

Our ref: DAL05/13  
LPA ref: 3/2012/0913  
PINS ref: APP/T2350/A/13/2194601

**APPENDICES 11 to 14 - VOLUME D**  
**to**  
**Proof of Evidence**  
**Of**  
**Jane Dickman**

**Planning Appeal**  
**Against the refusal of consent for residential development**  
**and crèche**

Land off Waddington Road  
Clitheroe  
Lancs.

On behalf of  
**The Huntroyde Estate/Clitheroe Auction Mart/Mr J Taylor; Ms Sarah Howard**  
**and Ms Samantha Howard**

Dickman Associates Ltd

**P O Box 97**  
**Bolton**  
**Lancs.**  
**BL1 9PT**

**July 2013**

**CHARTERED TOWN PLANNER**

Director: J Dickman BSc (Hons) DipTP MRTPI FRGS FRICS  
Company No 6874283, a company registered in England and Wales **VAT No 152 2106 58**  
Registered office: 11 Riverside, The Embankment Business Park, Vale Road, Heaton Mersey, Stockport, SK4 3GN

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30.5.13 and draft RVBC Strategic Housing Market Assessment June 2013 by  
HDH Planning and Development Ltd

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## **APPENDIX 11**

**DCLG report published 25<sup>th</sup> April 2013 Table 122**

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	
1	<b>Table 122 Net additional dwellings1 by local authority district, England 2004-05 to 2011-12</b>																
2																	Number of dwellings
3																	Net additions to dwelling stock
4		DCLG code	Former ONS code	Current ONS code	Met and Shire County Totals	Lower and Single Tier Authority Data	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12			
5																	
6		<b>England</b>					<b>169,450</b>	<b>186,380</b>	<b>198,770</b>	<b>207,370</b>	<b>166,570</b>	<b>128,680</b>	<b>121,200</b>	<b>134,900</b>			
7																	
8		<b>Unitary Authorities</b>					<b>29,890</b>	<b>32,910</b>	<b>35,890</b>	<b>36,030</b>	<b>28,660</b>	<b>30,920</b>	<b>31,320</b>	<b>32,430</b>			
302																	
303				E10000017	Lancashire		<b>3,730</b>	<b>3,300</b>	<b>2,320</b>	<b>2,940</b>	<b>2,250</b>	<b>1,360</b>	<b>1,430</b>	<b>1,940</b>			
304		Z2315	30UD	E07000117		Burnley	30	90	110	180	150	-70	-60	-50			
305		D2320	30UE	E07000118		Chorley	480	490	120	330	360	440	530	550			
306		M2325	30UF	E07000119		Fylde	250	140	170	380	300	150	120	140			
307		R2330	30UG	E07000120		Hyndburn	200	140	60	100	120	20	40	60			
308		A2335	30UH	E07000121		Lancaster	340	250	180	330	330	100	80	100			
309		E2340	30UJ	E07000122		Pendle	230	320	260	200	-40	-70	60	60			
310		N2345	30UK	E07000123		Preston	610	590	440	350	260	10	120	180			
311		T2350	30UL	E07000124		Ribble Valley	130	160	80	60	80	90	70	150			
312		B2355	30UM	E07000125		Rossendale	260	210	120	190	60	170	70	120			
313		F2360	30UN	E07000126		South Ribble	660	490	280	320	310	170	270	200			
314		P2365	30UP	E07000127		West Lancashire	380	200	280	200	140	110	70	230			
315		U2370	30UQ	E07000128		Wyre	170	220	230	310	180	240	70	200			
316																	
317				E10000018	Leicestershire		<b>2,450</b>	<b>2,370</b>	<b>2,740</b>	<b>2,870</b>	<b>2,260</b>	<b>2,320</b>	<b>1,670</b>	<b>2,050</b>			
318		T2405	31UB	E07000129		Blaby	160	250	220	330	200	180	210	270			
319		X2410	31UC	E07000130		Charnwood	910	710	970	920	710	640	560	700			
320		F2415	31UD	E07000131		Harborough	230	280	450	590	260	580	260	240			
321		K2420	31UE	E07000132		Hinckley and Bosworth	580	450	440	400	470	350	230	370			
322		Y2430	31UG	E07000133		Melton	120	150	190	240	280	240	160	160			
323		G2435	31UH	E07000134		North West Leicestershire	310	410	320	350	240	230	190	230			
324		L2440	31UJ	E07000135		Oadby and Wigston	140	120	160	40	90	90	80	80			
325																	
326				E10000019	Lincolnshire		<b>3,640</b>	<b>4,150</b>	<b>4,500</b>	<b>4,260</b>	<b>3,140</b>	<b>3,090</b>	<b>2,350</b>	<b>2,220</b>			
327		Z2505	32UB	E07000136		Boston	290	270	270	500	280	90	100	90			
328		D2510	32UC	E07000137		East Lindsey	500	540	730	530	590	920	240	260			
329		M2515	32UD	E07000138		Lincoln	370	410	530	500	260	360	400	440			
330		R2520	32UE	E07000139		North Kesteven	470	870	810	610	430	410	510	570			
331		A2525	32UF	E07000140		South Holland	540	520	350	560	420	290	210	170			
332		E2530	32UG	E07000141		South Kesteven	690	670	960	890	650	520	550	470			
333		N2535	32UH	E07000142		West Lindsey	780	860	850	670	510	490	350	220			
334																	
335				E10000020	Norfolk		<b>3,670</b>	<b>3,420</b>	<b>3,700</b>	<b>5,150</b>	<b>3,520</b>	<b>2,860</b>	<b>2,550</b>	<b>2,680</b>			
336		F2605	33UB	E07000143		Breckland	840	590	520	630	610	530	380	350			
337		K2610	33UC	E07000144		Broadland	280	140	310	260	310	210	150	230			

## **APPENDIX 12**

### **DAL 5 year housing land supply calculation scenarios**

Five year Supply (2008-28) based on LPA 5 year requirement at 31.3.13.

**Residual Method**

Planned provision

a) CS provision	4000	200pa
b) Net dw completed 2008-13 (5yrs)	552	110 (552/5)
c) Net dw required 2013-28	3448	
d) Adjusted Net 5 yr requirement 2013-18	1145	229 (3448/15)
e) Add 20% buffer	1374	(229+20%=275)x5

Identified supply (using RVBC figures)

Sites subject to S106	241
Affordable	299
Sites with pp	<u>1163</u>
Sub total	1703
Less sites not deliverable	<u>- 107</u>
Sub total	1596
Less 10% slippage	1436
Sites u/c	<u>155</u>
<b>Total Sites</b>	<b>1591</b>

**Supply  $1561/275 = 5.8$  years**

Planned provision - using NLP maximum of 280dpa

a) CS provision	5600	280pa
b) Net dw completed 2008-13 (5yrs)	552	110 (552/5)
c) Net dw required 2013-28	5048	
d) Adjusted Net 5 yr requirement 2013-18	1685	337(5048/15)
e) Add 20% buffer	2010	(337+20%=402)x5

Identified supply (using RVBC figures)

Sites subject to S106	241
Affordable	299
Sites with pp	<u>1163</u>
Sub total	1703
Less sites not deliverable	- 107
Sub total	<u>1596</u>
Less 10% slippage	1436
Sites u/c	<u>155</u>
<b>Total Sites</b>	<b>1591</b>

**Supply 1591/402 = 3.95years**

^ Nathaniel Lichfield & Partners (NLP) report June 2013 commissioned by RVBC which concluded their assessment of number of dpa was somewhere in the range of 220-280dpa required.

Planned provision - using 250dpa figure approved at RVBC special planning & development committee on 25.6.13

a) CS provision	5000	250pa
b) Net dw completed 2008-13 (5yrs)	552	110 (552/5)
c) Net dw required 2013-28	4448	
d) Adjusted Net 5 yr requirement 2013-18	1485	297 (4448/15)
e) Add 20% buffer	1785	(297+20%=357)x5

Identified supply (using RVBC figures)

Sites subject to S106	241
Affordable	299
Sites with pp	<u>1163</u>
Sub total	1703
Less sites not deliverable	- 107
Sub total	<u>1596</u>
Less 10% slippage	1436
Sites u/c	<u>155</u>
<b>Total Sites</b>	<b>1591</b>

**Supply 1591/357 = 4.45 years**

^ Nathaniel Lichfield & Partners (NLP) report June 2013 commissioned by RVBC which concluded their assessment of number of dpa was somewhere in the range of 220-280dpa required.

## Same 3 calculation scenarios but using Sedgefield

Five year Supply (2008-28) based on LPA 5 year requirement at 31.3.13.

### Planned provision

a) CS provision annualised	1000	200x5
b) Add NPPF 20% buffer	200	1000x0.2
c) Add shortfall	<u>450</u>	
TOTAL	1650	
Annualised	330dpa	1650/5

### Identified supply (using RVBC figures)

Sites subject to S106	293
Affordable	335
Sites with pp	<u>1163</u>
Sub total	1791
Less sites not deliverable	- 212
Sub total	<u>1579</u>
Less 10% buffer	- 158
Sub total	<u>1421</u>
Sites u/c	<u>183</u>
<b>Total Sites</b>	<b>1604</b>

**Supply 1604/330 = 4.8 years**

Planned provision - using NLP maximum of 280dpa

a) CS provision annualised	1400	280x5
b) Add NPPF 20% buffer	280	1400x0.2
c) Add shortfall	<u>450</u>	
TOTAL	2130	
Annualised	426dpa	2130/5

Identified supply (using RVBC figures)

Sites subject to S106	293
Affordable	335
Sites with pp	<u>1163</u>
Sub total	1791
Less sites not deliverable	- 212
Sub total	<u>1579</u>
Less 10% buffer	- 158
Sub total	<u>1421</u>
Sites u/c	<u>183</u>
<b>Total Sites</b>	<b>1604</b>

**Supply 1604/426 = 3.76years**

^ Nathaniel Lichfield & Partners (NLP) report June 2013 commissioned by RVBC which concluded their assessment of number of dpa was somewhere in the range of 220-280dpa required.

Planned provision - using 250dpa figure approved at RVBC special planning & development committee on 25.6.13

a) CS provision annualised	1250	250x5
b) Add NPPF 20% buffer	250	1250x0.2
c) Add shortfall	<u>450</u>	
TOTAL	1950	
Annualised	390dpa	1950/5

Identified supply (using RVBC figures)

Sites subject to S106	293
Affordable	335
Sites with pp	<u>1163</u>
Sub total	1791
Less sites not deliverable	- <u>212</u>
Sub total	1579
Less 10% buffer	- <u>158</u>
Sub total	1421
Sites u/c	<u>183</u>
<b>Total Sites</b>	<b>1604</b>

**Supply 1604/390 = 4.1years**

^ Nathaniel Lichfield & Partners (NLP) report June 2013 commissioned by RVBC which concluded their assessment of number of dpa was somewhere in the range of 220-280dpa required.

**APPENDIX 13**

**Special Planning & Development committee 25.6.13 Minutes**

## Minutes of Special Planning and Development Committee

Meeting Date: Tuesday, 25 June 2013 starting at 6.30pm  
Present: Councillor S Bibby (Chairman)

Councillors:

I Brown	J Rogerson
S Carefoot	I Sayers
B Hilton	M Thomas
J Holgate	R Thompson
S Knox	A Yearing
G Mirfin	

In attendance: Chief Executive, Director of Community Services, Head of Planning Services, Head of Regeneration and Housing.

Also in attendance: Councillors K Hind and S Hore.

### 140 APOLOGIES

Apologies for absence from the meeting were submitted on behalf of Councillors T Hill, D Taylor and J White.

### 141 DECLARATIONS OF INTEREST

There were no declarations of interest.

### 142 PUBLIC PARTICIPATION

There was no public participation.

### 143 CORE STRATEGY – REVISED HOUSING EVIDENCE

The Chief Executive submitted a report for Committee to consider updated evidence in relation to housing requirements. He reminded Members that the provision of housing was a key element of the Council's land use planning and its role in determining planning applications. In relation to the key elements of the housing evidence base, evidence in relation to housing requirements, gypsy and traveller accommodation, housing land supply Strategic Housing Land Availability Assessment (SHLAA) and a refresh of the Strategic Housing Market Assessment (SHMA) together with viability work had been commissioned. Work in relation to the SHLAA was now close to completion with the principal element outstanding being the economic viability appraisals to provide a basis on which to undertake final testing of identified sites. Although the current review was yet to be completed the adopted SHLAA identifies a more than adequate supply of land for the number of dwellings within the submitted development strategy. To date the refresh of the SHLAA had identified a considerable number of additional sites over and above those sites that are still available from the adopted study. The emerging analysis is once again anticipated to show that land supply is not a

constraint as a matter of principle. However, it was important to bear in mind that sites identified in the SHLAA do not have any status as an allocation nor should it be automatically assumed that they would attain planning permission. Any SHLAA site would still be the subject of the appropriate planning application process or future Local Plan allocations. However, it does provide an important starting point when considering land for allocations.

The Council's Strategic Housing Market Assessment had similarly been the subject of a refresh and update. This provides a key part of the housing evidence informing the nature of housing tenures, types and sizes required and in particular the overall need for affordable housing. A copy of the draft SHMA had been made available on the Council's website.

In relation to the overall scale of new housing growth and taking account of work undertaken by Nathaniel Litchfield and Partners, the SHMA results recognise the need to increase the housing target towards the figure of 250 dwellings per year to better meet the objectively assessed need. It also recognises that the assessed need is a part of the consideration of establishing the housing target for the borough and highlights the need to underpin the housing requirement with an assessment of other mitigating factors that would need to be taken into account of such as environment and infrastructure capacity. The summary also identified that the Council's current affordable housing target of 30% remains appropriate although the Council would need to consider the delivery rate of new housing such that significant growth related to economic development may result in a lower affordability target being required and this may need to be adjusted following a future review. The report highlighted the need to have regard to achieving growth in the affordable rented sector, as opposed to the social rented sector with a latent potential demand for this type of accommodation being identified. A copy of the review of the overall housing requirement that had been undertaken by Nathaniel Litchfield and Partners was included with the report for Committee's information. It was also available on the Council's website.

The consultants update had incorporated a range of new statistical information as well as a series of new scenarios to cover a range of revised projections. In summary the remodelled scenarios demonstrate the impacts of the revised household projections and the growth implications of the economic evidence base. The report emphasised the need for a policy balance to be maintained including the need to recognise the implications of past actual delivery rates and sustainability factors. The consultants had identified that in the light of more up to date information, the lower end of the original range (190 – 220 dpa outlined in 2011) now lacked validity as up to date information and vacancy rates does not support the lower level of growth. Previous concerns about the credibility of economic evidence and how it related to housing requirements had now been superseded by the updated economic evidence. This updated evidence had been used to inform the impact on housing requirements to deliver and support of the economic growth aspirations set out in the employment land review and the Core Strategy. Whilst accounting for other policy issues and the need to achieve a balance through all aspects of sustainability, the economic base forecasts would lead to a housing requirement of some 280 dwellings per annum. Whilst a level of housing requirement at 280 dwellings per annum would address

concerns regarding the delivery of housing to support economic growth and the need to take account of longer term changes in the labour force there was also a need to recognise the constraints on actual delivery, in particular the rural character of the area and its environmental attractions. Additional work to clarify these constraints would need to be undertaken to ensure that these points can be adequately addressed at the Examination to demonstrate why a lower figure was appropriate. NLP concludes that a revised housing requirement within the range of 220 – 250 dpa would be appropriate but it was stressed by the consultants that a figure above 250 must be carefully considered against the wider context of the nature of the borough and the policy context that applies, for example AONB and conservations designations. This was an important part of ensuring that all the policy implications of the Framework were taken into account to ensure that the housing requirements supports in full the delivery of sustainable development. The Council would need to be able to demonstrate that these issues had been considered.

For comparison reasons the distribution of housing as currently set out in the Core Strategy models of spatial distribution had been tabulated to illustrate the implications of both the upper figure in the Litchfield range at 250 dpa and the 280 dpa requirement generated when no mitigating factors are taken into account. The Council's sustainability consultants had been asked to provide an initial view on the implications of the increased housing requirements in relation to the submitted Core Strategy. This had just been received.

The latest evidence would also have an impact with regard to decision making on planning applications and dealing with appeals as the information represents the most up to date evidence the Council has. The current evidence base had established a housing requirement of 4000 houses over the plan period, equivalent to 200 dpa which was currently adopted for decision making purposes. This figure should continue to be the basis for decision making even though applicants and appellants would wish to utilise the most up to date evidence (ie the highest number) for the purpose of progressing their applications. It was therefore imperative to undertake the additional work to support the Council's confirmation of housing requirements as a matter of urgency, not just in relation to progressing the Core Strategy but to enable the Council to deal with the issue when determining applications.

The report of the Chief Executive also highlighted the national policy context but again reiterated that in establishing the housing requirement for the area, it was a fundamental principle that the Council has an up to date evidence base and applies that evidence to make decisions and plan for the needs of the area in an appropriate manner.

The updated housing evidence provides a basis against which to assess the submitted Core Strategy. The GTAA provides an updated position that will need to be reflected in the supporting text of the strategy but does not lead to a fundamental change in the gypsy and traveller policy itself. Although some details in the SHLAA remain yet to be finalised, the overall position emerging is that there appears again to be no fundamental issues around the ability to identify sufficient land to meet the borough's needs, although this would need to

be confirmed through the completion of the study. The update of the housing requirements review identifying a higher range for housing provision meant that the Council would need to undertake further detailed analysis of the implications of the housing growth derived from the requirement review and this would need to be fed into the timetable to progress the Examination of the Core Strategy and would need to be raised with the Inspector for his guidance on how he would wish this to be addressed.

Members discussed the findings with specific reference to the increased number of dwellings per annum required and recognised that the refreshed evidence could substantiate this increase. However, it was also felt that it was important to evaluate the issues raised in the report with regard to economic growth and the demographics of the Ribble Valley area.

RESOLVED: That Committee

1. note the findings of the Strategic Housing Market Assessment and the housing requirements updated and submit the reports as part of the evidence base to the Core Strategy Examination;
2. endorse the advice of Nathaniel Litchfield and Partners and agree to base further work on the Core Strategy housing requirement on the upper figure of 250 dwellings per annum as identified in the consultants conclusions subject to the outcome of the additional work to address matters of mitigation as identified;
3. agree to seek further guidance from the Inspector appointed to examine the Core Strategy on the emerging implications of the housing evidence base in relation to the submitted Core Strategy and the need to undertake further work in relation to the housing requirement to inform the Examination; and
4. endorse the continued application of the submitted Core Strategy housing requirement of 200 dwellings per annum for the purpose of guiding decisions on planning applications pending consultation on the updated evidence.

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#### CORE STRATEGY – PROPOSED MAIN CHANGES

The Chief Executive submitted a report outlining the changes proposed to the submitted Core Strategy. A schedule of the recommended changes was set out for Committee's information. Many of the changes related to an improvement in clarity and interpretation identified in response to the Inspector's original queries or to technical updates to reflect the new evidence reports. These changes would be provided to the Inspector and would need to be subject to public consultation in accord with the applicable regulations in due course.

RESOLVED: That Committee agree to the proposed changes as outlined in the Appendix to the report and endorse their submission to the Inspector.

## CORE STRATEGY RETAIL AND LEISURE STUDIES

A report was submitted for Committee's information on the update to the Core Strategy evidence base document in relation to the submitted Core Strategy on retail and leisure matters. Both reports were available for Committee's information and had been carried out by Nathaniel Litchfield and Partners.

The broad direction highlighted by both studies confirmed that the current approach to the Core Strategy was appropriate and both studies would provide further information in order that the Council was able to provide robust evidence to underpin and inform the Local Plan. The documents also contained useful information that could help inform the Council's future economic development work.

RESOLVED: That the report be noted.

The meeting closed at 7.35pm.

If you have any queries on these minutes please contact John Heap (414461).

## **APPENDIX 14**

**Special Planning & Development committee 25.6.13 Report,  
NLP Report - Implications of the 2011-based CLG Household  
Projections 30.5.13  
and  
draft RVBC Strategic Housing Market Assessment June 2013  
by HDH Planning and Development Ltd**

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO PLANNING & DEVELOPMENT COMMITTEE

Agenda Item No.

meeting date: 25 JUNE 2013  
title: CORE STRATEGY – REVISED HOUSING EVIDENCE  
submitted by: CHIEF EXECUTIVE  
principal author: COLIN HIRST – HEAD OF REGENERATION & HOUSING

## 1 PURPOSE

1.1 To consider updated evidence in relation to housing requirements.

1.2 Relevance to the Council's ambitions and priorities:

- Council Ambitions – To match the supply of homes in our area with identified housing needs and to progress the Core Strategy. The Core Strategy is a central Strategy of the Local Development Framework. It will help in the delivery of housing, employment and the protection and enhancement of the environment, ultimately presenting the Delivery Strategy for implementing the vision for the Ribble Valley for the next 15-20 years.
- Community Objectives – As a tool for delivering Spatial Policy the Core Strategy identifies how a range of issues relating to the objectives of a sustainable economy, thriving market towns and housing provision will be addressed through the planning system.
- Corporate Priorities – The Core Strategy is the central document of the LDF. The housing requirement is fundamental to determining planning applications and for the purposes of formulating planning policy.
- Other Considerations – The Council has a duty to prepare Spatial Policy under the Local Development Framework system.

## 2 BACKGROUND

2.1 As Members are aware the provision of housing is a key element of the Council's land-use planning and its role in determining planning applications. As an issue, it generates without doubt high levels of interest and concern amongst the local community, as demonstrated in recent Core Strategy consultations. Housing provision brings great pressure from landowners and developers; it plays a key economic role, has a role in delivering sustainable mixed communities; regeneration benefits and opportunities to deliver both affordable and a choice of market houses (and location) to meet people's aspirations.

2.2 Previously, strategic planning for housing requirements had been delivered through a top down approach, formerly through the County Structure plans and more recently by way of regionally set requirements in the Regional Spatial Strategy (RSS). District Authorities as consultees in the statutory planning process have had the opportunity to contribute to establishing housing requirements. However, the removal of the Regional

tier puts the responsibility of establishing housing requirements with district planning authorities and this has been undertaken through the Core Strategy process.

- 2.3 The housing requirement that has informed the preparation of the Core Strategy was the subject of a study undertaken by Nathaniel Litchfield and Partners in 2011; that work was subsequently the subject of public consultation before a figure for developing the Core Strategy was established and incorporated into the Council's submitted Core Strategy. Members will recall a previous report dealing with this issue was considered in February 2012 (Minute 716 refers) and subsequent reports dealing with the objections to the Core Strategy proposals have been considered by Members at a number of key consultation stages. In relation to the Core Strategy Examination, a number of unresolved objections remain in relation to the issue of housing requirements.
- 2.4 The Council submitted its Core Strategy for Examination in September 2012. The housing evidence that informed the plan suggested a housing requirement range of between 190-220 dwellings per annum or a requirement over the plan period of between 3800-4400 dwellings. The housing requirement established and taken forward in the submitted Core Strategy was a level of 200 dwellings per annum as a minimum, or 4000 dwellings over the plan period. Houses built or granted permission from 2008 would be taken account of in identifying the additional land necessary.
- 2.5 Following submission of the Core Strategy, the Inspector raised as a particular concern the need to ensure the evidence underpinning the plan was up to date. The housing and economic evidence would also need to be aligned for consistency and it was also important to take account of the most recently available data. As a consequence, the Inspector agreed to suspend the Examination for a period of six months to allow the evidence to be updated and refreshed to inform the Examination. The need to update the evidence base was a significant matter from the Inspector's viewpoint.

### 3 OVERALL HOUSING EVIDENCE

- 3.1 In relation to the key elements of the housing evidence base, evidence in relation to housing requirements, Gypsy and Traveller Accommodation (GTAA), housing land supply (Strategic Housing Land Availability Assessment SHLAA) and a refresh of the Strategic Housing Market Assessment, together with viability work has been commissioned. A separate report on the outcome of the GTAA has already been presented to Members at the meeting of the Planning and Development Committee held on 23 May 2013.
- 3.2 The emerging work updating the evidence base has been discussed with the Core Strategy Working Group that was established to support the evidence review process.
- 3.3 Work in relation to the Strategic Housing Land Availability Assessment (SHLAA) is at the time of writing close to completion. The principal element outstanding is the completion by the Council's consultants of the economic viability appraisals to provide a basis on which to undertake final testing of identified sites. An update on this will be provided to Members at the Committee meeting.
- 3.4 Members will recall that the primary purpose of the SHLAA is to ensure that sufficient land can be identified to meet any requirements. Although the current review is yet to be completed, the adopted SHLAA identifies a more than adequate supply of land for the

number of dwellings within the submitted development strategy. The adopted study clearly identified that as a principal land supply in general was not a constraint on the borough in meeting its housing requirements. To date, the refresh of the SHLAA has identified a considerable number of additional sites over and above those sites that are still available from the adopted study. The emerging analysis is once again anticipated to show that land supply is not a constraint as a matter of principle. It is important to bear in mind that sites identified in the SHLAA do not have any status as an allocation nor should it be automatically assumed that they will attain planning permission. Any SHLAA site would still be the subject of the appropriate planning application process or future Local Plan allocations. The SHLAA does however provide an important starting point when considering land for allocations.

- 3.5 The Council's Strategic Housing Market Assessment (SHMA) has similarly been the subject of a refresh and update. A draft has been considered by the Core Strategy Working Group. Members will recall that the SHMA provides a key part of the housing evidence, informing the nature of housing tenures, types and sizes required and in particular the overall need for affordable housing. Its process reflects the current government guidance.
- 3.6 A copy of the draft SMHA has been placed in the level D Members' Room and can be viewed on the Council's website. A copy of the document is attached at Appendix 1 to this report for Members of the Planning and Development Committee. The SHMA report sets out a number of key findings. Of significance are the following particular aspects:
- The CLG based estimate of affordable need is 404 dwellings per year (this compares to 264 in the 2008 SHMA). However, it must be emphasised that this figure does not equal the number of new affordable units to be built. It does however draw attention to the continued demand for affordable housing provision that the borough will need to plan for. The details of the needs assessment model are set out in section 5 of the SHMA.
  - In terms of the accommodation required to provide housing market balance over the longer term, the model applied in the SHMA suggests that of the new housing required, 70% should be market dwellings, 6% shared ownership, 19% affordable rent and 5% new social rented dwellings. This supports the Council's existing affordable housing target overall of 30%. Details of these issues are set out in section 6 of the SHMA.
- 3.7 Section 7 of the SHMA draws together the policy implications of the results as a summary. In relation to the overall scale of new housing growth and taking account of the work undertaken by Nathaniel Litchfield and Partners, the SHMA results recognise the need to increase the housing target towards the figure of 250 dwellings per year to better meet the objectively assessed need. It also recognises that the assessed need is a part of the consideration of establishing the housing target for the borough and highlights the need to underpin the housing requirement with an assessment of other mitigating factors that would need to be taken account of such as environment and infrastructure capacity.
- 3.8 The summary also identifies that the Council's current affordable housing target of 30% remains appropriate although the Council will need to consider the delivery rate of new housing such that significant growth related to economic development (that is delivering a higher number of new homes than anticipated) may result in a lower affordability target

being required and this may need to be adjusted following a future review. Similarly, if a higher proportion of sites coming forward are below the policy threshold and consequently new development is not bringing forward sufficient affordable housing units, the Council will need to review and promote alternative mechanisms such as grant schemes and increasing use of existing stock to contribute to the affordable/market mix.

- 3.9 The report highlights the need to have regard to achieving growth in the affordable rented sector as opposed to the social rented sector with a latent potential demand for this type of accommodation being identified. This will need to be taken into account when negotiating provision and tenure mix on individual applications whilst overall the evidence in the SHMA will need to be utilised to inform the direction of housing and planning policies going forward.
- 3.10 A review of the overall housing requirement has been undertaken by Nathaniel Litchfield and Partners. A copy of the consultant's report is attached at Appendix 2 for Members of the Committee and reference copies have been placed in the Members Room on level D. The report can also be viewed on the Council's website.

#### 4 HOUSING REQUIREMENTS UPDATE

- 4.1 The consultant's update has incorporated a range of new statistical information including:

- 2011 census data
- RVBC 2013 Employment Land Review
- Revised 2010/2011 – based median population estimates
- Revised ONS median population/migration estimates for 2001-2011 factoring in the 2011 census
- 2010 based ONS sub national population projections (SNPP)
- Interim 2011 based SNPP
- Interim 2011 based household projections

- 4.2 Members will recall that the previous study looked at a series of scenarios for population household and economic change. The consultants in revisiting the earlier work, have incorporated a series of new scenarios to cover a range of revised projections. The new scenarios include:

- Pop Group baseline scenario – a demographic led scenario model on the ONS 2011 based SNPP for fertility, mortality and migration rates and utilising the 2011 based (interim) household projections giving a figure of 221 dwellings per annum.
- Long term past migration trends – a demographic led scenario modelled on the basis of past migration trends in Ribble Valley over the past 10 years giving a figure of 214 dwellings per annum.
- Short term past migration trends – a demographic led scenario modelled on the basis of past migration trends in Ribble Valley over the past 5 years, when net in migration rates have been much lower a figure of 185 dwellings per annum.
- Employment land review preferred scenario employment growth – an economic led scenario based upon delivering the anticipated job growth in Ribble Valley as projected by Oxford Economic Forecasts and incorporated within the 2013 ELR, equivalent to +1600 new jobs over the period 2010-2028. This scenario is

demographically modelled based on the broad relationship between jobs, labour force population and dwellings = 280 dwellings per annum.

- 4.3 In summary the remodelled scenarios demonstrate the impacts of the revised household projections and the growth implications of the economic evidence base. A balance in policy terms needs to be struck between the change in population trends, in particular the effects of an ageing population that removes over time the pool of labour to support the local economy. The consultant's report emphasises the need for a policy balance to be maintained including the need to recognise the implications of past actual delivery rates and sustainability factors.
- 4.4 These considerations of delivery rates and balancing sustainability in policy terms were important factors in supporting the position taken when establishing the housing requirement for the Core Strategy and which subsequently became a key area of dispute in relation to the objections made to the Core Strategy.
- 4.5 In updating the work, the consultants have identified that in the light of more up to date information, the lower end of the original range (190-220 dpa outlined in 2011) lacks validity now as up to date information on vacancy rates does not support the lower level of growth. If the projections were being produced now in the light of that new information, the lower range of the figures would have come out at around 220 dwellings per annum.
- 4.6 Previous concerns about the credibility of economic evidence and how it related to housing requirements have now been superseded by the updated economic evidence. This has been used to inform the impact on housing requirements to deliver housing and support of the economic growth aspirations set out in the employment land review and the Core Strategy. Whilst accounting for other policy issues and the need to achieve a balance through all aspects of sustainability, the economic based forecasts would lead to a housing requirement of some 280 dwellings per annum.
- 4.7 Whilst a level of housing requirement at 280 dwellings per annum would address concerns regarding the delivery of housing to support economic growth and the need to take account of longer term changes in the labour force, there is also a need to recognise the constraints on actual delivery, in particular the rural character of the area and its environmental attractions. Additional work to clarify these constraints will need to be undertaken to ensure that these points can be adequately addressed at the Examination to demonstrate why a lower figure is appropriate.
- 4.8 NLP concludes that a revised housing requirement within the range of **220-250 dwellings per annum** would be appropriate. The upper end of the range would be in the consultant's view capable of meeting the majority of national policy objectives based on the National Planning Policy Framework (the Framework) and the objectively assessed demographic needs together with the majority of economic needs. It is stressed by the consultants that a figure above 250 must be carefully considered against the wider context of the nature of the borough and the policy context that applies, for example AONB and conservation designations. This is an important part of ensuring that all the policy implications of the Framework are taken into account to ensure that the housing requirements supports in full the delivery of sustainable development. As indicated, the Council will need to be able to demonstrate that it has considered these issues. The

consultants have also identified that the lower end of the range would only serve to address the demographic requirements for housing.

- 4.9 For comparison, the distribution of housing as currently set out in the Core Strategy model of spatial distribution, has been tabulated to illustrate the implications of both the upper figure in the Litchfield range at 250 dpa and the 280 dpa requirement. These tables are set out at Appendix 3. The tables highlight the impact of increasing the housing requirement in the light of the latest evidence and the implications that would arise in terms of suggesting modifications to the strategy to reflect this information. What is of importance is the extent to which the existing distribution model remains appropriate at these increased levels of proposed housing and the need to undertake further work to inform the impact upon the strategy. This will be informed by the response from the sustainability appraisal. The Council's sustainability consultants have been asked to provide an initial view on the implications of the increased housing requirements in relation to the submitted Core Strategy and Members will be updated at the meeting.
- 4.10 In addition to the need to review the implications of the proposed housing requirement on the existing strategy, the latest evidence will also have an impact with regard to decision making on planning applications and dealing with appeals as the information represents the most up to date evidence the Council has, albeit subject to the need to both provide further supporting information and analysis in relation to the evidence and the Core Strategy and significantly the evidence being subjected to testing through consultation and later Examination.
- 4.11 The current evidence base has established a housing requirement of 4000 houses over the plan period equivalent to 200 dwellings per annum which is currently adopted for decision making purposes. This figure should continue to be the basis for decision making, however the strong likelihood is that applicants and appellants would wish to utilise the most up to date evidence for the purposes of progressing their applications. In the absence of additional supporting work by the Council, it is likely that the figure of 280 dpa would be pursued by applicants as the appropriate figure against which decisions should be made and this may be referred to by Inspectors in planning appeals. There is an imperative therefore in undertaking the additional work to support the Council's confirmation of housing requirements as a matter of urgency, not just in relation to progressing the Core Strategy but to enable the Council to deal with this issue when dealing with applications..
- 4.12 At this stage in terms of the available information for the Core Strategy Examination, the Council can put forward its latest evidence base and accept the advice of its consultants, however further work must be undertaken in the light of the evidence to establish the housing target that the Council considers is appropriate to apply to the Core Strategy and to assess the implications for the submitted strategy model.

## 5 NATIONAL POLICY CONTEXT

- 5.1 The basis of addressing housing issues is set out in the National Planning Policy Framework (the Framework) which has at its heart the delivery of sustainable development. In essence the Framework emphasises the three roles that the planning system has to perform in order to achieve sustainable development.

5.2 The three roles, which should not be taken in isolation, are:

- An economic role – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and co-ordinating development requirements, including the provision of infrastructure;
- A social role – supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations; and by creating a high quality built environment, with accessible local services that reflect the community's needs and support its health, social and cultural wellbeing; and
- An environmental role – contributing to protecting and enhancing our natural, built and historic environment; and as part of this, helping to improve biodiversity, use natural resources prudently, minimise waste and pollution, and mitigate and adapt to climate change including moving to a low carbon economy.

5.3 At the heart of national policy and within the overarching roles of the planning system, the Framework sets out 12 core planning principles, which includes amongst other things, that planning should be

- Genuinely plan led – empowering local people to shape their surroundings, with succinct local and neighbourhood plans setting out a positive vision for the future of the area and significantly that plans should be kept up to date, and be based on joint working and co-operation to address larger than local issues.

In addition, the core planning principles include that planning should:

- Proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of the area and respond positively to wider opportunities for growth.

5.4 In establishing the housing requirement for the area, it is a fundamental principle that the Council has an up to date evidence base and applies that evidence to make decisions and plan for the needs of the area in an appropriate manner. Paragraph 152 of the Framework identifies that local planning authorities should seek opportunities to achieve each of the economic, social and environmental dimensions of sustainability and make net gains across all three areas. However, it is also stated in paragraph 152 that 'significant adverse impacts on any of these dimensions should be avoided and, wherever possible, alternative options which reduce or eliminate such impacts should be pursued. This is an important consideration in relation to the impact of development requirements identified through evidence gathering. Similarly, the Framework in paragraph 157 recognises that plans should be based upon co-operation with neighbouring authorities, public, voluntary and private sector organisations. This co-operation is a factor when considering the impacts of housing policy with neighbouring authorities in relation to their investment and regeneration priorities and these are considerations for the Council in determining the most appropriate housing levels. This

liaison to confirm the position of neighbouring authorities in the light of the consultants findings, will require additional work.

- 5.5 It is also clear from the Framework that whilst the Council is expected to use the evidence base to ensure the full objectively assessed needs are met, this is, as set out in paragraph 47 of the Framework only 'as far as is consistent with the policies set out in this Framework ...'. This underpins the regard the Council must have whilst on the one hand recognising the requirements identified in its evidence base and balancing this against the detailed policy considerations required by the Framework to ensure sustainable development is achieved.
- 5.6 This is further illustrated for example at paragraph 115 of the Framework which states 'great weight should be given to conserving landscape and scenic beauty in ... Areas of Outstanding Natural Beauty ...' and in subsequent paragraphs dealing with biodiversity and conserving and enhancing the historic environment for example. Similarly it is clearly relevant as set out in paragraphs 165 and 166 of the Framework referring to the regard to be given to wider environmental considerations when establishing planning policies, to ensure that there is balanced judgement between evidence on needs and evidence on protecting the characteristics and environmental considerations that apply across the borough.
- 5.7 In summary whilst it is clear from national policy that the Council has to address the needs that its evidence identifies, and the national policy and direction of NPPF is clearly growth based. It is also an imperative that the Council balances the delivery of sustainability in terms of the three key roles identified in the Framework. On this basis it is important that the further work identified in the report so far and in particular in relation to the housing requirements review, is undertaken in order to ensure that the Council can inform its decision on housing requirements and substantiate this decision through the Examination.

## 6 CONCLUSIONS

- 6.1 The updated housing evidence provides a basis against which to assess the submitted Core Strategy. As indicated the GTAA provides an updated position that will need to be reflected in the supporting text of the strategy but does not lead to a fundamental change in the Gypsy and Traveller policy itself. Although some details of the SHLAA remain at the time of writing to be finalised, the overall position emerging is that there appears again to be no fundamental issues around the ability to identify sufficient land to meet the borough's needs although this needs to be confirmed through the completion of the study.
- 6.2 The update of the housing requirements review identifies a range for housing provision of between 220-250 dwellings per annum as being an appropriate guide for housing requirements. It is emphasised by the consultants that a level of 220 would not address the economic needs of the borough. This would deliver the demographic based needs but a level of 250 would enable the Council to support the delivery of affordable housing and some economic growth. A level of 250 dwellings per annum, would not address the full assessed needs to align demographic and economic needs identified in the evidence base, which would require a housing target of 280 dwellings per annum but this does not account for other balances the Council needs to apply.

- 6.3 At a level of 280 dwellings per annum, no account is made of the need to ensure the delivery of all three strands of sustainable development. Further evidence will need to be collated and tested to support the lower figure at the Examination. Given the advice in the consultant's report and subject to the requirement to support this position with further evidence, for the purposes of taking the Core Strategy forward, a requirement of 250 dwellings could be applied, however this will introduce an element of risk on soundness should the Inspector holding the Examination find that the lower figure is not fully justified.
- 6.4 An issue that arises as a result of the housing requirements review is its implications for the spatial distribution model applied in the Core Strategy that sets out the levels of growth anticipated at each settlement. Hyder Consulting, who undertook the Sustainability Appraisal for the Core Strategy, have been asked to consider the implications of increasing levels of growth in accord with the Core Strategy model and whether the spatial distribution is still appropriate. An update on this will be provided at Committee, however it must be stressed that the proposed increase in housing and its effect on patterns of growth could have implications for the Core Strategy model continuing to be a suitable basis for planning at this level of anticipated growth. The forthcoming SA advice will help clarify this.
- 6.5 As discussed earlier, the Council will need to undertake further detailed analysis of the implications of the housing growth derived from the requirement review and this will need to be fed into the timetable to progress the Examination of the Core Strategy and will need to be raised with the Inspector for his guidance on how he would wish this to be addressed.

## 7 RISK ASSESSMENT

- 7.1 The approval of this report may have the following implications:
- Resources – Additional work will need to be resourced. Provision exists within existing reserves to support the Core Strategy, however this will need to be kept under review as no specific budget is allocated for the likely work now anticipated.
  - Technical, Environmental and Legal – In forming a judgement Members will need to ensure a justified and evidence-based approach is taken in line with existing planning policy guidance.
  - Political – There is significant interest in housing and related Core Strategy issues.
  - Reputation – The decision taken will influence future planning decisions and demonstrate the ability to take the lead role on issues of significance to the local community.

## 8 RECOMMENDED THAT COMMITTEE

- 8.1 Note the findings of the Strategic Housing Market Assessment and the Housing Requirements update and submit the reports as part of the evidence base to the Core Strategy Examination.

- 8.2 Endorse the advice of Nathaniel Litchfield and Partners and agree to base further work on the Core Strategy housing requirement on the upper figure of 250 dwellings per annum as identified in the consultant's conclusions subject to the outcome of the additional work to address matters of mitigation as identified.
- 8.3 Agree to seek further guidance from the Inspector appointed to examine the Core Strategy on the emerging implications of the housing evidence base in relation to the submitted Core Strategy and the need to undertake further work in relation to the housing requirement to inform the Examination.
- 8.4 Endorse the continued application of the submitted Core Strategy housing requirement of 200 dwellings per annum for the purpose of guiding decisions on planning applications pending consultation on the updated evidence.

COLIN HIRST  
HEAD OF REGENERATION AND HOUSING

MARSHAL SCOTT  
CHIEF EXECUTIVE

#### BACKGROUND PAPERS

- 1 National Planning Policy Framework.
- 2 Submission Version Core Strategy September 2012.
- 3 Ribble Valley Housing Requirement Update – Nathaniel Lichfield and Partners.
- 4 Draft Strategic Housing Market Assessment – June 2013.

For further information please ask for Colin Hirst, extension 4503.

Ref: 250613/P&D/COLIN HIRST/EL

## RIBBLE VALLEY CORE STRATEGY – HOUSING MONITORING (250 units per year)

This table updates table 15.2 at Appendix 2 of the submitted Core Strategy and shows the residual number of houses for settlements based on the Housing Land position at 31<sup>st</sup> March 2013.

Settlement	1 Number of houses to be provided <sup>1</sup>	2 Number of houses already completed/permission given <sup>2</sup> for each 'settlement'/ area (based on the Parish)	3 Unadjusted residual (less number already completed/ permission given)	4 Longridge adjustment <sup>3</sup>	5 Proposed Strategic Site - 1040 <sup>4</sup>	6 Residual number of houses required for each settlement <sup>5</sup>  (figure of 230 is result of Standen site subtracted from Clitheroe)
Clitheroe	2,065	795	1270	0		<b>230</b>
Longridge	1,032	282	750	550		<b>550</b>
Whalley	463	248	215	0		<b>215</b>
<i>Other settlements</i>	<i>1440</i>	<i>908</i>	<i>532</i>	<i>732</i>		<b>732</b>
Standen				0	1040	<b>1040</b>
<b>Total</b>	<b>5000</b>	<b>2233</b>	<b>2770</b>			<b>2767</b>

<sup>1</sup> For three main settlements total no. of dwellings is 3560. Number of houses is calculated from settlement population as a % of total main settlement population (see table at 15.2 of Submitted Core Strategy for data) – Clitheroe 58%, Longridge 29%, Whalley 13%

<sup>2</sup> Does not include sites which are awaiting completion of section 106 agreements at 31.03.2013

<sup>3</sup> This allowance reflects anticipated development in Preston Borough at Longridge – 200 taken from Longridge and reapportioned to the 'Other Settlements'

<sup>4</sup> Proposed Strategic Site – 1040 dwellings proposed at Standen. 1040 taken from Clitheroe requirement.

<sup>5</sup> As at 31<sup>st</sup> March 2013 – applications have been approved since

**RIBBLE VALLEY CORE STRATEGY – HOUSING MONITORING (280 units per year)**

**THIS TABLE UPDATES TABLE 15.2 AT APPENDIX 2 OF THE SUBMITTED CORE STRATEGY AND SHOWS THE RESIDUAL NUMBER OF HOUSES FOR SETTLEMENTS BASED ON THE HOUSING LAND POSITION AT 31<sup>ST</sup> MARCH 2013.**

<b>Settlement</b>	<b>1 Number of houses to be provided <sup>6</sup></b>	<b>2 Number of houses already completed/permission given<sup>7</sup> for each 'settlement'/ area (based on the Parish)</b>	<b>3 Unadjusted residual (less number already completed/ permission given)</b>	<b>4 Longridge adjustment <sup>8</sup></b>	<b>5 Proposed Strategic Site - 1040 <sup>9</sup></b>	<b>6 Residual number of houses required for each settlement <sup>10</sup>  (figure of 485 is result of Standen site subtracted from Clitheroe)</b>
Clitheroe	2,320	795	1525	0		<b>485</b>
Longridge	1,160	282	878	678		<b>678</b>
Whalley	520	248	272	0		<b>272</b>
<i>Other settlements</i>	1600	908	692	892		<b>892</b>
Standen				0	1040	<b>1040</b>
<b>Total</b>	<b>5600</b>	<b>2233</b>	<b>3367</b>			<b>3367</b>

<sup>6</sup> For three main settlements total no. of dwellings is 4000. Number of houses is calculated from settlement population as a % of total main settlement population (see table at 15.2 of Submitted Core Strategy for data) – Clitheroe 58%, Longridge 29%, Whalley 13%

<sup>7</sup> Does not include sites which are awaiting completion of section 106 agreements at 31.03.2013

<sup>8</sup> This allowance reflects anticipated development in Preston Borough at Longridge – 200 taken from Longridge and reappportioned to the 'Other Settlements'

<sup>9</sup> Proposed Strategic Site – 1040 dwellings proposed at Standen. 1040 taken from Clitheroe requirement.

<sup>10</sup> As at 31<sup>st</sup> March 2013 – applications have been approved since





Nathaniel Lichfield  
& Partners

Planning. Design. Economics.

**Implications of the 2011-based CLG  
Household Projections**

Ribble Valley Housing Requirement Update

Ribble Valley Borough Council

30 May 2013

40895/02/MW/CRo

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## 1.0 Introduction

- 1.1 In July 2011 Nathaniel Lichfield and Partners [NLP] produced a study on behalf of Ribble Valley Borough Council [RVBC] concerning local housing requirements within the Borough<sup>1</sup>. The study set out the potential scale of future housing requirements in Ribble Valley, based upon a range of housing, economic and demographic factors, trends and forecasts. This sought to provide the Council with evidence on future housing requirements to help it plan for future growth and make informed policy choices.
- 1.2 The study subsequently formed a key part of the evidence base underpinning Ribble Valley's Submission Draft Local Plan, which was submitted for examination in September 2012.
- 1.3 In accordance with the requirements of the National Planning Policy Framework [The Framework], the Local Plan must be based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of their area [para 158].
- 1.4 For housing, this means that housing needs must be objectively assessed. This requires that the most up-to-date household and population projections are used, taking into account migration and demographic change. NLP's earlier HEaDROOM report based the demographic scenarios on the most up-to-date evidence available at the time (spring 2011), which comprised the ONS 2008-based Sub-National Population Projections [SNPP] and CLG 2008-based household projections.
- 1.5 New evidence is now available including the 2011 Census, ONS 2010-based SNPP, the (interim) ONS 2011-based SNPP, the ONS mid-year migration estimates for 2001-2011 and the (interim) CLG 2011-based household projections. The 2013 Employment Land Review [ELR] for Ribble Valley (BE Group) has also been made available by RVBC. This report therefore updates the locally generated housing requirements produced for RVBC in 2011 in the light of the latest demographic evidence. This includes the following:
- 1 An analysis of the latest demographic and population releases for Ribble Valley Borough, notably the 2011 Census population figures; the (interim) ONS 2011-based SNPP, the ONS mid-year migration estimates for 2001-2011 and the (interim) CLG 2011-based household projections, and how these forecasts compare with the data underpinning NLP's 2011 HEaDROOM report;
  - 2 New Scenarios exploring the likely impact of these new figures on dwelling requirements to 2028 through a re-run of the PopGroup baseline model, (incorporating the 2011-based ONS SNPP forecasts and headship rates from the 2011-based household projections), adjusted to take into

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<sup>1</sup> NLP: Ribble Valley Housing Requirement HEaDROOM Report (July 2011)

account the 2011 Census population for the Borough and updated migration trend statistics;

- 3 A new economic-change scenario, based upon the job growth projected for Ribble Valley in the Council's 2013 ELR;
- 4 A contextual overview exploring the reasons behind any significant changes to the forecasts and the extent to which the previous HEaDROOM results remain valid.

2.0

## Background and Context

### Ribble Valley Housing Needs Study

2.1 The purpose of the Ribble Valley Housing Needs Study, undertaken by NLP in 2011, was to set out the scale of future housing requirements in the Borough based upon a range of housing, economic and demographic factors, trends and forecasts. NLP's HEaDROOM model was used to provide RVBC with evidence on the future housing requirement for their area to help Officers plan for future growth and make informed policy choices through the Development Plan preparation process.

#### What is HEaDROOM?

2.2 At the heart of HEaDROOM is an understanding of the role of housing in ensuring that the future population of a locality can be accommodated and the extent to which housing plays a crucial role in securing the economic well-being of a local area. The model involves the use of a variety of forecasting techniques and analysis to avoid any over-reliance on 'predict and provide'. Specifically, this incorporates the 'PopGroup' demographic forecasting tool, with a variety of inputs including ONS population projections and comparable CLG household forecasts.

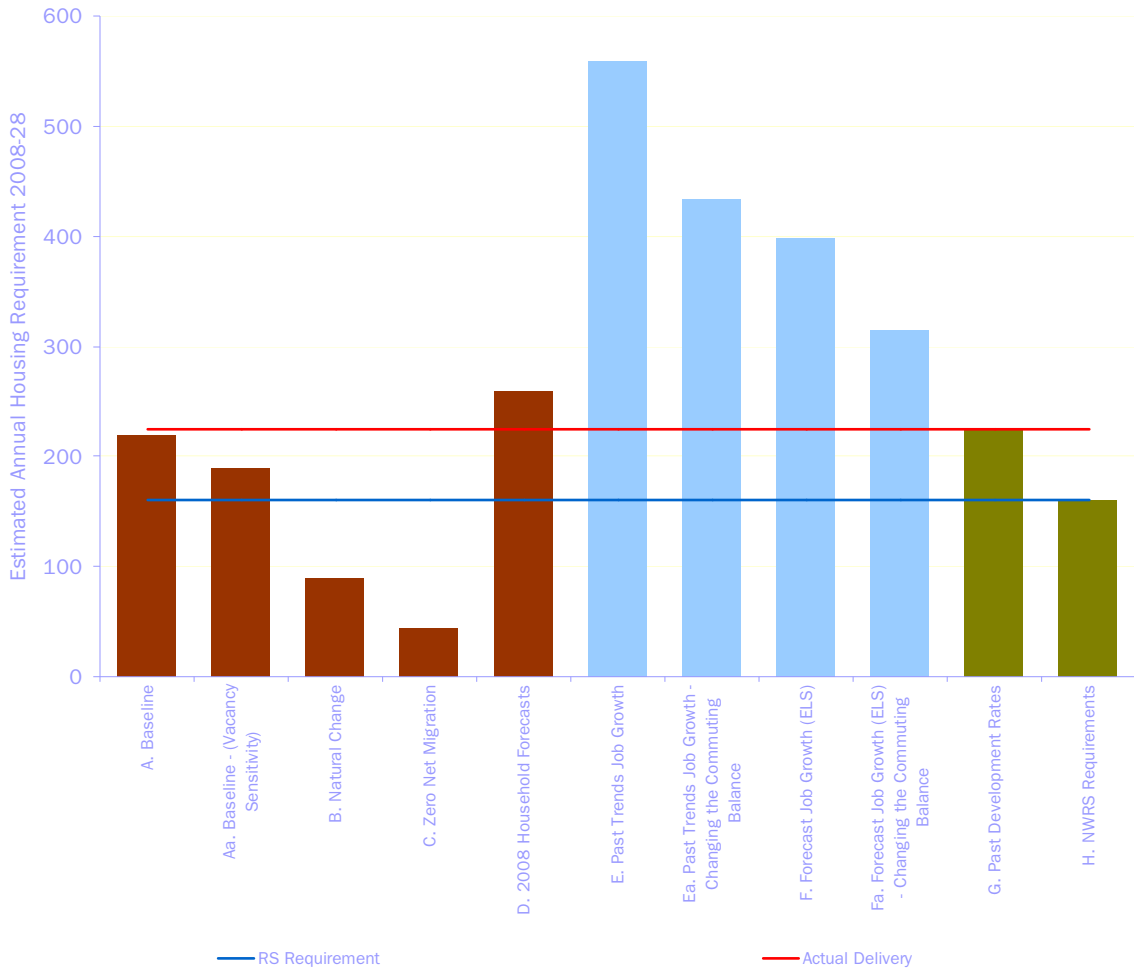
2.3 At the time of the 2011 study, the most up-to-date information available for the PopGroup model involved the 2008-based ONS SNPP and the 2008-based CLG household projections. On this basis, 11 future housing scenarios were agreed with the Council as follows:

- 1 **Demographic Factors** (Scenarios A-D) – what projections of natural change, migration and headship rates will mean for future levels of household growth. This primarily involved undertaking a series of sensitivity adjustments to the PopGroup Baseline model run (particularly concerning migration), as well as interpreting the 2008-based CLG household growth statistics for the area. An adjustment was also made to explore the implications of reducing the vacancy rate in Ribble Valley from 3.7% to 1.9%;
- 2 **Economic Factors** (Scenarios E-F) – what levels of housing are needed to sustain different estimates of employment change. This approach included taking forward job growth forecasts for the Borough underpinning the Council's Employment Land Study, as well as applying a sensitivity test that changed the commuting balance; and,
- 3 **Housing Factors** (Scenarios G-H) – how past trends of delivery are likely to be reflected in future household growth. This included analysing construction rates to identify what the market could potentially bring forward, as well as revisiting the NWRS housing requirements.

## Results of the 2011 HEaDROOM Model Runs

2.4 The scenarios resulted in a wide range of housing requirements for the period 2008 to 2028 based upon different indicators of what the need for housing within Ribble Valley could be, as summarised in Figure 2.1.

Figure 2.1 Summary of Scenarios



Source: NLP Analysis

2.5 The projected dwelling requirements ranged from as low as 43 dpa (based on the zero net migration forecasts) to as high as 559 dpa (Past trends job growth). These were split into three broad groups – demographic based scenarios allowing for an element of in-migration (A, Aa and D) and housing scenarios (G and H); demographic based scenarios excluding net in-migration (scenarios B and C); and employment-led scenarios (E, Ea, F and Fa). The employment led and reduced migration scenarios were subsequently excluded on the grounds that they were neither realistic nor desirable.

## Suggested Range

- 2.6 The HEaDROOM report concluded that the dwelling requirements for Ribble Valley Borough should be for between **190 dpa and 220 dpa over the period 2008 to 2028.**
- 2.7 This refined range was derived following the consideration of the combined outputs from the various model runs, set against the environmental issues and constraints that could preclude the Borough from physically accommodating certain levels of housing need. In particular, and as noted in the HEaDROOM report, a sensitivity test was undertaken on the baseline figure of 220 dpa using a lower rate of 1.9% in 2028, based on the Borough's valuation list data<sup>2</sup>. This resulted in a reduction in the dwelling requirement figure to 190 dpa. The HEaDROOM report concluded that there would be a need to continue to monitor and update existing evidence, including reviewing dwelling vacancy levels in the Borough, to test whether a higher/lower figure should be incorporated into a recalibrated PopGroup model.
- 2.8 It was considered that a requirement of between 190 dpa and 220 dpa represented a sensible range for the Borough, providing a realistic level of housing to deliver some economic growth, whilst recognising environmental issues and the challenges ahead.
- 2.9 It should be noted that the evidence within the report did not include any allowance for backlog/past over-provision; nor did it seek to make a planning or policy judgement. Both points were considered to be matters for RVBC Officers taking into account the information before them. The 2011 report therefore represented a first stage for further consideration of all relevant factors through the Local Plan process.

## Local Plan Proposals

### Ribble Valley Borough Local Plan

- 2.10 Key Statement H1 of the Submission Ribble Valley Local Plan (2012) states that land for residential development will be made available to deliver **4,000 dwellings**, at an average annual completion rate of at least **200 dpa** over the period 2008 to 2028 in accordance with baseline information.
- 2.11 Policy H1 states that RVBC will seek affordable housing provision at 30% of units on housing developments within the settlement boundaries of Clitheroe and Longridge comprising of 10 or more dwellings (or sites of 0.5 hectares or more, irrespective of the number of dwellings). In all other locations in the

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<sup>2</sup> Valuation List Data comes from Valuation Office Agency of HMRC. It is based on property values at 1 April 1991, with homes allocated to one of eight bands in England: the lowest - band A - is for homes worth less than £40,000, and the highest - band H - is for those worth more than £320,000. The valuation lists show to which band a property has been allocated, which reflects a value range.

Borough, for developments of 5 or more dwellings (or sites of 0.2 hectares or more), RVBC will require 30% affordable units on the site.

- 2.12 Policy EC1 states that RVBC will aim to allocate an additional 9 ha of land for employment purposes in appropriate and sustainable locations during the lifetime of the plan. This figure excludes the Enterprise Zone at the BAe Samlesbury site, which is considered to be of regional significance.

## Summary

- 2.13 Table 2.1 compares the NLP housing requirement range identified in the 2011 HEaDROOM report against the amount RVBC is actively planning for. It suggests that RVBC are planning for a level of housing growth that is approximate to the middle of the recommended range in NLP's 2011 HEaDROOM report.

Table 2.1 Annual Housing Requirements Comparison

	2011 HEaDROOM – Recommended Range	Local Plan Provision
Ribble Valley (2008-28 – 20 year)	190 – 220 dpa	4,000 (200 dpa)

Source: NLP analysis, RVBC

## 3.0 2011-based CLG Household Projections

### Overview

- 3.1 The Framework [para 47] requires LPAs to meet the full, objectively assessed need for market and affordable housing within their HMA. To have a clear understanding of housing needs in their area, LPAs should prepare a SHMA which should identify the scale and mix of housing need over the plan period to meet household and population projections, taking account of migration and demographic change [para 159].
- 3.2 In this regard, since the submission of the 2011 HEaDROOM Study, the demographic data which underpinned NLP's modelling work has been updated by both the ONS and CLG. New statistical information includes:
- 1 2011 Census data;
  - 2 RVBC's 2013 Employment Land Review;
  - 3 Revised 2010/2011-based mid-year population estimates;
  - 4 Revised ONS mid-year population/migration estimates for 2001-2011, factoring in the 2011 Census;
  - 5 2010-based ONS SNPP;
  - 6 (Interim) 2011-based SNPP; and,
  - 7 (Interim) 2011-based household projections.
- 3.3 The latter dataset is of particular relevance to this update. The latest set of household projections was published by CLG on 9<sup>th</sup> April 2013. The CLG 2011-based interim household projections cover the period 2011 to 2021 and supersede the previous 2008-based household projections which covered the period 2008 to 2033 but which were built up from a 2001 Census base.
- 3.4 A comparison of the latest household projections against the previous 2008-based household projections for Ribble Valley Borough is set out in Table 3.1.

Table 3.1 Household Projections Comparison 2011-2021

	2011-based Household Projections					2008-based Household Projections	
	2011	2021	2011-21	Annual H'holds	Annual Dwellings*	Annual H'holds	Annual Dwellings*
<b>Ribble Valley</b>	24,099	25,978	1,879	188	196	250	261

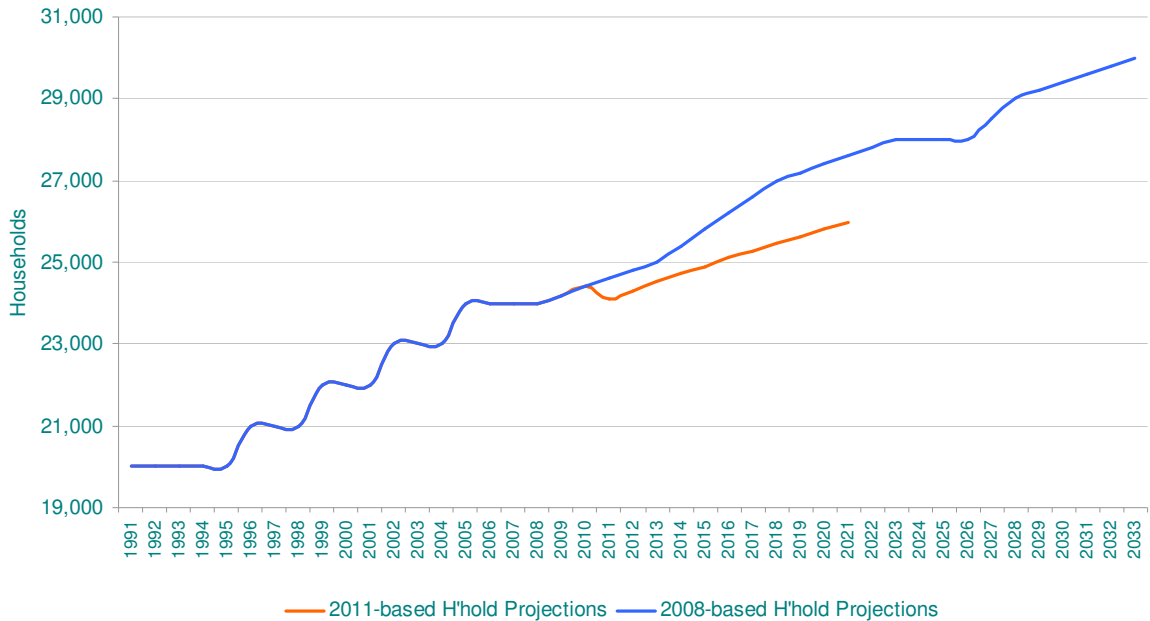
Source: CLG (interim) 2011/2008-based household projections / NLP analysis

\*Converts households into dwellings by making an additional allowance for vacant units/second homes (4.2% for Ribble Valley as recorded in the October 2012 Council Tax Base for Formula Grant Purposes)

- 3.5 Both Table 3.1 and Figure 3.1 indicate that whilst household growth is forecast to continue to increase in Ribble Valley under the latest projections, the level of change between 2011 and 2021 is projected to be much lower than the

previous 2008-based household projections suggested. The most recent projections are around 25% lower than the 2008-based projections. This appears to be due, at least in part, to a past over-estimation of the number of residents living in the Borough based on the mid-year estimates. This indicated 58,500 residents living in the Borough in 2011, whereas the more accurate 2011 Census recorded that the total resident population was significantly lower, at 57,100.

Figure 3.1 Ribble Valley Borough CLG Household Projections Comparison



Source: NLP Analysis / CLG 2008/2011-based household projections

3.6 Overall, the latest CLG household projections indicates that the number of households in the Borough is likely to increase by around 188 households per annum [hhpa], compared to 250 hpha as suggested by the previous set of projections. Converting this into dwellings would indicate a need of 196 dpa for Ribble Valley up to 2021, around 25% lower than the previous projections suggested.

### Issues with the Data

3.7 The 2011-based (interim) household projections represent the most up-to-date indication of household change currently available at a national, regional and local level. The projections incorporate 2011 Census data and supersede the 2008-based household projections.

3.8 However, it is important to note that there are a variety of limitations with the projections, not least the fact that these are demographic and trend-based only and do not take into account any policy changes that may affect actual household formation in the future.

3.9 The most obvious statistical shortcoming is that the projections only span a 10-year period, which presents difficulties for LPAs looking to plan for a

minimum of 15 years into the future. Furthermore, although Census 2011 data was used where possible, where data was not available (for example, household representative rates by age and marital status) information was used from the Labour Force Survey data or from previous projections instead.

3.10 In this regard:

*'The household projections are derived from the SNPP, so any limitations with the interim population projections would also need to be taken into account when interpreting household projections. For example, population projections generally update underlying demographic assumptions on fertility and migration in line with new available data, but for the 2011-based SNPP trends from the 2010-based projections were used.'*<sup>3</sup>

### Household Formation Rates

3.11 There is a marked difference between the household formation rates underpinning the 2008-based and (interim) 2011-based household projections. At the national level, the latest 2011-based projections strongly reflect recently observed trends in suppressed household formation which are associated, at least in part, with the impacts of the recession and past housing under-supply. CLG caution against simply rolling forward household formation rates beyond 2021:

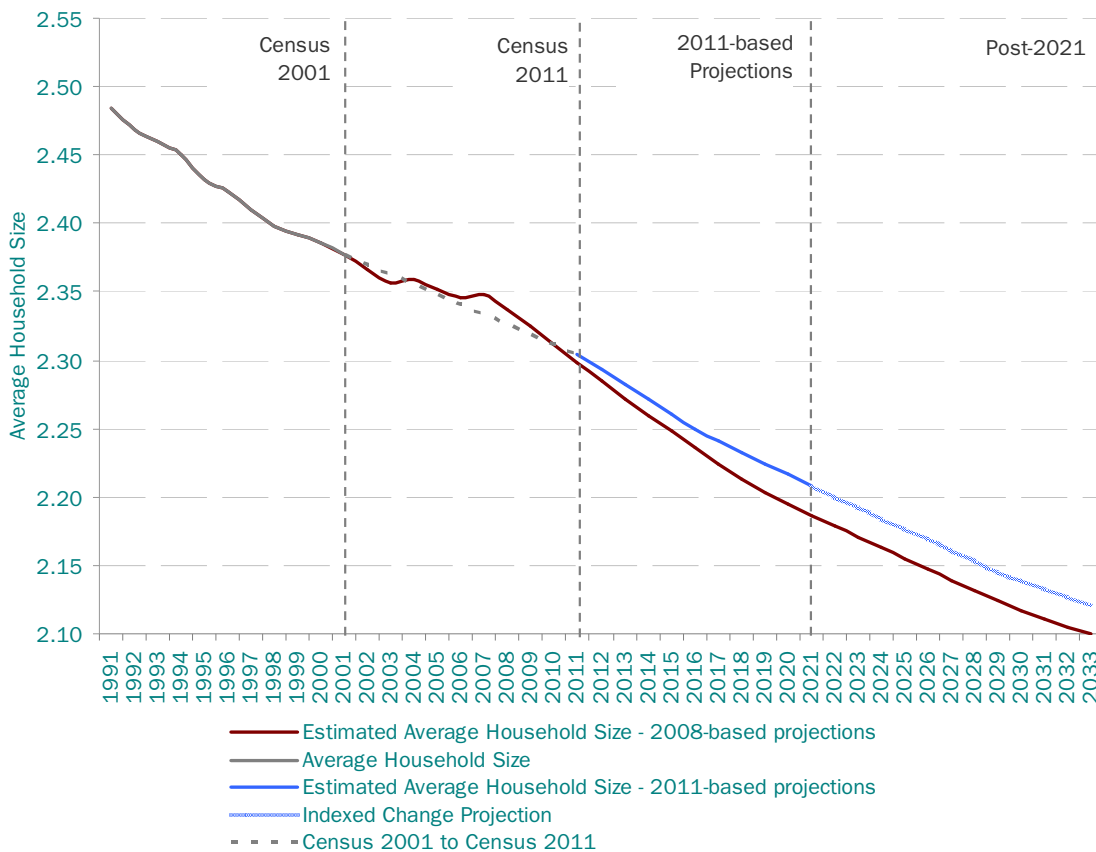
*"There are also particular limitations in the use of the 2011-based interim household projections. The projections only span for a 10-year period so users that require a longer time span would need to judge whether recent household formation trends are likely to continue."*<sup>3</sup>

3.12 Overall household formation rates in Ribble Valley have been on a consistently downward trend for many years. Indeed, unlike many other parts of the country which experienced a relatively static formation rate between 2001 and 2011, Figure 3.2 demonstrates that the downward trend towards smaller household size has continued in Ribble Valley up to the present day despite the economic downturn. Post 2011, the downward trend carried forward in the latest 2011-based projections is less pronounced than the 2008-based projections suggested, which are more reflective of long term trends.

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<sup>3</sup> CLG (2013): 2011-based Interim Household Projections - Quality Report

Figure 3.2 Trends in Household Formation (Average Household Size) in Ribble Valley (1991-2033)

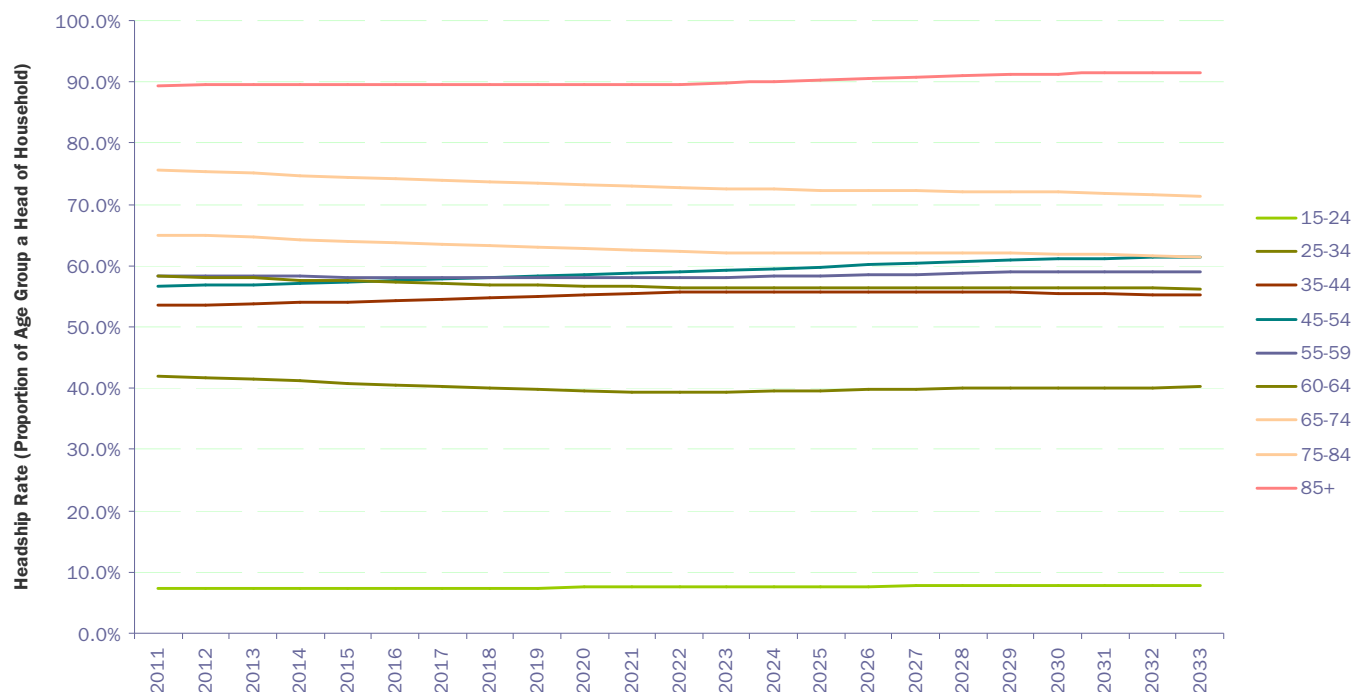


Source: Census 2001, Census 2011 and ONS/CLG Population and Household Estimates and Projections

- 3.13 The 2011-based projections expect this moderated average household size to continue in the short term up to 2021. Conversely, the previous 2008-based household projections projected forward the trends in Ribble Valley experienced pre-2001 and suggested a steeper decline.
- 3.14 For the purposes of an objective assessment of needs in line with The Framework, it is reasonable to assume that beyond 2021, rates of household formation (and therefore trends in average household size) will reflect a change in line with long term trends, i.e. decreasing household size as a result of the country's ageing population and changing social imperatives. This is likely to occur in particular as the wider economy returns to growth and peoples' circumstances improve, with an improvement in confidence and their ability to form new households.
- 3.15 NLP considers that as the market recovers the suppressed demand resulting from the recessionary constraints on household formation will simply be unlocked. In particular, this will include people in the 25-44 age brackets (and in many cases seeking to start families) being able to get on the housing ladder and form new households.
- 3.16 Therefore, beyond 2021 NLP has applied the rate of annual change in household formation from the 2008-based household projections to reflect such long term trends (and in the absence of other long-term projections of

household formation). This is illustrated for individual age cohorts in Figure 3.3, which shows increasing headship rates (the proportion of a population that will form a head of household) within Ribble Valley among 35 to 54 year olds, whilst a decreasing headship rate among 25-34 year olds and those aged 60+.

Figure 3.3 Projected Household Headship Rates for Ribble Valley



Source: CLG 2011-based Interim Household Projections, NLP

3.17 These age-specific projections of household headship rates are applied to the projected population of Ribble Valley to arrive at an estimate of the future number of households in the Borough post 2021.

## Updated Scenarios

3.18 NLP has re-visited the 2011 HEaDROOM analysis to incorporate new scenarios based on the latest CLG 2011-based (interim) household projections; the updated ONS mid-year sub-national population and migration estimates for 2001-2011; and the 2013 ELR. As discussed above, various assumptions have been made concerning the headship rates post 2021. Similar assumptions have been made concerning vacancy rates, unemployment and economic activity as in the 2011 HEaDROOM report, albeit again, more up-to-date information has been used where available. The output sheets are provided in Appendix 1, whilst a summary of the key assumptions is provided in Appendix 2. The new scenarios are as follows:

- 1 **PopGroup Baseline Scenario** – A demographic-led scenario modelled on the ONS 2011-based SNPP for fertility, mortality and migration rates and utilising the 2011-based (interim) household projections;

- 2 **Long Term Past Migration Trends** – A demographic-led scenario modelled on the basis of past migration trends in Ribble Valley over the past 10 years;
- 3 **Short Term Past Migration Trends** – A demographic-led scenario modelled on the basis of past migration trends in Ribble Valley over the past 5 years, when net in-migration rates have been much lower;
- 4 **ELR Preferred Scenario Employment Growth** – An economic-led scenario based upon delivering the anticipated job growth in Ribble Valley as projected by Oxford Economic Forecasts and incorporated within the 2013 ELR, equivalent to +1,600 new jobs over the period 2012-28 (+100 jobs per annum). This scenario is demographically modelled based on the broad relationship between jobs, labour force, population and dwellings.

### Scenario I: Revised PopGroup Baseline (2011-based CLG Household Projections)

3.19 This scenario represents the housing and economic implications of the projected demographic shift based on current factors and past trends in Ribble Valley, using projected assumptions from the 2011-based SNPP, results from the 2011 Census and CLG 2011-based projected headship rates. The results of this updated PopGroup Baseline model run are outlined in Table 3.2.

3.20 It should be noted that the figures below do not include any allowance for backlog; nor do they seek to make a planning or policy judgement as to their suitability. This is also the case for the other two new scenarios modelled.

Table 3.2 Summary of PopGroup Baseline Scenario, (2011-based CLG Household Projections) 2011-28

2011-28	Ribble Valley
Population Change	+5,596
of which Natural Change	-1,881
of which Net Migration	+7,477
Household Change	+3,603
Dwelling Change	+3,761
Dwellings p.a.	<b>+221</b>
Economic Activity	+33
Jobs	+96

Source: NLP Analysis Using PopGroup

3.21 The analysis indicates that the overall Ribble Valley dwelling requirement figure for the period 2011-2028, at **221 dpa**, is slightly higher than the 200 dpa currently being planned for by the Council in their emerging Local Plan. It extends just beyond the top end of the 190-220 dpa range recommended by the previous HEaDROOM report.

- 3.22 Table 3.2 indicates that migration - and specifically domestic migration from elsewhere in the UK - is the driver of population growth in Ribble Valley. Over the 17-year modelling period, around 47,900 people are anticipated to move into the Borough from elsewhere in the UK, with around 40,700 leaving, resulting in a net increase in the population of over 7,200 (almost 7,480 including international migrants).
- 3.23 Conversely, as the Borough's population is already weighted towards the older age cohorts, the number of deaths significantly outnumbers births, resulting in a negative natural change figure of over 1,880. Therefore due to the ageing population and despite growing by almost 5,600 residents over the Plan period, the number of economically active residents living in Ribble Valley is barely expected to change.

### Scenario J: Long Term Past Migration Trends

- 3.24 As noted above, migration is the key driver of population growth in Ribble Valley. In order to understand the sensitivity of the housing requirements figure to changes in migration rates, this scenario - examining long term past migration trends - incorporates the average rate of internal and international migration over the past ten years. These rates are shown in Table 3.3.

Table 3.3 Long Term Annual Average Migration Trends (2001/02 – 2010/11)

Migration Type	Long Term Average
Domestic Migration In	+2,957
Domestic Migration Out	-2,477
<b>Net Domestic Migration</b>	<b>+480</b>
International Migration In	+158
International Migration Out	-123
<b>Net International Migration</b>	<b>+35</b>
<b>Total Net Migration</b>	<b>+515</b>

Source: ONS mid-year sub-national population estimates for mid-2001 to mid-2011, revised following the 2011 Census (30 April 2013)

- 3.25 This scenario is a reasonable proxy for what can be expected to occur in migration terms going forward, particularly as these long term past trends show that migration has fluctuated significantly during this period, and therefore this scenario represents a 'smoothed' trend. This scenario would lead to a growth in the population totalling c.5,215 by 2028, of which -1,885 would be from natural change, with 7,100 from net migration.
- 3.26 This would lead to household growth totalling 3,480 between 2011 and 2028. Again, taking account of the dwelling vacancy and second home rate, this generates a requirement for c.**3,633** new dwellings over the 17-year period, equivalent to **214 dpa**.

### Scenario K: Short Term Past Migration Trends

- 3.27 The short term past migration trends scenario is similar to Scenario J, in that it is based on past observed trends. However, it is based upon only the previous five years of migration, during which there has been a much lower observed level of net domestic in-migration and, to a lesser extent, lower levels of net international in-migration as well. Therefore, this scenario is based upon the migration levels outlined in Table 3.4.

Table 3.4 Short Term Annual Average Migration Trends (2006/07 – 2010/11)

Migration Type	Short Term Average
Domestic Migration In	+2,767
Domestic Migration Out	-2,477
<b>Net Domestic Migration</b>	<b>+290</b>
International Migration In	+158
International Migration Out	-148
<b>Net International Migration</b>	<b>+10</b>
<b>Total Net Migration</b>	<b>+300</b>

Source: ONS mid-year sub-national population estimates for mid-2001 to mid-2011, revised following the 2011 Census (30 April 2013)

- 3.28 This scenario would lead to a population increase of 3,877 over the period 2011 to 2028. This would comprise -1,934 fewer people associated with natural change factors and +5,810 from net in-migration. This would lead to a growth in the number of households in Ribble Valley Borough of 3,009 between 2011 and 2028, which would equate a total dwelling requirement of **3,140 dwellings**. This would be the equivalent of **185 dpa**.

### Scenario L: ELR Job Growth

- 3.29 This scenario is based upon data informing the 2013 Ribble Valley ELR. The 'Policy Off' Oxford Economics Forecasting Model (2013) projected that Ribble Valley Borough would have an increase in jobs of 100 per annum over the period 2012 to 2028 (+1,600 in total). This is equivalent to a rise of 4.6% from 2012 (although this is significantly less than the UK growth figure of 8.1% and the North West growth rate of 6.2% over the same time period.) RVBC Officers have confirmed that the emerging Local Plan will include this figure as the anticipated level of job growth likely to be created in the Borough over the Plan period.
- 3.30 The necessary population growth to underpin an expansion in the indigenous labour supply, which would in turn support this given level of employment growth is modelled in this scenario, along with the quantity of housing required to ensure delivery of these jobs.
- 3.31 The modelling for this scenario assumes that rates of natural population change and household formation remain the same as for the baseline

demographic scenario outlined earlier (i.e. based on past trends continuing). The scale of in-migration is adjusted to provide a sufficient quantity of economically active people to meet the job target for Ribble Valley.

- 3.32 To meet the job growth of 100 per annum between 2011 and 2028, an increase in the indigenous labour force of c.1,670 people would be necessary; this would require a population growth of 8,738 people (Table 3.5). This population growth (combined with household change within the existing population profile) would lead to a growth in households of 4,553 by 2028.
- 3.33 To accommodate this growth in households (and taking into account a second home and vacancy rate), an additional 4,753 homes would need to be built between 2011 and 2028, equivalent to 280 dpa.

Table 3.5 Summary of ELR Job Growth Scenario L 2011-28

2011-28	Ribble Valley
Population Change	+8,738
of which Natural Change	-1,124
of which Net Migration	+9,862
Household Change	+4,553
Dwelling Change	+4,753
Dwellings p.a.	<b>+280</b>
Economic Activity	+1,670
Jobs	+1,700

Source: NLP Analysis Using PopGroup / RVBC ELR 2013

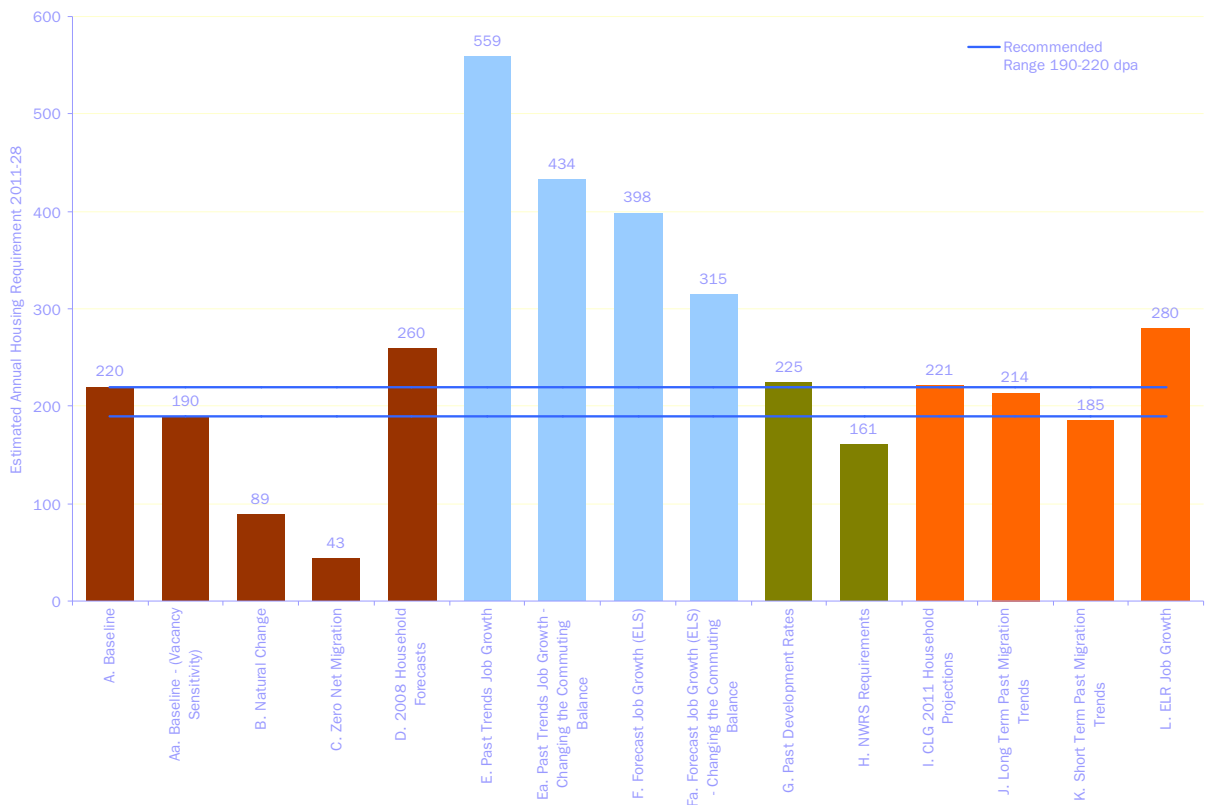
4.0

## Implications of the Revised Projections

4.1

In the light of the recent publication of the 2011-based CLG household projections and other key data sources, this section of the report discusses the extent to which the previous forecasts remain valid, and whether as a consequence of this, the justification behind the range of dwelling requirements given in the previous report (and which underpins Ribble Valley’s Local Plan housing requirement) remains robust.

Figure 4.1 Summary of Retained Scenarios, including New Scenarios



Source: NLP Analysis of PopGroup Outputs

4.2

Figure 4.1 demonstrates the extent to which the latest CLG household projections scenario (I), the two past migration trend scenarios (J & K) and the ELR job growth scenario (L) compare with the previously modelled scenarios (excluding the less realistic/unsustainable projections) and the recommended range for Ribble Valley Borough. The more recent estimates of migration trends demonstrate lower levels of housing requirement, associated with lower levels of net in-migration, whilst the ELR job growth scenario suggests a much higher figure of 280 dpa. This is due to the ageing indigenous population, whereby existing residents are being removed from the pool of labour available to support the local economy. Clearly a balance needs to be struck between the various factors and this must be reflected in the Council’s policy aspirations.

- 4.3 It is re-iterated that NLP has some reservations regarding an over-reliance of the 2011-based household projections to underpin Local Plan housing requirements (as set out in Section 3.0), as although they represent the most up to date indications of demographic change, there are issues over the quality of the data, its restricted time frame, and the lack of any policy emphasis in their formulation. With regards to this latter point, the previous HEaDROOM report sought to balance the various economic, social and environmental sustainability criterion to inform a suitable housing requirement of the Borough, which is beyond the scope of this report.
- 4.4 The most meaningful comparisons for the demographic-led projections relate to Scenario A (the previous PopGroup baseline); Scenario Aa (the baseline incorporating an allowance for adjustments to the vacancy rate) and Scenario D (the 2008-based household projections).
- 4.5 As can be seen in Figure 4.1, the projections for Scenarios J and K are very similar to the previous PopGroup baseline Scenario A, which indicated a requirement of 220 dpa compared to 221/214 dpa respectively. As no adjustment has been made to the vacancy rate, it is unsurprising that the three new scenarios are higher than Scenario Aa; indeed, were a similar approach to be taken to gradually reducing the vacancy rate to 1.9%, a not dissimilar figure of 189 dpa would also accrue from Scenario I. The continued merits of this sensitivity test are discussed below.
- 4.6 The three new demographic scenarios indicate dwelling requirements that all remain significantly below the previous CLG household projections would suggest (260 dpa). This is primarily due to the consistently lower headship rates used for the latter, even allowing for index-based adjustments to the 2011-based figures post 2021.
- 4.7 The new ELR job growth Scenario L is also significantly lower than the comparable earlier economic scenarios (E-F). Along with the demographic influences discussed above, this is primarily due to the much lower job growth projected for this scenario - 100 net additional jobs per annum compared to +418 jobs per annum based on past trends (Scenario E) and +230 jobs per annum based on the 2008 ELRS (Scenario F).
- 4.8 As this scenario factors in an objectively assessed level of job growth that incorporates the impact of the recession and subsequent economic downturn, it is considered that considerably more weight can be attached to this projection than for the two previous economic scenarios (and subsequent sensitivity tests), although questions still remain as to whether the resulting level of housing suggested for this scenario, at 280 dpa, is achievable for Ribble Valley to pursue in policy terms bearing in mind past delivery rates.

## Overall Compliance

- 4.9 Following from the above analysis, it is relevant to revisit the original justification for Ribble Valley's housing requirement range. The 2011 report reviewed the range of scenarios and excluded the more extreme, or

unsustainable, forecasts such as the employment-led or reduced migration projections. Excluding the employment led and reduced migration scenarios, this left a broad range of 190-260 dwellings per annum, relating to the demographic projections for the area contained with Scenario A (PopGroup Baseline), Scenario Aa (the Baseline PopGroup model output sensitivity), Scenario D (2008 CLG Household forecasts) and G (Past Development Rates). Based on the core constraints on development delivery and policy choices, the analysis suggested that the realistic dwelling requirement for Ribble Valley Borough should sit somewhere within the 190-220 dwellings per annum range between 2008 and 2028.

4.10

This range was further justified on the grounds that:

- a **Meeting Affordable Housing Need:** Providing 190-220 dpa would contribute towards meeting some of the housing need identified in the SHMA. The SHMA identifies a critical need of 264 dpa in the Borough; the figure of 190-220 offered some scope to address the current affordable housing shortfall, and could provide between 57-66 affordable units per annum based on the Ribble Valley Submission Draft Local Plan requirement of 30% affordable housing on new sites. This level was more than double the average amount that has been achieved over the past five years, and hence represented an aspirational (but potentially realisable) target.
- b **Supporting Ribble Valley's economy:** A dwelling requirement of 190-220 could lead to a neutral change in the number of residents in employment over the plan period. Whilst a neutral job gain does not, on the face of it, appear to be much of an aspiration, this should be set against the fact that a significantly higher proportion of the resident population are forecast to be economically inactive by 2028. As noted in the HEaDROOM report, any figure significantly lower than the 190-220 range would be unlikely to allow the Borough to pursue its economic growth objectives. The economic scenarios produced projections considerably in excess of the demographic and housing-led forecasts and demonstrated the difficult policy choices that would need to be taken by RVBC should the economic growth forecasts be aggressively pursued. NLP took the view that the negligible decline in the working age population at the top end of the range was not sufficient to cause significant harm to the local economy. Furthermore, the trend-based economic analysis underpinning the ELRS did not sufficiently factor in the adverse impacts of the recession and subsequent economic downturn. The figures taken from the 2008 ELRS are therefore outdated, a fact RVBC has accepted by commissioning an update in 2013.
- c **Balancing constraints to delivery:** The range of 190-220 dpa represented a similar level of delivery to the level that was achieved before the housing moratorium came into force in 2004 (i.e. 225dpa). Hence it was considered that this range could be readily achieved once the housing market regains its former strength.

d **Environmental Constraints:** Given RVBC's objectives for respecting, protecting and enhancing the environment, biodiversity and character of the Borough whilst protecting the Green Belt, the Council was concerned that a level of development above 220 dpa could have an adverse impact on the individual character and settings of Ribble Valley's market towns and villages.

4.11 As required by The Framework, there is a need to balance each of the economic, social and environmental dimensions of sustainable development and ideally achieve net gains across all three. Significant adverse impacts on any of these dimensions should be avoided and, wherever possible, alternative options which reduce or eliminate such impacts should be pursued [para 152].

4.12 A range of 190-220 was therefore considered to achieve a suitable balance across all three dimensions of sustainable development.

## Analysis

### Vacancy Sensitivity

4.13 NLP has revisited the earlier assumption that 190 dpa could be justified at the lower end of the range primarily on the grounds that the vacancy/second homes rate recorded previously (of 3.7%) could be reduced over time, with the increased occupancy rates necessitating the construction of fewer new homes.

4.14 In Ribble Valley (as in any area), it is expected that housing vacancies and second homes will result in the number of dwellings exceeding the number of households. In establishing future projections, it is likewise expected that the dwelling requirement will exceed the household forecast. A rate of 3.7% was previously factored into the PopGroup model, based upon the most recent vacancy data available for the Borough at the time (ONS 2008 Vacant Dwellings data).

4.15 As noted in the HEaDROOM report, tackling vacancy rates has long been an aspiration of RVBC. A sensitivity test was therefore undertaken on the baseline figure using a lower rate of 1.9%, based on the Borough's valuation list data<sup>4</sup>. This resulted in a reduction in the dwelling requirement figure, from 220 dpa to 190 dpa. The HEaDROOM report concluded that there would be a need to continue to monitor and update existing evidence, including reviewing dwelling vacancy levels in the Borough, to test whether a higher/lower figure should be incorporated into a recalibrated PopGroup model.

4.16 To this end, an analysis of the latest Council Tax Base data for Formula Grant Purposes (CTB October 2012) indicates that the Borough's vacancy rate has actually risen slightly, from 3.7% to 4.2%. On this basis, there is no conclusive

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<sup>4</sup> Valuation List Data comes from Valuation Office Agency of HMRC. It is based on property values at 1 April 1991, with homes allocated to one of eight bands in England: the lowest - band A - is for homes worth less than £40,000, and the highest - band H - is for those worth more than £320,000. The valuation lists show to which band a property has been allocated, which reflects a value range.

evidence to date of the vacancy/second homes rate reducing. In these circumstances the lower end of the housing requirement range would not be justified unless there is a clearly defined policy drive on the part of RVBC to ensure that more empty homes are brought back into use and/or the number of second homes is reduced over the Plan period. We are not aware of any specific policy response from RVBC in its emerging Local Plan that is specifically seeking to bring empty homes back into use, nor to reduce the numbers of second homes in the Borough.

4.17 This suggests that without a clear policy response to reduce vacancy rates in the Borough, the lower end of the range, 190 dpa, lacks validity.

4.18 As a consequence of this, NLP considers that if the data within the 2011-based household projections, updated migration statistics and the latest vacancy rates for Ribble Valley had been available to inform the 2011 HEaDROOM report, a figure of around 220 dpa would have been recommended at the lower end of the range. Whilst Scenario K, based on short-term migration trends, indicates a lower requirement figure, NLP has reservations about placing an over-reliance on migration data for the past 5-years alone, as this may have been unduly influenced by the economic downturn and may not be replicated in future as the economy recovers.

### Economic Alignment

4.19 The Framework states that the planning system should:

*'proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth' [para 17].*

4.20 Furthermore, the document is clear that significant weight should be placed on the need to support economic growth through the planning system. On this basis, it is important that the identified level of economic growth aspired to in the emerging Ribble Valley Local Plan dovetails with the level of housing provision therein. The updated 2013 ELR provides a more up-to-date and robust level of employment growth than the previous economic Scenarios in the earlier HEaDROOM report were able to rely upon. As such, it is considered that more weight could be attached to Scenario L (ELR Job Growth) than previous Scenarios E and F.

4.21 Based upon Scenario L, and assuming that factors such as forecast economic activity or current rates of commuting do not significantly shift in the future, Ribble Valley would need to deliver around 280 dpa to meet their anticipated job growth to 2028. Although lower than the previous economic scenarios, this figure remains considerably in excess of the updated demographic forecasts and demonstrates the tough policy choices that would need to be taken by the Council should this economic growth forecast be aggressively pursued.

- 4.22 In particular, if the Council were to pursue a figure significantly lower than 280 dpa whilst also planning for annual job growth of 100 per annum to 2028 despite an ageing population, it would need to explain how it would mitigate or avoid the adverse housing, economic and other outcomes that a lower-growth approach would give rise to. It would also need to evidence how the adverse impacts of meeting housing needs, would '*significantly and demonstrably outweigh the benefits*' [The Framework, para 14] as well as make provision, through the duty-to-cooperate, for those needs to be met in full elsewhere within the housing market area.
- 4.23 As an alternative to the high levels of in-migration necessary to underpin the labour force under Scenario L, RVBC could meet their job growth projections through changing commuting patterns (i.e. 'clawing back' local residents currently commuting out to adjoining settlements); increasing economic activity rates / reducing unemployment (both of which would be very difficult to achieve in Ribble Valley); or through planning for a mix of housing which encouraged the retention of residents of an economically active age, or encouraged younger economically active people to move into the Borough. The practicalities of these options are discussed in further detail in the earlier HEaDROOM Report.
- 4.24 Set against this is the need to balance constraints to delivery and the extent to which a figure of 280 dpa can realistically be achieved in an area which only averaged 225 dpa pre-housing moratorium/recession.
- 4.25 Should a figure of around **250 dpa** be selected at the top end of the range (which would represent a mid-point between meeting demographic needs and full economic needs), this would appear to us to meet the majority of national policy objectives based on The Framework and specifically, objectively assessed demographic needs and the majority of economic needs. Any figure above 250dpa would have to be considered in the context of the rural and policy-protected nature of the Borough and against RVBC objectives for respecting, protecting and enhancing the environment, biodiversity and character of the Borough.

Table 4.1 Annual Housing Requirements - Updated Comparison

	Scenario I: 2011-based CLG (interim) H'hold Projections (2011-28)	Scenario J: Long Term Past Migration Trends (2011-28)	Scenario K: Short Term Past Migration Trends (2011-28)	Scenario L: ELR Job Growth (2011-28)	Revised Range	Local Plan Provision 2008-28
<b>Ribble Valley</b>	221 dpa	214 dpa	185 dpa	280 dpa	<b>220 – 250 dpa</b>	4,000 (200 dpa)

Source: NLP analysis, RVBC

- 4.26 If RVBC are to take this **revised range of 220-250 dpa** forward in their Local Plan, then for their ELR aspirations to be achieved, a proportion of the new jobs created would either have to be filled by in-commuters, reflecting the location of major employment zones in the west of the borough close to the boundary with

Preston or by 'clawing back' Ribble Valley residents who currently commute out to places such as Preston. Alternatively, an agreement would need to be reached with adjoining Boroughs under the 'duty to co-operate' to meet some of Ribble Valley's unmet needs within their boundaries.

- 4.27 Further evidence would therefore need to be provided by RVBC on how far these may be practically implemented in the context of the Borough's economic aspirations.
- 4.28 Within all this, it is important to recognise that the statistics upon which the housing needs model is based are updated and adjusted on a regular basis, with more detailed 2012-based 25-year forward household projections likely to be made available by CLG in 2014. It will be important for RVBC to ensure that its housing figure remains under regular review, taking into account new and more detailed evidence as it emerges.
- 4.29 It is also important to remember that whilst the evidence within this statement takes into consideration the need and demand for housing, crucially, it does not seek to make a planning or policy judgement – this is a matter for the Council taking account of the information before it. This statement therefore seeks to stimulate the further consideration of all relevant factors through the appropriate Local Plan process.

## Conclusion

- 4.30 This statement has tested the ongoing validity of the housing requirements identified in the original Ribble Valley Housing Needs study in the light of recently released demographic data and population projections.
- 4.31 Having modelled the latest CLG household projections, the 2013 ELR and related statistics on vacancy rates, unemployment and commuting, this points to a range of **between 220 dpa and 250 dpa for Ribble Valley Borough**. This would, at a minimum, meet need and demand arising from future projected demographic change within the Borough, but would also (at the top end of the range) support some economic growth, and would deliver affordable housing to respond to (at least some of) identified local needs.
- 4.32 To ensure that there is no disconnect between the housing requirement and the Council's job growth aspirations, in order to justify a figure below 280 dpa, RVBC would need to demonstrate how it would mitigate or avoid the adverse housing, economic and other outcomes that a lower-growth approach could give rise to.
- 4.33 The 200 dpa figure that RVBC is currently planning to provide to meet the needs of residents in its emerging Local Plan sits below the bottom end of this range.

# Appendix 1      HEaDROOM Modelling Results

**Population Estimates and Forecasts**

**Scenario I: PopGroup Baseline 2011-based CLG Household Projections**

**Components of Population Change**

**Ribble Valley**

	Year beginning July 1st.....																							
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Births</b>																								
Male	266	267	267	265	265	265	264	263	262	261	259	258	258	257	257	256	257	259	260	262	266	270	276	282
Female	253	254	255	252	253	252	251	250	249	248	247	246	246	245	244	244	245	246	248	250	253	257	262	269
All Births	519	521	522	517	518	517	515	513	511	509	506	505	504	502	501	501	502	505	508	512	519	527	538	551
TFR	1.95	1.97	1.97	1.93	1.92	1.90	1.88	1.86	1.85	1.84	1.83	1.82	1.82	1.81	1.80	1.79	1.79	1.79	1.79	1.79	1.79	1.79	1.79	1.79
<b>Deaths</b>																								
Male	283	283	290	293	291	294	298	302	305	308	312	316	320	325	328	334	338	343	349	354	359	364	370	376
Female	303	304	307	309	305	305	306	308	309	310	312	316	320	324	330	335	340	345	351	358	363	370	377	383
All deaths	586	586	597	602	596	599	604	610	614	618	624	632	640	649	658	669	678	688	700	712	722	734	747	759
SMR: males	102.2	99.4	98.9	97.2	93.8	92.0	90.4	88.8	87.0	85.3	83.8	82.3	80.9	79.5	78.2	77.1	76.0	74.9	74.1	73.2	72.4	71.5	70.9	70.3
SMR: females	100.8	98.6	97.2	95.8	92.4	90.3	88.6	87.0	85.0	82.9	81.1	79.7	78.2	77.1	76.0	74.9	73.7	72.7	71.6	71.0	70.0	69.4	68.8	67.9
SMR: male & female	101.5	99.0	98.0	96.5	93.1	91.1	89.5	87.9	86.0	84.1	82.5	81.0	79.6	78.3	77.0	76.0	74.8	73.8	72.8	72.0	71.2	70.4	69.8	69.1
Expectation of life	81.1	81.3	81.3	81.5	81.7	81.9	82.0	82.2	82.4	82.5	82.7	82.8	82.9	83.1	83.2	83.3	83.4	83.5	83.6	83.7	83.8	83.8	83.9	84.0
<b>Deaths input</b>																								
<b>In-migration from the UK</b>																								
Male	1,373	1,393	1,397	1,405	1,428	1,434	1,437	1,442	1,447	1,451	1,451	1,460	1,467	1,474	1,478	1,479	1,481	1,485	1,488	1,492	1,496	1,498	1,498	1,501
Female	1,503	1,515	1,524	1,522	1,542	1,544	1,543	1,544	1,548	1,555	1,549	1,551	1,555	1,560	1,566	1,576	1,586	1,593	1,601	1,608	1,615	1,624	1,635	1,644
All	2,876	2,908	2,921	2,926	2,969	2,978	2,980	2,986	2,994	3,012	3,000	3,011	3,022	3,033	3,044	3,056	3,067	3,078	3,089	3,100	3,111	3,122	3,133	3,144
SMigR: males	52.3	53.1	53.3	53.5	54.4	54.6	54.7	54.8	55.1	55.6	55.3	55.4	55.5	55.5	54.7	54.3	53.9	53.5	53.1	52.5	51.9	51.3	50.7	50.7
SMigR: females	56.4	57.4	58.0	58.0	58.7	58.8	58.8	58.9	59.2	59.6	59.3	59.1	58.8	58.6	58.4	58.3	58.0	57.6	57.2	56.6	56.0	55.5	55.1	54.6
<b>Migrants input</b>																								
<b>Out-migration to the UK</b>																								
Male	1,280	1,244	1,243	1,243	1,268	1,261	1,265	1,266	1,267	1,256	1,215	1,218	1,200	1,192	1,189	1,188	1,182	1,171	1,163	1,153	1,145	1,138	1,131	1,125
Female	1,405	1,347	1,336	1,330	1,363	1,361	1,355	1,348	1,338	1,332	1,285	1,271	1,278	1,275	1,266	1,256	1,252	1,251	1,248	1,247	1,244	1,240	1,235	1,231
All	2,686	2,592	2,579	2,574	2,631	2,622	2,620	2,614	2,606	2,588	2,500	2,489	2,478	2,467	2,456	2,444	2,433	2,422	2,411	2,400	2,389	2,378	2,367	2,356
SMigR: males	48.8	47.4	47.4	47.4	48.3	48.1	48.2	48.2	48.2	47.9	46.3	46.2	45.8	44.8	44.4	44.0	43.3	42.5	41.8	41.0	40.2	39.4	38.7	38.0
SMigR: females	52.7	51.1	50.9	50.7	51.9	51.9	51.7	51.4	51.2	51.0	49.1	48.4	48.3	47.9	47.2	46.5	45.8	45.2	44.6	43.9	43.1	42.4	41.6	40.9
<b>Migrants input</b>																								
<b>In-migration from Overseas</b>																								
Male	95	108	108	108	107	107	107	107	107	107	107	107	107	107	108	108	107	107	107	107	107	107	107	107
Female	92	92	92	92	90	90	90	90	90	90	90	90	90	90	92	92	90	90	90	90	90	90	90	90
All	177	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
SMigR: males	54.5	61.7	61.7	61.7	61.6	61.7	61.9	62.0	62.2	62.5	62.6	62.4	62.2	61.7	61.2	60.5	59.8	58.9	58.1	57.2	56.3	55.4	54.8	54.4
SMigR: females	48.0	54.1	54.1	54.1	54.5	54.8	55.0	55.2	55.4	55.6	55.9	56.0	55.8	55.7	55.5	55.2	54.8	54.2	53.6	52.9	52.1	51.3	50.6	49.7
<b>Migrants input</b>																								
<b>Out-migration to Overseas</b>																								
Male	60	111	111	111	111	111	111	111	111	111	111	111	111	111	111	111	111	110	110	110	110	110	110	109
Female	49	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	90	90	90	90	90	91
All	109	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
SMigR: males	34.6	63.8	63.7	63.8	63.7	63.8	64.0	64.1	64.3	64.6	64.8	64.7	64.7	64.4	64.1	63.6	63.0	62.3	61.5	60.6	59.6	58.7	57.7	56.8
SMigR: females	28.5	52.0	52.0	52.0	52.3	52.8	53.0	53.2	53.4	53.6	53.8	53.6	53.4	53.3	52.9	52.4	51.8	51.2	50.5	49.7	49.1	48.2	47.4	46.2
<b>Migrants input</b>																								
<b>Migration - Net Flows</b>																								
UK	+191	+316	+342	+352	+339	+356	+361	+372	+389	+425	+500	+522	+544	+567	+589	+611	+633	+656	+678	+700	+722	+744	+767	+789
Overseas	+68	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Summary of population change</b>																								
Natural change	-47	-65	-75	-85	-78	-82	-90	-97	-103	-109	-118	-127	-136	-147	-157	-168	-176	-183	-192	-199	-203	-207	-209	-207
Net migration	+259	+316	+342	+352	+339	+356	+361	+372	+389	+425	+500	+522	+544	+567	+589	+611	+633	+656	+678	+700	+722	+744	+767	+789
Net change	+192	+251	+267	+267	+261	+274	+271	+274	+286	+316	+382	+395	+408	+420	+432	+443	+457	+472	+486	+501	+519	+538	+558	+582

**Summary of Population estimates/forecasts**

	Population at mid-year																								
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
0-4	2,830	2,834	2,865	2,851	2,870	2,923	2,914	2,901	2,890	2,878	2,872	2,867	2,861	2,857	2,852	2,846	2,843	2,844	2,850	2,864	2,886	2,917	2,955	3,003	
5-10	3,821	3,822	3,893	3,971	4,024	4,036	4,061	4,091	4,138	4,137	4,169	4,229	4,227	4,219	4,206	4,197	4,184	4,174	4,163	4,149	4,138	4,122	4,120	4,125	
11-15	3,846	3,855	3,720	3,673	3,609	3,553	3,561	3,507	3,792	3,792	3,840	3,829	3,875	3,934	3,949	3,990	4,065	4,054	4,038	4,025	4,009	3,996	3,983	3,968	
16-17	1,568	1,548	1,602	1,609	1,576	1,590	1,570	1,470	1,434	1,471	1,482	1,543	1,595	1,599	1,644	1,663	1,601	1,639	1,717	1,727	1,724	1,719	1,715	1,705	1,701
18-59Female, 64Male	31,406	31,266	31,152	31,110	31,103	31,125	31,090	31,023	30,998	30,931	30,879	30,801	30,804	30,792	30,784	30,806	30,883	30,954	31,004	31,109	31,318	31,509	31,755	32,084	32,446
60/65-74	8,497	8,718	8,517	8,528	8,175	8,238	8,371	8,475	8,468	8,443	8,446	8,390	8,366	8,421	8,600	8,796	8,994	10,171	10,384	10,626	10,786	10,897	10,987	11,015	11,007
75+*	3,838	3,914	4,004	4,110	4,238	4,335	4,418	4,561	4,753	4,829	5,107	5,440	5,880	5,863	5,982	6,056	6,123	6,182	6,167	6,164	6,157	6,096	6,093	6,107	6,195
85+*	1,492	1,529	1,579	1,610	1,674	1,731	1,809	1,884	1,956	2,042	2,150	2,229	2,319	2,437	2,535	2,627	2,726	2,860	3,026	3,183	3,354	3,621	3,919	3,992	4,098
<b>Total</b>	<b>57,292</b>	<b>57,484</b>	<b>57,735</b>	<b>58,002</b>	<b>58,269</b>	<b>58,530</b>	<b>58,804</b>	<b>59,075</b>	<b>59,349</b>	<b>59,635</b>	<b>59,951</b>	<b>60,333</b>	<b>60,729</b>	<b>61,137</b>	<b>61,557</b>	<b>61,989</b>	<b>62,431</b>	<b>62,888</b>	<b>63,361</b>	<b>63,846</b>	<b>64,347</b>	<b>64,866</b>	<b>65,404</b>	<b>65,961</b>	<b>66,543</b>
<b>Population impact of constraint</b>																									
Number of persons	-1,182	-29	+16	+42	+52	-61	-44	-39	-28	-11	+25														
<b>Households</b>																									
Number of Households	24,096	24,312	24,522	24,714	24,898	25,096	25,279	25,457	25,634	25,804	25,980	26,198	26,423	26,681	26,928	27,184	27,443	27,698	27,947	28,193	28,458	28,705	28,967	29,259	29,543
Change over previous year	-466	+216	+211	+152	+184	+198	+183	+178	+176	+170	+176	+16	+225	+258	+248	+256	+258	+256	+249	+245	+241	+247	+252	+253	

**Population Estimates and Forecasts**

**Scenario J: Long Term Past Migration Trends**

**Components of Population Change**

**Ribble Valley**

	Year beginning July 1st .....																								
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
<b>Births</b>																									
Male	266	267	267	265	265	265	264	263	262	261	259	259	258	257	256	255	255	255	255	255	255	256	258	261	264
Female	253	254	255	252	253	252	251	250	249	248	247	246	246	245	244	243	243	243	243	243	244	244	246	248	251
All Births	519	521	522	517	518	517	515	513	511	509	506	505	504	502	500	498	497	498	498	499	501	504	509	515	
TFR	1.95	1.97	1.97	1.93	1.92	1.90	1.88	1.86	1.85	1.84	1.83	1.82	1.82	1.81	1.80	1.79	1.79	1.79	1.79	1.79	1.79	1.79	1.79	1.79	
<b>Deaths</b>																									
Male	283	283	290	293	291	294	298	302	305	308	312	316	320	324	328	333	338	342	347	352	357	361	366	371	
Female	303	304	307	309	305	305	306	308	309	310	312	316	320	324	329	334	339	343	349	355	359	366	372	377	
All deaths	586	586	597	602	596	599	604	610	614	618	624	632	640	648	657	667	676	685	696	707	716	727	738	748	
SMR: males	102.2	99.4	98.9	97.2	93.8	92.0	90.4	88.8	87.0	85.3	83.8	82.3	80.9	79.5	78.2	77.1	76.0	74.9	74.1	73.2	72.4	71.5	70.9	70.3	
SMR: females	100.8	98.6	97.2	95.8	92.4	90.3	88.6	87.0	85.0	82.9	81.1	79.7	78.7	77.1	76.0	74.9	73.7	72.7	71.6	71.0	70.0	69.4	68.8	67.9	
SMR: male & female	101.5	99.0	98.0	96.5	93.1	91.1	89.5	87.9	86.0	84.1	82.5	81.0	79.6	78.3	77.0	76.0	74.8	73.8	72.8	72.0	71.2	70.4	69.8	69.1	
Expectation of life	81.1	81.3	81.3	81.5	81.7	81.9	82.0	82.2	82.4	82.5	82.6	82.8	82.9	83.1	83.2	83.3	83.4	83.5	83.6	83.7	83.8	83.8	83.9	84.0	
<b>Deaths input</b>																									
<b>In-migration from the UK</b>																									
Male	1,373	1,393	1,397	1,405	1,428	1,434	1,437	1,442	1,447	1,457	1,451	1,434	1,436	1,437	1,437	1,433	1,430	1,430	1,430	1,430	1,430	1,429	1,425	1,424	
Female	1,503	1,515	1,524	1,522	1,542	1,544	1,543	1,544	1,548	1,555	1,549	1,523	1,521	1,520	1,520	1,524	1,527	1,527	1,527	1,527	1,527	1,527	1,528	1,532	1,533
All	2,876	2,908	2,921	2,926	2,969	2,978	2,980	2,986	2,994	3,012	3,000	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	
SMigR: males	52.3	53.1	53.3	53.5	54.4	54.6	54.7	54.8	55.1	55.6	55.3	54.4	54.3	54.0	53.7	53.2	52.7	52.4	52.0	51.6	51.2	50.8	50.3	50.0	
SMigR: females	56.4	57.4	58.0	58.0	58.7	58.8	58.8	58.9	59.2	59.6	59.3	58.1	57.2	56.9	56.7	56.3	55.8	55.4	54.9	54.4	54.0	53.7	53.4	53.4	
<b>Migrants input</b>																									
<b>Out-migration to the UK</b>																									
Male	1,280	1,244	1,243	1,243	1,268	1,261	1,265	1,266	1,266	1,256	1,215	1,212	1,206	1,198	1,201	1,206	1,205	1,200	1,199	1,194	1,193	1,192	1,192	1,192	
Female	1,405	1,347	1,336	1,330	1,363	1,361	1,355	1,348	1,338	1,332	1,285	1,285	1,277	1,279	1,276	1,271	1,272	1,272	1,270	1,263	1,264	1,265	1,265	1,285	
All	2,685	2,592	2,579	2,574	2,631	2,622	2,620	2,614	2,604	2,588	2,500	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477	
SMigR: males	48.8	47.4	47.4	47.4	48.3	48.1	48.2	48.2	48.2	47.9	46.3	46.0	45.4	45.0	44.9	44.7	44.4	43.9	43.6	43.1	42.7	42.4	42.1	41.8	
SMigR: females	52.7	51.1	50.9	50.7	51.9	51.9	51.7	51.4	51.2	51.0	49.1	48.2	48.3	48.1	47.7	47.3	46.9	46.7	46.4	46.1	45.7	45.4	45.1	44.7	
<b>Migrants input</b>																									
<b>In-migration from Overseas</b>																									
Male	95	108	108	108	107	107	107	107	107	107	107	85	85	85	85	85	85	85	85	85	85	85	85	85	
Female	82	92	92	92	93	93	93	93	93	93	93	73	73	73	73	73	73	73	73	73	73	73	73	73	
All	177	200	200	200	200	200	200	200	200	200	200	158	158	158	158	158	158	158	158	158	158	158	158	158	
SMigR: males	54.5	61.7	61.7	61.7	61.6	61.9	62.0	62.2	62.5	62.6	62.6	49.3	49.4	49.4	49.2	49.0	48.7	48.4	48.0	47.5	47.2	46.8	46.4	46.0	
SMigR: females	48.0	54.1	54.1	54.1	54.5	54.8	55.0	55.2	55.4	55.6	55.9	44.2	44.1	44.0	43.9	43.6	43.6	43.3	43.0	42.7	42.3	41.9	41.6	41.3	
<b>Migrants input</b>																									
<b>Out-migration to Overseas</b>																									
Male	60	111	111	111	111	111	111	111	111	111	111	68	68	68	68	68	68	68	68	68	68	68	68	68	
Female	49	89	89	89	89	89	89	89	89	89	89	55	55	55	55	55	55	55	55	55	55	55	55	55	
All	109	200	200	200	200	200	200	200	200	200	200	123	123	123	123	123	123	123	123	123	123	123	123	123	
SMigR: males	34.6	63.8	63.7	63.8	63.7	63.8	64.0	64.1	64.3	64.6	64.8	39.8	39.7	39.5	39.3	39.0	38.8	38.4	38.1	37.7	37.4	37.1	36.8	36.8	
SMigR: females	28.5	52.0	52.0	52.0	52.3	52.6	52.8	53.0	53.2	53.4	53.6	33.0	32.9	33.0	33.0	32.9	32.8	32.5	32.3	32.1	31.8	31.6	31.4	31.1	
<b>Migrants input</b>																									
<b>Migration - Net Flows</b>																									
UK	+191	+316	+342	+352	+339	+356	+361	+372	+389	+425	+500	+480	+480	+480	+480	+480	+480	+480	+480	+480	+480	+480	+480	+480	
Overseas	+68	0	0	0	0	0	0	0	0	0	0	+35	+35	+35	+35	+35	+35	+35	+35	+35	+35	+35	+35	+35	
<b>Summary of population change</b>																									
Natural change	-67	-65	-75	-85	-78	-82	-90	-97	-103	-109	-118	-127	-136	-147	-157	-170	-179	-187	-198	-208	-215	-223	-229	-233	
Net migration	+259	+316	+342	+352	+339	+356	+361	+372	+389	+425	+500	+480	+480	+480	+480	+480	+480	+480	+480	+480	+480	+480	+480	+480	
Net change	+192	+251	+267	+267	+261	+274	+271	+274	+286	+316	+382	+358	+379	+368	+358	+345	+336	+328	+317	+307	+300	+292	+286	+282	

**Summary of Population estimates/forecasts**

	Population at mid-year																								
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
0-4	2,830	2,834	2,865	2,851	2,870	2,923	2,923	2,914	2,901	2,890	2,878	2,872	2,865	2,857	2,848	2,838	2,825	2,814	2,805	2,797	2,795	2,799	2,806	2,818	2,836
5-10	3,821	3,822	3,893	3,971	4,024	4,036	4,061	4,091	4,138	4,137	4,169	4,228	4,225	4,214	4,196	4,181	4,161	4,143	4,123	4,100	4,078	4,056	4,036	4,018	4,004
11-15	3,846	3,855	3,720	3,673	3,609	3,553	3,561	3,657	3,700	3,792	3,840	3,829	3,873	3,929	3,941	3,977	4,046	4,039	4,021	3,998	3,977	3,952	3,930	3,906	3,881
16-17	1,568	1,546	1,602	1,609	1,576	1,590	1,570	1,470	1,434	1,471	1,482	1,543	1,593	1,595	1,638	1,655	1,590	1,626	1,701	1,707	1,701	1,693	1,684	1,671	1,662
18-59Female, 64Male	31,400	31,266	31,155	31,110	31,103	31,125	31,090	31,023	30,968	30,931	30,879	30,801	30,803	30,782	30,745	30,724	30,748	30,731	30,686	30,679	30,759	30,803	30,885	31,032	31,195
60/65-74	8,497	8,718	8,917	9,028	9,175	9,238	9,271	9,475	9,468	9,443	9,446	9,390	9,365	9,429	9,595	9,798	9,978	10,147	10,351	10,581	10,708	10,824	10,898	10,909	10,882
75-84	3,338	3,214	3,204	3,154	3,238	3,335	3,418	3,561	3,753	4,029	5,107	5,440	5,678	5,960	5,976	5,947	6,110	6,194	6,145	6,136	6,124	6,057	6,049	6,055	6,105
85+	1,492	1,529	1,579	1,610	1,674	1,731	1,809	1,884	1,956	2,042	2,150	2,229	2,318	2,434	2,529	2,618	2,713	2,843	3,004	3,154	3,318	3,577	3,768	3,929	4,026
<b>Total</b>	<b>57,292</b>	<b>57,484</b>	<b>57,735</b>	<b>58,002</b>	<b>58,269</b>	<b>58,530</b>	<b>58,804</b>	<b>59,075</b>	<b>59,349</b>	<b>59,635</b>	<b>59,951</b>	<b>60,333</b>	<b>60,721</b>	<b>61,100</b>	<b>61,468</b>	<b>61,826</b>	<b>62,172</b>	<b>62,508</b>	<b>62,836</b>	<b>63,153</b>	<b>63,460</b>	<b>63,760</b>	<b>64,052</b>	<b>64,338</b>	<b>64,620</b>
<b>Population impact of constraint</b>																									
Number of persons	-1,182	-29	+16	+42	+52	-61	-44	-39	-28	-11	+25														
<b>Households</b>																									
Number of Households	24,096	24,312	24,522	24,714	24,898	25,096	25,279	25,457	25,634	25,804	25,980	26,198	26,421	26,671	26,903	27,134	27,360	27,576	27,778	27,969	28,169	28,343	28,521	28,721	28,903
Change over previous year	-460	+216	+182	+184	+198	+193	+178	+179	+170	+176	+222	+223	+250	+221	+201	+226	+216	+202	+191	+					

**Population Estimates and Forecasts**

**Scenario K: Short Term Past Migration Trends**

**Components of Population Change**

**Ribble Valley**

	Year beginning July 1st.....																							
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Births</b>																								
Male	266	267	267	265	265	265	264	263	262	261	259	259	256	253	249	246	243	241	239	236	235	234	234	235
Female	253	254	255	252	253	252	251	250	249	248	247	246	244	241	237	234	232	230	227	225	224	223	223	223
All Births	519	521	522	517	518	517	515	513	511	509	506	505	500	493	487	480	475	471	466	462	458	457	456	458
TFR	1.95	1.97	1.97	1.93	1.92	1.90	1.88	1.86	1.85	1.84	1.83	1.82	1.82	1.81	1.80	1.79	1.79	1.79	1.79	1.79	1.79	1.79	1.79	1.79
<b>Deaths</b>																								
Male	283	283	290	293	291	294	298	302	305	308	312	316	320	323	327	331	335	339	344	348	352	356	360	365
Female	303	304	307	309	305	305	306	308	309	310	312	316	319	323	327	332	336	340	345	350	354	360	366	370
All deaths	586	586	597	602	596	599	604	610	614	618	624	632	639	646	654	663	671	679	688	698	706	716	726	735
SMR: males	102.2	99.4	98.9	97.2	93.8	92.0	90.4	88.8	87.0	85.3	83.8	82.3	80.9	79.5	78.2	77.1	76.0	74.9	74.1	73.2	72.4	71.5	70.9	70.3
SMR: females	100.8	98.6	97.2	95.8	92.4	90.3	88.6	87.0	85.0	83.5	81.1	79.7	78.2	77.1	76.0	74.9	73.7	72.7	71.6	71.0	70.0	69.4	68.8	67.9
SMR: male & female	101.5	99.0	98.0	96.5	93.1	91.1	89.5	87.9	86.0	84.1	82.5	81.0	79.6	78.3	77.0	76.0	74.8	73.8	72.8	72.0	71.2	70.4	69.8	69.1
Expectation of life	81.1	81.3	81.3	81.5	81.7	81.9	82.0	82.2	82.4	82.5	82.7	82.8	82.9	83.1	83.2	83.3	83.4	83.5	83.6	83.7	83.8	83.8	83.9	84.0
<b>Deaths input</b>																								
<b>In-migration from the UK</b>																								
Male	1,373	1,393	1,397	1,405	1,428	1,434	1,437	1,442	1,447	1,457	1,451	1,341	1,345	1,347	1,348	1,345	1,344	1,344	1,345	1,346	1,346	1,345	1,343	1,343
Female	1,503	1,515	1,524	1,522	1,542	1,544	1,543	1,544	1,548	1,555	1,549	1,426	1,422	1,420	1,419	1,422	1,423	1,423	1,422	1,421	1,421	1,421	1,424	1,424
All	2,876	2,908	2,921	2,926	2,969	2,978	2,980	2,986	2,994	3,012	3,000	2,767	2,767	2,767	2,767	2,767	2,767	2,767	2,767	2,767	2,767	2,767	2,767	2,767
SMiGr: males	52.3	53.1	53.3	53.5	54.4	54.6	54.7	54.8	55.1	55.6	55.3	51.1	51.2	51.0	51.0	50.8	50.8	50.8	50.7	50.6	50.4	50.2	50.1	50.1
SMiGr: females	56.4	57.4	58.0	58.0	58.7	58.8	58.8	58.9	59.2	59.6	59.3	54.3	54.1	54.1	54.2	54.1	54.0	53.9	53.6	53.4	53.3	53.3	53.2	53.2
<b>Migrants input</b>																								
<b>Out-migration to the UK</b>																								
Male	1,280	1,244	1,243	1,243	1,268	1,261	1,265	1,266	1,267	1,256	1,215	1,212	1,200	1,199	1,203	1,208	1,208	1,204	1,203	1,199	1,198	1,197	1,198	1,198
Female	1,405	1,347	1,336	1,330	1,363	1,361	1,365	1,348	1,338	1,332	1,285	1,277	1,278	1,279	1,289	1,289	1,273	1,274	1,278	1,279	1,280	1,279	1,279	1,279
All	2,686	2,592	2,579	2,574	2,631	2,622	2,620	2,614	2,606	2,588	2,500	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477
SMiGr: males	48.8	47.4	47.4	47.4	48.3	48.1	48.2	48.2	47.9	46.3	46.0	45.6	45.7	45.7	45.8	45.7	45.5	45.4	45.2	45.0	44.9	44.8	44.7	44.7
SMiGr: females	52.7	51.1	50.9	50.7	51.9	51.9	51.7	51.4	51.2	51.0	49.1	48.2	48.6	48.6	48.5	48.3	48.2	48.3	48.3	48.2	48.0	48.0	47.9	47.8
<b>Migrants input</b>																								
<b>In-migration from Overseas</b>																								
Male	95	108	108	108	107	107	107	107	107	107	107	85	85	85	85	85	85	85	85	85	85	85	85	85
Female	82	92	92	92	93	93	93	93	93	93	93	73	73	73	73	73	73	73	73	73	73	73	73	73
All	177	200	200	200	200	200	200	200	200	200	200	158	158	158	158	158	158	158	158	158	158	158	158	158
SMiGr: males	54.5	61.7	61.7	61.7	61.8	61.7	61.9	62.0	62.2	62.5	62.8	49.3	49.7	50.1	50.3	50.4	50.4	50.4	50.3	50.2	50.1	50.0	49.8	49.7
SMiGr: females	48.0	54.1	54.1	54.1	54.5	54.8	55.0	55.2	55.4	55.6	55.9	44.2	44.4	44.6	44.8	45.0	45.1	45.1	45.1	45.1	44.9	44.9	44.8	44.7
<b>Migrants input</b>																								
<b>Out-migration to Overseas</b>																								
Male	60	111	111	111	111	111	111	111	111	111	82	82	82	82	82	82	82	82	82	82	82	83	82	83
Female	49	89	89	89	89	89	89	89	89	89	66	66	66	66	66	66	66	66	66	66	66	66	66	65
All	109	200	200	200	200	200	200	200	200	200	148	148	148	148	148	148	148	148	148	148	148	148	148	148
SMiGr: males	34.6	63.8	63.7	63.8	63.7	63.8	64.0	64.1	64.3	64.6	64.8	47.9	48.2	48.4	48.6	48.7	48.7	48.7	48.6	48.5	48.3	48.2	48.1	48.0
SMiGr: females	28.5	52.0	52.0	52.0	52.3	52.8	53.0	53.2	53.4	53.6	39.7	39.9	40.2	40.5	40.6	40.7	40.7	40.7	40.7	40.7	40.7	40.5	40.5	40.4
<b>Migrants input</b>																								
<b>Migration - Net Flows</b>																								
UK	+191	+316	+342	+352	+339	+356	+361	+372	+389	+425	+500	+290	+290	+290	+290	+290	+290	+290	+290	+290	+290	+290	+290	+290
Overseas	-68	0	0	0	0	0	0	0	0	0	+10	+10	+10	+10	+10	+10	+10	+10	+10	+10	+10	+10	+10	+10
<b>Summary of population change</b>																								
Natural change	-67	-65	-75	-85	-78	-82	-90	-97	-103	-109	-118	-127	-139	-153	-167	-183	-196	-208	-222	-236	-248	-259	-270	-277
Net migration	+259	+316	+342	+352	+339	+356	+361	+372	+389	+425	+500	+290	+290	+290	+290	+290	+290	+290	+290	+290	+290	+290	+290	+290
Net change	+192	+251	+267	+267	+261	+274	+271	+274	+286	+316	+382	+173	+161	+147	+133	+117	+104	+92	+78	+64	+52	+41	+30	+23

**Summary of Population estimates/forecasts**

	Population at mid-year																								
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
0-4	2,830	2,834	2,865	2,851	2,870	2,923	2,923	2,914	2,901	2,890	2,878	2,872	2,850	2,825	2,799	2,770	2,736	2,703	2,670	2,639	2,612	2,590	2,572	2,558	2,551
5-10	3,821	3,822	3,893	3,971	4,024	4,036	4,061	4,091	4,138	4,137	4,169	4,229	4,210	4,184	4,151	4,121	4,086	4,053	4,016	3,973	3,931	3,885	3,840	3,795	3,751
11-15	3,846	3,855	3,720	3,673	3,609	3,553	3,561	3,697	3,700	3,792	3,840	3,829	3,862	3,905	3,905	3,907	3,970	3,942	3,909	3,878	3,842	3,810	3,775	3,737	3,701
16-17	1,568	1,546	1,602	1,609	1,576	1,590	1,570	1,474	1,434	1,471	1,482	1,543	1,588	1,586	1,625	1,637	1,569	1,600	1,669	1,672	1,662	1,650	1,638	1,621	1,609
18-59Female, 64Male	31,400	31,266	31,155	31,110	31,103	31,125	31,090	31,023	30,998	30,931	30,879	30,801	30,659	30,491	30,307	30,137	30,010	29,842	29,645	29,484	29,407	29,295	29,221	29,209	29,211
60/65-74	8,497	8,718	8,917	9,028	9,175	9,238	9,371	9,475	9,468	9,443	9,446	9,390	9,353	9,404	9,556	9,733	9,910	10,063	10,251	10,463	10,574	10,672	10,728	10,723	10,680
75-84	3,838	3,914	4,004	4,150	4,238	4,335	4,418	4,561	4,753	4,929	5,107	5,440	5,672	5,947	6,256	6,621	6,978	7,126	7,100	6,985	6,867	6,745	6,590	6,363	6,053
85+	1,492	1,529	1,579	1,610	1,674	1,721	1,809	1,884	1,956	2,042	2,150	2,229	2,313	2,423	2,597	2,687	2,812	2,968	3,113	3,272	3,524	3,707	3,864	3,956	3,956
Total	67,292	67,484	67,735	68,002	68,269	68,530	68,804	69,075	69,349	69,635	69,951	70,333	70,656	70,977	71,304	71,637	71,976	72,320	72,669	73,023	73,382	73,746	74,115	74,489	74,867

**Population impact of constraint**

Number of persons	-1,182	-29	+16	+42	+52	-61	-44	-39	-28	-11	+25														
<b>Households</b>																									
Number of Households	24,096	24,312	24,522	24,714	24,898	25,096	25,279	25,457	25,634	25,804	25,980	26,198	26,348	26,523	26,677	26,828	26,972	27,104	27,222	27,327	27,439	27,524	27,612	27,720	27,809
Change over previous year	-460	+216	+211	+192	+184	+198	+183	+178	+176	+170	+176	+218	+151	+175	+154	+151	+144	+132	+118	+105	+111	+85	+89	+107	+89
Number of supply units	25,152</																								



## Appendix 2      Inputs and Assumptions





DEMOGRAPHIC	Scenario I: 2011-Based CLG Household Projections	Scenarios J & K: Past Migration Trends	Scenario L: ELR Job Growth
<b>Population</b>			
<b>Baseline Population</b>	A 2010 baseline population is taken from the 2010 Mid-year population estimates for Ribble Valley Borough, split by age cohort and gender. The population for 2011-2021 is constrained to the 2011-based SNPP for the Borough, by age and sex.		
<b>Births</b>	Future change assumed in the Total Fertility Rate [TFR] uses the birth projections from the ONS 2010-based Interim SNPP. This in turn is used to derive future projected TFRs through PopGroup.		
<b>Deaths</b>	Future change assumed in the SMR uses the death projections from the ONS 2010-based Interim SNPP. This in turn is used to derive future projected SMRs through PopGroup.		
<b>Internal Migration</b>	Gross domestic in and out migration flows are adopted based on forecast migration in Ribble Valley Borough from the ONS 2010-based SNPP for 2010, and using the 2011-based Interim SNPP for the actual internal migration flows 2011-2021. This is the sum of internal migration (elsewhere in England) and cross-border migration (elsewhere in the UK) (SNPP Table 5). Internal migration includes moves to all other Local Authority areas, including to neighbouring areas (i.e. a move of two streets might be classed as internal migration if it involves a move to another LA area). Beyond 2021, a trend rate is applied.	As Scenario I to 2021; post 2021, Gross domestic internal migration flows are adopted based on average gross past trends for the past 5/10 years.	Internal in-migration and outmigration is flexed (inflated or deflated) to achieve the necessary number of economically active people to underpin the economy in the Borough in the employment scenario.
<b>International Migration</b>	Gross international in and out migration flows are adopted based on forecast migration in Ribble Valley Borough from the ONS 2010-based SNPP for 2010, and using the 2011-based Interim SNPP for the actual internal migration flows 2011-2021. Beyond 2021, a trend rate is applied.	As above but for international flows	As above but for international flows
<b>Propensity to Migrate (Age Specific Migration Rates)</b>	Age Specific Migration Rates (ASMigR) for both in and out domestic migration are based upon the age profile of migrants to and from Ribble Valley Borough in the 2010-based SNPP. These identify a migration rate for each age cohort within the Borough (for both in and out flows separately) which is applied to each individual age providing an Age Specific Migration Rate. This then drives the demographic profile of those people moving into and out of Ribble Valley Borough (but not the total numbers of migrants).		
<b>Housing</b>			
<b>Headship Rates</b>	Headship rates that are specific to Ribble Valley Borough and forecast over the period to 2021 were taken from the government data which was used to underpin the 2011-based CLG household forecasts and applied to the demographic forecasts for each year as output by the PopGroup model. These headship rates were split by age cohort and by household typology. These are the most up-to-date headship rates available at the time of writing. Beyond 2021 this is assumed to resume the long term trends identified within the 2008-based household projections with index trends from the 2008-based projections applied to the 2021 end point of the 2011-based household projections.		
<b>Population not in households</b>	The number of population not in households (e.g. those in institutional care) is similarly taken from the assumptions used to underpin the 2011-based CLG household forecasts. No change is assumed to the rate of this from the CLG identified rate.		

DEMOGRAPHIC	Scenario I: 2011-Based CLG Household Projections	Scenarios J & K: Past Migration Trends	Scenario L: ELR Job Growth
<b>Vacancy / 2nd Home Rate</b>	A vacancy and second homes rate is applied to the number of households, representing the natural vacancies/not permanently occupied homes which occur within the housing market. This means that more dwellings than households are required to meet needs. The vacancy/second home rate in Ribble Valley Borough totals 4.2% (estimated using data from the Council Tax Base for Formula Grant Purposes (October 2012), held constant over the forecast period.		
<b>Economic</b>			
<b>Economic Activity Rate</b>	<p>Age and gender specific economic activity rates are used. The basis for this is ONS 2006-based National Labour Force Projections. The economic activity annual growth rates for each age cohort from these national projections are applied to the Census 2001 economic activity profile for the three districts across the forecast period. At 2011 these have been rebased from their 2011 estimate using a uniform adjustment to all age cohorts to meet current total economic activity in the districts from the Annual Population Survey (APS). These are assumed to remain the same as the projection with the exception of an adjustment to take account of changing pension ages beyond that already taken into account in the ONS 2006-based projections (i.e. to account for pension age increases for both men and women above age 65).</p> <p>In this regard, 1% has been added to the female 60-64 age cohort activity rates in 2011, 2% in 2012, 3% in 2013 and so forth up to 8% in 2018. This 2018 rate has then been held constant across the remainder of the forecasting period. Furthermore, 1% has been added to the Male 65-69 and Female 65-69 age cohorts' economic activity rates in 2019 and 2% in 2020. These 2020 rates were then held constant across the forecasting period.</p>		
<b>Commuting Rate</b>	<p>A standard net commuting rate is inferred through the modelling using a Labour Force Ratio which is worked out using the formula: (A) Number of employed workers living in area ÷ (B) Number of workers who work in the area (number of jobs).</p> <p>For Ribble Valley Borough, data from the 2011 APS and 2011 BRES identifies an LF ratio of 0.987 (30,000 employed people ÷ 30,381 jobs in Ribble Valley). This has not been flexed over the forecasting period with no assumed increase or reduction in net commuting rates.</p>		
<b>Unemployment</b>	<p>To calculate the unemployment rate, NLP took Jan 2011–Dec 2011 NOMIS unemployment figures (3.5% for Ribble Valley Borough) to equate to the 2011 rates, and the Jan 2012-Dec 2012 NOMIS unemployment figures (4.0% for Ribble Valley Borough) to equate to the 2012 rates. NLP kept this figure constant for 2013 and 2014 to reflect initial stabilisation at the current high rate, and then gradually reduced the rate on a linear basis to the 7-year average (06-12) of 3.29% for Ribble Valley Borough over a five year time frame.</p> <p>This figure was then held constant to the end of the forecasting period on the grounds that as the economy grows out of recession unemployment is likely to fall back to a similar rate as seen pre-recession.</p>		



# Strategic Housing Market Assessment

**Draft June 2013**

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# 1. Introduction

## Summary

- i) This study provides an update of the original SHMA undertaken in Ribble Valley in 2007 (finalised in 2008). It is required to check the suitability of the housing policies set out in the Council's Core Strategy which is soon to go through an Examination in Public. In addition the Coalition Government have made a range of changes to the housing sector, including the introduction of Affordable Rent - the scope of which needs to be established. The report will assess the local impact and the appropriate response within the current market conditions and new policy landscape.
- ii) The study will meet the requirements of paragraph 159 of the National Planning Policy Framework and adhere to the approach set out in the Strategic Housing Market Assessment – Practice Guidance.

## Purpose

- 1.1 A Strategic Housing Market Assessment (SHMA) was originally published for Ribble Valley in December 2008 based on secondary data available on the housing market. This SHMA examined the local housing market, setting out the level of housing need alongside the requirements of particular groups of the population and concluding with an overview of the type of housing required to sustain the local market.
- 1.2 The Council recognises that as the Core Strategy prepares to go through Examination in Public it would be beneficial to review the current housing policies within the Strategy against up-to-date evidence and have therefore commissioned this SHMA update to provide this. In addition the new National Planning Policy Framework was published last Spring and this SHMA will meet these altered requirements.
- 1.3 This new SHMA report is also timely because the Coalition Government have made a range of changes to the housing sector since the original SHMA. This includes the introduction of the new social tenure 'Affordable Rent' and the new LHA (Local Housing Allowance) cap. This SHMA will assess the appropriate response within the current market conditions and new policy landscape. This is done by direct examination of secondary data available.

## Government Guidance

- 1.4 National Planning Policy is now the National Planning Policy Framework (NPPF). Paragraph 159 of the NPPF (March 2012) sets out the role of this SHMA.

*Local planning authorities should have a clear understanding of housing requirements in their area. They should:*

*• Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to require over the plan period which:*

*— meets household and population projections, taking account of migration and demographic change*

*— addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as families with children, older people, disabled people, service families and people wishing to build their own homes); and*

*— caters for housing demand and the scale of housing supply necessary to meet this demand (para 28)*

1.5 Whilst the NPPF outlines how an SHMA fits into the wider housing policy framework, the detailed Practice Guidance (Strategic Housing Market Assessment Practice Guidance, August 2007) provides an indication as to how a SHMA should be undertaken and what topics should be covered. The Practice Guidance provides details about the whole process of conducting a SHMA and, importantly, sets out a comprehensive model for the assessment of affordable housing need.

### **Report coverage**

1.6 The original SHMA presented a large range of data on the housing market and related subjects, whereas this new SHMA will be focused on the areas of interest to the Council and the consequences of the planning and housing reforms. This report is therefore limited to:

- Examination of the latest data on the labour market and the resident population
- A profile of the housing stock in Ribble Valley and the changes that have occurred to it, including the notable growth of the private rented sector which is examined in more detail
- Analysis of the price of property in Ribble Valley and the affordability of housing for residents
- Production of outputs for the housing needs assessment model in accordance with the Practice Guidance approach, including an analysis of the suitability of Affordable Rent within Ribble Valley
- Production of an analysis of the entire housing market within the balancing housing markets model, which will identify the amount and nature of housing required in Ribble Valley over the Core Strategy period

- A summary of the policy implications these findings within the requirements of NPPF and how they relate to the current Core Strategy objectives.



## 2. Socio-economic profile

### Summary

- i) Various secondary data sources were used to inform the socio-economic profile in Ribble Valley. The recent Census indicates that in 2011 the population of the Borough was 57,132 and that since 2001 the population has increased by 5.9%, the size of the household population, has also increased by a faster rate between 2001 and 2011 (8.3%).
- ii) Ribble Valley contains a lower proportion of the population that are of working age than is found regionally and nationally, principally because there is a larger than average proportion of people of pensionable age in the Borough. The Black, Asian and Minority Ethnic population of Ribble Valley is just 2.1% of the total population.
- iii) There has been a notable growth in part-time employment in Ribble Valley over the last ten years, whilst the number of people in full-time employment has risen more modestly.
- iv) Ribble Valley continues to have the capacity to undergo continued economic growth, with the proportion of economically active residents that are unemployed having increased from 0.7% at the time of the previous SHMA to 1.4% currently, however unemployment in the Borough has stabilised over the last 12 months.
- v) Ribble Valley contains proportionally more residents working in managerial jobs than is found regionally and nationally. The Borough also contains a lower than average level of working-age residents without any qualifications.
- vi) The mean earned income for employees in Ribble Valley in 2012 is £32,859, higher than the equivalent figures for the North West region and England.

### Introduction

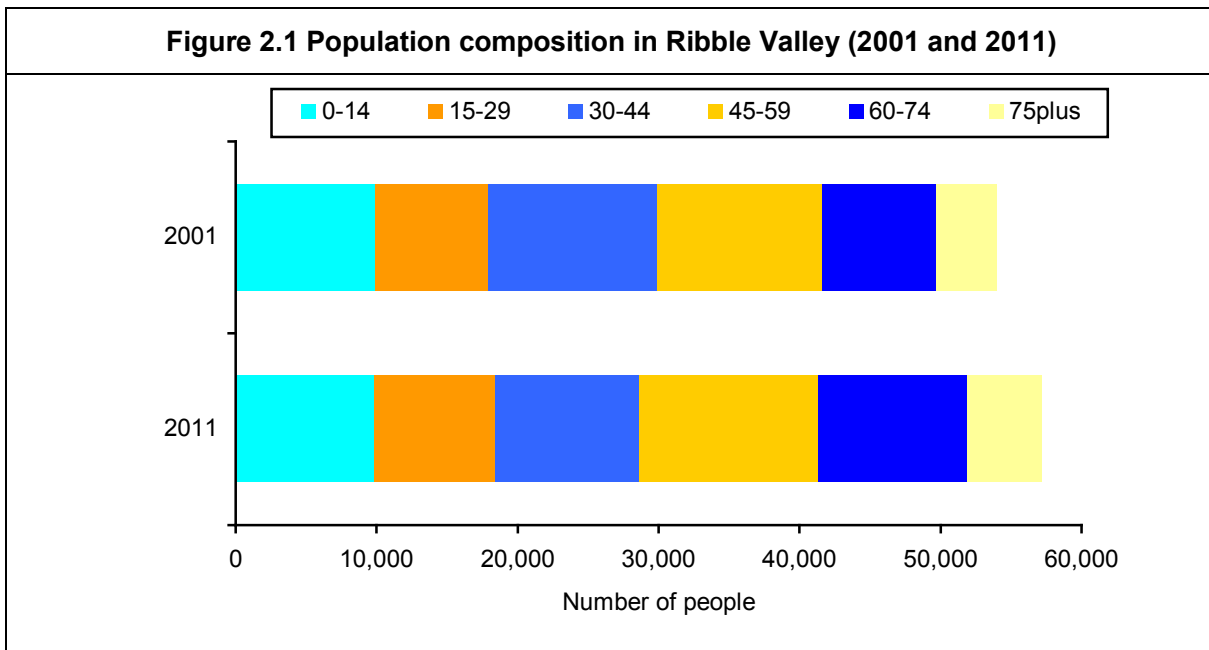
- 2.1 Two main drivers of the housing market are the resident population and the local labour market. They affect the nature of housing demand including household formation rates and households' investment in housing. The most recent data available on these topics at the time of the 2008 report was generally from 2007. This chapter uses information that has been published since then to document the current socio-economic profile in Ribble Valley and how it has changed. The information presented compares the circumstances in the Borough to the regional and national situation where possible.

### Demography

- 2.2 The 2008 SHMA described the nature of the population in the Ribble Valley using the latest information available at the time, principally the ONS 2006 mid-year population estimates and the 2001 Census. The recently released 2011 Census data provides a comprehensive profile of the population of Ribble Valley and how it has changed since the previous Census.

**Population**

2.3 The Census indicates that the resident population in Ribble Valley in 2011 was 57,132 and that since 2001 the population had increased by 5.9%, almost 3,200 people. In comparison the population of the North West region increased by 4.8% between the 2001 and 2011 Census, whilst the population of England increased by 8.9%. Figure 2.1 illustrates the age composition of the population in Ribble Valley in 2001 and 2011 according to the Census. It shows that since 2001 the number of people aged 60 to 74 has markedly increased as has the population of the Borough aged 75 and over. In contrast the number of people aged between 30-44 has decreased notably .



2.4 The 2011 Census figures also indicate that Ribble Valley contains a lower proportion of the population that are working age than is found regionally and nationally: 61.3% in Ribble Valley compared to 64.6% in the North West region and 64.8% across England. This is principally because there are a larger than average proportion of people of pensionable age in the Borough (20.2% in Ribble Valley compared to 16.6% in the North West region and 16.3% in England).

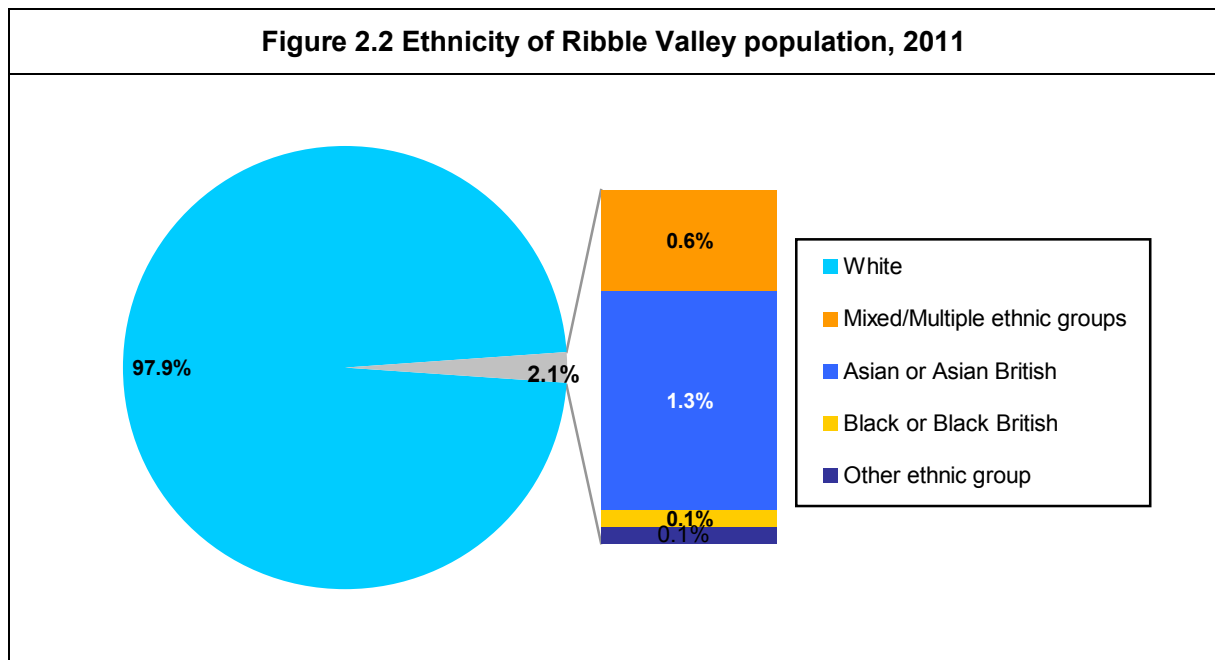
2.5 The 2011 Census indicates that the population density in Ribble Valley is 98 people per km<sup>2</sup>, an increase from 93 people per km<sup>2</sup> in 2001. The 2011 figure for England is 407 people per km<sup>2</sup>. The figure for the North West region is not currently available.

2.6 Some 16.7% of the resident population in Ribble Valley have a long-term health problem or disability, compared to 20.3% of residents in the North West region and 17.6% of people across England. This is quite notable, given the older than average profile of the population.

**Ethnicity**

2.7 According to the 2001 Census, the proportion of Black, Asian and Minority Ethnic (BAME) (non-White) groups in Ribble Valley was 1.6%, lower than the figure recorded for the North West region (5.6%) and the national average (9.1%). The 2011 Census suggests that the BAME population of Ribble Valley has increased to 2.1% of the total population, but remains notably smaller than the regional and national figures (9.8% in the North West and 14.5% in England). This amounts to an increase of around 400 people (an increase of 42.8%) in BAME groups between 2001 and 2011.

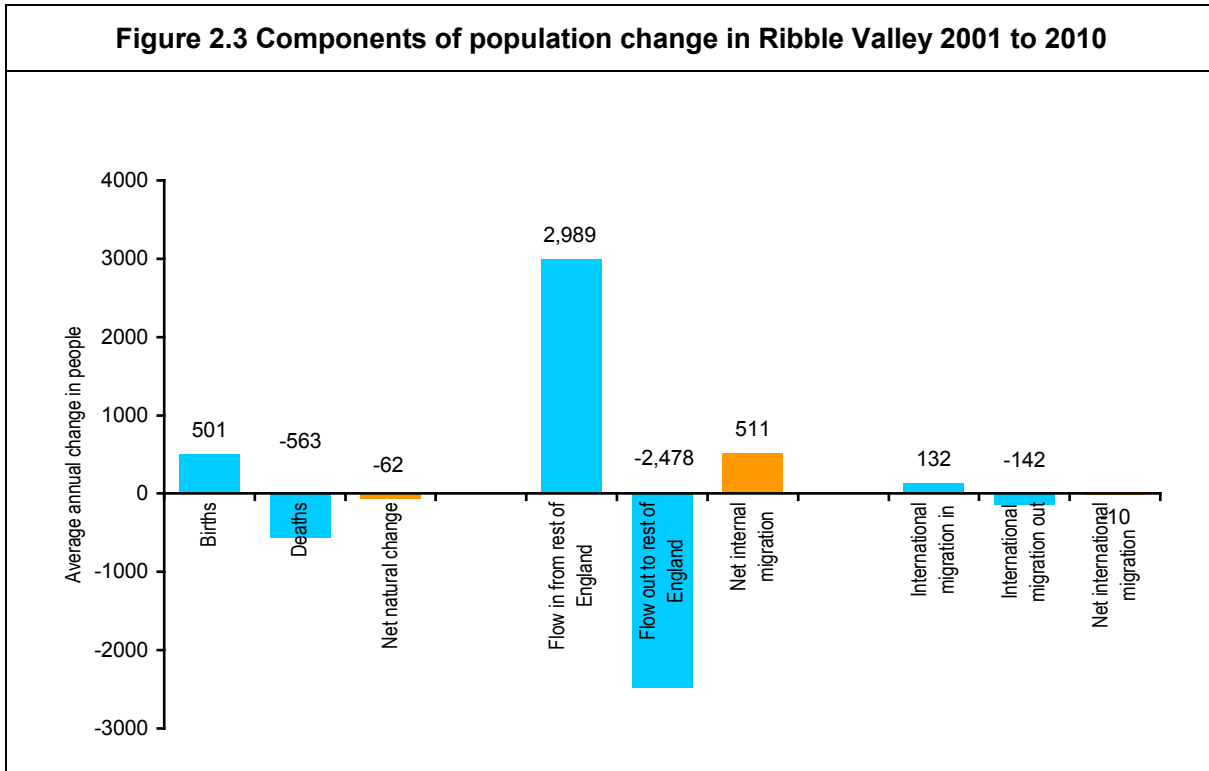
2.8 Figure 2.2 presents the ethnicity of the population in the Borough in 2011. The ‘Asian or Asian British’ represents the largest BAME groups in Ribble Valley (comprising 1.3% of total population).



Source: 2011 Census

2.9 The Census reveals that just 0.4% of the population of Ribble Valley in 2011 had been resident in the UK for less than two years, compared to 1.1% in the North West region and 1.8% across England. The overwhelming majority of the population of the Borough have resided in the UK for over 5 years (including those born in the UK); 99.1% in Ribble Valley compared to 97.6% in the North West and 96.0% in England.

2.10 Figure 2.3 presents further detail on the components of population change in Ribble Valley between 2001 and 2010. It indicates that an average of 2,989 people moved into the Borough each year from elsewhere in England, whilst 2,478 people moved from Ribble Valley to elsewhere in the country. This equates to a net growth of 511 people per year from internal migration. The Figure shows that net internal migration was positive, whilst net international migration and net natural change from the existing population was negative.



Source: ONS components of change for England and Wales - annual tables for 1991-2 to 2009-10

**Number of households**

2.11 The 2011 Census revealed that the household population in Ribble Valley has increased by 8.3% since 2001, a faster rate than regionally (7.0%) and nationally (7.9%). As the population has increased at a slower rate than the number of resident households between 2001 and 2011, this implies that the average size of households in Ribble Valley is decreasing as is illustrated in Table 2.1.

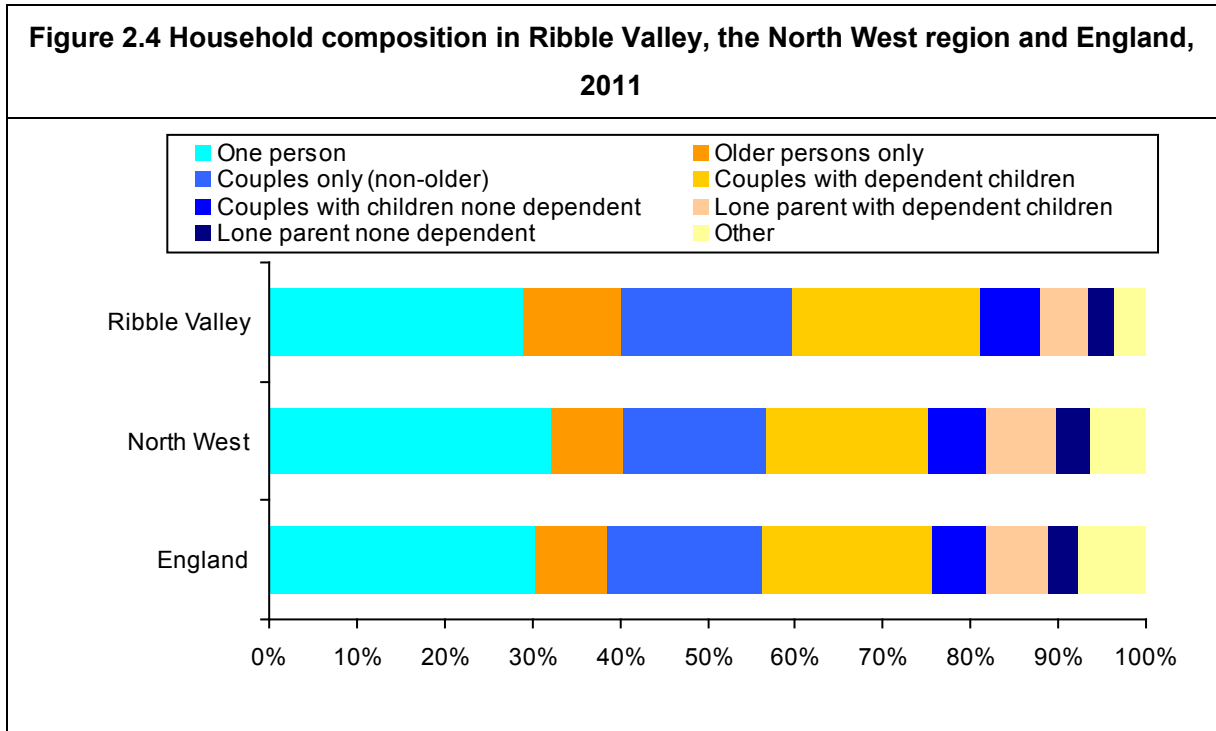
**Table 2.1 Change in average household size, 2001 to 2011**

	2001	2011
Population	53,960	57,132
Households	22,210	24,045
Average household size	2.43	2.38

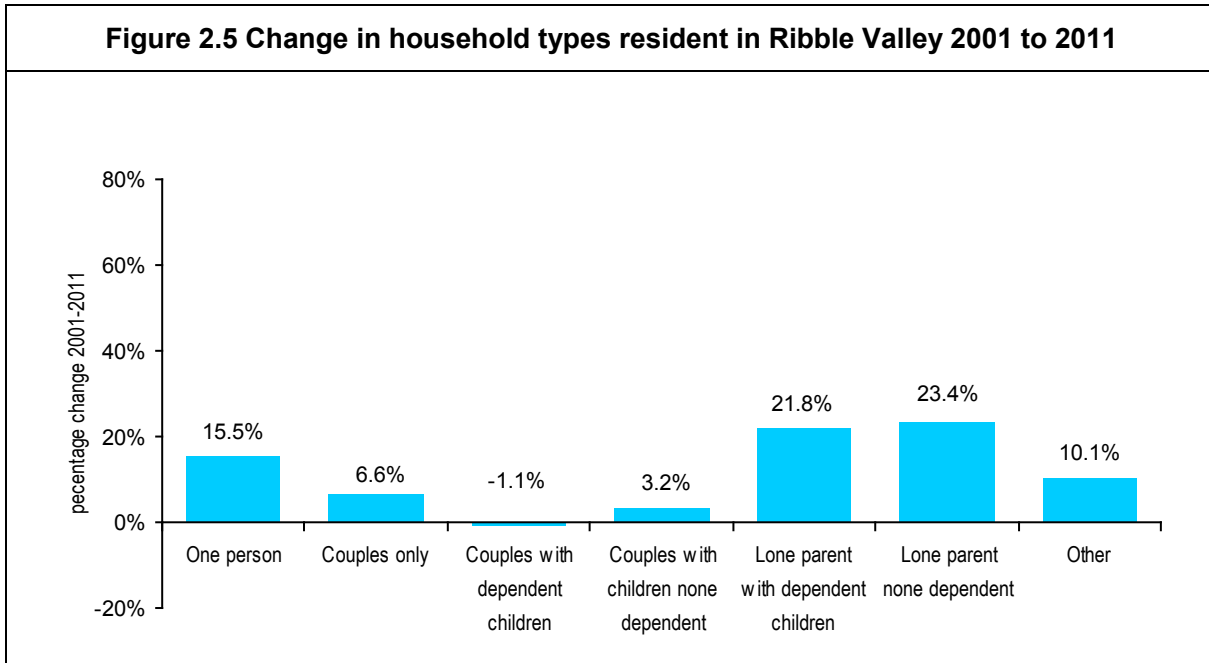
Source: 2001 & 2011 Census

2.12 It is interesting to note that this average household size of 2.38 compares to an average of 2.9 bedrooms per household in the Borough according to the 2011 Census. The 2011 Census also indicates that 1.7% of households in Ribble Valley had fewer bedrooms than they required (compared to 3.7% across the North West region and 4.8% nationally), whilst 80.2% have at least one bedroom more than they require (as opposed to 71.6% in the North West and 68.7% across England).

2.13 Figure 2.4 compares the household composition in Ribble Valley in 2011 with that recorded for the North West region and England. The data indicates that older persons only households constitute 11.2% of all households in the Borough compared to 8.1% in the region and 8.4% nationally. The Figure also shows that some 28.3% of households in Ribble Valley contain only a couple with children, higher than the both the regional figure (24.9%) and the national one (25.4%).



2.14 Figure 2.5 shows the change recorded between the 2001 and 2011 Census for the different household groups in Ribble Valley. The figure shows that lone parent households have increased the most (although from a very low base), followed by one person households. It is interesting to note that couples with only non-dependent children have increased whilst the number of couples with dependent children has declined. This suggests that household formation rates amongst young adults may have reduced. The reduction in couple with dependent children households does not appear to be a consequence of a lack of housing choice in the Ribble Valley market, but due to wider social trends - a decrease of 4.1% was also recorded for the North West region, whilst nationally there was a very slight growth (0.3%).



Source: 2001 & 2011 Census

## Economy

- 2.15 Chapter 3 of the 2008 SHMA considered the economic context in Ribble Valley. It recorded a relatively high level of employment and above average earnings. Considerable data has been published since, which enables a detailed profile of the current local economy to be presented.

### *Employment in Ribble Valley*

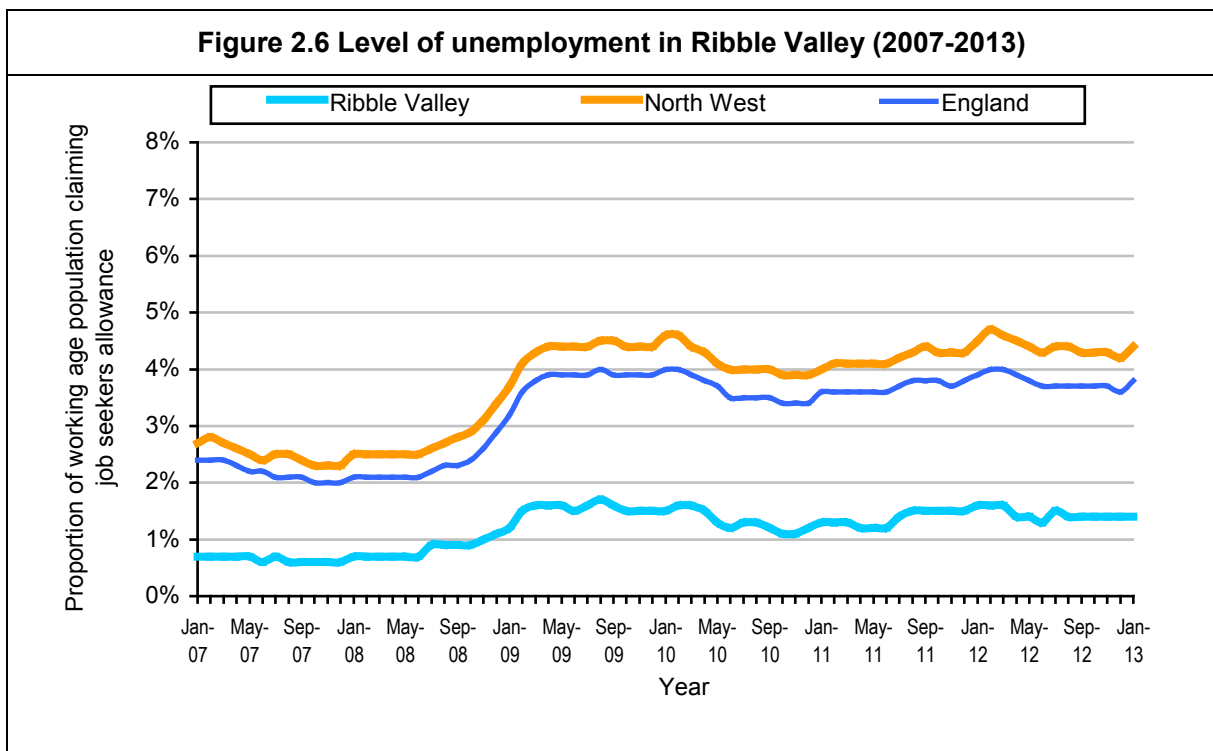
- 2.16 The latest data available on the economy in Ribble Valley indicates that there is notable capacity to undergo growth. NOMIS<sup>1</sup> data on 'job density' (this is a measure of the number of jobs per person of working age) for 2010 shows that there are 0.99 jobs per working age person in the Borough. This is notably higher than the North West region (0.74) and England as a whole (0.78). The figure of 0.99 represents an increase from the 0.81 recorded in 2006 before the start of the economic downturn.
- 2.17 Measured by the Annual Business Inquiry (ABI) there were 25,200 employee jobs in Ribble Valley in 2008. This is a 3.7% increase on the level recorded before the economic downturn (in 2006). This increase recorded for the Borough compares to a decrease of 0.4% for the region and an increase of 1.2% nationally over the same time period.

### *Employment profile of residents in the Borough*

- 2.18 Although the overall economic performance of Ribble Valley provides important context, an understanding of the affect of the economic climate on the resident population is more crucial to this study.

<sup>1</sup> NOMIS is a website provided by the Office of National Statistics that contains a range of labour market data at a local authority level. [www.nomisweb.co.uk](http://www.nomisweb.co.uk)

- 2.19 The Census provides an overview of the employment situation in Ribble Valley in 2011. It shows that of all residents in work (excluding those who are also students), 19.9% are self-employed, with 58.3% full-time employees and 21.8% part-time employees. The level of self-employment is notably higher than both the regional (13.7%) and national averages (15.7%). Since the 2001 Census the number of part-time employees in Ribble Valley has increased by 20.4%, whilst the number of full-time employees has risen by 3.3%. The number of self-employed residents has increased by 10.3%.
- 2.20 The ONS publishes the number of people claiming Job Seekers Allowance on a monthly basis. This provides a very up-to-date measure of the level of unemployment of residents in an area. Figure 2.6 shows the change in the proportion of the working age population claiming Job Seekers Allowance in Ribble Valley since January 2007. The Figure indicates that the Ribble Valley unemployment level has been consistently higher than the level for the North West region and England.
- 2.21 Since January 2007 unemployment in Ribble Valley has increased by 91.0% (as opposed to 64.3% regionally and 60.3% nationally). The figure for Ribble Valley is higher because the base level of unemployment was low to begin with. However, over the last 12 months unemployment has decreased in Ribble Valley by 9.6% (compared to 4.1% in the North West region and 4.7% across England).



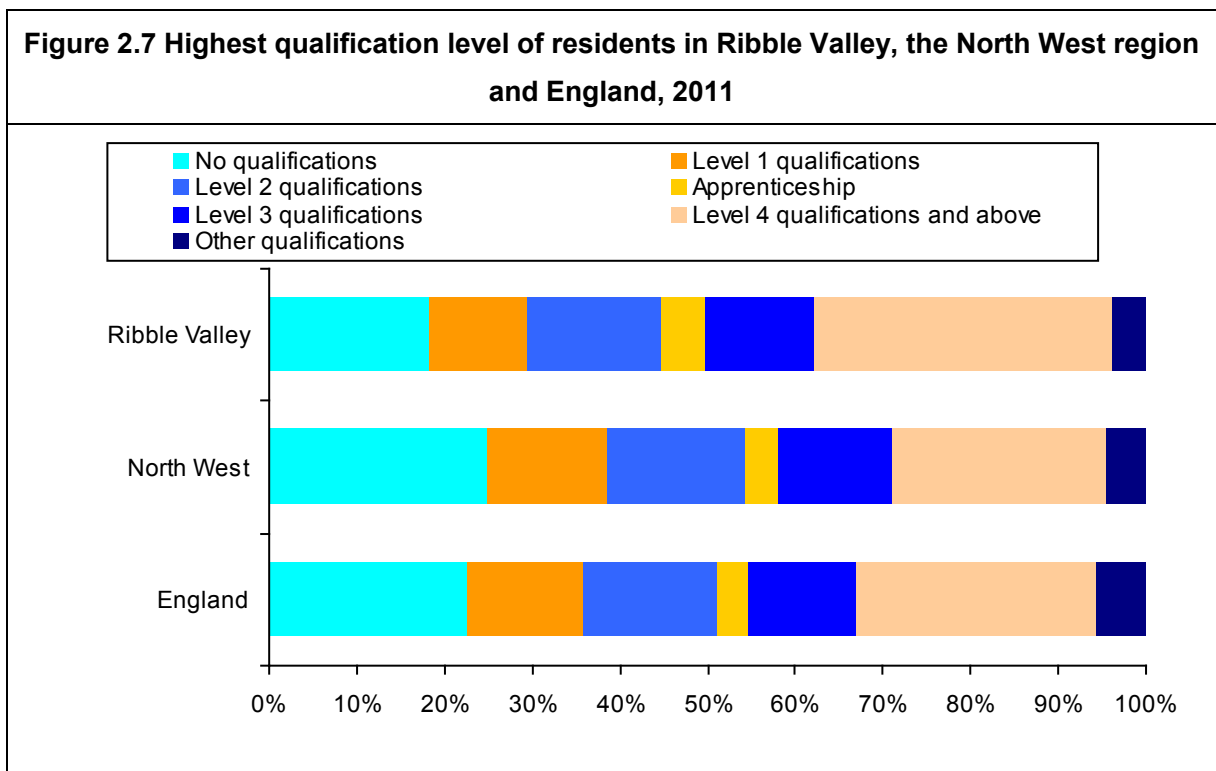
- 2.22 It is worth noting that Ribble Valley also has a relatively low proportion of young people unemployed; 3.6% of 18 to 24 year olds in the Borough are unemployed compared to 8.1% at the regional level and 7.0% nationally. There is also a lower than average level of long-term unemployed (more than 12 months unemployed) at 0.2% of the working age population, compared to 1.2% in the North West region and 1.0% for England.
- 2.23 The Census presents a ‘Standard Occupation Classification’ which categorises all working people resident within an area into one of nine groups depending on the nature of the skills that they use. These nine groups are graded from managerial jobs (Groups 1-3) to unskilled jobs (Groups 8-9). As Table 2.3 illustrates, some 45.2% of employed residents in Ribble Valley work in groups 1 to 3, and this is considerably higher than the equivalent figure for the North West region and also higher than the figure for England. Ribble Valley has a smaller proportion of the workforce in the occupation groups 6 to 7 and 8 to 9 than is found regionally and nationally.
- 2.24 The Table also shows that since the 2001 Census there has been a considerable increase in the number of people resident in Ribble Valley employed within groups 6 to 7. During the same period there has been a more modest increase in the number of residents employed within groups 1 to 3 and 4 to 5 with a decrease in the number employed in groups 8 to 9.

<b>Table 2.3 Occupation structure</b>				
<i>Occupation Groups</i>	<i>Ribble Valley 2011</i>	<i>North West 2011</i>	<i>England 2011</i>	<i>Change in no. of people employed in Ribble Valley since 2001</i>
Group 1-3: Senior, Professional or Technical	45.2%	37.7%	41.1%	11.1%
Group 4-5: Administrative, skilled trades	24.4%	23.0%	22.8%	7.1%
Group 6-7: Personal service, Customer service and Sales	15.0%	19.5%	17.7%	24.0%
Group 8-9: Machine operatives, Elementary occupations	15.4%	19.7%	18.3%	-6.1%
Total	100.0%	100.0%	100.0%	8.7%

Source: 2001 &amp; 2011 Census

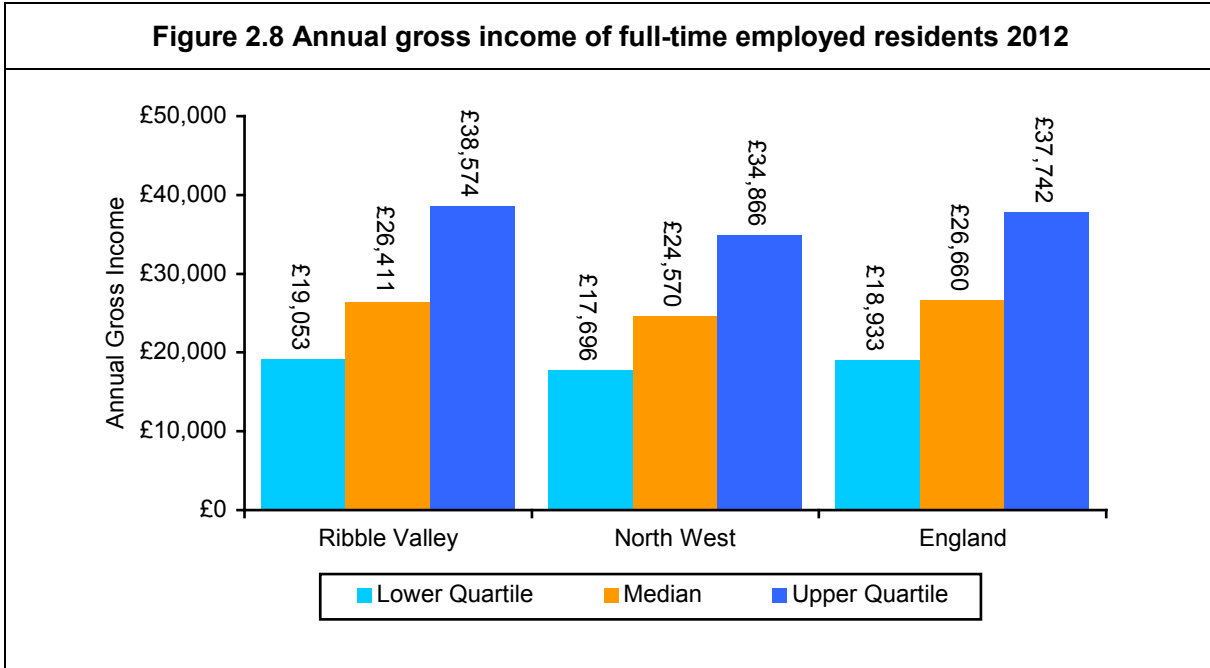
**Qualifications**

2.25 An important factor in the ability of any economy to grow is the level of skill of the workforce. Figure 2.7 shows the highest qualification level of the working-age residents of Ribble Valley, compared to the regional and national equivalents as recorded in the 2011 Census. Level 1 qualification is the lowest (equivalent of any grade at GCSE or O-level) and Level 4 the highest (undergraduate degree or higher). The data indicates that over a third (34.0%) of working-age residents in the Borough have Level 4 or higher qualifications, significantly higher than the figure for the North West region (24.4%) and England (27.4%). Ribble Valley also has fewer residents with no qualifications. It is important to note however that the proportion of working-age residents in Ribble Valley without qualifications has reduced since the 2001 Census and the proportion with Level 4 or higher qualifications has increased notably (from 24.9% in 2001 to 34.0% in 2011).



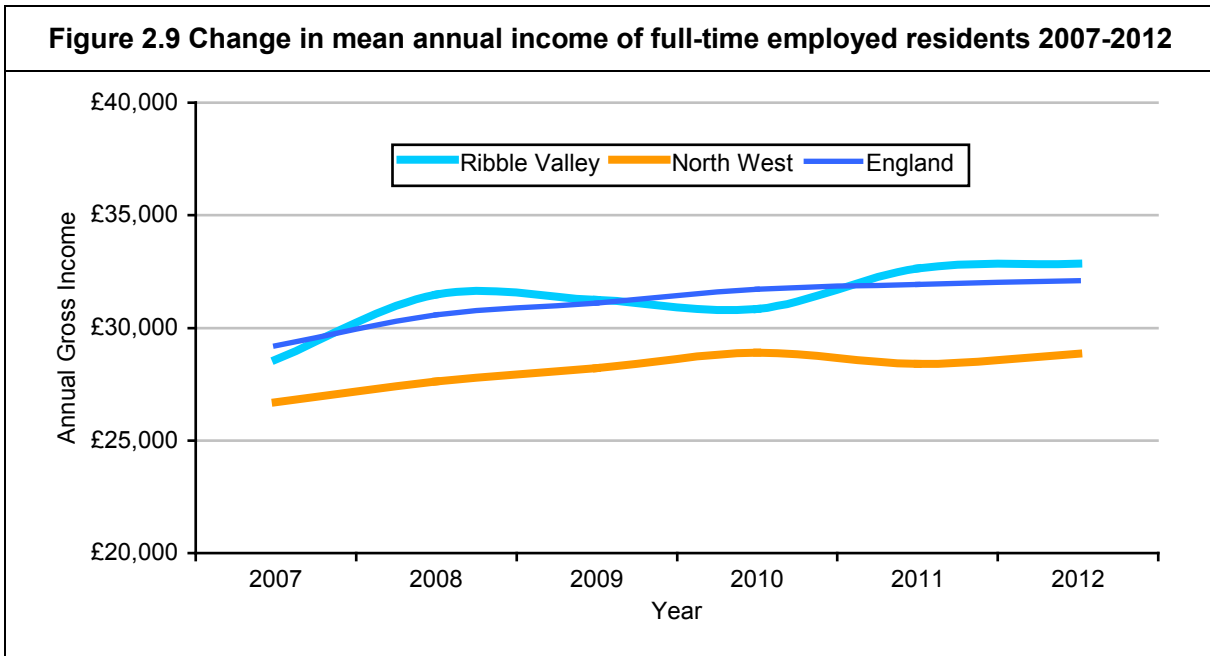
**Income**

2.26 Income has a crucial effect on the level of choice a household has when determining their future accommodation. The mean earned income for full-time employees resident in Ribble Valley in 2012 was £32,859, according to the ONS Annual Survey of Hours and Earnings, higher than both the North West region (at £28,850) and England (£32,089). It is important to note that these figures assess individual incomes rather than household incomes. As Figure 2.8 shows, at all points on the distribution, annual gross income in Ribble Valley is notably higher than the equivalent in the North West region, although the pattern is most pronounced for higher income workers.



Source: ONS Annual Survey of Hours and Earnings (2012)

2.27 Figure 2.9 shows the change in the mean income of full-time employees resident in Ribble Valley, the North West region and England since 2007. Ribble Valley has recorded a higher increase since 2007 (at 15.0%) than the North West region (8.1%) and England (9.9%).

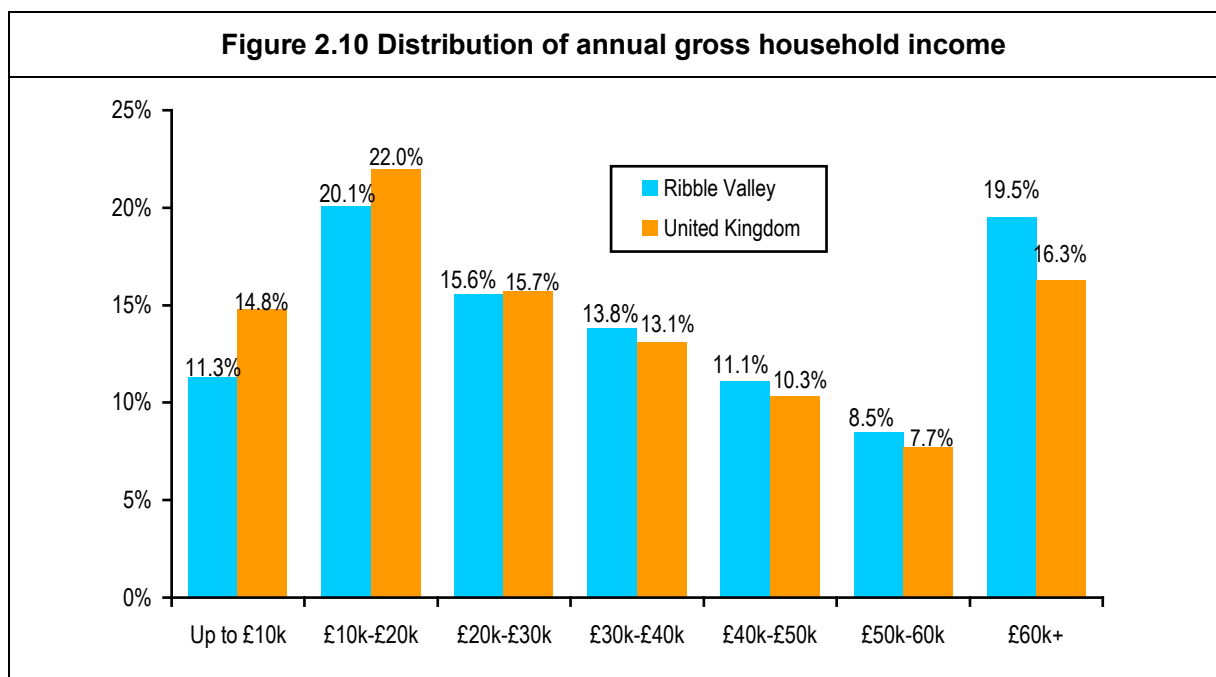


Source: ONS Annual Survey of Hours and Earnings (2007-2012)

### Household income

2.28 CACI Paycheck estimates that the mean gross annual household income in Ribble Valley is £39,518, which is 10.1% above the United Kingdom equivalent (£35,902). The median household income is noticeably lower at £32,132 (compared to £28,318 across the UK). The lower quartile figure is £16,622 (£14,273 nationally).

2.29 Figure 2.10 shows the distribution of income in the Borough, compared to that across the UK as a whole. It is clear that there is a significant range of incomes, with 31.4% of households having an income of less than £20,000, and 19.5% of households having an income in excess of £60,000. There are more high income households and fewer low income households than across the United Kingdom as a whole.



Source: CACI Paycheck, 2013

2.30 ONS have produced estimates of the proportion of households in poverty in 2008 for each middle-super output area (MSOA) in England and Wales, although these are classed as experimental statistics and should be treated with caution. The lowest figure recorded for the MSOAs in Ribble Valley is 10.6% of households in poverty and the highest is 18.8%. In comparison the median figure across England and Wales is 19.9%. All 8 of the MSOAs in Ribble Valley recorded a lower percentage than the national median. This suggests that households in poverty are not a significant issue in the Borough.

2.31 In addition in December 2012 the CLG published data tracking economic and child income deprivation at neighbourhood level in England between 1999 and 2009. This showed that of the 326 authorities in England, Ribble Valley was ranked the 2<sup>nd</sup> best for child income deprivation in 2009.



## 3. The housing market

### Summary

- i) The recent Census indicates that in 2011 there were 25,016 dwellings in the Borough and that since 2001 the dwelling stock had increased by 7.8%. Ribble Valley contains a lower than average number of homes with no usual residents in, including second homes.
- ii) The most common property type in the Borough is detached houses, followed by terraced and semi-detached houses. Only 8.0% of dwellings are flats, lower than the figures for the region (16.4%) and the England as a whole (22.1%).
- iii) The 2011 Census indicates that 77.2 of households in Ribble Valley are owner-occupiers, 7.6% reside in social rented accommodation and 13.7% rent privately. The size of the private rented sector in the Borough has increased by over 60% between 2001 and 2011. This substantial growth matches regional and national trends.
- iv) There is an increasing proportion of households with children resident in the private rented sector in the Borough.
- v) It is estimated that in Ribble Valley in 2013 just over 20% of households in the private rented sector are supported by Housing Benefit or Local Housing Allowance, compared to around 25% nationally .

### Introduction

- 3.1 Analysis of the stock of housing allows a broad assessment of the range of properties currently within the Borough. A range of data sources, including the 2011 Census, will be used to provide an overview of the housing stock in Ribble Valley and how it has changed. The profile of dwellings in Ribble Valley will be compared to the regional and national situation where possible. The biggest change to the dwelling stock recorded is in the tenure profile, most notably the growth of private rented accommodation. The growth of this sector and the changing profile of households resident in it will be examined at a national level using recently published research, and also at a local level based on Borough-wide data and the opinions of letting agents operating in Ribble Valley. The cost and affordability of private rented housing is discussed in the following chapter.

### Dwelling stock

- 3.2 The Census indicates that there were 25,016 dwellings in Ribble Valley in 2011 and that since 2001 the number of dwellings has increased by 7.8%, over 1,800 properties. In comparison the dwelling stock in the North West region increased by 6.8% between the 2001 and 2011 Census, whilst the dwelling stock of England increased by 8.3%.

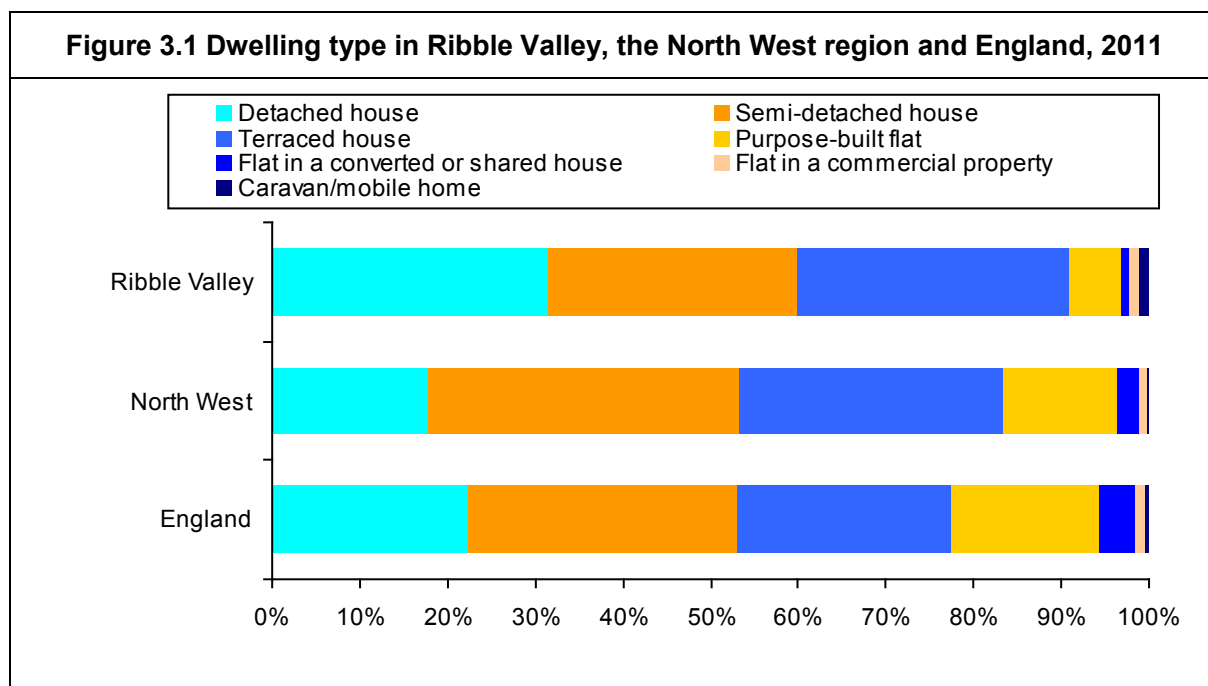
- 3.3 According to the Census there were 974 homes with no usual residents in Ribble Valley in 2011. This represents 3.9% of all of the accommodation available for residence in the Borough. In the North West of England 4.5% of all available accommodation has no usual resident household, whilst the figure for England is 4.3%. The proportion of accommodation with no usual resident household in Ribble Valley has decreased since 2001, when a figure of 4.3% was recorded.
- 3.4 The 2011 Census clarifies that homes with no usual residence include second homes, vacant dwellings and short-term residents/visitors at the accommodation on the night of the Census. Information from the Council's 2011 Housing Strategy Statistical Appendix (HSSA) submission suggests that the number of vacant properties in Ribble Valley as of 1st April 2011 was 906. This suggests that the number of second homes in the Borough is in the region of 50-70 (around 0.3% of all accommodation in Ribble Valley). The same approach suggests that around 0.3% of all accommodation in the North West of England is second homes as is 1.4% of all accommodation nationally. The vacancy rate in 2011 in Ribble Valley was estimated to be 3.6%<sup>2</sup>, compared to 4.2% across the region and 2.9% nationally.
- 3.5 According to the Council's 2012 ELASH (English Local Authority Statistics on Housing, the replacement of the HSSA) return, there are an estimated no Houses in Multiple Occupation (HMOs) in Ribble Valley. There are 1,247 dwellings in the Borough that have a Category 1 Hazard (as assessed within the Health and Housing Safety Rating System). Some 1,041 of these properties are within the private sector.

### **Accommodation profile**

- 3.6 Figure 3.1 compares the type of accommodation in Ribble Valley in 2011 with that recorded for the North West region and England. Ribble Valley contains more detached houses than the regional and national averages. Only 8.0% of dwellings are flats, lower than the figures for the region (16.4%) and the England as a whole (22.1%). The most common property type in the Borough is detached houses, followed by terraced and semi-detached houses.

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<sup>2</sup> Any homes not available to be occupied permanently, such as second homes, are excluded from the total stock figure, when calculating the vacancy rate.



- 3.7 Since 2001 the number of purpose built flats has increased by 31.6%, although they remain just 5.9% of the total dwelling stock. The change in the number of houses has been less notable; the number of detached houses has increased by 7.3%, semi-detached houses by 6.2% and terraced houses by 5.3%.
- 3.8 Table 3.1 compares the size of accommodation (in terms of bedrooms) in Ribble Valley, the North West Region and England. The Table indicates that the Borough has a smaller proportion of small (one or fewer bedrooms) properties than the North West region and England as a whole. The Table also indicates that some 25.9% of dwellings in Ribble Valley contain four or more bedrooms compared to 16.8% across the region and 19.0% nationally. Overall three bedroom homes are most common in Ribble Valley followed by two bedroom dwellings.

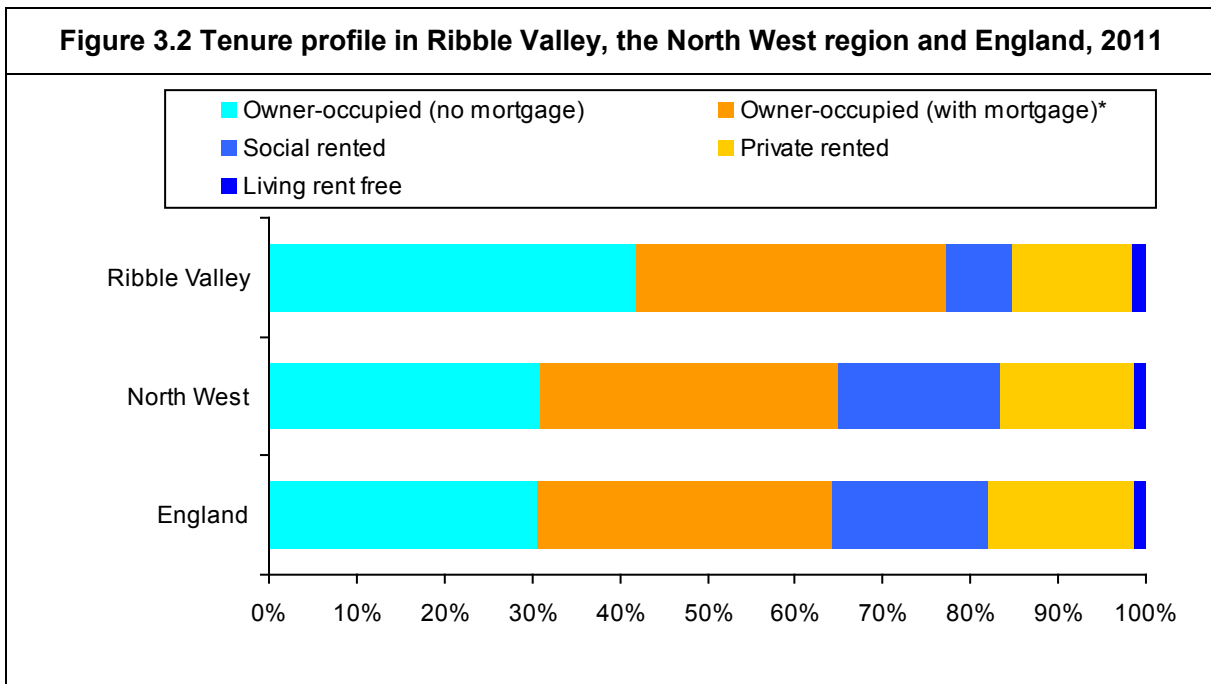
<i>Property size</i>	<i>Ribble Valley</i>	<i>North West</i>	<i>England</i>
No bedrooms	0.1%	0.2%	0.2%
1 bedroom	6.6%	9.5%	11.8%
2 bedrooms	28.2%	28.5%	27.9%
3 bedrooms	39.2%	45.0%	41.2%
4 bedrooms	19.3%	13.1%	14.4%
5 or more bedrooms	6.6%	3.7%	4.6%
Total	100.0%	100.0%	100.0%

Source: 2011 Census

3.9 The number of bedrooms in a property was not collected in the 2001 Census, however both the 2001 and 2011 Census recorded the total number of rooms in a dwelling. A comparison of the figures for Ribble Valley shows that the number of larger dwellings has recorded the greatest rise; between 2001 and 2011 the number of properties with 8 or more rooms increased by 30.9% and the number of properties with 7 rooms rose by 12.3%. In contrast the number of homes with four, five or six rooms declined. There was also a notable increase in the number of smaller dwellings, with the number of properties with three rooms increasing by 28.7%.

**Tenure**

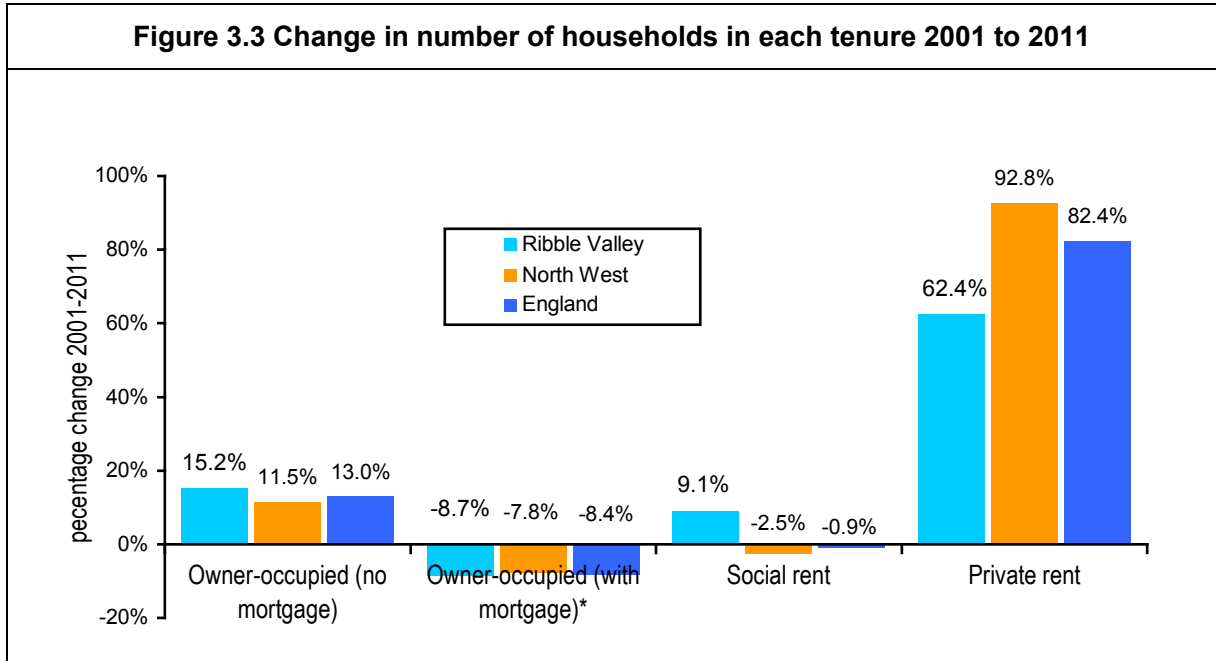
3.10 Figure 3.2 compares the tenure of households in Ribble Valley in 2011 with that recorded for the North West region and England. The data indicates that 41.9% of households in the Borough are owner-occupiers without a mortgage, compared to 31.0% in the region and 30.6% nationally. The proportion of owner-occupiers with a mortgage (35.3%) is also higher than the regional (34.0%) and national average (33.6%). Some 7.6% of households in Ribble Valley are resident in the social rented sector, markedly lower than the figure for the North West region (18.3%) and England as a whole (17.7%). Finally, some 13.7% of households in the Borough live in private rented accommodation, compared to 15.4% in the North West and 16.8% across England.



\*Includes shared ownership  
Source: 2011 Census

3.11 The Census results indicate that amongst households in Ribble Valley where the Household Reference Person is aged 65 and over, 80.8% are owner-occupiers, 10.9% reside in the social rented sector and 8.3% live in private rented accommodation.

3.12 Figure 3.3 shows the change in the size of each tenure between the 2001 and 2011 Census. The Figure shows that in Ribble Valley, the North West region and England as a whole the private rented sector has increased dramatically. The number of owner-occupiers with no mortgage has also recorded an increase in all three areas, whilst owner-occupiers with a mortgage have decreased. The social rented sector has shown the smallest change, growing by 9.1% in Ribble Valley, but reducing slightly nationally and regionally.



\*Includes shared ownership  
Source: 2001 & 2011 Census

**The private rented sector**

3.13 This growth in the private rented sector alongside the related availabilities of other tenures has had a notable impact on housing market dynamics and the decisions made by households within the housing market. The report *Who Lives in the Private Rented Sector* published in January 2013 by the British and Social Housing Foundation (BSHF) will be used to describe the drivers behind the growth of the tenure nationally and the consequent changing nature of households within it, whilst locally available data and the views of local letting agents will be used to illuminate the situation in Ribble Valley.

***The growth of the private rented sector***

- 3.14 The BSHF report notes that the growth in the private rented sector at the start of this century was caused by the availability of buy-to-let mortgages allied to rising house prices which led to the sector being considered a good investment. The economic downturn from mid-2007 onwards changed these conditions but the private rented sector continued to grow, although for different reasons in different parts of the country. In more prosperous areas, the growth has been driven by the inaccessibility of owner-occupation due to both high house prices and unfavourable mortgage lending criteria. In less prosperous areas, growth has resulted from the limited supply of social rented housing, with households being forced into the private rented sector instead. In addition, across the country, demand for the tenure has increased from households choosing to live in the sector due to its greater flexibility during this period of economic uncertainty.
- 3.15 Ribble Valley can be considered a more prosperous area and much of the growth recorded in the private rented sector in the Borough has been from employed households. Demand for the sector has also increased in Ribble Valley due to the growth in household groups that typically look to reside in the tenure – young adults, and also from households that traditionally do not live in this tenure in Ribble Valley – households with children.
- 3.16 As indicated in Figure 2.1, the Census showed that the number of people aged between 15-29 in the Borough increased by over 6000 between 2001 and 2011, resulting in additional demand for private rented accommodation. Discussions with letting agents reflected that some of the increased caseload over the last few years was a consequence of more demand from young people sharing, but also from couples who do not yet wish to buy. It was noted however that in a significant number of cases, lettings to these groups are set up online and that the landlords will deal direct with the tenant rather than through an agency.
- 3.17 There has also been an increase in households with fairly young children renting in the Borough. Typically these households would be moving into the Borough from one of the larger urban areas nearby and looking to buy a property with more space, however the less favourable mortgage lending criteria now offered mean that these households are now moving to equivalent accommodation in the private rented sector rather than waiting in-situ till they can afford to purchase a home.
- 3.18 Agents noted that demand still exists for private rented property in Ribble Valley and that the cost of larger private rented properties in the Borough had notably increased even during the wider economic downturn. The demand for properties at the lower end of the market, likely to be occupied by benefit-supported tenants, was steady, but demand for mid-range homes for the households with children described above was thought to be most secure in the medium-term. Overall two and three bedroom property was considered to be most in demand.

3.19 Agents indicated that households with children usually use a different set of criteria when selecting a private rented home, considering the size of the outdoor space on the property as well as the space indoors. Accessibility of schools was also a significant determinant as to where households with children consider – resulting in rental markets operating very locally for this group. For other households looking to rent, the market area considered was wider, although many had clear ideas about which parts of the urban areas they would consider living in.

***The nature of the benefit-supported private rented sector***

3.20 The BSHF report, using figures from the Family Resources Survey, estimates that in 2009/10 around a quarter of private tenants were in receipt of Housing Benefit; although it is acknowledged that this is likely to be a slight underestimate as the Family Resources Survey under-reports the claiming of Housing Benefit. It is estimated from Department of Work & Pensions data that in Ribble Valley in 2013 around 20% of households in the private rented sector are benefit-supported, a lower figure than the national average. The BSHF report also notes that within the benefit-supported private rented sector:

- There are fewer younger households than in the private rented sector as a whole, however the largest growth has been from the 16-24 year old age group.
- There are more households with children than the private rented sector as a whole, and they constitute over half of all households in the sector – a figure that is continuing to grow. Single parent households are particularly likely to reside in this accommodation.
- The majority of households are not in work (an average of 78% over the last decade), however over 90% of new Housing Benefit claimants in the last two years are in work.
- Households are more likely to reside in their home for longer periods; 43% having lived in their home for three or more years, compared to 31% of all private tenants.

3.21 The agents operating in Ribble Valley commented that the unease over letting a house to a benefit-supported tenant that was prevalent a few years ago, had reduced although there were still a large number of landlords uninterested in the sector. It was also noted that some landlords have mortgages which specifically prohibit letting to LHA benefit-supported tenants.

3.22 The more cautious landlords required very good references before they would consider taking on benefit-supported tenants. Some landlords were also uncomfortable with the cashflow discrepancy in the sector, with Local Housing Allowance being paid four weekly, in arrears, whereas a normal tenancy is paid monthly, in advance.



## 4. The cost and affordability of housing

### Summary

- i) According to data from the Land Registry, the mean house price in Ribble Valley in the third quarter of 2012 was £246,519, higher than the average for the North West region and England as a whole. Data shows that whilst prices have remained largely static since the economic downturn, the number of property sales has fallen dramatically.
- ii) The cost of housing by size was assessed for all tenures across the Borough. Entry-level prices in Ribble Valley range from £90,300 for a one bedroom home in the Clitheroe price market up to £304,000 for a four bedroom property in the Rural price market. Entry-level rents in Ribble Valley range from £400 per month for a one bedroom home up to £1,000 per month for a four bedroom property.
- iii) Housing market gaps analysis shows the nature of the housing ladder in a particular locality. An analysis of the gaps between each tenure shows that there is a large income gap between the social rented sector and market entry. This indicates that intermediate housing priced within this gap could potentially be useful for a number of households in Ribble Valley.
- iv) Flexible Tenancies are being introduced as a new tenure. They will allow Affordable Rent to be charged. Affordable Rent will be based on the open market value of each property. Within Ribble Valley, as bedroom size increases the range of Affordable Rents possible increases.
- v) Although affordability has theoretically improved since the start of the economic downturn, there remains a large proportion of households in Ribble Valley that are unable to afford to

### Introduction

- 4.1 An effective SHMA is founded on a thorough understanding of local housing – what it costs and how this varies. This chapter describes the changes in the housing market that have been recorded in Ribble Valley, Norfolk and England since the previous SHMA. Subsequently it assesses the entry-level costs of housing in Ribble Valley. A comparison of the cost of different tenures will be used to identify the housing market gaps that exist.
- 4.2 The Localism Bill has introduced Flexible Tenancies which permit Affordable Rent to be charged in the affordable sector. Affordable Rent is intended to help fill the gaps that exist in the current housing market. The most important issue for the Council to determine is the level at which Affordable Rent should be set. This chapter will therefore also consider the potential cost of Affordable Rent in Ribble Valley.

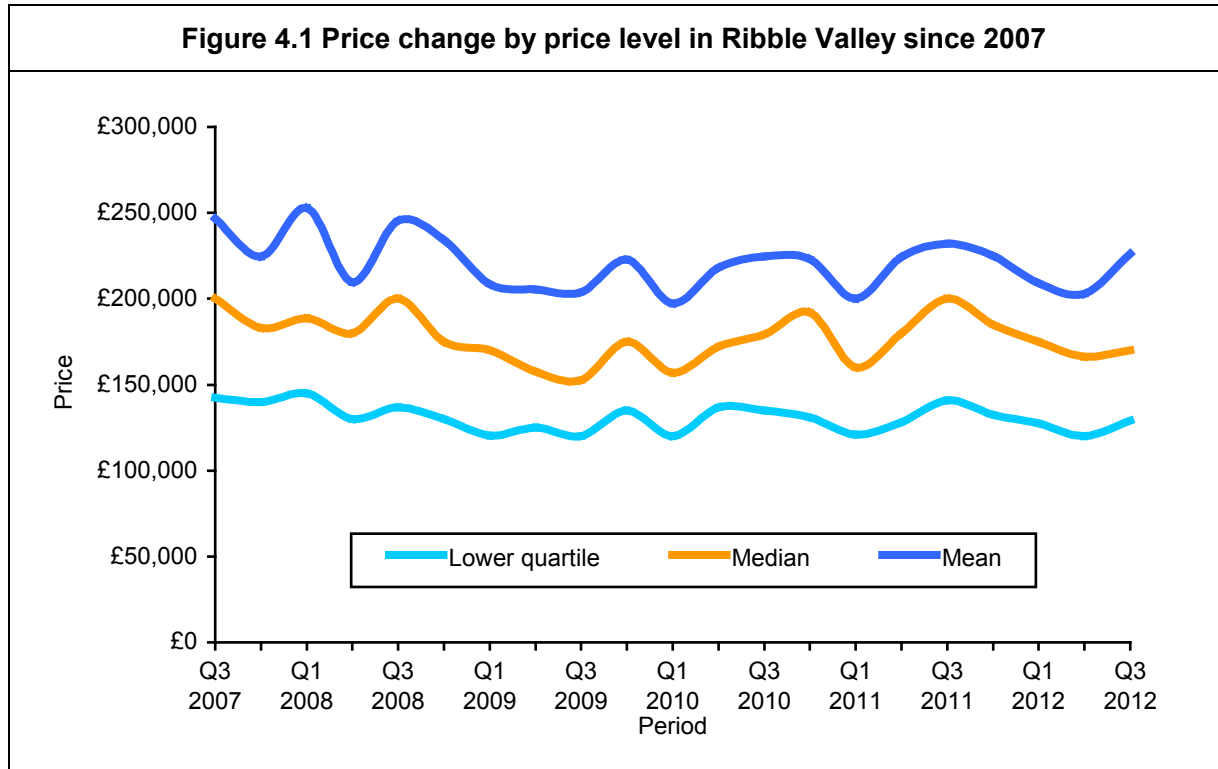
## The situation in Ribble Valley

- 4.3 The most recent house price data available at the time of the previous SHMA report was from 2007. The Land Registry has now published data for the third quarter of 2012. It is therefore possible to assess the changes recorded in Ribble Valley over this period, alongside national equivalents.
- 4.4 Table 4.1 shows the change in average prices between the third quarter of 2007 and the third quarter of 2012 for England, Lancashire and Ribble Valley. The Table shows that between 2007 and 2012 average prices have decreased at a faster rate in Ribble Valley than they have across the County, whilst nationally prices have increased by almost 10%. Overall properties in Ribble Valley are on average notably more expensive than those in Lancashire as a whole and also higher than the national average.

<i>Area</i>	<i>Average price Jul- Sep 2007</i>	<i>Average price Jul- Sep 2012</i>	<i>Percentage change recorded 2007-2012</i>
Ribble Valley	£246,519	£226,021	-8.3%
Lancashire	£157,763	£150,116	-4.8%
England	£232,345	£253,816	9.2%

Source: Land Registry via CLG

- 4.5 Figure 4.1 shows price change by property price level since the third quarter of 2007. The Figure shows that prices at all levels follow the same pattern of seasonal peaks and troughs. Lower quartile prices have fallen by less than median prices over the last five years (9.3% compared to 15.0%).



Source: Land Registry via CLG

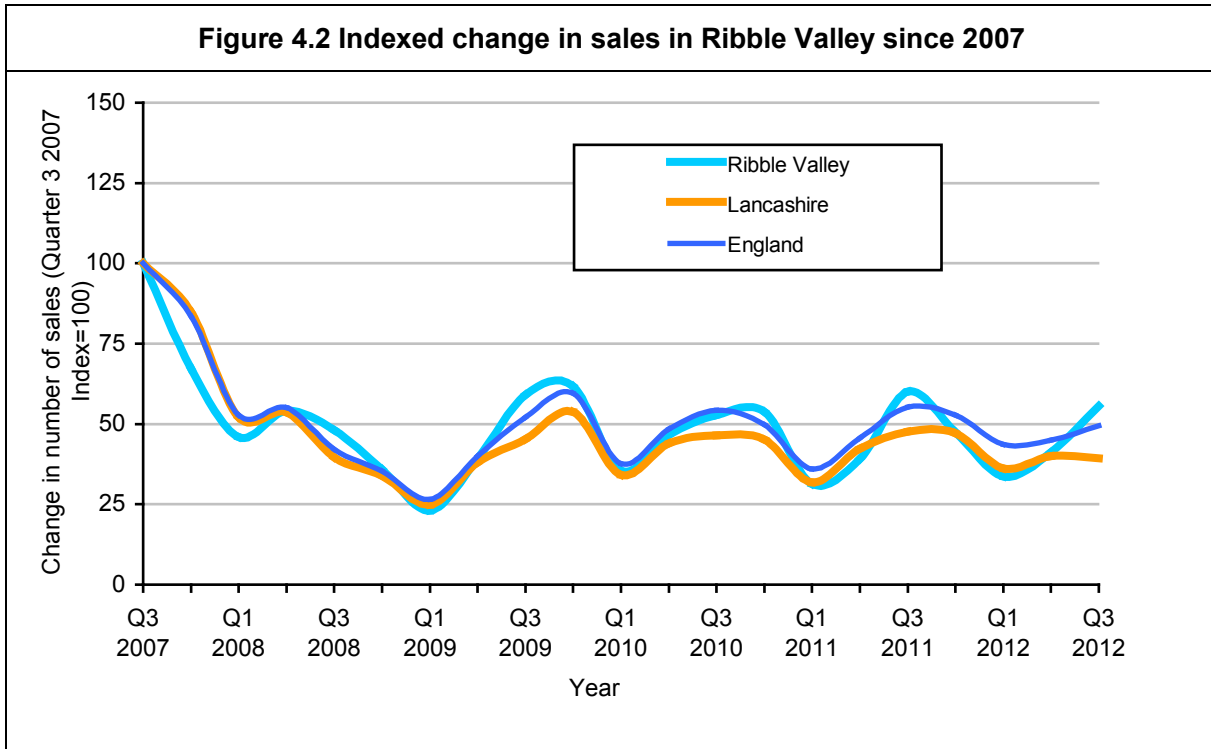
4.6 Table 4.2 shows the change in the number of property sales between the third quarter of 2007 and the third quarter of 2012. The Table indicates that property sales have notably decreased since the high levels recorded at the time of the previous SHMA (pre the economic downturn). Ribble Valley records the level of sales decreasing by 44.5% during this period, whilst across the County the decrease was 60.6% and nationally sales levels fell by almost 50.6%.

**Table 4.2 Change in the number of property sales**

Area	Number of sales Jul- Sep 2007	Number of sales Jul- Sep 2012	Percentage change recorded 2007-2012
Ribble Valley	335	186	-44.5%
Lancashire	7,813	3,076	-60.6%
England	329,208	162,688	-50.6%

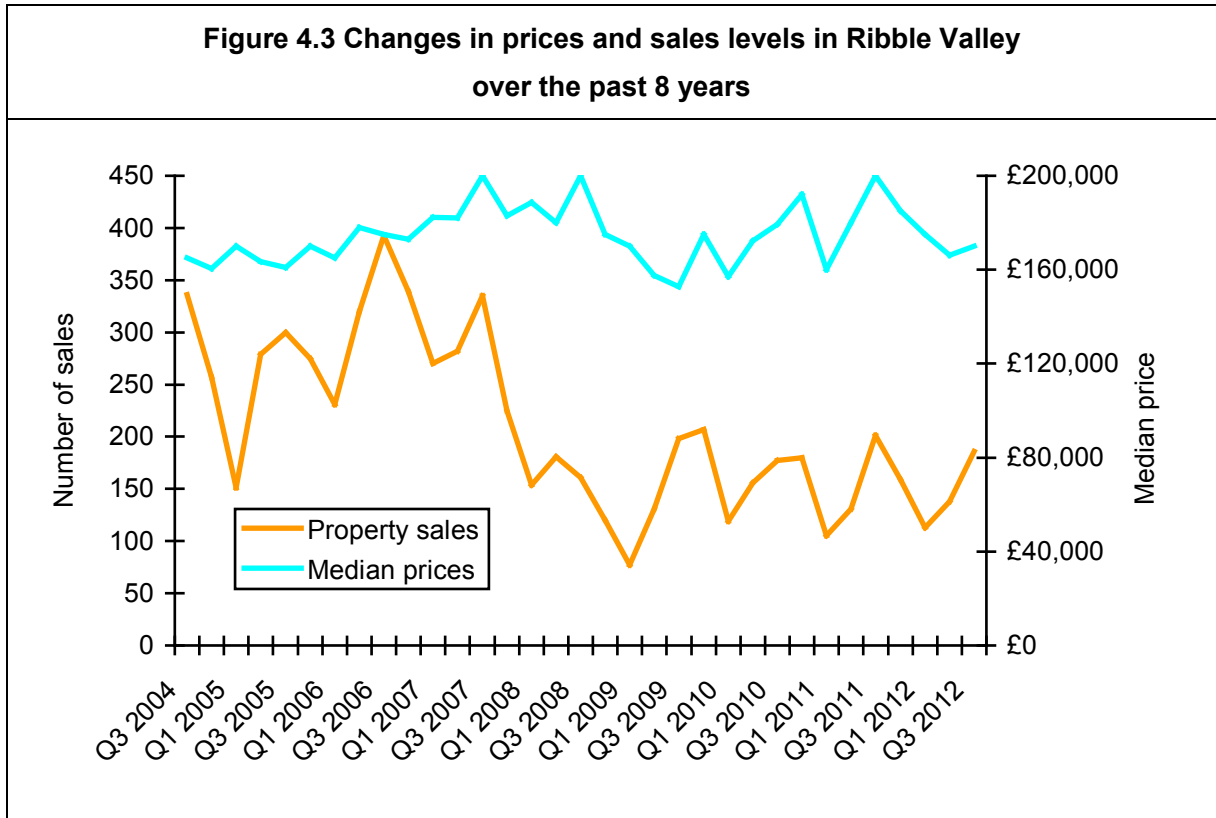
Source: Land Registry via CLG

4.7 Figure 4.2 shows the indexed change in the number of property sales since the third quarter of 2007 for Ribble Valley, Lancashire and England. The Figure suggests that in Ribble Valley the pattern follows that recorded for Lancashire and England and, despite seasonal fluctuations, sales levels are much lower now than they were before the economic downturn.



Source: Land Registry via CLG

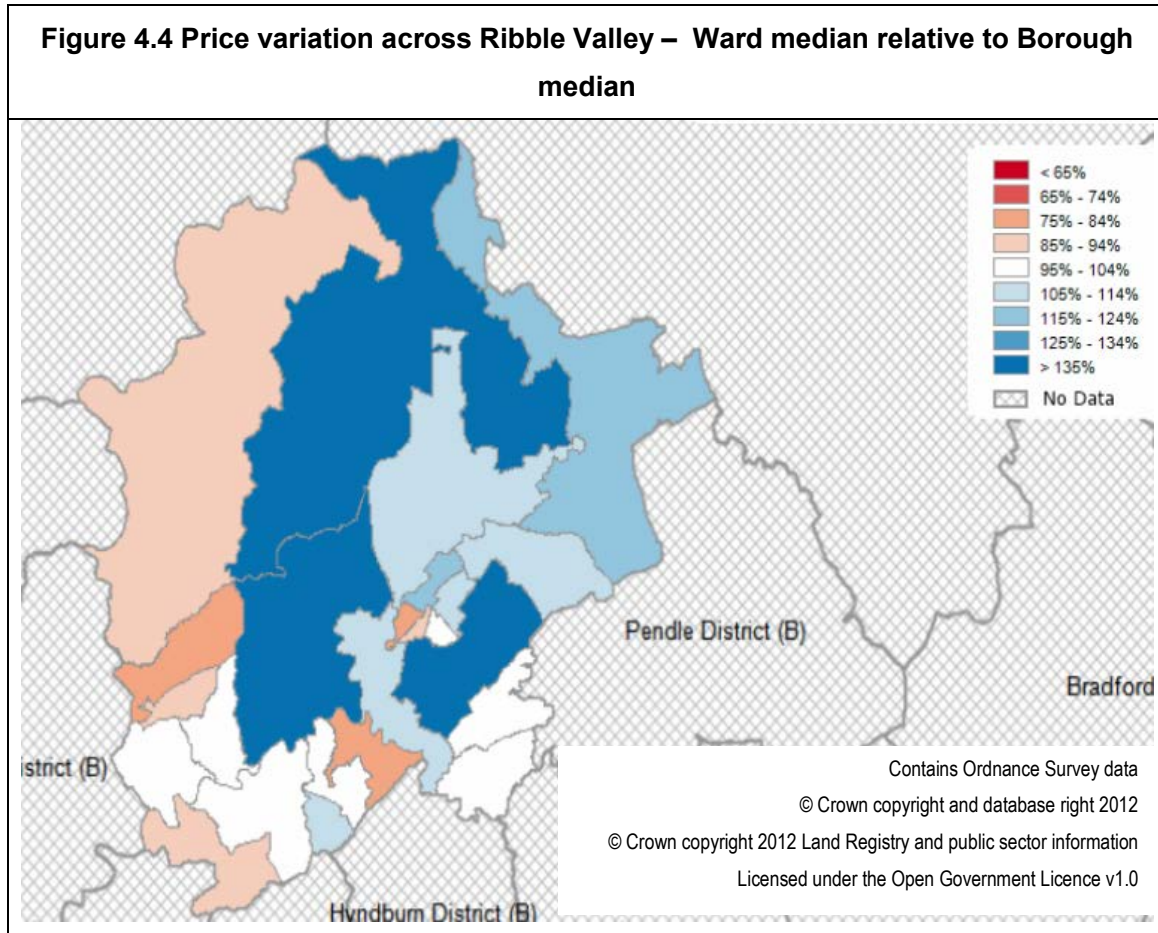
4.8 It is useful to briefly review housing market activity over a longer period to consider the influences on property price changes. Figure 4.3 shows the variation in median prices and property sales levels since 2004. The data suggests that property prices remained relatively stable over the last eight years despite property sales declining dramatically for part of that period (Summer 2007 to Summer 2009).



Source: Land Registry via CLG

### The cost of housing in Ribble Valley

- 4.9 To fully understand the affordability of housing within an area, it is necessary to collect data on the cost of housing by number of bedrooms. This ensures that it is possible to assess the ability of households to afford market housing of the size required by that particular household. However, no secondary data contains this information. As part of this study we have therefore undertaken a price survey to assess the current cost of housing in the Borough. Variations in prices across the Borough were examined.
- 4.10 Figure 4.4 shows the variation in prices across the wards in the Borough. The Figure indicates that generally the difference in prices within the Borough is fairly small; with the majority of wards within 25% of the Borough-wide median. The Figure suggests that prices in the rural area are highest, and prices in the South West of the Borough the lowest.

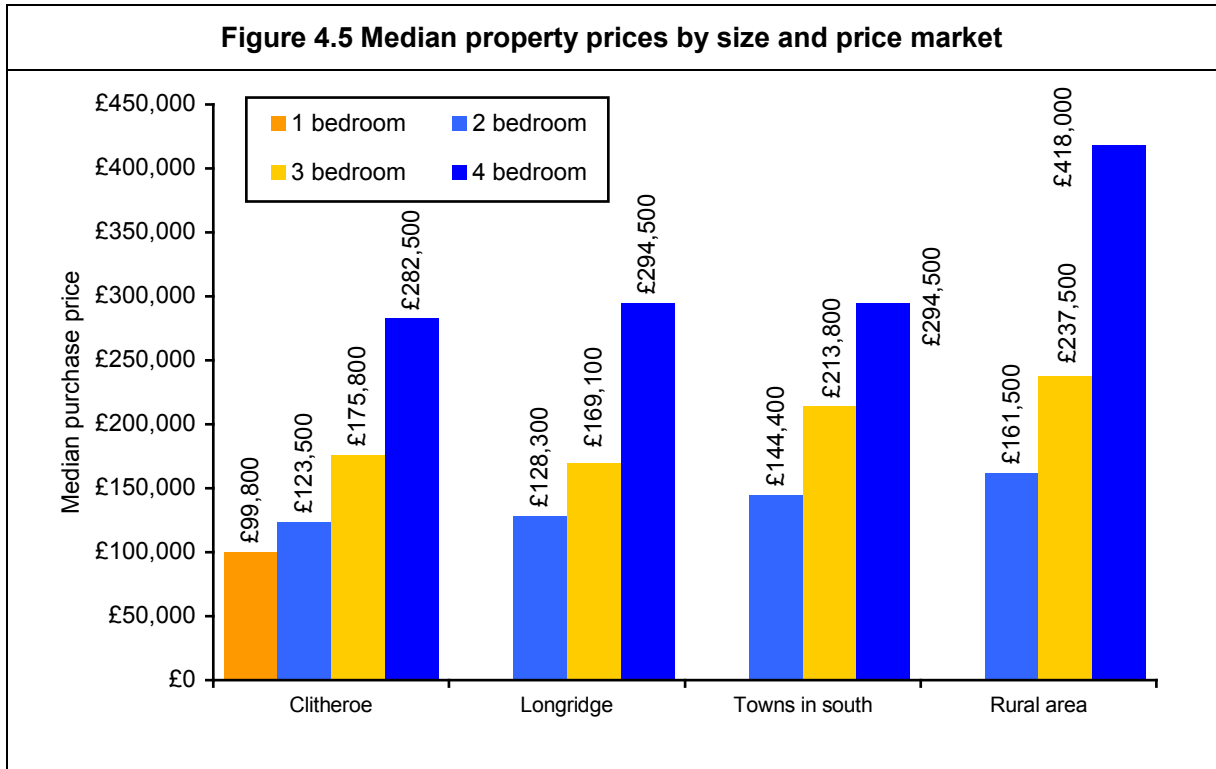


Source: Property Database Ltd, 2012

**Sub-markets**

- 4.11 Variations in prices and market rents have been assessed to identify how many separate price markets exist within Ribble Valley. The analysis of the housing market indicated that four price markets exist currently; Clitheroe, Longridge, Towns in the South, and the Rural area. These price markets are based on ward boundaries.
- 4.12 Median property prices by number of bedrooms were obtained in each of these four price markets via an online search of properties advertised for sale during March 2013. The results of this online price survey are presented in Figure 4.5. The prices recorded include a discount to reflect that the full asking price is not usually achieved (with sales values typically 3-5% lower as indicated by local estate agents). One bedroom properties for purchase were found to be in very short supply outside of the Clitheroe price market, therefore prices have not been presented for this dwelling size in the other price markets.

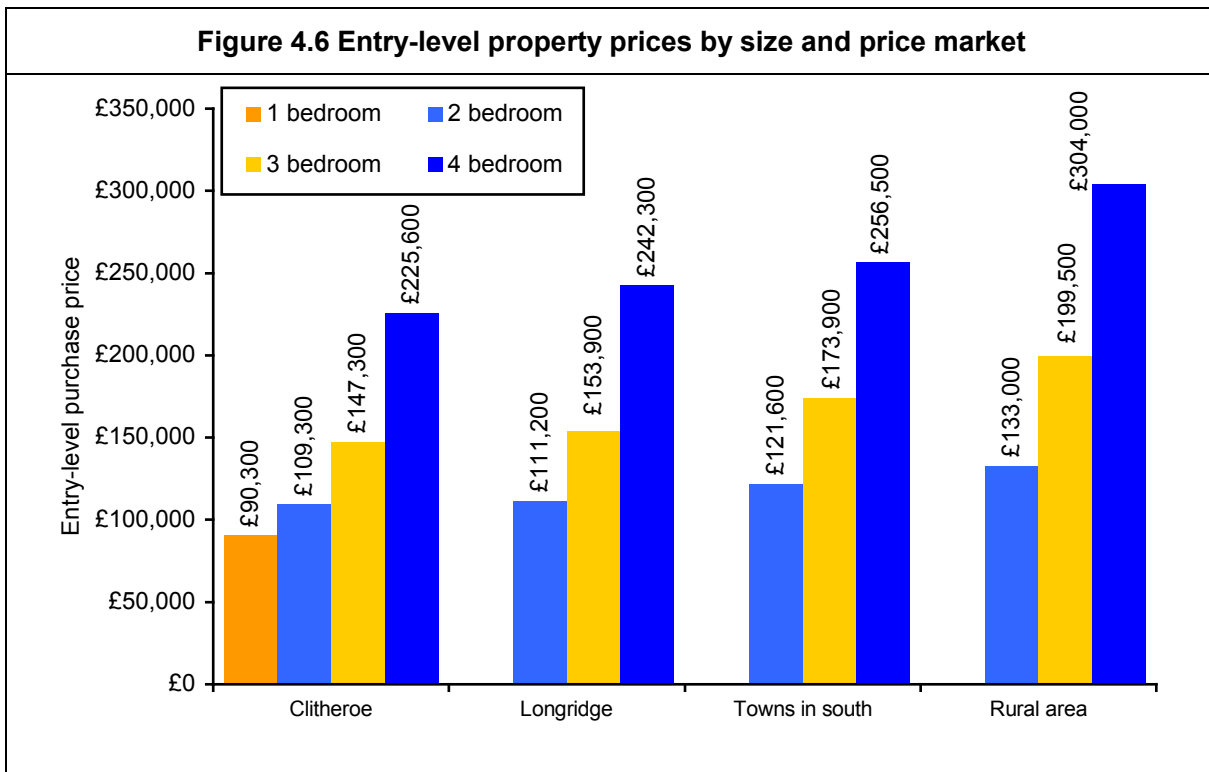
4.13 The Figure shows that the price increase for each property size is quite consistent across all the market areas (a three bedroom home is about 45% more than a two bedroom home within the same market area and a four bedroom property is about 70% more than a three bedroom dwelling within the same market area). Overall prices are highest in the Rural price market and lowest in the Clitheroe price market.



Source: Online estate agents survey March 2013

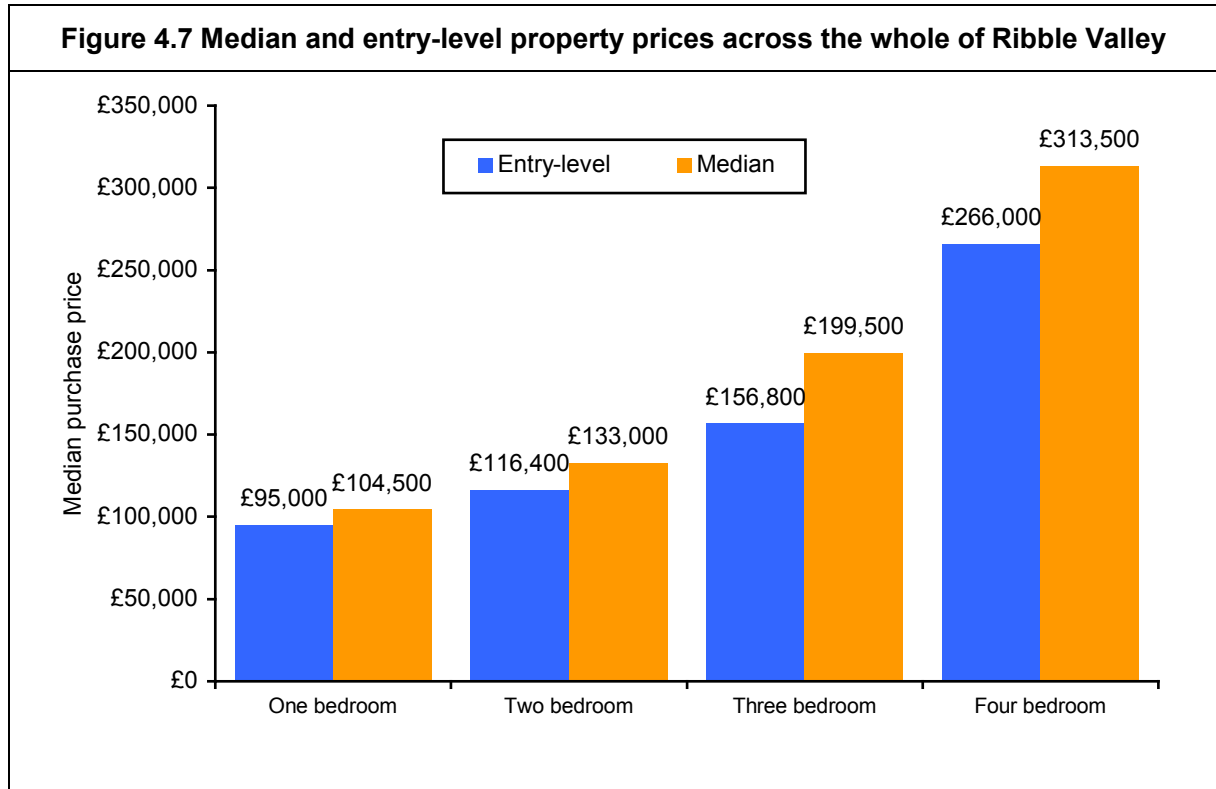
4.14 The online survey also collected information at different points of the price distribution. Entry-level property prices for each price market area are presented in Figure 4.6 below. In accordance with the Practice Guidance entry-level prices are based on lower quartile prices.

4.15 The Figure indicates that entry-level prices in Ribble Valley Borough range from around £90,300 for a one bedroom home in the Clitheroe price market up to £304,000 for a four bedroom property in the Rural price market. In terms of market availability the analysis showed that three bedroom properties are most commonly available to purchase in all price markets. One bedroom properties for purchase were found to be in relatively short supply outside the Clitheroe price market, therefore two bedroom dwellings are considered to be the smallest property found to be widely available in the other price markets and form the market entry point for owner-occupation.



Source: Online estate agents survey March 2013

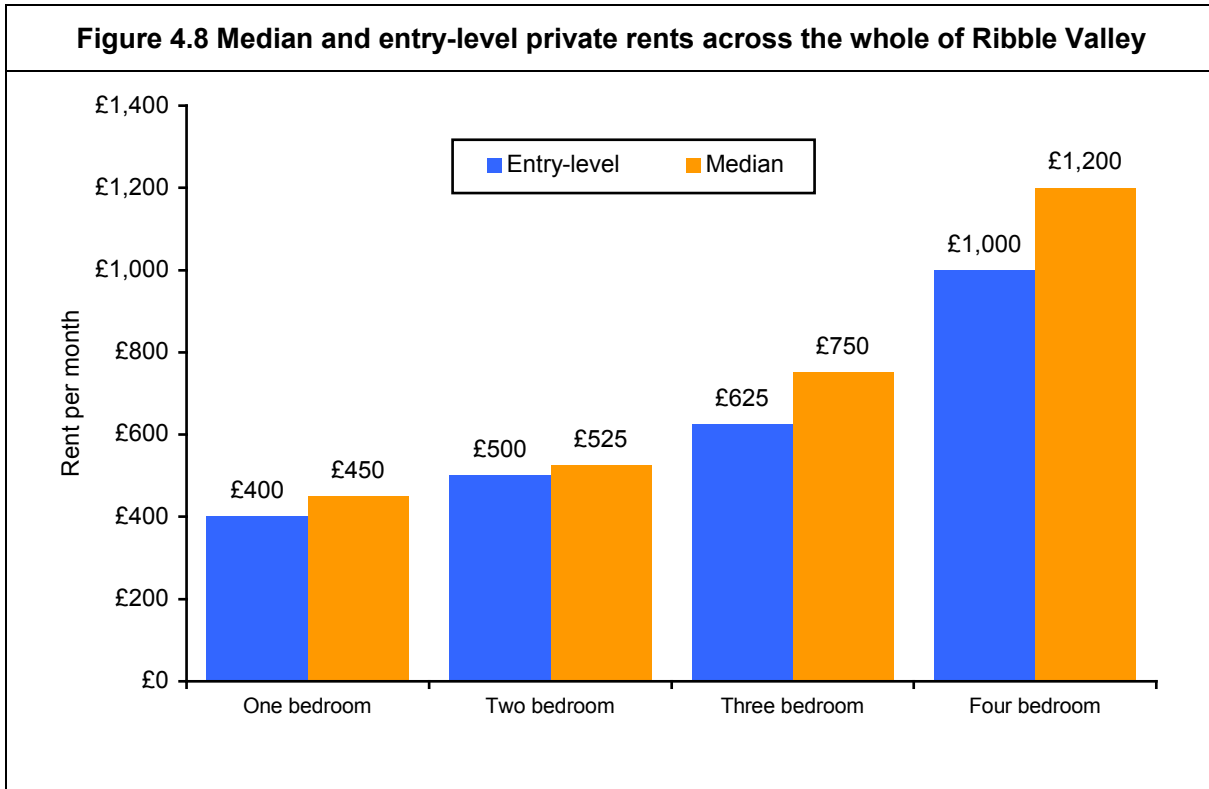
4.16 The analysis so far has considered price data by price market; however it is useful to also present this information for the Borough as a whole. Figure 4.7 therefore shows median and entry-level property prices by number of bedrooms across Ribble Valley. The Figure indicates that entry-level prices in Ribble Valley range from £95,000 for a one bedroom home up to £266,000 for a four bedroom property. Median prices are generally around 15-25% higher than entry-level prices.



Source: Online estate agents survey March 2013

### ***Entry-level rents***

- 4.17 The principle factor determining the rent of a unit is not its general location, we found that rents are driven largely by the condition and situation of the property. Whilst there was variation in the rents across the Borough, it was not as great as is recorded in property prices. In addition the number of homes available to rent was notably smaller than the number available for purchase. For these reasons a single private rented market across the Borough is most appropriate. The entry-level price for private rented accommodation by property size is presented in Figure 4.8. The Figure indicates that entry-level rents in Ribble Valley range from £400 per month for a one bedroom home up to £1,000 per month for a four bedroom property.
- 4.18 The Figure shows that as with owner-occupation, the smallest difference is between the cost of a one and two bedroom entry-level home. The difference between the cost of three and four bedroom accommodation is most marked in the private rented sector as was the case for property purchase. In addition, the profile of properties available is somewhat different to that for purchase with a greater proportion of two bedroom homes available to rent.



Source: Online letting agents survey March 2013

**Social rents**

4.19 The cost of social rented accommodation by dwelling size in Ribble Valley can be obtained from the Homes & Communities Agency’s Statistical Data Return dataset. Table 4.3 below illustrates the cost of social rented dwellings in Ribble Valley. As can be seen the costs are significantly below those for private rented housing, particularly for larger houses, indicating a significant potential gap between the social rented and market sectors.

<i>Bedrooms</i>	<i>Rent (per month)</i>
One bedroom	£298
Two bedrooms	£346
Three bedrooms	£368
Four bedrooms	£396

Source: HCA’s Statistical Data Return 2012

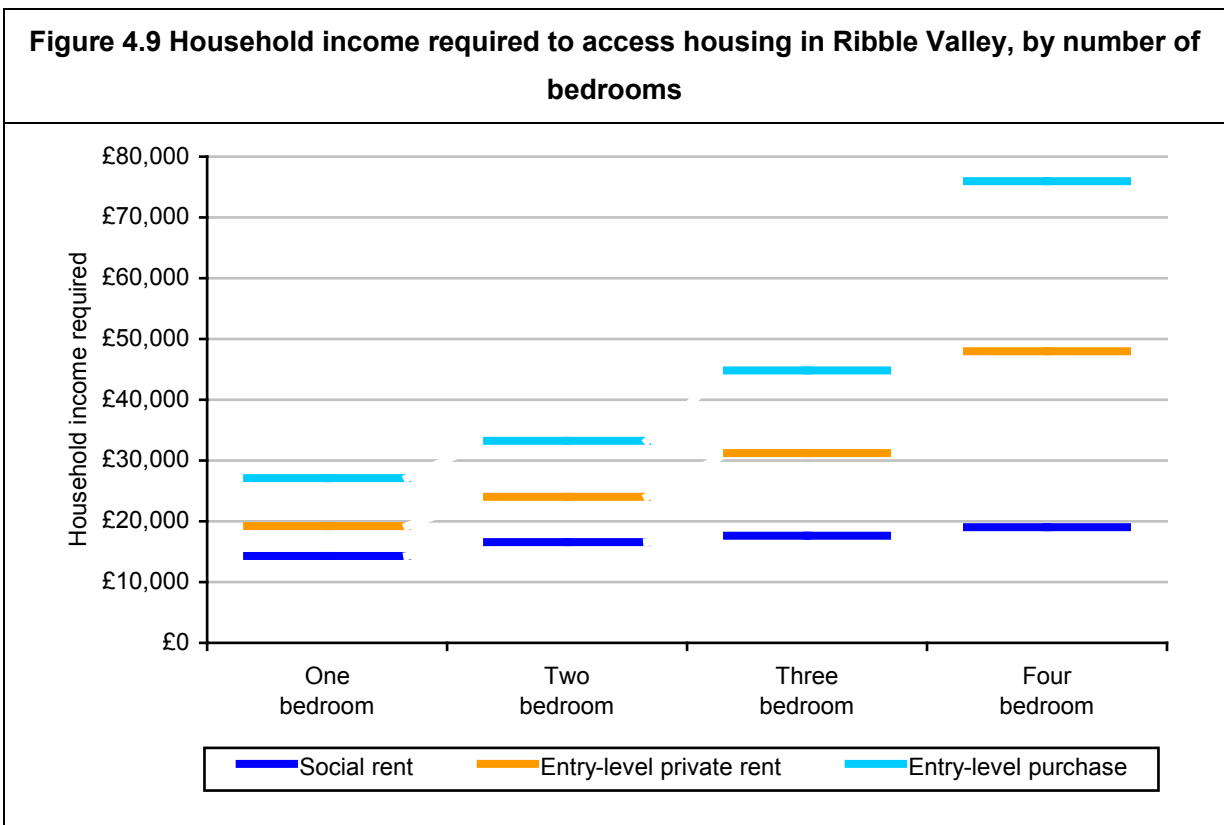
**Analysis of housing market ‘gaps’**

4.20 Housing market gaps analysis has been developed to allow easy comparison of the costs of different tenures. Figure 4.9 below shows the housing ladder that exists for different sizes of property in Ribble Valley. The housing ladder is illustrated by comparing the different types of housing in terms of the income required to afford them. To do this, we have divided the entry-level property price by 3.5 to get an income figure and multiplied the annual rent by four to produce a comparable figure. This latter step

was carried out for both social and market rents. This is in accordance with the affordability criteria set out in the Practice Guidance.

4.21 The Figure shows a comparison of the likely income requirements per household for different types of housing. Measurement of the size of the gaps between these ‘rungs of the ladder’ helps assess the feasibility of households moving between the tenures - the smaller the gaps, the easier it is for a household to ascend the ladder.

4.22 The Figure indicates that for one, two and three bedroom properties, the gap between social rent and market rent is larger than the gap between market rent and entry-level home ownership, with the reverse true for four bedroom homes. The gaps for four bedroom accommodation are particularly large; an additional £29,000 per year is required to access a four bedroom private rented home over the cost of a four bedroom social rented property, with a further £28,000 required to move to an owner-occupied home.



Source: Online survey of property prices March 2013; HCA’s Statistical Data Return 2012

4.23 Table 4.4 shows the size of the gaps for each dwelling size in Ribble Valley. The Table indicates, for example, that one bedroom market entry rents are 34.1% higher (in terms of income required) than the cost of social rented accommodation. The very large gap recorded between social rents and market entry rents for all dwelling sizes indicates that intermediate housing could potentially be useful for a large number of households in Ribble Valley. The significant gap between market entry rents and

market entry purchase indicates notable potential demand for part-ownership products for households in this gap.

<i>Property size</i>	<i>Social rent/market rent</i>	<i>Rent/buy gap</i>
One bedroom	34.1%	41.4%
Two bedrooms	44.4%	38.6%
Three bedrooms	70.0%	49.3%
Four bedrooms	152.4%	58.3%

Source: Ribble Valley Borough Strategic Housing Market Assessment, 2013

## **Affordable Rent**

- 4.24 Affordable Rents are being introduced to help fill the gaps that exist in the current housing market. Affordable Rent is a social tenure intended to house households on the Housing Register. Affordable Rents can be set at *up to 80%* of open market rents, implying there is a flexibility as to what they may cost. This section, therefore profiles in more detail the private rented sector, on which the tenure is based, and then considers the potential cost of Affordable Rent in Ribble Valley.

### ***Understanding the private rented sector (PRS) in Ribble Valley***

- 4.25 The section considers the breadth of the private rented market for each property size in Ribble Valley. Table 4.5 shows the cost at the key points of the rental distribution. It can be seen from the figures in the Table that the price markets for each bedroom size are largely distinct as there is no overlap within the inter-quartile ranges of the adjacent property size. For all property sizes, the extremes of each market overlap somewhat with the next size of dwelling. For example, a household in a high quality two-bed dwelling could live in a median priced three-bed property at the same rent but they would have to accept a noticeable drop in quality.

<i>House size</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>
Minimum	£325	£395	£475	£725
Lower Quartile	£400	£500	£625	£1,000
Median	£450	£525	£750	£1,200
Upper Quartile	£475	£600	£875	£1,350
Maximum	£700	£950	£1,625	£1,750
Inter-quartile range	£75	£100	£250	£350
% difference between quartiles	18.8%	20.0%	40.0%	35.0%

Source: Online letting agents survey March 2013

***Affordable Rents compared with open market rents***

- 4.26 We have considered various forms of averaging to derive a median market rent, from which the Affordable Rent at 80% could be calculated. The most effective, we believe, is to take the median from the middle range of observed rents. Table 4.6 compares the observed ranges of rent in the PRS with the Affordable Rents based at 80% of these levels. Social rent and Local Housing Allowance (LHA) levels are also included. The tables show that social rent levels in Ribble Valley are consistently below the entire range of rates for Affordable Rent products and the gap between social rent and Affordable Rent increases with property size.
- 4.27 Ribble Valley is located in three Broad Rental Market Areas (BRMA); the Central Lancashire BRMA, the East Lancashire BRMA and the West Pennine BRMA. The LHA cap for all three applicable BRMAs, as set by the Valuation Office Agency is also included in the table. This is based on the 30<sup>th</sup> percentile of open market rents. In most markets the LHA rates are above the median and often above the maximum Affordable Rent level. In the Central Lancashire BRMA the LHA cap is above the median Affordable Rent for one and two bedroom properties and above the lower quartile Affordable Rent for three bedroom homes, whilst the East Lancashire BRMA and the West Pennine BRMA LHA cap is only above the minimum Affordable Rent for one bedroom homes. A notable number of households accessing Affordable Rent in Ribble Valley will therefore be required to contribute to at least some of the cost themselves – it will not be covered entirely by LHA.
- 4.28 For four bedroom homes there is an overlap between the maximum Affordable Rent rate and the entry level private rent. If, in this instance, high end properties were made available as Affordable Rent products, they would offer the chance for households to move into a high quality property at below open-market rents; however, there would still be suitable cheaper properties available in the open market.
- 4.29 In terms of providing an Affordable Rent product that is above the social rent level but suitably below the entry-level market rent, the tables suggest that the most suitable properties to be made available for Affordable Rent would be ones equivalent to those in the 'lower-middle' section of the open market.

<b>Table 4.6 Rent levels by tenure in Ribble Valley (cost per month)</b>				
<i>House size</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>
<b>PRS</b>				
Lower Quartile	£400	£500	£625	£1,000
Median	£450	£525	£750	£1,200
Upper Quartile	£475	£600	£875	£1,350
<b>Affordable Rent</b>				
Minimum (80% of lower quartile)	£320	£400	£500	£800
Median (80% of median)	£360	£420	£600	£960
Maximum (80% of upper quartile)	£380	£480	£700	£1,080
<b>Social rent</b>				
Typical rent*	£298	£346	£368	£396
<b>LHA cap</b>				
Central Lancashire BRMA**	£375	£480	£550	£695
East Lancashire BRMA**	£335	£390	£450	£600
West Pennine BRMA**	£325	£368	£412	£595

Source: Online letting agents survey March 2013, \*HCA's Statistical Data Return 2012, \*\* Valuation Office Agency March 2013

#### **Affordable Rent levels**

- 4.30 Having established how Affordable Rent at 80% should be positioned in the market, it is important to consider the cost of other potential Affordable Rent options below the maximum of 80%. Alternative levels of Affordable Rent (70%, 65% and 60% of the median of the market) are also considered to understand how lowering rents impacts affordability. The costs of renting at these various levels are presented in Table 4.7.
- 4.31 As can be seen in Table 4.7, the 60% and 65% Affordable Rent rate is lower than the social rent level for one and two bedroom properties. As a result, when the affordability of different levels of Affordable Rent is tested in Chapter 5, we do not test this option. As the aim of Affordable Rent is to generate a greater income for registered providers (RPs) to supply more affordable developments, charging these levels would generate less income, therefore the RPs would be better off charging social rents.
- 4.32 A limited number of Affordable Rent units are currently available in Ribble Valley (25 as at April 2012 according to the HCA's Statistical Data Return). The Table also indicates the current Affordable Rent charged on these properties (including any service charge). The Table shows that the current Affordable Rent levels charged are below the cost of entry-level rent for all property sizes. The Affordable Rent currently charged for one bedroom homes is above the 80% Affordable Rent level calculated, for two bedroom homes it is between the 70% and 80% Affordable Rent levels calculated, whilst for three bedroom homes it is between the 60% and 65% Affordable Rent levels calculated.

<i>Bedrooms</i>	<i>One</i>	<i>Two</i>	<i>Three</i>	<i>Four</i>
Lower Quartile Private Rents	£400	£500	£625	£1,000
Affordable Rent at 80%	£360	£420	£600	£960
Affordable Rent at 70%	£315	£368	£525	£840
Affordable Rent at 65%	<i>£293</i>	<i>£341</i>	£488	£780
Affordable Rent at 60%	<i>£270</i>	<i>£315</i>	£450	£720
Social rent*	£298	£346	£368	£396
Current Affordable Rent charged*	£394	£406	£456	-

Italic figures are those below social rent.

Source: Online letting agents survey March 2013, \*HCA's Statistical Data Return 2012

### ***Shared ownership***

- 4.33 Whilst this section has profiled Affordable Rent in detail, it should be noted that shared ownership accommodation is an alternative affordable product aimed at the same group of households - those able to afford more than social rents but unable to afford market accommodation.
- 4.34 Table 4.8 presents the estimated costs of shared ownership housing in Ribble Valley. The prices presented in the Table were obtained from the online estate agent survey. It is important to note that there were few shared ownership properties available in Ribble Valley at the time of the estate agent survey, so the open market value for these properties may be subject to refinement. The monthly costs of the most commonly available equity shares offered are also shown. The monthly costs are based on an interest rate of 5.69% paid on the equity share owned and rent payable at 2.5% on the remaining equity. These costs have been produced just to allow a broad comparison with the Affordable Rent levels presented above. It is clear that there is a potential overlap between the two products, particularly between shared ownership with a 50% equity share and Affordable Rent at 70%. Shared ownership with a 75% share is more expensive than the Affordable Rent options, but is cheaper than entry-level prices. It is worth noting that the vast majority of shared ownership properties available in the area have a 50% equity share (with higher levels of equity only available rarely) and where households in Ribble Valley are tested as to their ability to afford shared ownership accommodation later in this report, the price is based on the 50% equity share level.

	<i>One</i>	<i>Two</i>	<i>Three</i>	<i>Four</i>
Open market value	£97,500	£125,000	£160,000	£235,000
Monthly cost of shared ownership with a 50% equity share	£333	£427	£546	£802
Monthly cost of shared ownership with a 75% equity share	£398	£510	£652	£958

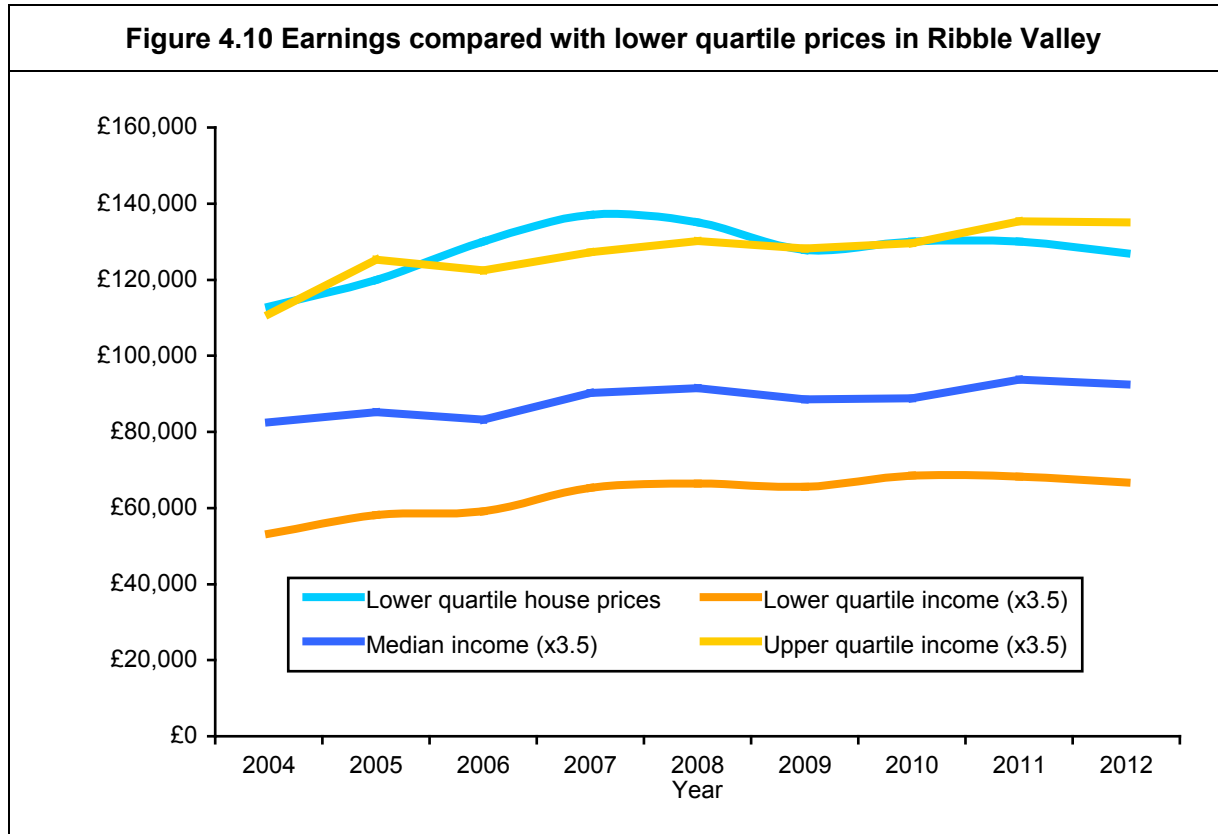
Source: Online letting agents survey March 2013

## **Affordability of housing**

- 4.35 Assessing the affordability of market housing in an area is crucial to understanding the sustainability of the housing market. Poor affordability can result in the loss of employees from an area, an increase in poverty, a high number of households requiring assistance with their housing (either via a social rented property or through a benefit-supported private rented accommodation) and a loss of mix and balance in the population within the area.
- 4.36 The affordability of housing in an area is measured by the ratio of market housing costs to income in that area. Initially the general Borough-wide entry-level cost of market housing will be compared to different points on the earnings distribution of residents in Ribble Valley to consider affordability in historical terms. This will be followed by an analysis that assesses the ability of households in Ribble Valley to afford market accommodation of the size they require using data on the household income distribution and the household composition in the Borough.

### ***General affordability***

- 4.37 Figure 4.10 shows the lower quartile, median and upper quartile income of full-time workers (as set out in Chapter 2) multiplied by 3.5 (the income multiple set out in the Practice Guidance) compared to Borough-wide lower quartile prices (set out in Figure 4.7). The figure shows that full-time workers with earnings at the upper-quartile level in Ribble Valley would be able to purchase an entry-level property in the Borough. This would not however be possible for full-time workers with earnings at the lower quartile or median level, without additional income or a capital sum to deduct from the purchase price. It is clear that affordability theoretically improved immediately after the economic downturn (discounting the greater difficulty of acquiring a mortgage) and the affordability gap has reduced slightly since. Whilst in 2007 lower quartile prices were almost seven and a half times higher than lower quartile full-time incomes, in 2012 they were around six and a half times higher.



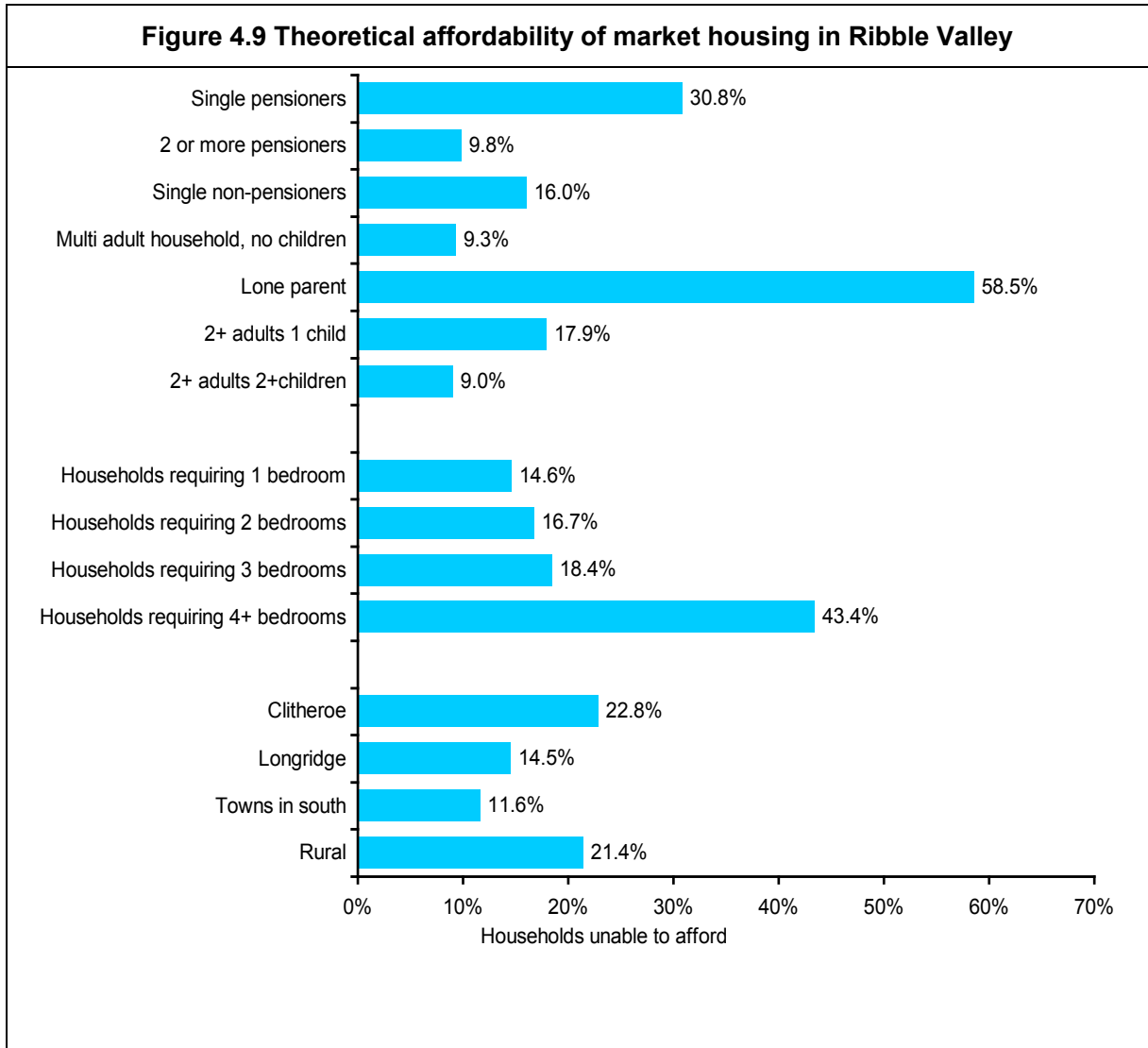
4.38 Although no time-series data is available on market rents in Ribble Valley, the current Borough-wide entry-level rent for a two bedroom home (£500 per month or £6,000 per year) can be compared to different points on the income distribution of full-time workers in the Borough. This is presented in Table 4.9. The Practice Guidance indicates that within the private rented sector no more than a quarter of gross income should be spent on the rent for the rent to be affordable. The Table indicates that whilst full-time workers with earnings at the median and upper quartile level would be able to afford entry-level market rents in the Borough, full-time workers with earnings at the lower quartile level would not.

<i>Income level</i>	<i>Earned income</i>	<i>Price/income ratio</i>
Lower quartile	£19,053	0.31
Median	£26,411	0.23
Upper quartile	£38,574	0.16

Source: Online letting agents survey March 2013; Annual Survey of Hours and Earnings, 2012

***Specific theoretical affordability***

- 4.39 The household income distribution shown in Figure 2.10 differentiated by household type can be used to assess the ability of households in Ribble Valley to afford the size home that they require (according to the bedroom standard). The cost of housing by bedroom size in the Borough is presented in Figures 4.7 and 4.8 and the test is based on the affordability criteria set out in the Practice Guidance (and presented in the Glossary).
- 4.40 Figure 4.11 shows the current affordability of households in Ribble Valley by household type, number of bedrooms required and price market. This is the theoretical affordability of households, as the analysis considers all households in the Borough regardless of whether the household intends to move.
- 4.41 The data indicates that 58.5% of lone parent households in the Borough would be unable to afford market housing (if they were to move home now). Single person households are also relatively unlikely to be able to afford, as are households with two adults and one child. Multi-adult households with two or more children are most likely to be able to afford market housing in Ribble Valley. Some 43.4% of households requiring a four bedroom home would be unable to afford market housing in the Borough (if they were to move now), compared to 14.6% of households requiring a one bedroom property. Finally households in the Clitheroe price market are least likely to be able to afford market housing, with those in the *'towns in south'* price market most likely.



Source: Ribble Valley Borough Strategic Housing Market Assessment, 2013



## 5. Housing need

### Summary

- i) Following the steps of the needs assessment model specified by the Practice Guidance results in a net need estimate of 404 affordable dwellings per year in Ribble Valley, however this figure does not equal the number of new affordable units to be built. The need will be met through a wide range of sources – but particularly by making better use of vacant stock, by making better use of the existing stock and through the private rented sector.
- ii) One bedroom and four bedroom affordable homes are particularly required.
- iii) Relatively few households in housing need could afford Affordable Rent at 80% of the median market rent. The most practical level to set Affordable Rent to meet substantial need is at 70%.
- iv) Factoring higher affordability thresholds households in the private rented sector pay in current market conditions and the supply of private rented accommodation (via LHA) to house those requiring affordable housing, the need for new affordable units reduces notably – however changes to the administration of LHA mean that it is unlikely to continue

### Introduction

- 5.1 Housing need is a term first used in the mid-1990s to help provide a means-tested estimate of the requirement for affordable housing in an area. The Strategic Housing Market Assessment Practice Guidance (August 2007) defines housing need as *‘the quantity of housing required for households who are unable to access suitable housing without financial assistance.’*
- 5.2 This chapter presents the results of the three broad stages of the needs assessment model. Within each of the three stages there are a number of detailed calculations (16 in total) many of which themselves have a number of components. This chapter presents details of how each of these 16 detailed steps is calculated using locally available data for Ribble Valley. An annual estimate of housing need is calculated from these 16 steps and the tenure and size of accommodation most appropriate to meet this need is discussed.

### Stage 1: Current need (Steps 1.1-1.4)

- 5.3 The first stage of the model assesses current need. This begins with an assessment of housing suitability, before the affordability test is applied to determine the number of these households that require affordable housing, and are therefore in current need .

### ***Unsuitable housing***

5.4 The Practice Guidance sets out a series of nine criteria for unsuitable housing:

- Homeless households
- Households with tenure under notice, real threat of notice or lease coming to an end; housing that is too expensive for households in receipt of housing benefit or in arrears due to expense
- Households overcrowded according to the ‘bedroom standard’
- Dwelling too difficult to maintain (eg too large) even with equity release
- Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household
- Households containing people with mobility impairment or other specific needs living in unsuitable dwelling (eg accessed via steps), which cannot be made suitable in-situ
- Dwelling lacks a bathroom, kitchen or inside WC and household does not have the resources to make fit (eg through equity release or grants)
- Dwelling subject to major disrepair or unfitness and household does not have the resources to make fit (eg through equity release or grants)
- Household suffers harassment from others living in the vicinity which cannot be resolved except through a move.

5.5 The Practice Guidance indicates that there are three particular categories of unsuitable housing that should be specifically identified. These are presented in Table 5.1 below, which also indicates the number of households in each category in Ribble Valley and the source of the data. The final column represents the revised total for each of these categories once any double-counting between them has been taken into account. Households can be unsuitably housed for more than one reason so it is important that they are only counted once.

5.6 The table shows that there are 918 households in unsuitable housing in Ribble Valley and the most common single reason for unsuitability is overcrowding. This figure of 918 represents 3.7% of all households in Ribble Valley.

<i>Step</i>	<i>Source</i>	<i>Number of households</i>	<i>Revised number of households</i>
1.1 Homeless households and those in temporary accommodation	Section E6 of the Council's P1(E) return for 4 <sup>th</sup> quarter of 2012 showing the number of homeless households accommodated by the authority at the end of the quarter	5	0 <sup>3</sup>
1.2 Overcrowded households	2011 Census	398	326 <sup>4</sup>
1.2 Concealed households*	2011 Census	4	0 <sup>5</sup>
1.3 Other groups	Data from Council's 2012 ELASH return from April, 2012.	592	592
1.4 Total		999	918

\*According to the Practice Guidance, concealed households include couples, people with young children and single adults over 25 sharing a kitchen, bathroom or WC with another household.

Source: Ribble Valley Borough Strategic Housing Market Assessment, 2013

### ***Affordability***

- 5.7 Some of these households in unsuitable housing are likely to be able to afford alternative accommodation in the market sector without requiring subsidy. The ability of these households to afford the cost of entry-level market housing of the appropriate size (set out in Figure 4.7 and 4.8) is therefore tested. The waiting list details the size of accommodation required by households unsuitably households for other reasons in Ribble Valley. For the other groups, the household composition recorded for these households in Ribble Valley is used to determine the size requirement profile. To test overcrowded households the income distribution for each dwelling size requirement, identified using the CACI income profile for the Borough, is adjusted to reflect that nationally the income of overcrowded households is 70.3% of the figure for all households (according to the English Housing Survey). Similarly for 'other' unsuitably households the income distribution is adjusted to reflect that nationally the income of social rented households is 46.9% of the figure for all households (according to the English Housing Survey).
- 5.8 These 918 households in unsuitable housing are therefore tested for their ability to afford market housing in Ribble Valley using the criteria set out in the Practice Guidance (and set out in the glossary). Table 5.2 shows the number of unsuitably housed households requiring different dwelling sizes and the proportion of these households able to afford the market-entry point. The number of households that are therefore in current need is shown in the final column.

<sup>3</sup> The 2012 ELASH return allows councils to indicate the number of households on the waiting list and in a reasonable preference category (a proxy for in unsuitable housing) that are also homeless. The data from the Ribble Valley 2012 ELASH indicates that 0.8% of households on the waiting list and in a reasonable preference category are also homeless .

<sup>4</sup> The 2011-12 CORE LA Area Lettings Report for Ribble Valley indicates the proportion of social rented lettings that were to previously overcrowded households. This provides an indication on the level of overlap between all households in unsuitable housing and overcrowded households. The proportion recorded in the CORE report is 12.2%)

<sup>5</sup> The 2001 Census indicated that 100.0% of concealed households were also overcrowded in Ribble Valley. In the absence of equivalent data from the 2011 Census it is presumed that this proportion is accurate of the situation currently.

<b>Table 5.2 Affordability of households in unsuitable housing</b>			
<i>Number of bedrooms required</i>	<i>Unsuitable housed households</i>	<i>Percentage unable to afford entry-level market housing</i>	<i>Households in current need</i>
One bedroom	299	73.1%	218
Two bedroom	450	60.9%	274
Three bedroom	148	58.3%	86
Four or more bedrooms	21	73.8%	16
<b>Total</b>	<b>918</b>	<b>64.7%</b>	<b>594</b>

Source: Ribble Valley Borough Strategic Housing Market Assessment, 2013

5.9 Overall 64.7% (594 households) of unsuitably housed households are unable to afford market housing and are in current need. For the purposes of the housing needs assessment, households considered to be in housing need have been split into two categories: current occupiers of affordable housing in need (this includes occupiers of social rented and shared ownership accommodation), and households from other tenures in need. It is estimated that some 167 households in need currently live in affordable housing.

#### ***Total current need***

5.10 Table 5.3 summarises the first stage of the overall assessment of housing need as set out by the Practice Guidance. The data shows that there are an estimated 594 households in current need in Ribble Valley.

<b>Table 5.3 Stage 1: Current housing need (gross)</b>		
<i>Step</i>	<i>Notes</i>	<i>Output</i>
1.1 Homeless households and those in temporary accommodation		0*
1.2 Overcrowding and concealed households		165
1.3 Other groups		429
1.4 equals Total current housing need (gross)	1.1+1.2+1.3	594

\*Included within the other groups total

Source: Ribble Valley Borough Strategic Housing Market Assessment, 2013

#### **Stage 2: Future need (Steps 2.1-2.4)**

5.11 In addition to Current Need, there will also be Future Need. This forms the second stage of the housing needs assessment model. This is split, as per the Practice Guidance, into two main categories. These are as follows:

- new household formation (× proportion unable to buy or rent in market)
- existing households falling into need.

***Need from newly forming households***

- 5.12 The headship rate for each 5 year age cohort between the ages 15 and 44 was calculated using information in the Census on the number of people and number of household heads within each age cohort in Ribble Valley. This headship rate was then applied to the 2011-based mid-term population projections. This identified the projected number of households likely to form in the Borough between 2013 and 2018. This figure is then averaged to provide an annual estimate for the number of newly forming households. This approach is compliant with the procedure described in the annex to the Practice Guidance on suitable methodologies for deriving estimates of future household formation.
- 5.13 Using this methodology it is estimated that 2,076 new households will form in Ribble Valley over the next five years. This is annualised to 415 new households per year. This represents a household formation rate of 1.7%, slightly below the level recorded nationally by the English Housing Survey (1.8%).
- 5.14 To assess the ability of these households to afford the cost of entry-level market housing of the appropriate size, it is presumed that these new households will have the same composition as the profile for new households recorded in the English Housing Survey, from which the appropriate size requirement profile can be determined. To test newly forming households ability to afford market housing the income distribution for each dwelling size requirement, identified using the CACI income profile for the Borough, is adjusted to reflect that nationally the income of newly forming households is 70.1% of the figure for all households (according to the English Housing Survey).
- 5.15 Table 5.4 shows details of the derivation of future need from newly forming households. The table shows that 56.6% of newly forming households will be unable to afford market housing. This means that there will be an annual affordable housing requirement from 235 newly forming households.

<b>Table 5.4 Newly arising need from new household formation</b>	
<i>Component</i>	<i>Output</i>
Number of newly forming households	415
Proportion unable to afford entry-level market housing	56.6%
Number of newly forming households requiring affordable accommodation	235

Source: Ribble Valley Borough Strategic Housing Market Assessment, 2013

***Existing households falling into need***

- 5.16 The Practice Guidance recommends that this figure is derived by looking at recent trends in households applying for affordable housing. Analysis of the approaches for affordable accommodation made to the Council over the last two years (April 2011 to March 2013) indicates that of the 501 approaches, 278 were from households in housing need.

- 5.17 This figure will include newly forming households, which have featured in the previous step. The CORE LA Area Lettings Report provides an estimate of the proportion of social rented lets each year taken by newly forming households in each authority. It shows that for the year 2011-12, 19.5% of lettings in Ribble Valley were to newly forming households. It is assumed therefore that 54 (19.5% of 298) of the households that approach the Council and are in need are newly forming households. The resultant number of existing households falling into need is 224 households per annum.

***Total future need***

- 5.18 The data from the two steps described above can now be put into the needs assessment model as illustrated in Table 5.5. It indicates that future need will arise from a total of 459 households per annum.

<b>Table 5.5 Future need (per annum)</b>		
<i>Step</i>	<i>Notes</i>	<i>Number</i>
2.1 New household formation (gross per year)		415
2.2 Proportion of new households unable to buy or rent in the market	leaves 235	56.6%
2.3 Existing households falling into need		224
2.4 Total newly arising housing need (gross per year)	2.1×2.2+2.3	459

Source: Ribble Valley Borough Strategic Housing Market Assessment, 2013

**Stage 3: Available stock to offset need (Steps 3.1-3.8)**

- 5.19 The supply of affordable housing to meet housing need comprises the third stage of the housing needs assessment model. The affordable housing supply stage is split between existing stock that is available to offset the current need and the likely future level of supply.

***Available stock to offset current need***

- 5.20 The stock available to offset the current need includes stock from current occupiers of affordable housing in need, surplus stock from vacant properties and committed supply of new affordable units. Units to be taken out of management are removed from the calculation.

***Current occupiers of affordable housing in need***

- 5.21 It is important when considering net need levels to discount households already living in affordable housing. This is because the movement of such households within affordable housing will have an overall nil effect in terms of housing need. As established when calculating current need (paragraph 5.9), there are 167 households currently in need already living in affordable housing.

**Surplus stock**

- 5.22 A certain level of vacant dwellings is normal as this allows for transfers and for work on properties to be carried out. The Strategic Housing Market Assessment Practice Guidance suggests that if the vacancy rate in the affordable stock is in excess of 3%, some of the vacant units should be considered as surplus stock which can be included within the supply to offset housing need. Ribble Valley records a vacancy rate in the affordable sector of 0.6%. As the vacancy rate in Ribble Valley is lower than the 3% benchmark, no vacant dwellings are considered available to be brought back into use to increase the supply of affordable housing.

**Committed supply of new affordable units**

- 5.23 The Strategic Housing Market Assessment Practice Guidance recommends that this part of the assessment includes ‘new social rented and intermediate housing which are committed to be built over the period of the assessment’. For the purposes of analysis we have taken Council information on planned affordable housing provision between 2012 and 2014. This indicates that there are, currently, 211 affordable dwellings planned in Ribble Valley.

**Planned units to be taken out of management**

- 5.24 The Strategic Housing Market Assessment Practice Guidance states that this step ‘involves estimating the numbers of social rented or intermediate units that will be taken out of management’. The main component of this step will be properties which are expected to be demolished (or replacement schemes that lead to net losses of stock). At the time of reporting, the proposed number of affordable dwellings expected to be ‘taken out of management’ in the future was unknown and hence a figure of zero has been used in this step of the model.

**Total available stock to meet current need**

- 5.25 Having been through a number of detailed stages in order to assess the total available stock to offset current need in Ribble Valley, we shall now bring together all pieces of data to complete this part of the needs assessment model. This is presented in the Table 5.6. The data shows that there are an estimated 378 properties available to offset the current need in Ribble Valley.

<b>Table 5.6 Current supply of affordable housing</b>		
<i>Step</i>	<i>Notes</i>	<i>Output</i>
3.1 Affordable dwellings occupied by households in need		167
3.2 Surplus stock		0
3.3 Committed supply of affordable housing		211
3.4 Units to be taken out of management		0
3.5 Total affordable housing stock available	3.1+3.2+3.3-3.4	378

Source: Ribble Valley Borough Strategic Housing Market Assessment, 2013

**Future supply of affordable housing**

- 5.26 The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need. It is split between the annual supply of social re-lets and the annual supply of re-lets within the intermediate sector.

**The future supply of social rented housing**

- 5.27 This is an estimate of likely future re-lets from the social rented stock. The Strategic Housing Market Assessment Practice Guidance suggests that the estimate should be based on past trend data which can be taken as a prediction for the future. To enable consistency with the future need section (Stage 2), we have looked at trend data for the past two years.
- 5.28 CORE LA Area Lettings Reports provide an indication of the number of lettings in the social rented sector in Ribble Valley. The average number of lettings across the social rented sector over the two-year period from April 2010 to March 2012 was 94 per annum.

**Supply of intermediate housing**

- 5.29 In most local authorities the amount of intermediate housing (mostly shared ownership) available in the stock is fairly limited (as is the case in Ribble Valley). However, it is still important to consider to what extent the current supply may be able to help those in need of affordable housing.
- 5.30 Therefore we include an estimate of the number of intermediate units that become available each year. Based on applying the estimated re-let rate for the social rented sector (4.0%) to the estimated intermediate stock in Ribble Valley (111 units), it is estimated that around 4 units of intermediate housing will become available to meet housing needs from the existing stock of such housing.

**Annual future supply of affordable housing**

- 5.31 This step is the sum of the previous two. The total future supply is estimated to be 98, comprised of 84 units of social re-lets and 4 units of intermediate housing. This is shown in Table 5.7.

<b>Table 5.7 Future supply of affordable housing (per annum)</b>		
<i>Step</i>	<i>Notes</i>	<i>Output</i>
3.6. Annual supply of social re-lets (net)		94
3.7. Annual supply of intermediate housing available for re-let or resale at sub-market levels		4
3.8. Annual supply of affordable housing	3.6+3.7	98

Source: Ribble Valley Borough Strategic Housing Market Assessment, 2013

**Estimate of net annual housing need**

- 5.32 The 16 steps detailed above (set across the three broad stages) are brought together in the housing needs assessment model as set out in Table 5.8.

<b>Table 5.8 Housing needs assessment model for Ribble Valley</b>		
Stage and step in calculation	Notes	Number
<b>STAGE 1: CURRENT NEED (Gross)</b>		
1.1 Homeless households and those in temporary accommodation		0*
1.2 Overcrowding and concealed households		165
1.3 Other groups		429
1.4 Total current housing need (gross)	1.1+1.2+1.3	594
<b>STAGE 2: FUTURE NEED</b>		
2.1 New household formation (gross per year)		415
2.2 Proportion of new households unable to buy or rent in the market	leaves 235	56.6%
2.3 Existing households falling into need		224
2.4 Total newly arising housing need (gross per year)	2.1×2.2+2.3	459
<b>STAGE 3: AFFORDABLE HOUSING SUPPLY</b>		
<i>Current supply</i>		
3.1 Affordable dwellings occupied by households in need		167
3.2 Surplus stock		0
3.3 Committed supply of affordable housing		211
3.4 Units to be taken out of management		0
3.5 Total affordable housing stock available	3.1+3.2+3.3-3.4	378
<i>Future supply</i>		
3.6 Annual supply of social relets (net)		94
3.7 Annual supply of intermediate housing available for relet or resale at sub-market levels		4
3.8 Annual supply of affordable housing	3.6+3.7	98

\*Included within the other groups total

Source: Ribble Valley Strategic Housing Market Assessment; various secondary sources

- 5.33 The Practice Guidance states that these figures need to be annualised to establish an overall estimate of net housing need. The first step in this process is to calculate the net current need. This is derived by subtracting the estimated total stock of affordable housing available (step 3.5) from the gross current need (step 1.4). This produces a net current need figure of 216 (594-378).
- 5.34 The second step is to convert this net current need figure into an annual flow. The Strategic Housing Market Assessment Practice Guidance acknowledges that this current need can be addressed over any length of time although a period of less than five years should be avoided. For the purposes of this study the quota of five years proposed in the Practice Guidance will be used. Therefore to annualise the net current need figure, it will be divided by five. This calculation results in a net annual quota of 43 (216/5) households who should have their needs addressed.

- 5.35 The final step is to sum the net annual quota of households who should have their needs addressed with the total newly arising housing need (step 2.4) and subtract the future annual supply of affordable housing (step 3.8). This leads to an annual need estimate of 404 (43+459-98). These figures are summarised in Table 5.9 below. It is important to note that the result does not mean that 404 new affordable units are required each year. The need will be met through a wide range of sources – but particularly through making better use of vacant stock, making better use of the existing stock and through the private rented sector, as discussed in more detail later in the chapter.

<b>Table 5.9 Summary of needs assessment model</b>		
<i>Element</i>		<i>Number</i>
Current need	(Step 1.4)/5	119
Current supply	(Step 3.5)/5	76
Net current need		43
Future need	(Step 2.4)	459
Future supply	(Step 3.8)	98
Net future need		361
<b>Total net annual need</b>		<b>404</b>
Total gross annual need		578
Total gross annual supply		174
<b>Total net annual need</b>		<b>404</b>

Source: Ribble Valley Strategic Housing Market Assessment; various secondary sources

### **Types of households in need**

- 5.36 Table 5.10 gives a breakdown of gross annual households in need, by household type. The table shows that some 9.3% of 'other' households are in housing need compared to 1.2% of couple households with children. Overall, single person households comprise 28.3% of all households in need and couples with no children a further 23.9% of households in housing need.
- 5.37 It should be noted that 55 single person households are aged 35 and under. These individuals are deemed suitable to form part of a shared household should affordable accommodation not be available for them as a single household. If it is not possible to allocate them an affordable property, they would be offered Local Housing Allowance (discussed further in paragraph 5.54) to assist with their rent in the private rented sector, but only at the shared room rate, rather than the rate for a one bedroom property. These households are therefore not required to share, but are likely to have to.

<i>Household type</i>	<i>Need requirement</i>				
	<i>No. of h'holds in need (gross)</i>	<i>Not in need</i>	<i>Total Number of h'holds</i>	<i>% of h'hold type in need</i>	<i>As a % of those in need</i>
One person	163	6,963	7,127	2.3%	28.3%
Couple with no children	138	7,414	7,552	1.8%	23.9%
Couple with child/children	85	6,799	6,885	1.2%	14.8%
Lone parent	108	1,960	2,068	5.2%	18.7%
Other	83	806	889	9.3%	14.3%
<b>Total</b>	<b>578</b>	<b>23,942</b>	<b>24,520*</b>	<b>2.4%</b>	<b>100.0%</b>

\*The total household figure and household composition recorded for Ribble Valley in the Census has been updated to provide a profile in March 2013

Source: Ribble Valley Borough Strategic Housing Market Assessment, 2013

### Size of accommodation required

5.38 Table 5.11 shows the size of accommodation required by households in housing need in Ribble Valley. The supply distribution is derived from the 2010-11 and 2011-12 CORE LA Area Lettings Reports for Ribble Valley. The last column presents the supply as a percentage of need. This is calculated by dividing the estimated supply of the property size by the derived need for that dwelling size. The lower the figure produced, the more acute the need for affordable accommodation in the area, as the current supply is unlikely to meet the identified need.

<i>Size of home</i>	<i>Need requirement</i>				
	<i>Gross annual need</i>	<i>Gross annual supply</i>	<i>Net annual need</i>	<i>As a % of total net annual need</i>	<i>Supply as a % of gross need</i>
One bedroom	301	62	239	59.2%	20.6%
Two bedrooms	180	79	101	24.9%	43.9%
Three bedrooms	50	32	18	4.5%	63.2%
Four or more bedrooms	47	1	46	11.4%	2.0%
<b>Total</b>	<b>578</b>	<b>174</b>	<b>404</b>	<b>100.0%</b>	<b>30.0%</b>

Source: Ribble Valley Borough Strategic Housing Market Assessment, 2013

5.39 The table suggests that there is a net need for all sizes of affordable housing. The largest net need is for one bedroom accommodation, followed by two and four bedroom homes. The final column shows that the need relative to supply is the greatest for four bedroom homes, followed by one bedroom accommodation. Households in need requiring three bedroom accommodation are most likely to have their need met from the current supply.

5.40 Part of the requirement for one bedroom homes comes from single person households (couples living on their own are also suitable occupants of this size home). As described in paragraph 5.37 above, 55 of the single person households in housing need each year are deemed suitable for shared housing. Given the extreme pressure for affordable housing in Ribble Valley, it is very likely that these households will be required to move into shared accommodation. It is useful therefore to profile the size of affordable accommodation required, excluding these households. This is presented in Table 5.12. The table suggests that the largest net need is still for one bedroom homes, although their relative importance has reduced slightly.

<b>Table 5.12 Size of additional units required to meet housing need – excluding households suitable for shared housing</b>					
<i>Size of home</i>	<i>Need requirement</i>				
	<i>Gross annual need</i>	<i>Gross annual supply</i>	<i>Net annual need</i>	<i>As a % of total net annual need</i>	<i>Supply as a % of gross need</i>
One bedroom	247	62	184	52.8%	25.2%
Two bedrooms	180	79	101	28.8%	43.9%
Three bedrooms	50	32	18	5.2%	63.2%
Four or more bedrooms	47	1	46	13.2%	2.0%
Total	523	174	349	100.0%	33.2%

Source: Ribble Valley Borough Strategic Housing Market Assessment, 2013

### **Type of affordable home required**

5.41 As discussed in Chapter 4, Affordable Rent is being introduced to provide a further option within the intermediate sector and to help fill the gaps that currently exist in the housing market. The target residents for this product are households in housing need. As also discussed in Chapter 4, the level at which Affordable Rent is set, is to be determined by the Council. This section will therefore consider the suitability of different Affordable Rent levels for meeting housing need.

5.42 In carrying out the affordability assessment we have used the standard ‘25% of gross income on housing’ test, rather than a higher one. This is because, for households on low incomes, as those in housing need mainly are, anything much higher than 25% of income on housing leaves very little to live upon.

#### ***Affordability of Affordable Rent for households in housing need***

5.43 Table 5.13 illustrates how many households in defined housing need are able to afford different levels of Affordable Rent. The figures are presented cumulatively, so that any household that can afford a more expensive version of Affordable Rent are included within the figures for the cheaper versions. For example households able to afford Affordable Rent at 80% are included within the number of households able to afford Affordable Rent at 70%.

- 5.44 The Table shows that of the 578 households in gross need each year, 9.6%, some 55 households, could afford Affordable Rent at 80%. Some 111 households in need could be housed in Affordable Rented accommodation were the level lowered to 70% of private rent values and 121 households would be suitable for Affordable Rent set at 60%. The largest group of households in need are those unable to afford any accommodation without support from LHA.

	<i>Households in need</i>	<i>% of households in need</i>
Affordable Rent at 80%	55	9.6%
Affordable Rent at 70%	111	19.3%
Affordable Rent at 65%	116	20.1%
Affordable Rent at 60%	121	21.0%
Social rent	161	27.8%
Need LHA	417	72.2%
Total number of households	578	100.0%

Source: Ribble Valley Borough Strategic Housing Market Assessment, 2013

- 5.45 Table 5.14 splits the figures shown in the table above by bedroom size, again the figures are shown cumulatively. It shows that Affordable Rent at 80% will be most suitable for households in need of two bedroom accommodation. Some 22.7% of households in need requiring a two bedroom home could afford Affordable Rent at 70%, as could 20.6% of those requiring four bedroom accommodation and 17.8% of households needing a one bedroom home.

	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>
Affordable Rent at 80%	7.9%	13.1%	3.2%	12.1%
Affordable Rent at 70%	17.8%	22.7%	13.3%	20.6%
Affordable Rent at 65%	17.8%	22.7%	18.7%	24.9%
Affordable Rent at 60%	17.8%	22.7%	24.6%	30.0%
Social rent	21.6%	26.9%	38.0%	60.6%
Need LHA	78.4%	73.1%	62.0%	39.4%
Total number of households (per annum)	301 (100%)	180 (100%)	50 (100%)	47 (100%)

Source: Ribble Valley Borough Strategic Housing Market Assessment, 2013

### ***What is the need for Affordable Rent?***

- 5.46 Table 5.15 summarises the data in Table 5.14 to show the total number of households that could afford Affordable Rent at different levels. This allows us to consider how suitable different levels of

Affordable Rent would be in Ribble Valley. Affordable Rent at 80% can be afforded by almost half of households in need suitable for an intermediate product. Affordable Rent at 70% would be suitable for 91.8% of all households in need able to pay more than social rent. Using these figures, the most appropriate level at which to set Affordable Rent would be 70%.

<b>Table 5.15 Total number of households in need able to afford different affordable products (figures presented cumulatively)</b>		
<i>Product type</i>	<i>Households in need (annual)</i>	
Affordable Rent (80%)	55	45.7%
Affordable Rent (70%)	111	91.8%
Affordable Rent (65%)	116	95.6%
Affordable Rent (60%)	121	100.0%
Total	121	100.0%

Source: Ribble Valley Borough Strategic Housing Market Assessment, 2013

- 5.47 If the Affordable Rent level were set at 70%, it would generate a potential demand from 111 households in housing need (each year). This is in excess of the figure for the average annual number of relets of social rented housing in Ribble Valley in the past two years (94 as discussed in paragraph 5.28).

### **Sensitivity analysis**

- 5.48 The housing needs assessment model requirement of 404 affordable homes per year does not equate logically with the planned additional 200 new homes per year in the Borough between 2013 and 2028 as set out in the Core Strategy. This is because the CLG needs assessment model is a technical exercise that presents an assessment of the requirement for affordable housing, however it does not account for the functioning of the local housing market currently. This brief section considers the impact of changing two of the assumptions used in the model that do not reflect how the market operates.

#### ***Affordability threshold***

- 5.49 The housing needs assessment model assesses the number of households in need based on the affordability assumptions required by the Practice Guidance. It is possible, however, to examine how the model would be affected if the affordability assumptions were altered. Table 5.16 presents the model results where households were considered able to afford market rented housing in cases where the rent payable would constitute no more than 30%, 35% and 40% of gross household income, rather than 25% used in the standard model.

<b>Table 5.16 Impact of different affordability assumptions on affordable housing requirement in Ribble Valley</b>			
	<i>Rent payable constitutes no more than:</i>		
	<i>30% of gross household income</i>	<i>35% of gross household income</i>	<i>40% of gross household income</i>
Backlog need (annual)	103	90	79
Backlog supply (annual)	71	67	64
Net backlog need (annual)	32	23	15
Future need (annual)	418	344	312
Future supply (annual)	98	98	98
Net future need (annual)	320	246	214
Total net annual need	352	268	229
Total gross annual need	521	434	391
Total gross annual supply	169	165	162
Total net annual need	352	268	229

Source: Ribble Valley Strategic Housing Market Assessment, 2013

- 5.50 The table indicates that the number of households in need would decrease from 404 to 352 if 30% of gross household income could be spent on rent. This would decrease further to 268 if 35% of income could be spent on rent and to 229 if the affordability assumption was changed to 40%.

#### ***Local Housing Allowance***

- 5.51 Local Housing Allowance (LHA) is the replacement for the former Housing Benefit in the private rented sector. It is designed to make up the shortfall in people's ability to pay for the housing they need. LHA may represent 100% or some lower percentage of the overall rent paid. Whilst LHA-supported tenancies in the private rented sector are not considered a formal supply step within the housing needs assessment model. However it is of interest to note that applying the implied annual re-let rate to the benefit-supported private rented sector indicated in the British and Social Housing Foundation's report *Who Lives in the Private Rented Sector* (of 19%) to the total stock of these dwellings (810) then this would suggest 154 of these homes become available for letting each year. It is therefore clear that the benefit-supported private rented sector will continue to be used as a supply solution to the need for affordable housing in Ribble Valley.

#### ***Adjusted model outputs***

- 5.52 Table 5.17 examines the combined effect of changing the affordability assumptions used and including the supply of private rented accommodation via LHA, on the net annual requirement for affordable housing. If the affordability threshold used was adjusted to 35% of gross income on rent, which better

reflects the prevailing market conditions in Ribble Valley<sup>6</sup>, then there would be 136 fewer households in gross need each year. If the private rented sector via LHA is considered to represent a supply to meet the housing need then the gross annual supply increases by 154 dwellings. The impact of changing both of these assumptions is that the need for new affordable units reduces to 114 per year.

Element	Need according to the model	Change due to altered assumptions	Resultant adjusted figures
Total gross annual need	578	-136	442
Total gross annual supply	174	+154	327
<b>Total net annual need</b>	<b>404</b>		<b>114</b>

Source: Ribble Valley Borough Strategic Housing Market Assessment, 2013

- 5.53 The figure of 404 remains the overall need figure, because it is calculated in accordance with the approach set out in the Practice Guidance and is therefore comparable with historical estimates and figures derived elsewhere. However this figure does not equal the number of new affordable units to be built. The need will be met through a wide range of sources – but particularly by making better use of vacant stock, by making better use of the existing stock, and through the private rented sector as illustrated above.

#### ***Local Housing Allowance – a caveat***

- 5.54 Recent changes to the administration of LHA by the Coalition Government will impact on the capacity of the private rented sector via LHA to continue to meet housing need in Ribble Valley. Although notionally set at the 30th percentile of properties available on the market, a comparison of the LHA cap with private rented sector rents presented in Table 4.6 suggests that it is lower than this level and closer to the 10<sup>th</sup>-20<sup>th</sup> percentile of properties.
- 5.55 What this means is that many households in the private rented sector via LHA will not get the same level of financial support towards their rent as they had previously (when the cap was not set at 30% and the benefit could cover up to the whole rent). The potential consequences are that LHA landlords will be forced to reduce their rent levels notably, households in the sector will have to increase their income to make up for the reduced LHA received, or households will be forced to look for new accommodation elsewhere. If the last of these three options happens, many households affected are likely to present themselves to the Council due to becoming homeless. These households will therefore join the backlog of housing need.

<sup>6</sup> It is recognised that RSLs use 40% of income on rent to assess affordability, but 35% appears to be most common in the private rented sector in Ribble Valley.

- 5.56 It is worth noting that from April 2013 the payment of Housing Benefit<sup>7</sup> (HB) in the social rented sector will be on the number of bedrooms required rather than the number of bedrooms occupied. Households in the social rented sector receiving HB that are under-occupying their home will have a reduction in the level of HB received. This may force more households out of their current home.

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<sup>7</sup> Housing Benefit has only been changed to Local Housing Allowance within the private rented sector.



## 6. Improving market balance over the longer term

### Summary

- i) Work done by Nathaniel Lichfield & Partners identifies an Objectively Assessed Need for between 220 and 250 additional homes per year in Ribble Valley from 2008 to 2028.
- ii) In terms of the accommodation required to provide housing market balance over the long-term, the model which is based on secondary data, suggests that of the new housing required up to 2028 (3,750 dwellings in total), 70% should be market dwellings, 6% shared ownership, 19% Affordable Rent and 5% new social rented dwellings.

### Introduction

6.1 The previous chapters in this report have focused on current market pressures, this chapter considers what accommodation is required to provide housing market balance over the long-term. This is an important exercise because there is a lag in the planning system, which means that it is not possible to respond immediately to imbalances between the nature of accommodation required and the stock currently available. It is therefore appropriate to consider the intervention required to the housing stock over the long-term to enable future action to be planned effectively.

6.2 Although there is not a housing market model in the Practice Guidance, there is comment on the importance of studying mix and balance in National Planning Policy. The following extract from paragraph 50 of the National Planning Policy Framework indicates the importance of a housing market model with this purpose:

*‘To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should:*

- *plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community..;*
- *identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand’*

6.3 This chapter describes a model (the LTBHM) that uses secondary data to compare the current housing stock against the stock of housing required in the future. The purpose of this model is to identify the new accommodation required to adequately house the future population in the Borough and ensure that the housing market is balanced.

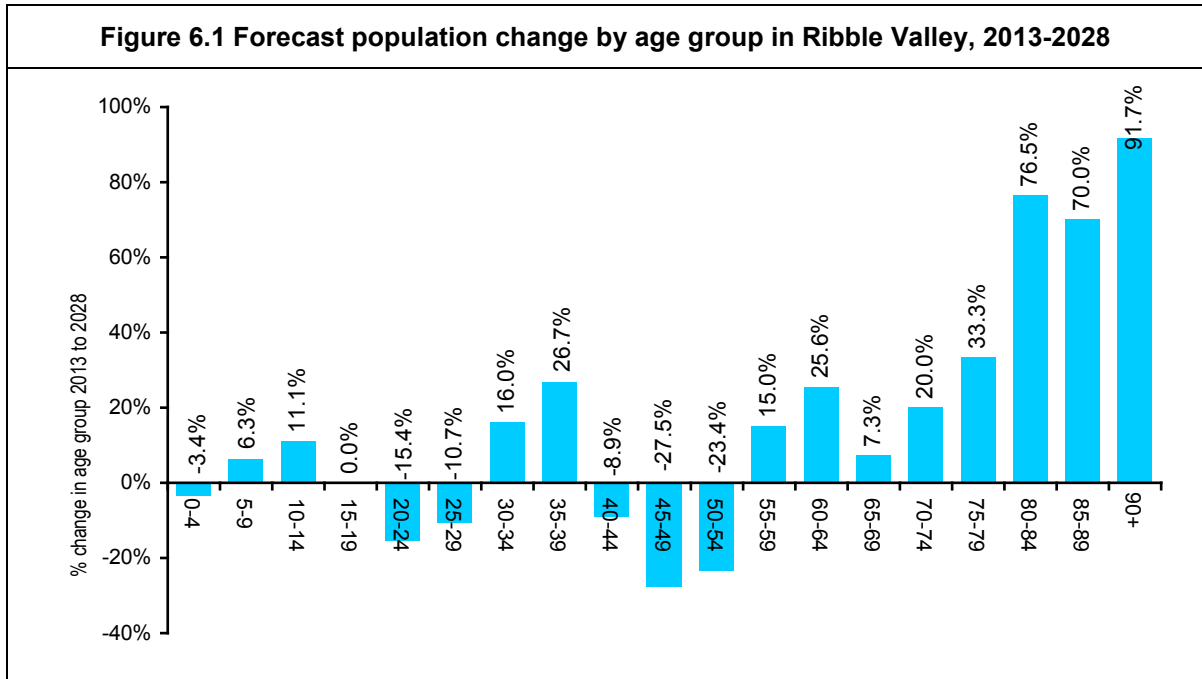
- 6.4 Ribble Valley Council has separately commissioned Nathaniel Lichfield & Partners (NLP) to determine the Objectively Assessed Need in the Borough. NLP have recently revised their findings in light of the 2011-based CLG household projections which were published in April, 2013. The report<sup>8</sup> calculates the Objectively Assessed Need using the latest projections and extending them to best reflect the future situation in the Borough. The result is an Objectively Assessed Need for between 220 and 250 additional homes per year in Ribble Valley. This chapter briefly discusses the demographic changes projected in the Borough, which inform the NLP calculation of Objectively Assessed Need. These projections are then used within the model to identify the range of accommodation to adequately house the profile of future households within the Objectively Assessed housing growth and therefore balance the housing stock. The accommodation requirements are compared to the current stock resulting in suggested profiles for new housing in terms of tenure and dwelling size to address the required adjustment. These outputs are produced for a range of growth scenarios set out in the NLP report in addition to the Objectively Assessed Need.

### **Demographic projections**

- 6.5 The most recently published long-term population projections available at a local level are the 2010-based ones from the Office of National Statistics. These projections demonstrate the projected change to the age profile of the population in Ribble Valley. Figure 6.1 shows the projected change within each age cohort between 2013 and 2028. The population projection data indicates that there will be reductions in certain age groups (0-4 year olds, 45-54 years olds and 20-29 year olds) but the majority of cohorts are predicted to grow, albeit moderately. The exception is the number of older people, which is projected to grow quite notably; with the number of people aged 90 or over expected to almost double by 2028.

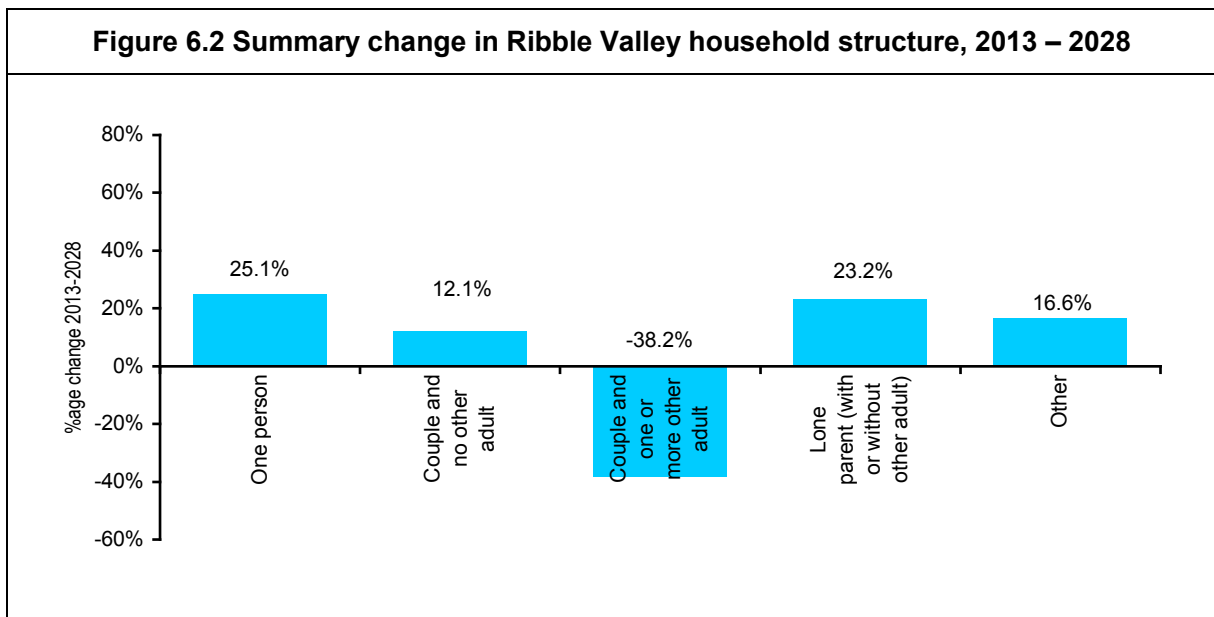
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<sup>8</sup> Nathaniel; Lichfield & Partners Implications of the 2011-based CLG Household Projections. Ribble Valley Housing Requirement Update (May, 2013)



Source: ONS 2010-based population projections

6.6 The most recently published long-term household projections available at a local level are the 2008-based ones from the CLG. These demonstrate that the household composition in Ribble Valley is likely to change over time. Figure 6.2 shows the projected change in household structure in the Borough. The figure shows that the number of ‘couple and one or more other adult’ households is expected to decrease by 38.2%. In contrast single person households are anticipated to increase by 25.1% and lone parent households to rise by 23.2%.



Source: ONS 2008-based household projections

## Methodology of the model

- 6.7 The Census provides information on the size (in terms of bedrooms) and tenure of accommodation in Ribble Valley in 2011. This has been adjusted<sup>9</sup> to reflect the changes since 2011 to provide an accommodation profile in 2013. The 2001 Census provides detail on the occupational patterns of different household groups in Ribble Valley, which means that the profile of housing occupied by each household type can be determined. As equivalent data from the 2011 Census has not yet been published these occupational patterns have been compared to those recorded in recent household datasets we hold. The 2001 distribution for Ribble Valley has been adjusted to reflect changes caused by the different housing market environment as noted in these datasets. This adjusted distribution is applied to the household and population profile for 2013 as recorded in the latest projections.
- 6.8 Rather than assuming the current occupational patterns for each household group will apply to the future population of that household group, the model addresses over the long-term any undesirable elements of market imbalance that exist currently. This means that the future housing stock will better reflect the requirements of the future population in the Borough.
- 6.9 The adjustments made to counter market imbalance are:
- Households currently overcrowded will be housed in adequately sized accommodation in the future.
  - Households currently in the social rented stock with the aid of Housing Benefit that under-occupy their home are assumed to require a dwelling with no spare bedrooms in the future (to reflect the changes being introduced in April 2013).
  - Households currently resident in the private rented sector without Local Housing Allowance that spend more than 40% of their gross income on entry-level private rent (according to the differentiated household income distribution) are assigned to a suitable affordable tenure in the future.
- 6.10 Some further adjustments are also made to use the affordable stock and any housing subsidy paid most economically (this adjustment also allows the introduction of Affordable Rent to be assessed):
- Households currently resident in the private rented sector on Local Housing Allowance (LHA) that can afford market, shared ownership or Affordable Rented accommodation are assumed to require this in the future, to ensure that the stock is being most appropriately and efficiently used.
  - Households currently in social rented accommodation that can afford market, shared ownership or Affordable Rented accommodation are assumed to require this in the future, to ensure that the stock is being most appropriately and efficiently used.

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<sup>9</sup> Using the latest data from the Homes & Communities Agency's Statistical Data Return dataset, the Council's ELASH return and trends indicated within the English Housing Survey

6.11 This profile of suitable accommodation for each household type is applied to the household population in 15 years' time. The accommodation profile required in 2028 is then compared to the current tenure profile and the nature of additional housing required is derived. The model assumes that the maximum Objectively Assessed Need will be met, therefore 250 new homes will be required per year over the next 15 years, equating to a total of 3,750 additional dwellings. The following section presents the outputs of this model.

**Tenure of housing required**

6.12 Table 6.1 shows the tenure profile of households resident in Ribble Valley currently. The table indicates that 89.0% of households are resident in market accommodation (without the aid of Local Housing Allowance), 0.4% live in a shared ownership home, 3.3% live in a social rented property (without the aid of Housing Benefit ) and 7.2% live in rented accommodation with the aid of benefit (Housing Benefit or Local Housing Allowance).

<b>Table 6.1 Current tenure profile in Ribble Valley</b>		
<i>Tenure</i>	<i>Number of households</i>	<i>Percentage of households</i>
Market	21,830	89.0%
Shared ownership	110	0.4%
Social rented	813	3.3%
Benefit supported (both private and social rented)	1,767	7.2%
Total	24,520	100.0%

Source: Ribble Valley Strategic Housing Market Assessment, 2013

6.13 The tenure of Affordable Rent is being introduced and the distinction in the affordable sector will be between those able to afford Affordable Rent (or shared ownership) and those requiring subsidy for their housing costs (those needing LHA or HB to live in the rented sector). Taking this into account, Table 6.2 shows the ideal tenure profile for the Borough in 15 years' time (presuming the affordable stock is to be used most efficiently). The data shows that in 2028 the housing stock should comprise 86.5% market dwellings, 1.2% shared ownership properties, 2.5% Affordable Rented homes and 9.8% dwellings occupied with the support of benefit.

**Table 6.2 Ideal tenure profile in 2028 in Ribble Valley**

<i>Tenure</i>	<i>Number of homes</i>	<i>Percentage of households</i>
Market	24,449	86.5%
Shared Ownership	345	1.2%
Affordable Rent	694	2.5%
Benefit supported (both private and social rented)	2,782	9.8%
Total	28,270	100.0%

Source: Ribble Valley Strategic Housing Market Assessment, 2013

- 6.14 Table 6.3 shows the tenure profile required in Ribble Valley in 15 years' time in comparison to the tenure profile recorded currently. The difference between these two distributions is the change required to the housing stock over this period. The results show that 69.8% of new housing should be in the market sector, 6.3% should be shared ownership properties and 18.5% Affordable Rent. It is assumed that the current LHA supported private rented homes and the social rented stock will principally house households unable to afford Affordable Rent, including those requiring benefit. However the model indicates that an additional 202 homes will be required for these households. It is suggested that these new dwellings be social rented accommodation. These additional social rented dwellings constitute 5.4% of the total new homes required in Ribble Valley.

**Table 6.3 Tenure of new accommodation required in Ribble Valley over the next 15 years**

<i>Tenure</i>	<i>Current tenure profile</i>	<i>Tenure profile 2028</i>	<i>Change required</i>	<i>% of change required</i>
Market	21,830	24,449	2,619	69.8%
Shared ownership	110	345	235	6.3%
Affordable Rent*	0	694	694	18.5%
Social rented	813	2,782	202	5.4%
Benefit supported	1,767			
Total	42,530	28,270	3,750	100.0%

\*It should be noted that there are a very limited number of Affordable Rented units already in Ribble Valley (25 as at April 2012 according to the HCA's Statistical Data Return 2012), however for the purpose of this model the stock is presumed to be 0.

Source: Ribble Valley Strategic Housing Market Assessment, 2013

- 6.15 The model is able to also provide detail on the size of new dwellings required within each of these tenures. This is shown for the current model in the section below.

### Size of housing required within each tenure

- 6.16 Table 6.4 presents the size of market accommodation required in Ribble Valley in 15 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented. The table shows that some 37.2% of new market dwellings should be two bedroom properties, with 34.1% containing three bedrooms 22.9% having four or more bedrooms and 5.9% having one bedroom.

<i>Dwelling size</i>	<i>Current size profile</i>	<i>Size profile 2028</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	584	738	154	5.9%
Two bedrooms	5,993	6,966	973	37.2%
Three bedrooms	8,984	9,876	892	34.1%
Four or more bedrooms	6,269	6,868	599	22.9%
Total	21,830	24,449	2,619	100.0%

Source: Ribble Valley Strategic Housing Market Assessment, 2013

- 6.17 This analysis can be repeated for shared ownership housing and is presented in Table 6.5. The data indicates that of the 235 shared ownership dwellings required within the Borough, 44.7% should be two bedroom properties with a further 29.5% three bedroom accommodation. Some 17.3% should have one bedroom and 8.5% should have four or more bedrooms.

<i>Dwelling size</i>	<i>Current size profile</i>	<i>Size profile 2028</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	21	62	41	17.3%
Two bedrooms	56	161	105	44.7%
Three bedrooms	30	100	69	29.5%
Four or more bedrooms	3	23	20	8.5%
Total	110	345	235	100.0%

Source: Ribble Valley Strategic Housing Market Assessment, 2013

- 6.18 Table 6.6 shows the size of accommodation required in the Affordable Rented sector; as there is very little of this tenure in existence, it will almost all be new. The table shows that of the 694 additional Affordable Rented units required within Ribble Valley over the next 15 years, the majority (70.5%) should be two and three bedroom properties.

<b>Table 6.6 Size of new Affordable Rented homes required in Ribble Valley over the next 15 years</b>		
<i>Dwelling size</i>	<i>Size profile 2028</i>	<i>% of change required</i>
One bedroom	171	24.6%
Two bedrooms	305	43.9%
Three bedrooms	185	26.6%
Four or more bedrooms	33	4.8%
Total	694	100.0%

Source: Ribble Valley Strategic Housing Market Assessment, 2013

- 6.19 Table 6.7 presents the size of social rented/LHA supported private rented accommodation required in Ribble Valley in 15 years' time in comparison to the size profile recorded in the social rented and LHA supported private rented sector currently. The implied additional housing required is also presented. It is assumed that the current LHA supported private rented sector stock will continue to be available to this group of households in the future and will form an 'alternative affordable housing' supply. It is presumed that all of the additional housing required for this group will be social rented. The table shows that 60.7% of the new social rented housing required should contain four or more bedrooms, 28.1% should have one bedroom, 11.6% should have a three bedrooms and no additional two bedroom accommodation is required.

<b>Table 6.7 Size of new social rented accommodation required in Ribble Valley over the next 15 years</b>				
<i>Dwelling size</i>	<i>Current size profile (social rented and LHA private rented)</i>	<i>Size profile 2028 (social rented and LHA private rented)</i>	<i>Change required (new social rented dwellings only)</i>	<i>% of change required</i>
One bedroom	1,052	1,109	57	28.1%
Two bedrooms	801	800	-1	-0.4%
Three bedrooms	636	659	24	11.6%
Four or more bedrooms	91	214	123	60.7%
Total	2,580	2,782	202	100.0%

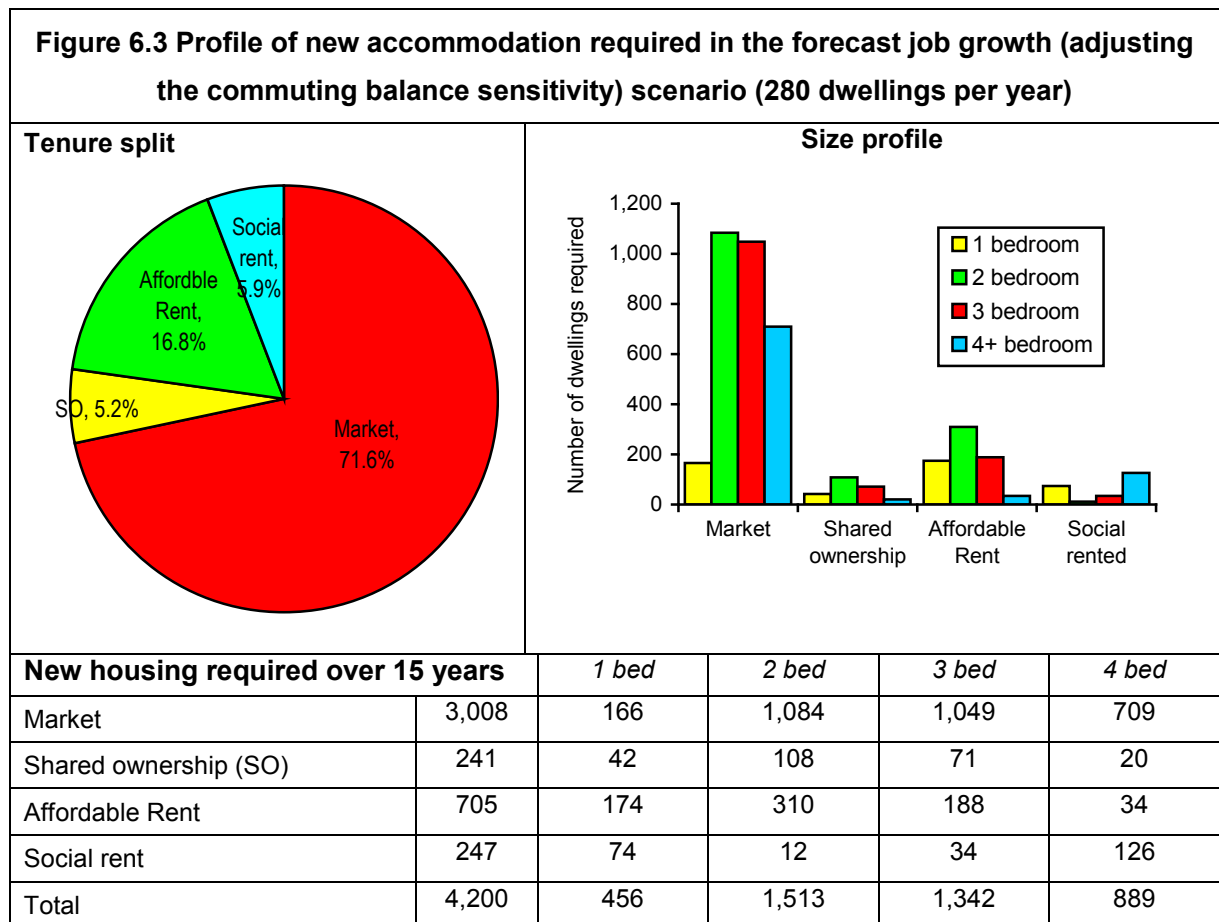
Source: Ribble Valley Strategic Housing Market Assessment, 2013

- 6.20 It should be noted that if the amount of LHA supported private rented sector homes reduces as a consequence of the introduction of the LHA caps and the accommodation reverts to 'standard' market accommodation, then the reverted dwellings should be deducted from the total market requirement and dwellings of equivalent size be added to the social rented requirement.

**Alternative growth scenarios**

6.21 The NLP report has modelled a range of data on population and economic growth to derive an annual dwelling requirement through to 2028 within the Borough ,under a range of different demographic and economic scenarios. The results of the LTBHM model will be adjusted to identify the tenure and size requirement within two of the scenarios set out in the NLP report. The two scenarios being considered are forecast job growth of 280 additional dwellings per year and past trend job growth (adjusting the commuting balance sensitivity) of 434 additional dwellings per year. The alternative LTBHM outputs for these scenarios are presented in Figures 6.3 and 6.4 below.

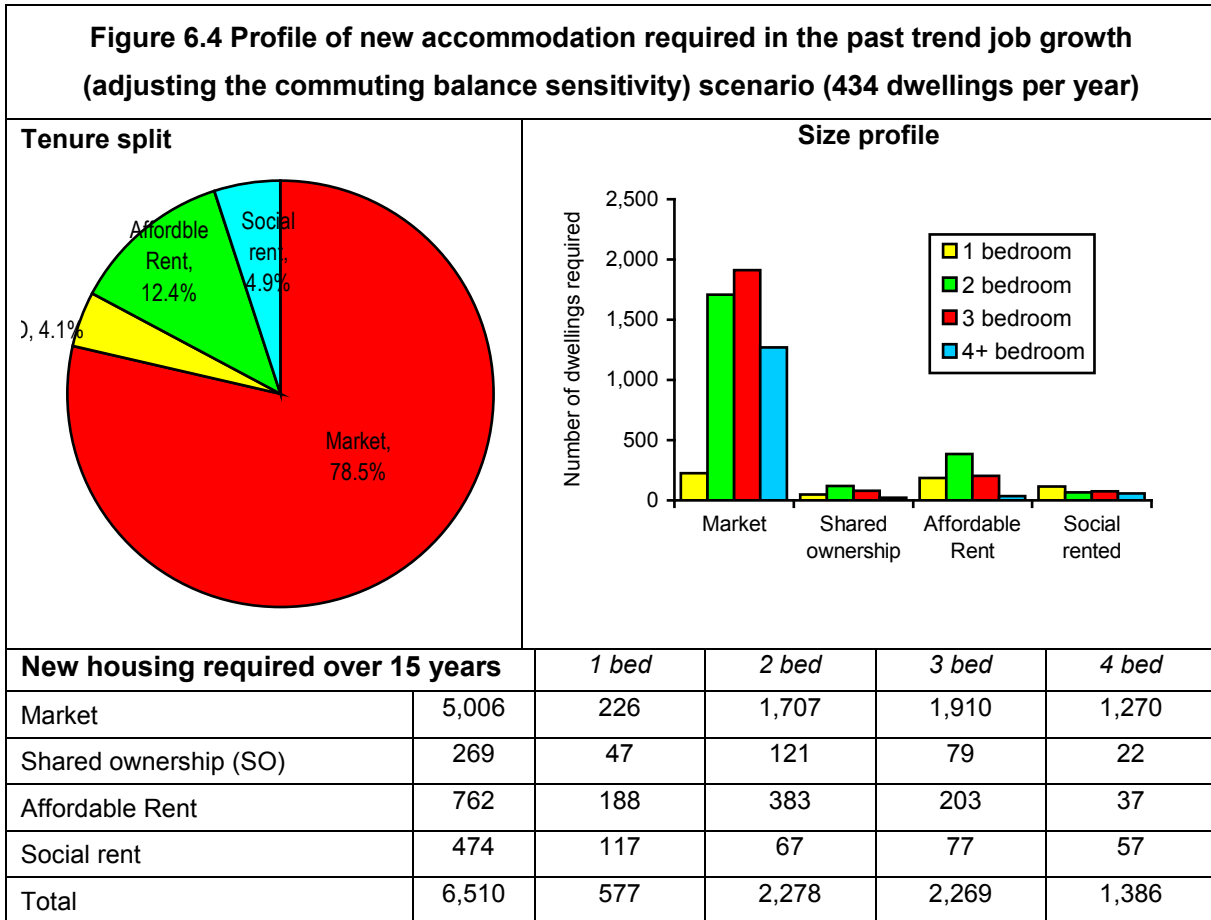
6.22 Figure 6.3 shows the results within the forecast job growth scenario. The results indicate that some 71.6% of new housing should be market accommodation, with 16.8% Affordable Rent, 5.9% social rent and 5.2% shared ownership. The majority of market accommodation required is two, three and four bedroom dwellings, although there is a greater requirement for four bedroom homes than in the base scenario. A range of property sizes are required within the affordable sector, with two bedroom Affordable Rent homes the biggest individual requirement.



Source: Ribble Valley Strategic Housing Market Assessment, 2013

6.23 Figure 6.4 shows the results within the past trend job growth (adjusting the commuting balance sensitivity) scenario. The results indicate that some 78.5% of new housing should be market

accommodation, with 12.4% Affordable Rent, 4.9% social rent and 4.1% shared ownership. Three bedroom market accommodation is most commonly required. A range of size homes are required in the affordable tenures.



Source: Ribble Valley Strategic Housing Market Assessment, 2013

## 7. Policy implications of the results

### Introduction

- 7.1 Both the NPPF and the Practice Guidance are clear that the ultimate aim of a Strategic Housing Market Assessment is to provide robust evidence that will inform local housing strategy and planning policies. This report will set out a series of suggestions about possible policy responses in light of the findings of this SHMA, set in the context of the NPPF requirements.
- 7.2 In Ribble Valley the Core Strategy has been prepared and this report will provide up-to-date evidence to determine whether the housing policies set out within it are suitable. This final chapter will describe the housing related policies in the Core Strategy and determine whether they are supported by the evidence set out in this SHMA. There are three housing policies within the Core Strategy that are required to be reviewed; the size of the planned growth in dwellings across the Borough, the balance of new housing to be pursued and the amount of affordable housing required. Each of these will be appraised separately. The chapter also presents some further policy suggestions evidenced by this SHMA that do not relate to existing Core Strategy policies.

### Overall scale of housing growth

- 7.3 'Key Statement H1 – Housing Provision' of the Core Strategy states that it is intended that the dwelling stock will increase by approximately 4,000 dwellings over the 20-year period (2008 to 2028). This equates to an average annual increase of 200 homes per year. The Nathaniel Lichfield & Partners report identified that there is an Objectively Assessed Need for between 220 and 250 additional homes per year in Ribble Valley.
- 7.4 The Objectively Assessed Need constitutes the figure that the Council should seek to plan towards in accordance with the NPPF, but it does not constitute the housing target. The Council also has to take into account a range of other factors; including the availability of suitable sites for housing development, the number of vacant properties available to help meet future demand, the environmental impact of potential development, how future housing development will impact on other infrastructure and how it corresponds to other priorities in the Borough. The objectively assessed need therefore informs the total dwelling growth proposed, but does not determine it.
- 7.5 In addition the limitations to the projections indicate that they should not be used as the sole information source for determining a housing target as the CLG Quality Report indicates *"...these are demographic and trend-based only and do not take into account any policy changes that may affect actual household formation in future."*

- 7.6 Although a target of 200 dwellings per year can be justified based on practical constraints in the Borough and other imperatives, to better meet the objectively assessed need in Ribble Valley the Council could consider increasing their target toward the figure of 250 dwellings per year.

### **Market/affordable tenure split**

- 7.7 ‘Key Statement H1 – Affordable Housing’ indicates that 30% of new housing as affordable will be sought on all sites with 10 or more dwellings in Clitheroe and Longridge or 5 or more dwellings elsewhere in the Borough.
- 7.8 The level of housing need in the Borough, as set out in chapter 5, is very high at 404 affordable homes per year. This represents 202% of the total planned additional dwellings in the Borough each year, however this figure does not equal the number of new affordable units to be built. The need will be met through a wide range of sources – but particularly make better use of vacant, making better use of the existing stock and through the continued use of the benefit-supported private rented sector as ‘alternative affordable housing’.
- 7.9 The LTBHM model, based on the maximum Objectively Assessed Need of 250 new homes per year in Ribble Valley, indicates that around 30% of the housing required over the next 15 years in the Borough should be affordable. The LTBHM outputs show however that a lower proportion of new housing as affordable would be suitable if the number of new homes built each year was to increase, as this additional population relates to increased employment opportunities so would be more affluent; if 434 additional homes were added each year (and the associated economic growth occurred) then only 22.5% of these would need to be affordable.
- 7.10 This evidence suggests that the current target is appropriate, although if a significant number of new dwellings come forward on sites that are below the thresholds set out in the Core Strategy and are therefore not covered under the current policy, then the Council must provide other mechanisms to ensure that these smaller development also contribute to the overall market/affordable mix required across Ribble Valley.

### **Mix of housing required**

- 7.11 ‘Key Statement H2 – Housing Plan’ sets out that developments will only be permitted where it provides *‘a suitable mix of housing that accords with the projected future household requirements and local need across the Ribble Valley as a whole as evidenced by the Strategic Housing Market Assessment’*.

### ***Mix of affordable housing required***

- 7.12 Analysis of the affordability of households in need in Chapter 5 suggests that just 20% of households could afford Affordable Rented accommodation, with the vast majority of households in need requiring subsidy for any form of affordable accommodation. As Affordable Rent set at 70% market median

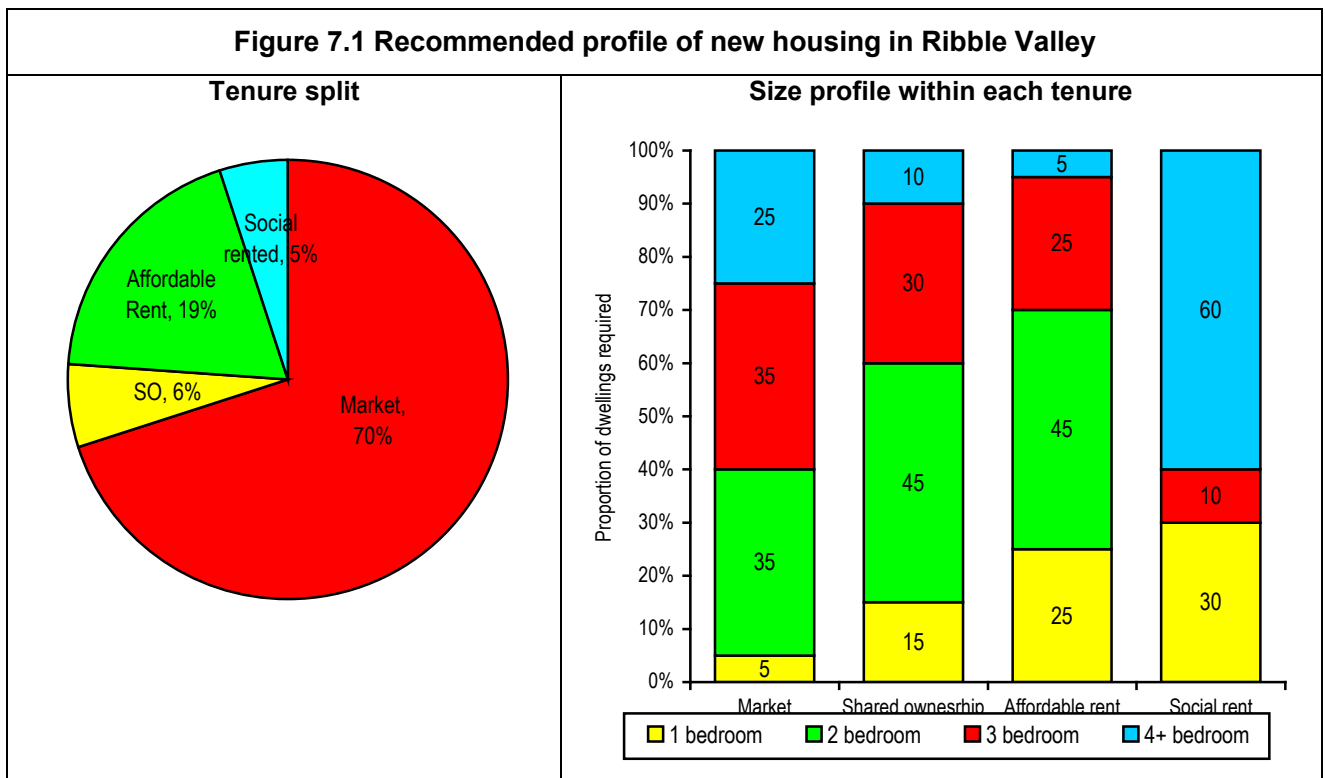
rents is below the LHA cap, it would be possible to house households requiring subsidy within this accommodation.

7.13 The LTBHM model based on the Objectively Assessed dwelling growth in the Borough, suggests that 61.3% of new affordable housing could be Affordable Rent, 20.8% shared ownership and 17.9% social rent. The larger proportional requirement for Affordable Rent within the LTBHM model reflects that in fifteen years households that can afford it, will be housed in the Affordable Rented sector, rather than resident in the social rented sector, as they are likely to be currently.

7.14 It is clear that there is latent potential demand for this form of accommodation and because of the low level of existing stock, new Affordable Rent accommodation should be a priority over the short-term. It is therefore recommended that the proportions set out in the LTBHM model base scenario (maximum Objectively Assessed Need) are pursued. This is just a recommendation; it is up to the Council to determine policy.

**Affordable and market dwelling size mix**

7.15 The LTBHM model provides considerable detail on the size of accommodation required within each tenure. The base scenario (maximum Objectively Assessed Need) outputs have been used to inform the recommended dwelling size mix within each tenure in Ribble Valley. These results are summarised in Figure 7.1 and can be used to assess the suitability of proposed new housing developments in Ribble Valley as indicated in the Core Strategy.



Source: Ribble Valley Strategic Housing Market Assessment, 2013

## **Other issues**

### ***Affordable Rent***

- 7.16 This is the new social tenure, set at 80% of median market rent, or lower if there is evidence to justify it. If the Affordable Rent were set at 80% of median market rent, it would be affordable for relatively few households in housing need. But if it were set at 70% of market rent, it would be affordable for 111 households in housing need each year.
- 7.17 Affordable Rent can be achieved either by newbuild or by conversion of social re-lets. The latter is obviously cheaper and can be used to cross-subsidise newbuild. It is up to the Council to choose the level that Affordable Rent is finally set at: there is a considerable range of evidence in the report, however the current cost of Affordable Rent in the Borough (set out in Table 4.7) seems to be appropriate, particularly as it is at a lower level relative to market costs for larger dwellings where the intermediate gap is greater.

### ***The SHMA as an 'evidence base'***

- 7.18 These findings form part of the 'evidence base' for policy, but do not form policy in itself. It is a policy issue for the Council to decide what types of affordable housing to build. The Council will want to consider its priorities in the light of the evidence, but will not in any way be dictated by it. It is recommended that the outputs from this report should also be viewed alongside the latest other information on the Council's housing and planning priorities.

# Glossary

## **Affordability**

A measure of whether households can access and sustain the cost of private sector housing. There are two main types of affordability measure: mortgage and rental. Mortgage affordability assesses whether households would be eligible for a mortgage; rental affordability measures whether a household can afford private rental. Mortgage affordability is based on standard lending multipliers (3.5 times income) and considers any capital the household may have (existing equity or savings) to discount from the purchase price of the home. Rental affordability is defined as the rent being less than a proportion of a household's gross income (25% of gross income is used as the baseline).

## **Affordable housing**

NPPF (National Planning Policy Framework) defines affordable housing as *'Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.'*

## **Affordable Rent**

NPPF defines Affordable Rent as *'housing that is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).'*

## **Annual need**

The combination of the net future need plus an allowance to deal progressively with part of the net current need.

## **Average**

The term 'average' when used in this report is taken to be a mean value, unless otherwise stated.

### **Bedroom standard**

The bedroom standard is calculated as follows: a separate bedroom is allocated to each co-habiting couple, any other person aged 21 or over, each pair of young persons aged 10-20 of the same sex, and each pair of children under 10 (regardless of sex). Unpaired young persons aged 10-20 are paired with a child under 10 of the same sex or, if possible, allocated a separate bedroom. Any remaining unpaired children under 10 are also allocated a separate bedroom. The calculated standard for the household is then compared with the actual number of bedrooms available for its sole use, to indicate deficiencies or excesses. Bedrooms include bed-sitters, box rooms and bedrooms which are identified as such by respondents, even though they may not be in use as such.

### **Concealed household**

A household that currently lives within another household, but has a preference to live independently and is unable to afford appropriate market housing.

### **Current need**

Households whose current housing circumstances at a point in time fall below accepted minimum standards. This would include households living in overcrowded conditions, in unfit or seriously defective housing, families sharing, and homeless people living in temporary accommodation or sharing with others.

### **Disaggregation**

Breaking a numerical assessment of housing need and supply down, either in terms of size and/or type of housing unit, or in terms of geographical price market within Ribble Valley.

### **Financial capacity**

This is defined as household income+savings+equity (the value of the property owned by owner-occupiers, typically the family home, net of mortgage). This provides an indication, when put on a capital basis, of the amount which the household could afford to pay for housing. Since equity is now a substantial part of the overall financial capacity of the large fraction of owner-occupiers, it is essential to use this measure rather than the old price/income ratio to measure the activity of a housing market.

### **Forecast**

Either of housing needs or requirements is a prediction of numbers which would arise in future years based on a model of the determinants of those numbers and assumptions about (a) the behaviour of households and the market and (b) how the key determinants are likely to change. It involves understanding relationships and predicting behaviour in response to preferences and economic conditions.

### **Grossing-up**

Converting the numbers of actual responses in a social survey to an estimate of the number for the whole population. This normally involves dividing the expected number in a group by the number of responses in the survey.

### **Household**

One person living alone or a group of people who have the address as their only or main residence and who either share one meal a day or share a living room.

### **Household formation**

The process whereby individuals in the population form separate households. 'Gross' or 'new' household formation refers to households which form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year which did not exist as separate households at the beginning of the year (not counting 'successor' households, when the former head of household dies or departs).

### **Household living within another household**

Is a household living as part of another household of which they are neither the head nor the partner of the head.

### **Households sharing**

Are households (including single people) who live in non-self-contained accommodation but do not share meals or a living room (e.g. 5 adults sharing a house like this, constitute 5 one-person households).

### **Housing market area**

The geographical area in which a substantial majority of the employed population both live and work, and where most of those changing home without changing employment choose to stay.

### **Housing need**

Housing need is defined as the number of households lacking their own housing, or living in housing which is judged to be inadequate or unsuitable, who are unlikely to be able to meet their needs in the housing market without some financial assistance.

### **Housing Register**

A database of all individuals or households who have applied to a local authority or RSL for a social tenancy or access to some other form of affordable housing. Housing registers, often called waiting lists, may include not only people with general needs, but people with support needs or requiring access because of special circumstances, including homelessness.

**Housing size**

Measured in terms of the number of bedrooms, habitable rooms or floor space. This report uses the number of bedrooms.

**Income**

Income means gross household income unless otherwise qualified

**Intermediate housing**

NPPF defines intermediate housing as *'homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.'*

**Lending multiplier**

The number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multiplier quoted is 3.5 times income.

**Lower quartile**

The value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one quarter of the way up the ranking from the cheapest to the most expensive.

**Mean**

The mean is the most common form of average used. It is calculated by dividing the sum of a distribution by the number of incidents in the distribution.

**Median**

The median is an alternative way of calculating the average. It is the middle value of the distribution when the distribution is sorted in ascending or descending order.

**Migration**

The movement of people between geographical areas, primarily defined in this context as the local authority Borough area. The rate of migration is usually measured as an annual number of households, living in Ribble Valley at a point in time, who are not resident in Ribble Valley one year earlier.

**Net need**

The difference between need and the expected supply of available affordable housing units (e.g. from the re-letting of existing social rented dwellings).

**Newly arising need**

New households which are expected to form over a period of time and are likely to require some form of assistance to gain suitable housing together with other existing households whose circumstances change over the period so as to place them in a situation of need (e.g. households losing accommodation because of loss of income, relationship breakdown, eviction, or some other emergency).

**Non-self contained accommodation**

Where households share a kitchen, bathroom or toilet with another household, or they share a hall or staircase that is needed to get from one part of their accommodation to another.

**Overcrowding**

An overcrowded dwelling is one which is below the bedroom standard (see 'Bedroom Standard' above).

**Primary data**

Information that is collected from a bespoke data collection exercise (e.g. surveys, focus groups or interviews) and analysed to produce a new set of findings.

**Potential households**

Adult individuals, couples or lone parent families living as part of other households of which they are neither the head, nor the partner of the head, and who need to live in their own separate accommodation, and/or are intending to move to separate accommodation rather than continuing to live with their 'host' household.

**Projection**

Either of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, sex and marital status, and an extrapolation of recent trends in the propensity of different groups to form separate households.

**Random sample**

A sample in which each member of the population has an equal chance of selection.

**Re-lets**

Social rented housing units which are vacated during a period and become potentially available for letting to new tenants.

### **Rounding error**

Totals in tables may differ by small amounts (typically one) due to the fact that fractions have been added together differently. Thus a table total may say 2011, and if the individual cell figures are added the total may come to 2012. This is quite normal and is a result of the computer additions made. Figures should never be taken to be absolutely accurate. No such state exists. The figures in this document are robust estimates, not absolutely precise ones. The usual practice is to use the stated total (in the above case 2011) rather than the figure of 2012 to which the individual figures sum. That is because the total will have resulted from a rounding after all the fractions are taken fully into account.

### **Sample survey**

Collects information from a known proportion of a population, normally selected at random, in order to estimate the characteristics of the population as a whole.

### **Sampling frame**

The complete list of addresses or other population units within the survey area which are the subject of the survey.

### **Secondary data**

Existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (e.g. Census, national surveys).

### **Shared ownership schemes**

Housing of which a proportion is available to buy (usually at market value). There is the option for the other part to be rented.

### **SHMA (Strategic Housing Market Assessment)**

SHMA derives from government guidance suggesting that the 'evidence base' required for the good planning of an area should be the product of a process rather than a technical exercise.

### **Social rented housing**

NPPF defines social rented housing as housing '*Social rented housing is owned by local authorities and private registered providers, for which guideline target rents are determined through the national rent regime.*'

**Stratified sample**

A sample where the population or area is divided into a number of separate sub-sectors ('strata') according to known characteristics based, for example, on sub-areas and applying a different sampling fraction to each sub-sector.

**Specialised housing**

Refers to housing that has been specially designed for a particular client group to meet their particular needs (such as accommodation that is accessible to people with a physical disability, extracare housing where care services are provided on site, hostels, refuges or group homes) or housing specifically designated for particular groups (such as older people, people with physical disabilities, learning difficulties or mental health issues). This is characterised as housing that includes special design features and/or access to support to assist people to live independently for as long as possible in their own home.

**Support needs**

Relating to people who have specific needs: such as those associated with a disability.

**Under-occupation**

An under-occupied dwelling is one which exceeds the bedroom standard by two or more bedrooms.

**Unsuitably housed households**

All circumstances where households are living in housing which is in some way unsuitable, whether because of its size, type, design, location, condition or cost. Households can have more than one reason for being in unsuitable housing, and so care should be taken in looking at the figures: a total figure is presented for households with one or more unsuitability reason, and also totals for the numbers with each reason.