

EXAMINATION OF HARBOROUGH LOCAL PLAN
MATTER 1 – CALCULATION OF THE OBJECTIVELY ASSESSED NEED
FOR HOUSING

Inspector’s issues and questions in bold type.

This Hearing Statement is made for and on behalf of the HBF which should be read in conjunction with our representations to the pre-submission Local Plan consultation dated 3rd November 2017. This representation answers specific questions as set out in the Inspector’s Matters, Issues & Questions document dated 15th August 2018.

1. Are the calculations contained in the HEDNA and in the updated analysis contained in Document IC3 an appropriate basis for establishing the OAN for Harborough, having particular regard to demographic and employment growth calculations and the affordability uplift of 15%?

The calculations contained in the Leicester & Leicestershire (L&L) HEDNA 2017 and the updated analysis in Document IC3 are an appropriate basis for establishing the Objectively Assessed Housing Needs (OAHN) for the L&L Housing Market Area (HMA) and Harborough for the plan period 2011 – 2031.

The comparative calculations are summarised in the Table below :-

	Total Dwellings	Total Dwellings	Dwellings per annum	Dwellings per annum
	L&L HMA	Harborough	L&L HMA	Harborough
2014 SNHP	83,660	8,360	4,183	418
2016 SNPP/2014 HFR	81,600	8,480	4,080	424
Difference	-2,060 (-2.5%)	+120 (+1.4%)	-103 (-2.5%)	+6 (+1.4%)
HEDNA 10 year migration scenario	87,280	9,260	4,364	463
Updated 10 year migration trend	82,480	8,440	4,124	422
Difference	-4,800	-820	-240	-41
HEDNA Economic led scenario	79,260	9,120	3,963	456
Updated economic led scenario	74,220	8,700	3,711	435
Difference	-5,040	-420	-252	-21

With regards to these comparative calculations and as set out in the NPPG (ID 2a-016) the updated data provides no indication of a meaningful change to justify any alterations to the demographic component of the OAHN for the L&L HMA as a whole or Harborough as an individual authority within the HMA.

In the HEDNA 2017 at the HMA level there was no economic growth led adjustment to the OAHN because the demographic projections plus market signal adjustments exceeded economic led forecasts. Previously the HBF and other parties have criticised this approach. It is considered that the adjustment to the housing requirement to support economic growth at Magna Park in Harborough remains valid (see HBF answer to Matter 2 Q2.1).

Do the latest affordability indices and trends suggest a different level of uplift?

The HEDNA 2017 showed a net affordable housing need of 202 dwellings per annum between 2011 - 2036. The updated evidence in Document IC3 identifies a revised affordable housing need of 179 dwellings per annum between 2017 – 2031. However this assessment of need ignores any unintended consequences of introducing the Nationally Described Space Standard which may disproportionately impact on the cost of building and purchasing first time buyer / starter homes (see HBF answer to Matter 4 Q4.1). It is noted that there is no specific further increase in the total housing requirement to help deliver affordable homes (defined as social housing cross subsidised by market housing) as set out in the NPPG (ID 2a-029).

The latest trends in the lower quartile affordability ratio indicate that comparatively in the last 5 years Harborough has experienced stronger growth in lower quartile house prices to earnings than elsewhere in L&L HMA, the East Midlands region and in England (see Table 6.1 of Document IC3). As set out in the NPPG (ID 2a-020) the more significant the affordability constraints then the larger the improvement in affordability needed. The HBF do not dispute that the Council's proposed 15% uplift will make some contribution to improving affordability by increasing housing delivery above average delivery rates (443 dwellings per annum) over the last twenty years but a higher uplift would make an even greater contribution.

Since the start of the plan period the median house price to median gross annual workplace based earnings has worsened from 7.55 in 2011 to 9.66 in 2017. Using the Government's standard methodology for the calculation of OAHN in Harborough with an affordability ratio of 9 in 2016 the uplift is 31.25% above the 2014 SNHP. Similarly using the Local Plans Expert Group (LPEG) proposed alternative methodology for the calculation of OAHN the affordability uplift would be 25%. The HBF consider that the Council has under-estimated this element of its OAHN calculation.