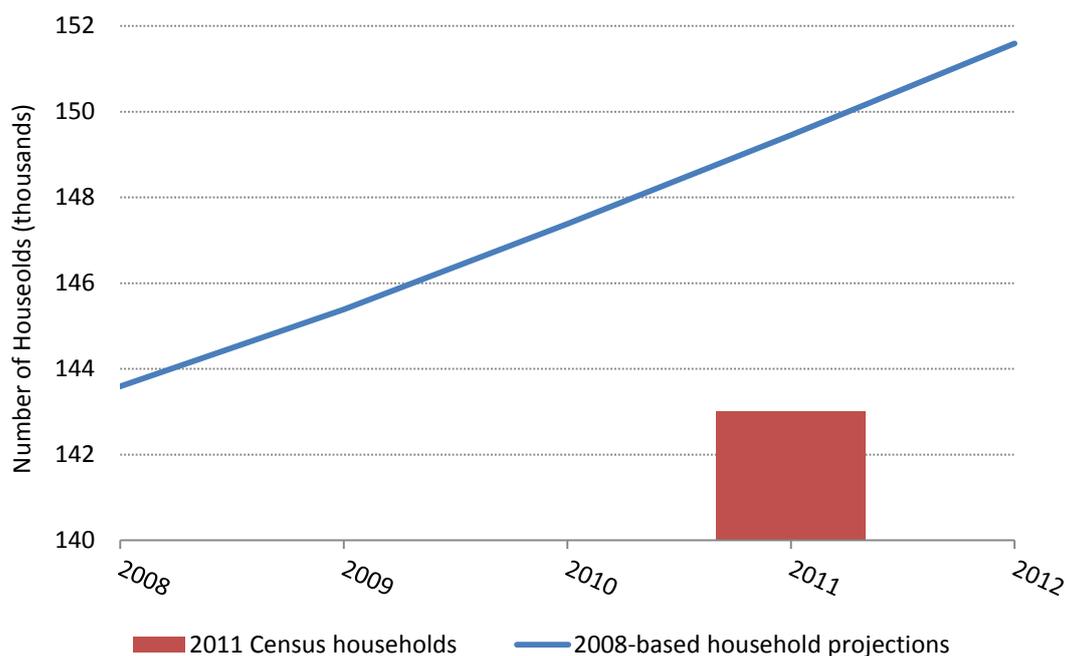
Figure 5: Projections of Household Growth



(source: ONS 2011 Census and CLG household projections)

3.9 Using the Government's 2008-based household projections, it is possible to estimate the number of households (approximately 149,500) that were forecast to be present in the East Riding in 2011 (figure 6). Over the period between the 2001 and 2011 Censuses an additional 11,948 households were formed in the East Riding. However, from the 2008-based household projections, which also show the estimated number of households that were present in the East Riding in the years preceding 2008, it is possible to calculate that approximately 18,500 additional households were forecast by Government to be formed over 2001-2011. Therefore, the latest household projections have over-estimated the level of household growth between 2001 and 2011 by approximately a third, which has potentially significant implications in planning for housing growth through the Local Plan.

Figure 6: Household Growth



(source: ONS Census and CLG household projections)

3.10 It is recognised in the CLG Housing Statistical Release<sup>8</sup> that projected population growth accounts for nearly three quarters of household growth in England. For the East Riding the 2010-based and 2011-based subnational population projections estimate a substantially lower level of future population growth than the 2008-based subnational population projections. However, new Government household projections have not yet been published to take account of this lower level of population growth. It is, therefore, likely that future estimates of household growth would forecast a significantly lower rate of household formation in the East Riding.

3.11 A further factor driving household growth is the increase in the number of one person households, which has resulted in a reduction in the average household size. Government does not publish data on future household size for the East Riding, however, it is possible to measure this change by:

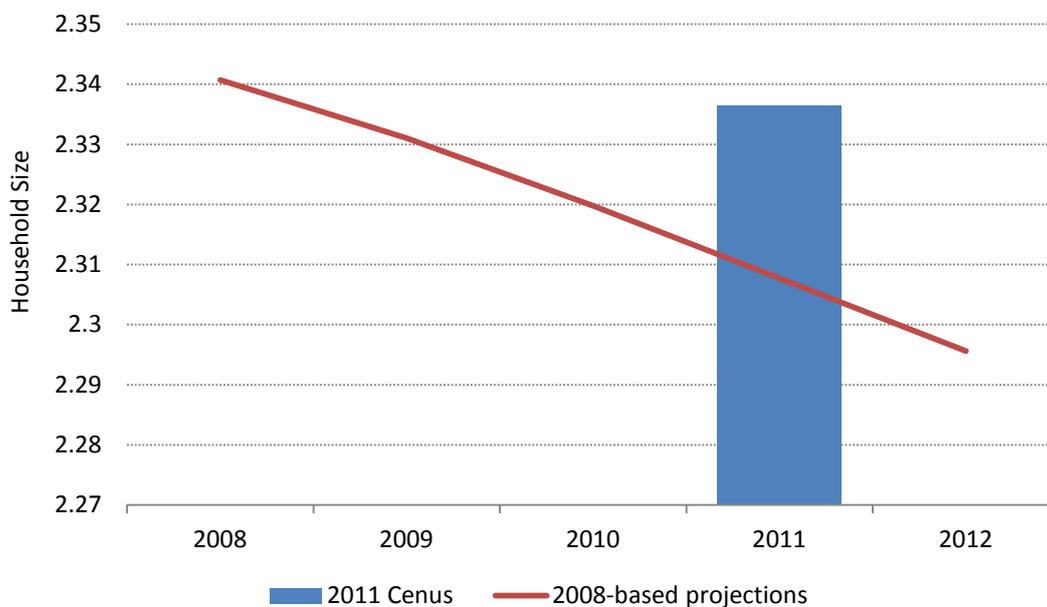
$$\frac{\text{projected population}}{\text{estimated number of households}} = \text{average household size}$$

3.12 Using household and population data from the 2011 Census, it is possible to estimate that on average there is 2.336 people per household in the East

<sup>8</sup> Communities and Local Government Household Projections, 2008 to 2033, England (26 November 2010)

Riding. However, a similar calculation using the 2008-based population and household projections shows that the average household size in the East Riding has not fallen as fast as had been forecast (figure 7). This slower rate in falling household size has not been taken into account through the preparation of new Government forecasts of household growth.

Figure 7: Change in Household Size



(source: ONS 2011 Census and subnational population projections, and CLG household projections)

3.13 This additional evidence, which is set out above, has highlighted that the pace of growth (population and household) in the East Riding is not as fast as previous forecasts suggested. The population and household projections are one source of evidence that has been used to inform the scale of housing growth set out in the *Draft Local Plan*. Whilst new household projections have not yet been published by Government, changes in the demographic data has been considered in proposing a revised annual housing requirement of 1,400 (net) dwellings in Policy S5 of the *Strategy Document*. This has been assessed alongside the long-term completion of dwellings in the East Riding (approximately 1,300 gross dwellings per annum), as well as the findings of the Council's Strategic Housing Market Assessment (SHMA). The SHMA includes a low migration scenario of 1,365 (net) dwellings per annum, which reflects the agreed policy approach to stem the flow of people seeking to move into the East Riding from the City of Hull<sup>9</sup>.

<sup>9</sup> This is set out in the Draft Joint Planning Statement for Hull and East Riding of Yorkshire.

## 4. DISTRIBUTION OF HOUSING

4.1 The *Further Consultation Core Strategy* attracted a number of comments on the distribution of housing. These varied from consultee to consultee and there was no consensus in terms of an amended approach. However, the *Draft Strategy Document* now proposes three amendments to that set out previously in relation to:

- Hinterland Villages;
- Villages and the Countryside; and
- Redistributing housing to the Settlement Network.

### Approach to Hinterland Villages

4.2 The *Core Strategy Further Consultation* introduced Hinterland Villages in response to comments received through previous consultations. This was set out in Revised Policy SS3 of that document:

#### Extract from Revised Policy SS3

B. Small-scale residential development, usually no more than 5 dwellings, affordable housing, small scale economic development, and the provision of new/and or enhanced services and facilities will be supported in the development limits of the following Hinterland Villages which benefit from good access to larger centres:

Barmby Moor, Bilton, Cherry Burton, Dunswell, Leconfield, Nafferton, North Ferriby, Preston, Swanland, Thorngumbald, Tickton, Walkington, Wawne and Woodmansey

C. Residential allocations for development will be considered favourably in these villages where they are promoted by the parish council.

4.3 The concept of Hinterland Villages was generally welcomed but attracted some concerns. Of principal concern was uncertainty over the scale of development that would take place in these villages over the plan period and how this would be managed.

4.4 In response to the comments to the consultation, the *Draft Strategy Document* simplifies the Settlement Network and merges the group of Hinterland Villages with the previously identified Secondary Rural Service Centres where a framework for managing growth is provided (see below). The settlements are listed in Policy S3 of the *Draft Strategy Document* as

“Primary Villages” and have an identified level of new housing development<sup>10</sup>. This will allow the Council to manage the overall scale of development in each Primary Village, adding certainty for communities, investors and infrastructure providers.

- 4.5 The *Draft Strategy Document* retains the approach set out in the *Core Strategy Further Consultation* for the Secondary Rural Service Centres, which has been applied to the Primary Villages. This means that the scale of residential development planned for a Primary Village will be related to the size of the village (i.e. 10% increase in the number of dwellings, or a total of 85 dwellings over 17 years, whichever is the lower). Specific site allocations will be made to accommodate this level of development rather than relying on a series of applications on non-allocated sites. Furthermore, a specific figure aids the monitoring process which in turn will inform decisions on future applications.

### **Scale of development in the Villages and Countryside**

- 4.6 The *Further Consultation Core Strategy* made provisions for around 3,060 dwellings to come forward in Hinterland Villages, Rural Villages and the Countryside. As a result of the changes described above, in respect of the Hinterland Villages, the overall housing requirement for the Countryside and (Rural) Villages needed to be reassessed.
- 4.7 Concerns were also expressed that the overall scale of development directed to this tier was too high. Furthermore, as sites would not be allocated for residential development in these locations, the Strategy would not provide the certainty required and would rely on a reasonably high proportion of windfall sites coming forward in Villages and the Countryside.
- 4.8 The revised figure for the Villages and the Countryside has been influenced by the above on the one hand, and on the other by the final National Planning Policy Framework (NPPF). The NPPF has introduced a more flexible approach to the residential development in rural areas. This has been reflected in Policy S4 of the *Draft Strategy Document*, which allows for the conversion of buildings in the Countryside for residential uses where the preservation of the building would enhance the immediate setting and where it:
- i. would represent the optimal use of a heritage asset or would be appropriate enabling development to secure the future of a heritage asset; or
  - ii. would re-use a redundant or disused building.
- 4.9 The specific number of Villages is set out in Appendix B of the *Draft Strategy Document* and their proposed development limits are identified on the *Draft Policies Map*. Therefore, a realistic assumption of the scale of development which could be planned for in these areas has been made.

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<sup>10</sup> Table 2 of the *Draft Strategy Document* sets out the housing requirement for each of the Primary Villages.

- 4.10 Taking all these factors into account, as well as the fact that the overall housing requirement for the East Riding has been revised, the *Draft Strategy Document* has reduced the numbers of dwellings that will be provided for in the Villages and Countryside to 1,149 over the plan period.

### **Redistributing housing to the Settlement Network**

- 4.11 As a consequence of redistributing housing from the Villages and Countryside, the *Draft Strategy Document* includes revised housing figures for settlements in the Settlement Network. The *Draft Strategy Document* responds to concerns that plans should identify deliverable sites for new housing. These sites should be in sustainable locations and be deliverable.
- 4.12 This means taking account of the housing market and where there is an identified need and demand. Therefore, despite an overall reduction in the proposed housing requirement from the *Further Consultation Core Strategy* to the *Draft Strategy Document* (as outlined in section 3), some figures for settlements in the Settlement Network have increased. In determining the scale of housing for individual settlements, Policy S5 of the *Strategy Document* seeks to focus the allocation of land for residential development in sustainable locations where:
- New residents would have good accessibility to employment opportunities and a wide range of other services and facilities;
  - The market will be able to deliver the proposed level of housing; and
  - It would help to meet the identified need for new housing, in particular affordable housing.

## 5. DELIVERING THE HOUSING REQUIREMENT

- 5.1 The *Core Strategy Further Consultation* proposed a housing requirement based on a gross figure – i.e. a figure which does not take account of any losses to the housing stock (e.g. through demolitions or changes of use). As a result of consultation responses and further consideration of best practice, the *Draft Strategy Document* proposes to use a revised figure based on a net requirement, which does take account of losses. This change in the way in which the housing requirement will be measured and delivered is independent of the revised housing requirement discussed in Chapters 2 and 3 (i.e. the shift from gross to net has not had an effect on the level of requirement initially established in the *Further Consultation Strategy* and the revised requirement in the current *Draft Strategy Document*).

### Supporting the delivery of housing through the Allocations Document

- 5.2 The approach taken for the *Local Plan* is to allocate sufficient land through the *Draft Allocations Document* to meet the net requirements for the Settlement Network (Policy S5 of the *Draft Strategy Document*). In identifying sufficient land, no account has been made for windfall gains or losses in the Settlement Network, though these will continue to be monitored (see below).
- 5.3 The use of a net figure may suggest that additional land, to account for losses to the housing stock, would need to be identified. However, in practice the net and gross figures for each settlement are usually the same for the East Riding. This is because very few of the sites in the *Draft Allocations Document* already accommodate existing dwellings. Therefore, in most cases there will be no losses to subtract from the gains to the housing stock. On those sites where there are existing dwellings, some may even be retained which means that losses will be minimal.
- 5.4 An indicative net capacity is provided for each site identified in the *Draft Allocations Document*. These sites have the capacity to deliver the net housing requirement for each of the settlements identified in Policy S5 of the *Draft Strategy Document*.

### Windfall gains and losses

- 5.5 Over the course of the plan period, there will be losses to the existing dwelling stock on sites not identified in the *Draft Allocations Document*. As with activity on allocated sites, these losses will be monitored through the *Local Plan Annual Monitoring Report*. To re-iterate, no account has been taken of anticipated gains and losses from windfall sites in the Settlement Network in preparing the *Draft Allocations Document*.

- 5.6 Historically, losses of individual dwellings on non-identified sites in the East Riding have generally been compensated for through the redevelopment of that same site for housing. Often, the demolition of a property (a loss) is countered by the erection of a new property in its place. In addition, there are many examples of houses in large grounds being replaced by two or three houses, or larger properties being subdivided into smaller units, which would both result in a net gain. Records show that, on balance, that the number of losses is off-set by the re-development of that same site/property.
- 5.7 For the Local Plan preparation process, the Council has no plans, and is not aware of any plans, for any significant demolition programmes. Nor is there any evidence of notable losses likely from other sources. As a result, there is no requirement to over-allocate sites to provide additional dwellings over the net figure identified in Policy S5. Indeed, the discussion above has centred on losses to the housing stock, however, there will inevitably be gains from other windfall sites in the Settlement Network over the plan period. As detailed in the Delivery, Monitoring and Reviewing section of the *Draft Strategy Document*, these will continue to be monitored over the plan period to ensure that their delivery, alongside the allocated sites, does not result in a significant over-provision of housing.

## 6. SUMMARY

- 6.1 This new data has implications for the scale of housing proposed in the Draft *Local Plan*. In particular, the:
- 2011 Census demonstrates that the pace of household growth in the East Riding since 2001 has been significantly overestimated; and
  - 2010-based and 2011-based subnational population projections are significantly lower than the 2008-based subnational population projections, which were used to inform the Further Consultation.
- 6.2 The Government's 2008-based household projections have not been updated to reflect more recent population projections released by the ONS. However, the significantly lower level of population growth will result in a lower level of future household growth in the East Riding. On the basis of this new evidence, when considered alongside other data previously published by the Council, it is proposed, through Policy S5 of the Strategy Document, to deliver an average of 1,400 (net) dwellings per annum.
- 6.3 In respect of the Plan's approach to delivering housing, the *Draft Strategy Document* provides a net figure to ensure that variations to gains and losses over the course of a particular year are accounted for. As a result, the *Draft Allocations Document* identifies sufficient land in the Settlement Network to meet the requirements set out in the *Draft Strategy Document* without relying on windfall developments. Development of the proposed allocations are unlikely to involve significant losses to the existing housing stock. However, losses on allocated sites, together with losses and gains from windfall developments, will be monitored through the *Local Plan Annual Monitoring Report*.
- 6.4 The *Draft Strategy Document* has considered a wide range of comments made to previous consultations relating to the distribution of housing. It responds to concerns expressed about the scale of development envisaged in (settlements formerly known as) Hinterland Villages, Villages and the Countryside, and sets out adjusted figures accordingly. As a consequence, the scale of development in settlements as part of the Settlement Network has been revised. The amendments provide clarity and certainty on where development will come forward.