

**Mansfield
District Council**

Housing Technical Paper Addendum

December 2018

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1 Introduction

- 1.1 Along with employment, retail and leisure development, ensuring that there is sufficient suitable land for new housing is important in achieving economic growth for the district. Providing new homes will help in supporting the local economy and offer a greater choice of properties for existing and new residents to ensure their needs are met.
- 1.2 The Housing Technical Paper (August 2018) sets out how the housing target for the Publication Draft Local Plan (September 2018) has been established. It is based on the standardised housing methodology which was introduced by the Government in July 2018. This uses information about household projections and affordability to establish the local housing need of an area.
- 1.3 In September 2018 new household projections were issued by the Office of National Statistics (ONS) which changed the starting point for establishing local housing need. However, the Government have subsequently issued further guidance about the use of these projections.
- 1.4 This Addendum to the Housing Technical Paper (December 2018) updates the situation since the publication of the Local Plan and explains the current position regarding Local Housing Need for Mansfield district. It sets out how it is proposed to deal with the changing situation regarding the number of homes that is needed in the district over the plan period (2013 to 2033). This Addendum should be read alongside the Housing Technical Paper (August 2018).
- 1.5 The Addendum also provides an updated 5 year land supply assessment based on the Local Plan being adopted in 2019.

2 Standardised Housing Methodology

- 2.1 The standardised housing methodology is set out in the National Planning Practice Guidance (NPPG). This identifies 3 steps involved in establishing local housing need:
 - 1) Setting the baseline;
 - 2) Adjustment for affordability; and
 - 3) Capping the increase.

Setting the baseline

- 2.2 The demographic baseline is the annual average household growth over 10 consecutive years from the current year. The most recent projections of household growth issued by ONS should be used to establish this; these are released every two years. The projections are produced by applying household representation trends to the population projections. The projections are trend based so do not predict the impact that future government policies or other factors might have on past or future demographic behaviour.

Adjustment for affordability

- 2.3 The Government considers that household growth on its own is insufficient. Household formation is constrained by the supply of available properties and people may be unable to find appropriate accommodation that they can afford where they want or need to live.
- 2.4 The adjustment is based on median affordability ratios; this compares the median house price to median workplace earnings. For each 1% increase in the ratio above 4% the baseline figure should be increased by 0.25%.
- 2.5 To produce the adjustment factor the calculation is $(\text{affordability ratio} - 4/4) \times 0.25$. The final calculation is then to use the adjustment factor to plus 1 x the baseline housing growth to produce the local housing need. This figure can then be applied to the plan period; whilst based on a ten year average the requirement to review the local plan every five years will mean that, if necessary, the figure can be amended.

Capping the Increase

- 2.6 In some parts of the country the adjustment for affordability could result in significant increases in local housing need. To help ensure that any increase is deliverable the Government proposes to cap the increase. The approach to the cap will depend on the status of the local plan and whether it has been adopted in the last five years. As this is not the case in Mansfield district, and due to the age of the Local Plan, the cap would be set at 40% above the 10 year average household growth (i.e. the figure identified in step one).

Using the Standardised Housing Methodology

- 2.7 Local housing need is the starting point for preparing local plans. Alternative methodologies which lead to a reduced housing target should only be used in exceptional circumstances. This could include the National Parks, where the plan boundary area does not align with the areas used in household projections, and areas with large military bases which skew the projections. It is not considered that there are any reasons to use a different approach in Mansfield district.
- 2.8 Local authorities can plan for a higher level of housing growth if there are growth opportunities resulting from significant infrastructure opportunities or the council has economic growth aspirations. Once the Local Plan is submitted for examination, housing targets are fixed for a two year period; this means they will not have to be updated as a result of the release of new projections or affordability data.
- 2.9 In introducing the standardised housing methodology, the Government has set a transition period up to 24th January 2019. During this period, local plans which are submitted for examination are examined on the basis of the 2012 NPPF; this would include the previous approach to assessing housing need through the use of the Strategic Housing Market Area Assessment.
- 2.10 However, as set out in paragraphs 5.3 to 5.12 of the Housing Technical Paper (August 2018) it is considered appropriate to use the standardised housing methodology although it is proposed to submit the Mansfield Local Plan for examination during the transition period. This is due to the imminent introduction of the standardised housing methodology, the age of the Strategic Housing Market Assessment and concerns that a five year supply against the figure produced by the SHMA would not be achievable. It is also noted that neighbouring authorities have agreed to the approach through the various statements of common ground which have been prepared.

3 Local Housing Need (2016 Projections)

- 3.1 Paragraphs 5.13 to 5.18 of the Housing Technical Paper (August 2018) uses the standardised housing methodology to identify the local housing need for Mansfield district which was used to establish the housing target in the Publication Draft Local Plan (September 2018).
- 3.2 At that time the most up to date household projections were the 2016 issued projections which were based on 2014 information. These showed a growth of 2469 households between 2018 and 2028 (an average of 247 households per year).
- 3.3 Median house prices in Mansfield district for the year ending September 2017 were £127,000. Median workplace income for 2017 was £21,045. This gives a ratio of 6.03 resulting in an adjustment factor of 1.13.
- 3.4 Applying the adjustment factor to the baseline results in a local housing need of 279 homes.

- 3.5 As this figure was below the number of dwellings built on average since 2001/02 it would not deliver the required increase in house building to address rising affordability issues. It would also not match the number of homes identified as being required to meet the economic growth aspirations of the D2N2 Local Enterprise Partnership or the districts employment land requirement as set out in the Employment Technical Paper 2018. As such it was proposed to set the housing target for the Local Plan as 325 dwellings per year or 6500 homes over the plan period.

4 Local Housing Need (2018 Projections)

- 4.1 Based on updated population projections and a revised methodology for their production, new household projections were released by ONS in late September 2018. These projections superseded the 2016 projections and should, in-line with government guidance, be used to establish local housing need.
- 4.2 The 2018 projections set out a 10 year growth of 2999 households or 299 per year. The adjustment remains unchanged at 1.13 as new data of median house prices and workplace income is to be released in March 2019.
- 4.3 This means that under the 2018 projections local housing need would be 338 dwellings per year or 6760; this is an increase of 260 homes over the plan period above the local housing need based on the 2016 projections. As this figure is above the long term average and meets the growth aspirations of the D2N2 LEP there would be no need to provide an uplift for either of these matters.
- 4.4 As housing targets are only fixed on submission under the current guidance there would be a need to propose a main modification to the publication version of the local plan to amend the housing target to at least 338 dwellings per year. There may then be a need to propose additional housing sites for allocation. However, as will be seen in Section 5, there are significant concerns about the use of the 2018 projections to inform housing targets.

5 Technical Consultation (October 2018)

- 5.1 Following the release of the 2018 Projections it became apparent that there were significant issues with their use. In response, the Government has released a technical consultation proposing a number of changes to the NPPF and NPPG¹.

¹ <https://www.gov.uk/government/consultations/changes-to-planning-policy-and-guidance-including-the-standard-method-for-assessing-local-housing-need>

- 5.2 This consultation sets out that the Government has an aspiration to build 300,000 new homes each year in England. This target is based on a range of studies and reports produced by various bodies over the years. However, application of the standardised housing methodology would result in a housing target for England of only 213,000 new homes per annum; this is below the number of homes built in 2017/18.
- 5.3 The reasons for this reduction relate to the lower population projections and the use of only two census points to inform household formation rates. The consultation document sets out the views of the Government on the reasons why it is considered appropriate to maintain an aspiration to build 300,000 new homes a year.
- 5.4 In summary, household formation rates are constrained by the availability of new homes; if new homes are not available, new households cannot form. Household projections do not show how many homes would need to be built to address housing demand but show what would happen if past trends continue. The revised methodology used to prepare the household projections uses only two census data points (2001 and 2011) to establish household formation rates. This is a period where the supply of new homes fell short of that required and new households struggled to form.
- 5.5 To address this issue the Government propose three actions:
- 1) Use of the 2016 projections to provide the baseline for local housing need in the short term;
 - 2) Clarification that lower housing numbers based on the 2018 projections is not an exceptional circumstance to justify departure from the standardised methodology; and
 - 3) Establish a new methodology by the time of the next household projections.

6 Implications for Mansfield district

- 6.1 As identified in paragraph 4.4, under the current guidance there would be a need to amend the housing target to reflect the updated local housing need figure of 338 dwellings per annum. However, as the Government are proposing that the 2016 projections continue to be used, local housing need for Mansfield district will remain at 279 dwellings; as such it would be appropriate to continue to use the 325 dwellings per annum target currently proposed in the Local Plan.
- 6.2 In contrast to the national situation, the local housing need for Mansfield district increases using the 2018 projections. The Government proposal to establish a new methodology is with the clear intention to increase the number of homes that result from the methodology; this would further increase the housing target for Mansfield district.
- 6.3 However, there is currently uncertainty over the timing of the introduction of the new methodology. The consultation document indicates that this will be introduced by the time of the next projections; as these are released every two years this may not be in place until 2020.
- 6.4 It is expected that the Local Plan will be submitted for examination in December 2018. It is not possible to delay submission until confirmation of the new methodology has been received. It is also not possible to predict what the final housing target for Mansfield district would be. Alongside the new methodology, new household projections will be available in the future which will affect the final target.
- 6.5 As such it is proposed to continue to use 325 dwellings as the housing target and commit to review the Local Plan once the final methodology is available.

7 Five Year Housing Supply Assessment

- 7.1 Paragraph 73 of the NPPF requires that local planning authorities “identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years’ worth of housing against their requirement”. As part of this, a buffer moved forward from later in the plan period should be included. The buffer should be 5% but is increased to 20% where there is evidence of significant under delivery.
- 7.2 Paragraph 73 also requires that strategic plans include a housing trajectory to illustrate the expected rate of house building. An updated trajectory is provided below.
- 7.3 As set out in Paragraph 11 (footnote 7) of the NPPF, where local planning authorities are unable to demonstrate a five year housing land supply, the most important policies in the determination of the application should not be considered up to date. This means that the presumption in favour of sustainable development is used to determine residential planning applications. To be found sound Local Plans are required to demonstrate that there will be a five year housing land supply on adoption.
- 7.4 The assessment period is based on financial years which run from 1st April to 31st March each year. This section presents the situation from 1st April 2019 to 31st March 2024.
- 7.5 At the time of writing, full information on completions for the financial year 2018/19 was not available. Completions for this year have been estimated based on completion information as of October 2018. A further update of the trajectory and five year land supply assessment will be made available after April 2019.
- 7.6 Only buildings in Use Class C3 (a, b or c) can count towards the housing supply; this includes sheltered accommodation. Other uses including care homes, Homes in Multiple Occupation and purpose built student accommodation do not count towards the housing supply.
- 7.7 As is set out in paragraph 73 of the NPPF sites must be ‘deliverable’; this means that the site is suitable now, available now and achievable with a realistic prospect that housing will be delivered on the site within five years. An updated definition of ‘deliverable’ is provided in the glossary to the NPPF; this clarifies the approach to take to sites with outline planning permission, permission in principle or allocated in the local plan.

What is the housing requirement?

- 7.8 The housing requirement is made up of the housing target plus the appropriate buffer with account taken of any over or under supply from within the plan period (i.e. April 2013 to March 2018). Policy S2(2a) sets the housing target of 325 dwellings per annum (6500 dwellings over the plan period).
- 7.9 Using the Sedgefield approach any undersupply (i.e. fewer homes are built than required) is added to the next five year period; it is therefore considered appropriate that where there is an oversupply (i.e. more homes are built than required) this amount would be taken off the target for the next five years.
- 7.10 Paragraph 73 of the NPPF sets out that a buffer of either 5% or 20% should be added to the housing supply required during the five year period depending on whether there has been significant under delivery of housing over the previous three years. This buffer is brought forward from later in the plan period and provides an additional range of sites to developers to give the best possible chance of the housing need being delivered. The NPPF (foot note 39) sets out that significant under delivery means delivery of less than 85% of the housing requirement.
- 7.11 Based on the housing trajectory it is predicted that the three years prior to April 2019 (i.e. 2016/17, 2017/18 and 2018/19) will see 1114 new homes completed; this equates to 371 homes per annum. Therefore 114% of the housing target has been built and there is not significant under delivery.
- 7.12 The period of the plan years prior to April 2019 (i.e. April 2013 to March 2019) is predicated to see 2054 homes built. This is an average of 342 dpa and is 104 dwellings over the target of 1950 homes over that period.
- 7.13 Therefore for the period April 2019 to March 2024 there is a need to demonstrate a supply of at least 1597 homes.

Housing Target (April 2019 to March 2024)	1625 i.e 325x5
Over Supply (from April 2013 to March 2019)	104
Appropriate Buffer	76 i.e 5% of 1521 (1625 – 104)
Housing Supply Required (April 2019 to March 2024)	1597 i.e. 1521+76

What is the housing supply?

7.14 As is set out above the housing supply is made up of 'deliverable' housing sites; deliverable means that the site is suitable, available and likely to deliver homes in the next five years. A reassessment of sites has been undertaken using the updated definition of 'deliverable' in the NPPF (2018). As this assessments presents the picture on adoption of the Local Plan in 2019 it can include sites with outline planning permission and proposed for allocation where there is clear evidence of housing being completed during the period April 2019 to March 2024.

7.15 The updated housing trajectory shows that it is currently predicted that 2166 new homes will be built during the first five years of the plan:

- 2019/20 - 420
- 2020/21 - 446
- 2021/22 - 355
- 2022/23 - 439
- 2023/24 - 506

Is there a five year land supply?

7.16 The table below sets out the comparison of the housing requirement against the Housing Supply for the five year period assuming the Local Plan is adopted in 2019. As noted in paragraph 7.9, any oversupply in the previous plan period reduces the amount of housing that is required to be built in the next five year period. As can be seen there is a five year housing land supply with a good buffer to account for any issues with delivery.

	Number of Homes	Percentage (against 1521)	Years of Supply (against 304dpa)
Housing Required 1 st April 2019 to 31 st March 2024	1597	105%	5.20
Housing Supply 1 st April 2019 to 31 st March 2024	2166	142%	7.1

7.17 Without the inclusion of homes on sites where a planning application is currently being determined or which is proposed for allocation there is a supply of 1903 new homes during the period April 2019 to March 2024. This equates to 125% of the required supply or a 6.25 year supply.

Local Plan Supply

7.18 In total, and including the strategic sites, the updated trajectory shows a total supply of 9574 new homes after losses are accounted for; of these 8319 are expected to be delivered during the plan period (2013 to 2033). This equates to a buffer of 28% over the housing target of 6500 new homes. Without the strategic sites there is a supply of 7435 new homes during the plan period; this is a buffer of 14% over the housing target.

Years Remaining				20	19	18	17	16	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1			
			Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20			
Location	Status	HELAA Ref	Site Name	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	Plan Period	Post Plan	Total
Large Site Completions - Those Large Sites not included in HELAA				112	59	83																		254		254
Small Sites - Both completions and projections				27	27	65	92	55	74	74	74													488		488
Windfall Allowance														38	38	38	38	38	38	38	38	38	38	380		380
Mansfield	Permission	1	Former Mansfield Brewery (part B)												5	10	8							23		23
Mansfield	Permission	2	Former Mansfield General Hospital				0	0	54															54		54
Mansfield	Permission	19	Allotment site at Pump Hollow Road							14	20	18												52		52
Mansfield	Permission	23	Sandy Lane							10	20	20	13											63		63
Mansfield	Permission	26	Windmill Lane						10	13														23		23
Mansfield	Permission	27b	Sherwood Oaks Close												6	20	20							46		46
Mansfield	Permission	54	Former Evans Halshaw site					4	25	25	12													66		66
Mansfield	Permission	59	Land to the rear of 28 High Oakham Hill												9	15	15							39		39
Mansfield	Permission	68	Kirkland Avenue Industrial Park									10	10											20		20
Mansfield	Permission	70	High Oakham House								10	10	8											28		28
Mansfield	Permission	75	Former Mansfield Hosiery Mill Car Park											10	10	9								29		29
Mansfield	Permission	80	Land North of Skegby Lane							15	35	35	35	30										150		150
Mansfield	Permission	81	Penniment Farm (Housing)							25	50	50	50	50	50	50	50	55						430		430
Mansfield	Permission	86	Corner of Quarry Lane,						6	15														21		21
Mansfield	Permission	90	Lindhurst						130	95	90	90	90	90	90	90	90	90	90	90	90	60	60	1335	365	1700
Mansfield	Permission	92	Pleasley Hill Regeneration Area			7	28	29	62	26														152		152
Mansfield	Permission	94	Bath Mill							7	7	4												18		18
Mansfield	Permission	98	Rrear of 66-70 Clipstone Road				0	5	9															14		14
Mansfield	Permission	101	South of Clipstone Road East										13	25	25	25	25	25	25	25	25	25	25	263	50	313
Mansfield	Permission	103	Park Hall Farm (Site A)				7	58	68	7														140		140
Mansfield	Permission	104	Park Hall Farm (Site B)						3	3	2	2												10		10
Mansfield	Permission	106	Former Mansfield Sand Co								4	10	25	25	25	18								107		107
Mansfield	Permission	107	20 Abbott Road												4	4								8		8
Mansfield	Permission	113	284 Berry Hill Lane				0	4	1															5		5
Mansfield	Permission	114	Dallas Street					6	8															14		14
Mansfield	Permission	157	The Ridge			26	0	0	0	9	8													43		43
Mansfield	Permission	159	Birchlands off Old Mill Lane			1	1	5	2															9		9
Mansfield	Permission	164	Garage site Alexandra Avenue						5	2														7		7
Mansfield	Permission	165	Ashmead Chambers											8										8		8
Mansfield	Permission	168	10A Montague Street			1	2	1	2	2														8		8
Mansfield	Permission	177	Hermitage Mill									15	17											32		32
Mansfield	Permission	180	Land adj 27, Redgate Street							7														7		7
Mansfield	Permission	183	Adj 188, Southwell Road East.							7														7		7
Mansfield	Permission	185	52 Ratcliffe Gate							9														9		9
Mansfield	Permission	199	Yasmee						5	5														10		10
Mansfield	Permission	203	Land at Northfield House												6									6		6
Mansfield	Pending	13	Clipstone Road East / Crown Farm Way												10	25	25	25	25	25	25	25	5	190		190
Mansfield	Pending	14	Land at Cox's Lane												10	4								14		14
Mansfield	Pending	24	Sherwood Close								10	15	8											33		33
Mansfield	Pending	60	Land off Ley Lane												4	10								14		14
Mansfield	Pending	77	Former Mansfield Brewery (part A)										10	20	20	25								75		75
Mansfield	Pending	79	Rosemary Avenue								10													10		10

[illegible]

Cumulative Requirement	325	650	975	1300	1625	1950	2275	2600	2925	3250	3575	3900	4225	4550	4875	5200	5525	5850	6175	6500
Monitor - no of dwellings above or below annual requirement.	-30	-71	66	42	-88	185	95	121	30	114	181	297	307	234	175	141	106	57	-46	-97
Manage - Annual requirement taking account of cumulative net completions	325	327	331	327	325	330	318	310	298	293	279	253	207	147	78	-7	-125	-310	-656	-1591

