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Appendix 1: Considering The Housing And Economic Growth Relationship
1) Introduction

1.1. This paper sets out the Council’s position in relation to its Housing Requirement.

1.2. The purpose of this paper on housing is twofold. Firstly it is to set out the background and approach taken to the housing policies in the Local Plan for Bolsover District; and secondly to address the issue of the Housing Provision and objectively assessed need figure.

1.3. The development of a new policies have has not taken place in isolation, or within an unchanging environment. Key considerations in the development of the housing policies have been:

   a. Current Government Guidance (both the 2012 and 2018 NPPF; changes to the PPG; and consultation papers);
   b. Defining the Housing Market Area;
   c. Working with neighbours to ensure wider housing needs are met;
   d. The development of an up to date evidence base;
   e. Representations by stakeholders;
   f. Formal requests to meet the needs of neighbouring authorities;
   g. An up to date Housing Market Area wide Strategic Housing Market Assessment, and Objectively Assessed Needs Update.

1.4. To show the process of the development of key housing policies, this paper provides a narrative of the considerations and history to the Council’s approach to the housing policies during the plan making process.
2) Background

National Planning Context

National Planning Policy Framework (March 2012) (the first NPPF)

2.1 Government policy is set out primarily in the National Planning Policy Framework (NPPF). The development of the Local Plan for Bolsover District was undertaken when the first NPPF (March 2012) was in force. Based on the transitional arrangements provided by the new NPPF (July 2018), the Local Plan for Bolsover District will be examined on the basis of the tests of soundness within the first NPPF.

2.2 Paragraph 47 of the first NPPF instructs local planning authorities to use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for housing in their housing market area. Paragraph 14 of the first NPPF requires Local Plans to have sufficient flexibility to adapt to rapid change.

2.3 Annex 2 of the first NPPF set out the government’s definition of ‘affordable housing’. This covered social rented, affordable rented, and intermediate housing whose needs are not met by the market, but not private rented accommodation where this is not subject to rent controls or low cost market housing. Affordable housing is based on need.

2.4 The online national Planning Practice Guidance (PPG) provides advice on assessing housing need. It is intended as a ‘live’ document and therefore the advice taken and followed may have changed subsequently. It advises that there is no one methodological approach or use of a particular dataset that will provide a definitive assessment of development need.

2.5 The PPG requires Local Plans to concentrate on development needs and opportunities, paying careful attention to both deliverability and viability. The PPG also requires that the assessment of development needs should be proportionate and does not require councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.

2.6 The PPG states that household projections published by the Government should provide the starting point estimate of overall housing need. The projections are trend based, using past patterns of population and household formation projected into the future. They do not allow for factors such as future changes in government policy, or changing economic circumstances. The projections are updated every two years. However, this does not mean that housing assessments are out of date each time a new set of projections are

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1 Paragraph 005 Reference ID: 2a-005-20140306
2 Paragraph: 003 Reference ID: 2a-003-20140306
published. There is a role for trend based data and careful monitoring to ensure new information is consistent with past assumptions.

2.7 The PPG suggests it may be necessary to adjust the projections to reflect factors affecting demographic and household formation rates such as an historic undersupply of housing, or the worsening affordability of housing.

2.8 The PPG contains a section on employment trends, and states that “Plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also have regard to the growth of the working age population in the housing market area. Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems”.

2.9 In addition the PPG allows for the sensitivity testing of household figures specific to local circumstances based on alternative assumptions in relation to underlying demographic projections and household formation rates.

Housing White Paper and Consultation Papers

2.10 In February 2017, the government published the Housing White Paper, ‘Fixing Our Broken Housing Market’. The premise behind this was that for too long not enough houses had been built, meaning that home ownership was becoming increasingly unaffordable. The key aims of the paper were to reform the housing market and boost the supply of new homes.

2.11 In September 2017 the government published a consultation paper; ‘Building the Right Homes in the Right Places’. Proposals in this paper included a single standardised method of assessing housing need. This has been taken forward into the new 2018 national guidance. It sets out a three step approach to assessing housing figures:

a) Setting the baseline (based on the latest government figures);
b) Adjusting the baseline to take account of any market signals; and,
c) Capping the level of any increase.

2.12 Because it has been recognised that there were difficulties in judging future employment levels, and uncertainties over economic activity rates and commuting ratios, the new guidance separates out housing requirements from assumptions around projected future economic growth. Instead it links housing demand to supply through an affordability ratio.

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3 Paragraph 015 Reference ID: 2a–015-2014306
4 Planning Practice Guidance Paragraph: 018 Reference ID: 2a-018-20140306
5 National Planning Practice Guidance 2018
6 Most notably in the report and recommendations of the Local Plans Expert Group March 2016
2.13 The new methodology\textsuperscript{7} in the PPG is based mainly on the demographic needs of an area, but lifted where average house prices are more than 4 times the average income.

2.14 The ratio of lower quartile house prices to lower quartile earning in Bolsover consistently lags behind both England and the East Midlands as table 1 below illustrates. Applying the new methodology which includes an uplift for affordable housing would give a FOAHN of 244 dwellings a year.

\textit{Table 1 - Comparison of lower quartile house prices to lower quartile earnings}

<table>
<thead>
<tr>
<th>Year</th>
<th>Bolsover</th>
<th>East Midlands (Derbyshire)</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>4.27</td>
<td>5.54</td>
<td>6.59</td>
</tr>
<tr>
<td>2013</td>
<td>4.41</td>
<td>6.05</td>
<td>6.66</td>
</tr>
<tr>
<td>2014</td>
<td>4.97</td>
<td>6.25</td>
<td>6.95</td>
</tr>
<tr>
<td>2015</td>
<td>5.02</td>
<td>6.46</td>
<td>7.02</td>
</tr>
</tbody>
</table>

National Planning Policy Framework (July 2018) (the new NPPF)

2.15 The new NPPF continues the focus on delivering a sufficient supply of homes and incorporates a number of the proposals within the Housing White Paper and the ‘Building the Right Homes in the Right Places’ consultation paper.

2.16 However, in relation to local housing need, the Government statement issued alongside the publication of the new NPPF stated that the Government “will consider adjusting the method after the household projections are released in September 2018. We will consult on the specific details of any change at that time”. As such, the publication of the new NPPF does not in itself provide a clear picture on exactly how the methodology for calculating local housing need will differ from that calculating housing objectively assessed need.

\textbf{Defining the Housing Market Area}

2.17 As part of the development of the East Midlands Regional Plan, considerable work was undertaken to look at defining Housing Market Areas (HMAs) based on amalgamations of Local Authority areas. Bolsover District Council was considered to be part of a Housing Market Area which also covered Bassetlaw District Council, Chesterfield Borough Council and North East Derbyshire District Council.

2.18 The four authorities have a long history of meeting regularly to discuss issues of common interest, good practice; and shared evidence bases through the Local Plan Liaison Group. In 2013 the four authorities commissioned a joint Strategic Housing Market Assessment (SHMA). As part of this assessment the consultants revisited the issue of defining the

\textsuperscript{7} However, approach set out in the PPG needs to be treated with a degree of caution as the government has stated further guidance
Housing Market Area, and concluded that the area covered by the four authorities still comprised an appropriate functional Housing Market Area.

**Working with others**

2.19 To establish and meet the housing needs for Bolsover District the primary authorities the Council has worked with are the other authorities in the Housing Market Area. However, neither the District nor the wider Housing Market Area exists in isolation.

2.20 Local Enterprise Partnerships (LEPs) have been established as a collaboration between the public and private sectors to ensure the growth of a re-balanced economy and to contribute significantly to the renewal of the local economy as a whole. Bolsover District sits within a HMA covered by two LEPs. These are:

a) Sheffield City Region LEP – This covers the metropolitan areas of Sheffield, Rotherham, Doncaster and Barnsley, and district/borough authorities of Bassetlaw, Bolsover, Chesterfield, and North East Derbyshire;

b) D2N2 LEP – This covers all of the local authorities in Derbyshire and Nottinghamshire, and their respective county councils.

2.21 Under Section 33A of the Planning and Compulsory Purchase Act 2004, the Council is required to have regard to the activities of Local Enterprise Partnerships. Both LEPs’ have Growth Deals and Strategic Economic Plans (SEP) which include commitments for more jobs in their areas. In the case of Sheffield City Region, the commitment with the government under the growth deal was to create 8,000 new jobs and allow 5,000 new homes to be built by 2021 in the city region. Under their aspirational Strategic Economic Plan the SCR LEP wants to create 70,000 new jobs in the LEP area by 2025.

2.22 For D2N2 the commitment with the government under the growth deal is to create 18,000 new jobs, and allow 8,000 new homes to be built by 2021. Under their aspirational Strategic Economic Plan the D2N2 LEP is aiming to create 55,000 private sector jobs by 2023.

2.23 The Sheffield City Region produced a Duty to Co-operate Statement on Housing which was endorsed by the Sheffield City Region Heads of Planning on 8th September 2017. It is worth noting that this document is based on a housing target for Bolsover District of 240 dwellings a year.

2.24 Since the Sheffield City Region Duty to Co-operate Statement on Housing was endorsed a new increased target of 272 dwellings a year is proposed in the Publication Local Plan (PLP) for Bolsover District. This is based on the most recent (November 2017) assessment of full objectively assessed housing needs, and this increase further supports the aims of the LEP set out in the Strategic Economic Plan.
Both Local Enterprise Partnerships have confirmed that they are content with the approach in the PLP for Bolsover District in relation to delivering jobs and homes, and the policies in the PLP are consistent with supporting the aims and objectives of the current and emerging Strategic Economic Plans.
As noted above, the Council has worked with the other authorities in the North Derbyshire and Bassetlaw Housing Market Area in the development of a shared evidence base for housing issues. The outcomes of joint working between the authorities is set out in a Statement of Common Ground (SoCG). The four authorities are working to different timetables for Local Plan production. However, in the SoCG each authority has formally agreed to seek to meet the identified Full Objectively Assessed Housing Needs (FOAHN) for their authority to ensure the overall FOAHN for the (HMA) is met.

In addition to working with and through groups at sub-regional, county, and housing market area levels, officers from the Council have held bi-lateral meetings with all neighbouring authorities to ensure that any emerging strategic matters (including housing) are identified and addressed as necessary.

Early work to establish Housing Objectively Assessed Need

In November 2013, a joint HMA wide SHMA was published, and subjected to a sensitivity test in March 2014. The HMA identified the FOAHN for Bolsover as being between 235-240 dwellings a year and following updates to SHMA methodology and best practice, the sensitivity testing in March 2014 extended the range of the FOAHN to between 221-251 dpa.

The Regional Spatial Strategy was revoked in March 2013. Following the assessment in the SHMA the figure of 240dpa was used to calculate the requirement for the calculation of the District’s Five Year Supply Assessment.
3) Local Plan for Bolsover District

Commencement of the Local Plan for Bolsover District

3.1 At their meeting on 27th July 2014, members of the Local Plan Steering Group resolved to prepare a new single Local Plan for Bolsover District. This is a single plan both in terms of content - containing strategic and development management policies; and in terms of covering a single district.

Development of the Local Plan Scale of Housing Provision

Stage 1: Commencement (Regulation 18) towards Identified Strategic Options (October 2014 to October 2015)

3.2 The initial public consultation on the new Local Plan for Bolsover District took place between 20th October 2014 and 28th November 2014. This stage of consultation was to gather information from stakeholders and residents on what the new Local Plan for the District ought to contain. Feedback from this consultation was used to inform the next stage of consultation.

Stage 2: Identified Strategic Options towards Preferred Strategic Options (October 2015 to February 2016)

3.3 This public consultation took place between 30th October and 11th December 2015. The consultation focussed on a range of options for the quantum of development in the District; its distribution; and strategic sites. The housing target options put forward for consultation were:

- Option 1 – A housing target below FOAHN based on past delivery levels (185 dwellings a year);
- Option 2 – A housing target that met the identified FOAHN (240 dwellings a year);
- Option 3 – A housing target that exceeded FOAHN (350 dwellings a year).

Stage 3: Preferred Strategic Options towards Consultation Draft Local Plan (February 2016 to October 2016)

3.4 In February 2016, based on a consideration of all of the issues in relation to selecting a preferred housing target, the Council decided to approve a target of 240 dwellings a year (option B above) to inform the next stage in the development of the Local Plan. The reasons for this were that:

- Councils are expected to co-operate to ensure that the level of FOAHN is met within the Housing Market Area. 240 dwellings per annum would meet the need identified in the SHMA for the District and would contribute to meeting the FOAN for the wider housing market area;
• The 240 dwellings per annum would closely align with the Vision and Objectives in the emerging Local Plan;
• The findings of the Sustainability Appraisal indicated that this option was the best performing option when considered against the Sustainability Appraisal objectives. The target would meet the District’s objectively assessed need for housing whilst generally avoiding significant adverse socio-economic and environmental effects associated with the higher or lower targets;
• All of the local authorities\(^8\) commenting on the housing target favoured this Option. Sheffield City Council stated that in their view there was no need to have a housing target significantly above the level of identified need specifically in order to meet any of Sheffield’s housing needs;
• The majority of respondents to the consultation favoured this option.

3.5 Overall it was considered that the 240 dpa option provided a balance between low levels of development which would be contrary to the Council’s Growth Agenda and aspirations for growth; and high levels of growth that would be more likely to have a significant/adverse impact on the environment.

Stage 4: Consultation Draft Local Plan towards Publication Local Plan (October 2016 to May 2018)

3.6 Consultation on this Plan took place between 31\(^{st}\) October 2016 and 12\(^{th}\) December 2016. The document proposed a housing target of 240dpa over the life of the Local Plan, and also set out the proposed housing allocations to deliver this target (plus the undersupply) over the Plan period.

3.7 In terms of responses to the policies on the proposed housing target of 240dpa, a number of consultants representing the housebuilding / development industry considered that this was too low, and would not boost the supply of housing; that the 2013 SHMA was out of date, and that the housing target was at odds with the employment land requirement.

3.8 This iteration of the Local Plan proposed a policy for affordable housing, based on two key studies. These were: The SHMA and Economic Viability Study Review (David Couttie Associates and Levvel 2012), and The North Derbyshire and Bassetlaw (Housing Market Area wide) Strategic Housing Market Assessment (GL Hearn 2013).

3.9 The most important issues in relation to the discussion of affordable housing in Bolsover District at this time were:
   a) The level of need for affordable housing in the District;
   b) The reasons for the level of need;
   c) How the need is being met; and

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\(^8\) Rotherham Metropolitan Borough Council; Bassetlaw District Council; Mansfield District Council; Chesterfield Borough Council; Sheffield City Council; and Derbyshire County Council.
d) Viability and the level of affordable housing that could reasonably be delivered through planning agreements.

3.10 The studies identified:

a) A high theoretical need for affordable housing in the District;
b) In the case of Bolsover the level of need arises not so much from the high level of house prices (as Bolsover is one of the UK’s least expensive housing markets), but rather as a result of extremely low incomes;
c) There is a large private rented sector in the District which meets the needs of a significant number of households (with a significant level of former National Coal Board (NCB) properties);
d) The rents were not dissimilar to Council rents;
e) In some parts of the District over 43% of the housing stock is made up of social and private rented properties;
f) Lettings information suggested that the existing social stock is not under pressure;
g) In essence the demand for affordable housing is already well met by the Council and the private sector across the District.

3.11 The Couttie and Levvel study pointed out that there was no guarantee that the private sector provision will either maintain affordable rent levels or maintain the quality that the public sector seeks to achieve. The study also noted that the viability of residential development over much of the District was marginal, even with no requirement for a percentage of affordable housing provision. The Study concluded that where it was possible to add to the public sector provision, without adversely affecting the viability of a scheme, affordable housing should be sought.

3.12 The affordable housing policy put forward was that the Council would require applications for residential development comprising 25 or more dwellings to provide 10% as affordable housing, on site, or to pay for a detailed viability analysis of the development proposal to negotiate a lower level of provision.

3.13 There were fewer responses to the policy on affordable housing. Key comments were that the studies underpinning the policy were out of date; and that the scale of obligations and policy burdens should not compromise viability.

3.14 In relation to Self Build and Custom Build Homes, Government guidance is to enable more people to build or commission their own homes. In accordance with this the Council has a dedicated webpage and has set up a register of individuals and associations who are looking for serviced plots of land in the district on which to build their own homes. The Identified Strategic Options included a policy to facilitate this type of housebuilding.

3.15 Comments on custom and self-build dwellings were similar to the affordable homes issue. Most of the respondents were developers, or representing developers, and objected to the policy on the grounds of an unknown level of demand, and viability issues.
Update to the assessment of objectively assessed need

3.16 Following the publication of the latest Sub-National Population Projections (SNPP) in May 2016, and the new household projections in July 2016, the authorities in the North Derbyshire and Bassetlaw Housing Market Area commissioned a joint update to the FOAHN set out in the 2013/14 Strategic Housing Market Assessment.

3.17 The Update also considered the latest evidence from market signals, and potential economic growth (including the housing provision which would be needed to support this), together with an updated assessment of affordable housing. The Assessment looked at several scenarios in relation to a potential housing requirement. These included:

a) A demographic need, with different scenarios for migration;
b) A demographic need boosted for affordable housing;
c) A baseline economic scenario; and

d) A growth economic scenario.

3.18 As table 2 below shows, the Economic Growth scenario results in the highest level of need. This lifts the requirement by a questionable 33% above the demographic need, compared to 2.2% for the economic baseline scenario. The study recognises that this highlights the sensitivity of estimates of the scale of housing need to economic performance, and the degree to which economic growth could drive in-migration. The updated FOAHN for Bolsover, adjusted upwards for both baseline economic growth and to boost affordable housing delivery is 272 dpa.

*Table 2 - Housing need assessed against a range of scenarios.*

<table>
<thead>
<tr>
<th></th>
<th>Starting point 2014 based projection</th>
<th>Conclusion on demographic need</th>
<th>Adjusted to boost affordable housing delivery</th>
<th>Adjusted for baseline economic growth</th>
<th>Adjusted for economic growth scenario</th>
<th>Objectively Assessed Need (OAN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOLSOVER</td>
<td>229</td>
<td>247</td>
<td>272</td>
<td>249</td>
<td>386</td>
<td>272</td>
</tr>
<tr>
<td>HMA</td>
<td>983</td>
<td>1,101</td>
<td>1,211</td>
<td>1,124</td>
<td>1,365</td>
<td>1,211</td>
</tr>
</tbody>
</table>

Requests to meet the objectively assessed needs of other authorities

3.19 Two formal requests were made during the preparation of the Local Plan asking if the Council could meet possible unmet needs from other authorities. Both were made at a late stage of plan development, whilst we were preparing the Publication Local Plan. Neither were specific as to the level of requirement or potential locations of sites.
3.20 The first was received on 15th January 2018 from North East Derbyshire District Council (NEDDC). They asked if Bolsover District Council had any land outside the Green Belt that would be suitable to meet some of the needs arising in NEDDC. Bolsover District Council responded that whilst as an overall quantum there was land within Bolsover District that could be used for additional allocations to help meet some of the identified development requirement for NEDDC Bolsover Council were concerned whether the additional sites in Bolsover District would be well related to NEDDC and the needs arising there.

3.21 On 21st February 2018, NEDDC started consultation on their publication Local Plan. This contained sufficient allocations within its own district area to meet the 330 housing target, plus a 13% buffer. In May 2018, the authorities in the Housing Market Area signed a joint Statement of Common Ground. As part of this the four district / borough authorities agreed to seek to meet the identified FOAHN for their authority to ensure the overall FOAHN was met. NEDDC has met its housing target, without assistance from any neighbouring authority.

3.22 The second request was from Sheffield City Council on 17th April 2018 asking if Bolsover District Council would be in a position to allocate land for housing. Key points in Bolsover District Council’s response were that:

a) Bolsover District does not share a boundary with Sheffield City Council. In addition Bolsover was not one of the authorities specifically mentioned as being best placed to meet Sheffield’s needs;

b) The Publication Local Plan was agreed by members on the 18th April 2018. (The day after the request from SCC was made);

c) At the Identified Strategic Option stage of Bolsover's Plan, Sheffield City Council had stated that it did not seem reasonable to set a housing target significantly above the level of identified need, specifically in order to meet any of the City’s housing needs.

3.23 At this time, Bolsover District Council replied that due to the timing of the request and uncertainty about what was required we would be proceeding with consultation in the Publication Local Plan (PLP). We also advised that our approach to the scale of housing provision would be set out in the PLP if the City Council wanted to make any representations.

3.24 Sheffield City Council has recently confirmed that they intend to publish a Local Plan for Consultation under Regulation 18 of the Town and Country (Local Planning) (England) Regulations 2012. Within this document the City Council is proposing to meet the whole of its identified housing needs within the city boundaries. In line with the Duty to Cooperate Bolsover District Council remains committed to on-going discussions with the City Council in relation our respective emerging Local Plans.
Further considerations in relation to the housing target

3.25 Before determining a definitive target for the PLP, the Council considered a further four factors. These were:

a) whether to include an allowance for windfall sites;
b) the conclusions of the Whole Plan Viability Assessment;
c) the lapse rate for major applications;
d) whether to add a buffer to the full Objectively Assessed Needs.

3.26 As explained in the Position Paper relating to Residential Land Supply, the Council has not built an allowance from windfall sites into its anticipated Local Plan residential land supply calculations based on historic windfall delivery rates, as is permissible in accordance with the NPPF. Instead, the Council has decided to plan positively with major sites, supported by specific land allocations within the Local Plan, to deliver a sufficient supply of homes and to treat windfalls as one of the ways the Plan provide flexibility in residential land supply.

3.27 The Whole Plan Viability Assessment (March 2018) concluded that a 10% affordable housing requirement is viable on the majority of sites above a 25 unit threshold. However, viability across the District is variable and Policy LC2 – ‘Affordable Housing through Market Housing’, reflects this fact by including a provision for the level of affordable housing provision to be varied where a detailed site viability appraisal suggests the 10% would not be viable.

3.28 The lapse rate within the District for major applications (i.e. sites that had planning permission but that did not come forward within the timescale of their permission) between 2009/10 and 2014/15 was 5.1%. In deciding whether to apply a buffer to the housing target, the Council carefully considered both the lapse rate and its wish to encourage sustainable housing development. It was decided that the addition of a suitable buffer would provide greater flexibility for the market.

3.29 Having decided to add a buffer to the OAN, the Council then had to consider what level of buffer would be appropriate. Whilst there is no evidence to justify a higher figure than the FOAHN in the latest SHMA, the Council would not wish to see a lack of suitable housing land, limit sustainable growth in the District. Equally, the level of the buffer should not undermine the work that has been done in relation to Infrastructure Planning or undermine the Sustainable Appraisal work. Too high a buffer could make it difficult to maintain the strategic approach to development; ensure that the Sustainable Appraisal stays positive; or ensure that infrastructure requirements can be met. Based on these considerations, the Council decided to include a 10% buffer for flexibility. The 10% allowance for flexibility increases this total to 5,700 over the life of the plan.
Economic Growth and Housing

3.30 Concerns have been expressed that whilst the Council have pursued an ‘economic growth agenda’, we have not pursued a level of housing growth that links to the ‘Economic Growth’ scenario within the SHMA (386 dwellings per annum).

3.31 In brief, the Council concluded that there is very little evidence in Bolsover’s case that the level of employment growth leads to a requirement for new housing provision at the levels that modelled forecasts would predict. To assume such levels of housebuilding contrary to all forms of market information and evidence, especially with an uncertain post-Brexit future, would lead to a Plan that was not deliverable or justified. It could also mean that if the market were to fail to deliver at those levels, the Council could rapidly lose its 5 year housing supply and fail the new Housing delivery test, all because the modelling of housing to employment was inaccurate. This issue has been considered in depth and the considerations are on it is attached as Appendix 1.

Publication Local Plan

3.32 Having considered all of the above matters and following a meeting with the Planning Inspectorate in December 2017, the Council moved towards a Publication Local Plan with authority for consultation on the Plan given by Planning Committee on 18th April 2018.

3.33 Consultation on the PLP took place from 2nd May to 15th June 2018. In terms of housing issues, the main changes from the Consultation Draft Local Plan were:

a) that the Objectively Assessed Need figure was boosted from 240 to 272 to accord with the SHMA OAN update work;

b) that the Council added an additional 10% to the proposed housing allocations to allow for flexibility in the Plan;

c) two additional policies were added for Gypsies, Travellers, and Travelling Showpeople – Policy LC5: Site Allocations for Gypsies, Travellers and Travelling Showpeople, and Policy LC7: Safeguarding sites for Gypsies, Travellers and Travelling Showpeople.

3.34 The changes made led to other changes within the Plan in terms of housing allocations, which are addressed in the Position Paper relating to Residential Land Supply.
4) Conclusions

4.1 This paper sets out the Council’s position in relation to the Scale of Housing Provision.

4.2 In relation to the tests of soundness and the Council’s Housing Requirement, the Local Plan for Bolsover District has been prepared under the policy framework provided by the first NPPF published in March 2012.

4.3 Whilst the new NPPF was published on 24th July 2018, paragraph 214 of the new NPPF states that “The policies in the previous Framework will apply for the purpose of examining plans, where those plans are submitted on or before 24 January 2019”. Based on the Local Plan for Bolsover District being submitted in August 2018, it is clear from the wording of the new NPPF that the relevant tests of soundness are those within the first NPPF published in March 2012.

4.4 In light of this, it is the Council’s contention that the proposal meets all of the relevant tests set out in the first NPPF published in March 2012 as explained below.

Positively Prepared

4.5 The Council’s approach to housing matters, in particular its housing target is based on joint working across the Housing Market Area, and relatively up to date and proportionate evidence base for both the Housing Market Area and Full Objectively Assessed Housing Needs. The Council has also considered a range of issues as set out above, including representations and the findings of the Sustainability Appraisal in the development of its housing policies. The Plan does not contain any allowance for the unmet needs of other authorities, as both authorities which enquired as to if we could help have taken matters no further and proceeded with their own Plans.

4.6 On this basis, the Council is clear that its approach to its housing policies meets the ‘positively prepared’ soundness test (first NPPF, paragraph 182 bullet 1) and has seen no convincing arguments to the contrary.

Justified

4.7 The housing strategy, policies and site allocations of the Local Plan for Bolsover District have been subject to Sustainability Appraisal alongside a number of reasonable alternatives at key stages of the plan making process. The SA Report finds that the strategy, policies and site allocations of the Local Plan for Bolsover District represent the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence.

4.8 On this basis, the Council is clear that its approach to the Green Belt meets the ‘justified’ soundness test (first NPPF, paragraph 182 bullet 2) and has seen no convincing arguments to the contrary.
Effective

4.9 The deliverability of the Local Plan for Bolsover District has been tested at a strategic level through the Whole Plan Viability Assessment. This testing work has informed the development of the Local Plan’s spatial strategy and key housing policies. It is recognised that currently development viability is challenging within Bolsover District. However, the Council is clear that the housing strategy, policies and site allocations of the Local Plan for Bolsover District are deliverable.

4.10 On this basis, the Council is clear that its approach to the delivery of housing meets the ‘effective’ soundness test (first NPPF, paragraph 182 bullet 3) and has seen no convincing arguments to the contrary.

Consistent with national policy

4.11 Given the need for the Council’s Local Plan for Bolsover District to be prepared in a manner that is consistent with national policy, the Council has taken full account of the Government’s planning policies for England as set out in the first NPPF. (2012), which predates work commencing on this Plan.

4.12 The Council considers that the housing policies are consistent with national policy as set out in the first NPPF in the following ways:

a) Paragraphs 6 & 7 state that the purpose of planning system is to contribute to the achievement of sustainable development and that the three dimensions to sustainable development are economic, social and environmental.

b) The Sustainability Appraisal found that the strategy, policies and site allocations of the Local Plan for Bolsover District represents the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence.

c) Paragraph 14 states that local planning authorities should positively seek opportunities to meet the development needs of their areas and should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change

d) The Local Plan for Bolsover District has been prepared positively to meet the FOAHN, and a buffer to provide flexibility should the market respond and demand increase as illustrated in the sections above.

4.13 Paragraph 17 states that as core principles:

a) plans should be based on joint working and co-operation to address larger than local issues;

b) plans should identify and then meet housing and business needs, including those of another area, and respond positively to wider opportunities for growth;

c) plans should take account of market signals…such as land prices and affordability and set out a clear strategy for allocating sufficient land;
d) The development of the evidence base for housing policies has been based on: collaboration on joint evidence base documents; and, meeting the FOAHN within the Housing Market Area. The 2017 SHMA takes market signals into account in Assessing the FOAHN as set out above.

4.14 Paragraph 47 requires local authorities to significantly boost the supply of housing, using their evidence base to ensure their Local Plan meets the Full Objectively Assessed Need for Housing in the Housing Market Area.

4.15 In addition to meeting the Full Objectively Assessed Housing Need, the Council has included a 10% buffer above FOAHN to provide greater choice. Furthermore, given the pattern of small settlements in the District, small site of less than 10 dwellings and windfall sites have previously made a contribution to meeting housing needs in the district. However, the Council has chosen not to quantify and rely on this source of supply to meet its housing needs. Nevertheless, this is likely to continue to provide an additional supply over the Plan period, further boosting housing supply.

4.16 Paragraph 50 requires local authorities to meet housing need on site, unless off site provision or financial contribution can be robustly justified. Policy LC2: Affordable Housing through Market Housing set out the Council’s policy for the delivery of affordable housing on sites of 25 or more dwellings. In addition, the Council is proposing to prepare a Supplementary Planning Document on this topic.

4.17 Paragraph 152 states that local planning authorities should seek opportunities to achieve each of the economic, social and environmental dimensions of sustainable development and net gains across all three. The Sustainability Appraisal assessed the proposed housing target, and found that it achieved the best balance of sustainable development across all three dimensions.

4.18 Paragraph 156 requires local planning authorities to set out strategic priorities for the area in the Local Plan, including strategic policies to deliver the homes and jobs needed in the area. The objectives set out Chapter 3 of the LPfBD contains the objectives for the District. The housing policies have based on up to date information in relation to demand and viability. As a result the policies will both meet demand and are deliverable.

4.19 Paragraph 157 requires Local Plans to plan positively for the development and infrastructure required in the area to meet the objectives, principles, and policies of the 2012 Framework… and be based on co-operation with neighbouring authorities, public, voluntary and private sector organisations. The housing policies contribute to the positive development of the area by putting forward a housing target which meets the objectives, principles and policies for the reasons outlined above. The provision of infrastructure has been planned around the proposed housing sites to ensure the quantum of housing development is deliverable. As illustrated in the sections above, co-operation has taken place throughout the development of the Local Plan. Full details of this are set out in the Duty to Co-operate Statement. In addition, the
joint HMA wide Statement of Common Ground shows the authorities have agreed to meet the FOAHN within the HMA.

4.20 Paragraph 159 states that local planning authorities should have a clear understanding of housing needs in their area. They should:

a) 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 need over the plan period which:

i. meets household and population projections, taking account of migration and demographic change;
ii. addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and
iii. caters for housing demand and the scale of housing supply necessary to meet this demand;

b) Prepare a Strategic Housing Land Availability Assessment to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period.

4.21 The Council has worked with the other authorities in the Housing Market Area to produce and update a SHMA. This was updated in November 2017, to reflect the latest sub-national population and household releases. It identifies the scale and mix of housing, and range of tenures that the local population is likely to need over the plan period. This is reflected in Policies:

a) SS2: Scale of Development. This makes provision for a level of housing above the Full Objectively Assessed Housing Need for the district;

b) SC1: Housing Allocations. This contains a range of sites within the district. This issue is the subject of a separate Position Paper;

c) LC2: Affordable Housing through Market Housing. This sets out the requirement for on-site affordable housing;

d) LC3: The Type and Mix of Housing. Based on the findings of the SHMA, this sets out the most appropriate type and mix of housing most suitable for the district based on the characteristics of residents, and likely future needs;

e) LC4: Custom and Self Build Dwellings. This provides for people who want to build their own homes, although it should be noted that based on the Council’s Custom and Self Build Register, demand for this type housing to date has been low.
4.22 The needs of Gypsies, Travellers, and Travelling Showpeople have been assessed in accordance with separate guidance. The rationale for the suite of 3 policies on this issue is set out in more detail in a separate Position Paper.

4.23 As part of its evidence base the Council also prepared a Strategic Housing Land to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period. This has informed a separate Position Paper relating to Residential Land Supply.

Comment on the soundness tests within the new NPPF

4.24 Whilst it is clear from the wording of the new NPPF that the relevant tests of soundness are those within the first NPPF published in March 2012, it is considered helpful in the interests of completeness to provide some comment on the four soundness tests within the new NPPF as set out in paragraph 35.

4.25 From a comparison between the first and new NPPF, it is considered that the main variations in relation to each test are as follows.

a) Positively Prepared

The test now makes it clear that meeting the area’s objectively assessed needs is a minimum requirement, and that this work should be informed by other authorities. Compared to either the 272 requirement of the SHMA, or the 244 if following the new NPPF approach, the Plan is providing roughly between a 10% and 20% buffer, clearly above the OAN. This paper sets out the extensive Cross boundary work that has been done as does the Duty to Cooperate statement.

b) Justified

The main change here is that under the new NPPF one must identify ‘an appropriate’ strategy rather than being tested on the basis that it must be the ‘most appropriate’ strategy. Also, under the new test one needs to only ‘take into account’ the reasonable alternatives, rather than ‘consider the strategy against’ the reasonable alternatives. The amendments seem to make the test more reasonable and in meeting the test within the first NPPF as set out above, the Council clearly meets this test.

c) Effective

The main issue here is the requirement to deal with and not simply defer cross boundary strategic issues. None of the strategic issues identified have been deferred with all authorities working together and accepting each other’s approaches to development.
d) Consistent with national policy

Whilst wording has been slightly amended, there is no material change to this test which remains passed as set out above.

OVERALL CONCLUSION

4.26 The Council considers that the housing policies put forward in the PLP is sound because it complies with the aims of both the 2014 and 2018 National Planning Policy Framework. The housing target exceeds the full objectively assessed housing needs of the District. The inclusion of a 10% buffer, and exclusion of small sites of less than 10 houses from the identified supply means that the housing target has sufficient flexibility to adapt to rapid change.

4.27 As part of developing housing proposals in the Local Plan the Council consistently updated its evidence base to reflect the latest statistical and other evidence and to inform emerging policies.

4.28 The extent of the Housing Market Area has been reviewed, and found to still comprise a functional HMA. The Strategic Housing Market Area Assessment, and recent OAN update were commissioned and undertaken jointly across the Housing Market Area with significant partnership working. The output of this work is that authorities in the HMA have an agreed Statement of Common Ground to ensure that the OAN for the HMA is met. This work feeds into the evidence that the Council has met its Duty to Co-operate.

4.29 In respect of affordable housing. The Council is acutely aware of viability issues in the District, and commissioned a Whole Plan Viability Assessment. This up to date assessment has informed the policy on affordable housing.

4.30 The base date of the original Strategic Housing Market Area Assessment, upon which the Plan is based, was 2014. Therefore the housing requirement in the Local Plan is considered over 19 years (i.e. 2014 – the base date of the SHMA to 2033 – end date of the Local Plan). This gives a total of 5,168 new dwellings required over the plan period.

4.31 Adding in a ‘buffer’ of 10% to our housing requirement brings the overall requirement up to 5,700 for the 19 year Plan period of 2014 – 2033.

4.32 How the Council has met this requirement is set out in our Position Paper relating to Residential Land Supply.
Appendix: Considering the Housing and Economic Growth Relationship
1) Introduction

1.1. This report considers the Housing and Employment Growth Relationship. The Council’s housing and employment requirements have been developed separately and are based on standardised approaches as set out in national guidance.

1.2. The basis of the Council’s B class employment land target is set out in the Position Paper relating to Employment Provision. The Council determined that it would seek to support a high level of growth, although not as high as past trends, and we have allocated 92 ha. of employment land across the plan period. Much of this has already got planning permission showing the interest in employment growth within the District.

1.3. The basis of the Council’s housing requirement is set out in the Position Paper relating to the Housing Requirement (to which this report is appended). The Council determined that it would allocate sufficient land to meet its Housing OAN plus provide for a 10% buffer to add for flexibility and choice. The Position Paper relating to Residential Land Supply explains how the housing allocations within the Publication Local Plan (PLP) were selected and how the Council will meet its Housing Requirement.

2) Background

Basis of Concerns

2.1. Concerns have been expressed, through various representations, that the OAN update (2017) reflects a demographic requirement boosted by factors aimed at helping to address affordable housing, which is not high enough to support and underpin the Council’s “Growth and Regeneration” strategy, and our employment land allocations.

2.2. This is based on the view that the OAN update produced a modelled housing requirement of 386 dwelling per annum in relation to what they describe as an “Economic Growth Scenario”.

2.3. In the OAN Update, the consultants, recognising the uncertainties around modelling, state:

3.2 Drawing conclusions on how a local economy may perform in the longer-term is inevitably a difficult exercise, given the multitude of potential influences on future economic performance together with economic uncertainties at both a macro (national) and local level. This needs to be borne in mind in interpreting the analysis herein. To address these issues, GL Hearn has assessed:

- Past employment growth trends;
- Baseline economic forecasts; and
- Local economic drivers.
3.3 The complexity of this issue is one of the factors which has informed Government’s proposals for a new standardised methodology for calculating housing need. Nonetheless this report does consider the interaction between the economy and housing need.

3.6 We have sought therefore to model in this report a more positive “Growth Scenario” for economic performance, and consider what level of housing need would be required to support this – recognising that economic growth and housing investment could support one another (with housing provision in itself can help to support economic growth; and economic growth and investment supporting local regeneration)”.

2.4 The OAN update considers baseline and growth economic scenarios. These are based on economic forecasts for the district which are then modelled into the number of jobs likely to come forward under each scenario. In order to convert the number of jobs into housing demand, the SHMA considers the change (increase) in the economically active population that would be needed to meet the ‘need’ generated by the economic forecasts. It does this through a consideration of what it sees as the three main issues of commuting patterns, double jobbing and unemployment This is used to generate a figure for the number of new resident workers that would be required for the level of employment growth forecast. It then generates a figure for new housing requirements, based on the assumption of where these newly employed people will live.

2.5 Based on the available evidence it is the Council’s belief that the theoretical assumptions underpinning the modelling work, as set out above to define a requirement for new workers, who will move into the District and generate new housing requirements, is not borne out in practice in Bolsover District.

2.6 The reasons for this are set out in this report. Independent experts in this area have concluded that the alignment of housing need with employment forecasts is one of the most difficult and disputed steps in the current methodology for a SHMA. The government itself has recognised this as being problematic and the new approach set out in the new NPPF (24th July 2018) essentially looks to an affordability ratio to generate any uplift in housing requirements which would reflect a greater demand for housing in the area, potentially through new workers wishing to move in.

2.7 It is recognised that in the difficult world of trying to model future requirements, a wide range of various assumptions have to be made in order to generate what a situation may look like if all of those assumptions prove true for that area and time period, and nothing else happens that may have a substantial impact on the model.

2.8 Related to this, it should be noted that the OAN Update report goes on to say (para 3.58):

“There are clearly uncertainties associated with longer-term economic performance, the NPPF sets out that the planning system should seek to
positively and proactively encourage and drive sustainable economic growth (see Paragraphs 17 and 21). The Growth Scenario should be interpreted in this light as providing an assessment of the potential for the impact on housing need should the economy perform more strongly; and providing a basis for considering through the plan making process how planning for higher housing provision and economic growth could be mutually supportive – with housing provision itself representing investment and helping to support economic growth (including through providing a supply of available labour) and economic growth supporting housing demand, investment and local regeneration.”

2.9 Whilst the underlining is ours, the fact is that the report recognises that the long term growth scenario is subject to a number of uncertainties.

2.10 The Council also recognises the 2012 NPPF advice at Para158, which says:

“Each local planning authority should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals.”

2.11 The Council have been guided by market and economic signals, and the recommendations of the SHMA in coming to the conclusion that the very high figure linking employment land supply to housing requirements could not be followed when there were so many signals indicating that it would not be achievable within the District and would seriously undermine the deliverability of the Plan.

Lichfield’s Study 2018

2.12 Due to concerns over the alignment between the housing requirement (OAN) and the economic growth figures within the SHMA, the Council decided to commission some extra work to try to cast further light on this issue.

2.13 Unsurprisingly, the study still seeks to promote an approach that matches housing demand to employment land provision and the potential for job growth, based on a modelled approach, but it does note that:

a) The scale of job growth in Bolsover (2000 – 2013) exceeded population growth by 59 percentage points (67% minus 8%) over this period (paras 3.33-34);

b) It recognises that the housing to employment growth relationship is highly complicated and covers a very wide range of issues over and above the type of jobs provided and Bolsover’s role within the wider Functional economic and housing market area (para 3.1);

c) Bolsover straddles two Travel to work areas (para 3.15), and has high flows of both in and out commuters (para 3.17 onwards);
d) Over the period 2000 to 2016 (the latest available data), Bolsover has been a key driver of employment growth in the wider area, with the number of jobs in the District increasing by 12,000 or 57% (from 21,000 to 33,000);

e) In relation to Strategic Warehousing, it notes:
   i. Bolsover’s recent success in attracting strategic warehousing occupiers disrupts, to an extent, the relationship between jobs growth and employment land need. Developments of this nature typically require large tracts of land, whilst the resultant job creation impacts are comparatively low (para 3.51);
   ii. It could be argued therefore, that whilst Bolsover is an attractive location for such uses, it is essentially accommodating developments that are strategic in nature and that serve to meet the employment needs of residents across a wider geography (para 3.60);

f) It is acknowledged, however, that econometric forecasts of this nature tend to be most reliable at the regional and national level and less so when considering individual local economies (para 4.2);

g) Over the period 2000 to 2013, the District has delivered disproportionately high growth in jobs relative to population change. Jobs in Bolsover grew by 67% (higher than any authority shown in the FEMA/HMA) population increased by just 8% over the same period (lower than Ashfield and comparable with Mansfield) (para 3.33);

h) The report goes on to raise issues that add to the uncertainty of forecasts linking employment land and jobs in terms of automation and robotics and especially the potential impact of Brexit (para 4.17 onwards).

2.14 Overall the study cast an interesting update across the evidence base in relation to employment land. Importantly, it notes that the 92 ha of employment land set out in Local Plan policy SS2: Scale of Development sits within the range they have suggested, albeit somewhat below the 112 ha single figure recommendation they have made. In general, however, they note that there remains a reasonably close alignment between the new economic evidence and the Council’s emerging Local Plan B-Class employment land target.

2.15 The Council is concerned that if we were to rely on a new evidence base, such as this study is based on, this may raise some issues in relation to the alignment of the various studies that the Local Plan is based on. Amending our employment figure may lead to further suggestions that we should amend our housing figures based on the new data, leading to a need to renew our Sustainability Appraisal, with more and more delays to the Local Plan.

2.16 NPPF Para 158, quoted earlier, does emphasise that local planning authorities should ensure that the Local Plan evidence is adequate, up-to-date and relevant about the economic, social and environmental characteristics and prospects of the area. It is considered that the evidence base that the Local Plan is based on, which does not include this report, meets all of these requirements and is proportionate.
2.17 On the basis that the study recognises that our existing evidence base and work on employment remains in reasonably close alignment with the newer data, and the current allocation level falls within the proposed range, it is not intended to amend the Plan based on this study. It is the Council’s view we have ensured that the Plan meets these requirements. That does not necessitate following a process with a number of variables, which has question marks over its robustness and results in a requirement for an a highly questionable high level of housing, just because it is modelled on an economic growth agenda. Market and economic signals clearly indicate that such a level of housing is very unlikely to materialise.

**Defining the Housing Objectively Assessed Need (OAN)**

2.18 Although set out in the Position Paper relating to the Housing Requirement, it is worth noting the following:

a) February 2017, the Council, together with its neighbours in the Housing Market Area (HMA) commissioned an update to the Objectively Assessed Need in light of the national 2014 Sub National Population Projections (SNPP), which were published in May 2016 & the Sub National House Hold Projections (SNHP) which were published in July 2016. Partly this was also to address responses to the Consultation Draft Local Plan which considered the SHMA was out of date for being prepared prior to this update information;

b) October 2017, the Council and partners in the HMA received the final version of the North Derbyshire and Bassetlaw SHMA – OAN Update’, for Bolsover District and the wider housing market area based on the new data sets;

c) The report identifies that the most appropriate figure for Bolsover District’s OAN, based on the current methodology and the latest information. On this basis the suggested Objectively Assessed Need figure should be 272 dwellings per year;

d) The SHMA report concluded that, “the OAN is calculated taking into account the adjustments made in drawing conclusions on the demographic need for homes; upward adjustments where appropriate to support baseline economic growth; and a 10% upward adjustment applied to the demographic need to support enhanced affordable housing delivery”;

e) In reaching this figure, the SHMA considers at several scenarios in relation to a potential housing requirement as set out below.

“The Economic Growth scenario is the highest and lifts the requirement by a questionable 33% above the demographic need, compared to 2.2% for the economic baseline scenario. The study recognises that this highlights the sensitivity of estimates of the scale of housing need to economic performance, and the degree to which economic growth could drive in-migration.”
Table 1: Showing different scenarios informing the Objectively Assessed Need

<table>
<thead>
<tr>
<th></th>
<th>Starting Point 2014 based Projection</th>
<th>Conclusion on Demographic Need</th>
<th>Adjusted to boost Affordable Housing</th>
<th>Adjusted for Baseline Economic Growth</th>
<th>Adjusted for Economic growth Scenario.</th>
<th>Objectively Assessed Need (OAN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolsover</td>
<td>229</td>
<td>247</td>
<td>272</td>
<td>249</td>
<td>386</td>
<td>272</td>
</tr>
<tr>
<td>SHMA</td>
<td>983</td>
<td>1,101</td>
<td>1,211</td>
<td>1,124</td>
<td>1,465</td>
<td>1,211</td>
</tr>
<tr>
<td>% of SHMA</td>
<td>23.2</td>
<td>22.4</td>
<td>22.5</td>
<td>22.1</td>
<td>26.3</td>
<td>22.5</td>
</tr>
</tbody>
</table>

2.19 It is also important to note that our approach to housing and employment requirements has been agreed through the Duty to Cooperate with Statements of Common Ground (SOCG) with our Housing Market Area colleagues and the adjoining district of Mansfield.

2.20 In addition the Sheffield City Region (SCR) DtC Statement on Housing (endorsed by the Heads of Planning in the city region) recognises that the economy is not a significant driver of housing demand in Bolsover district. This is reflected in the fact that the figures for Bolsover are treated as an anomaly, with the target used in their statement being significantly and justifiably below all of the jobs led targets modelled on significant jobs growth and economic scenarios.

2.21 It is also important to note that both of the Local Economic Partnerships within which we sit (SCR and D2N2) have said they are happy with our approach to the housing and employment growth targets in the Plan.

3) Housing Requirements and Economic Growth

Historic Perspective

3.1 Within Bolsover, we have no evidence that supports the modelled view that high levels of employment growth through new employment land allocations, drives housing growth, in any clear, identifiable or linked manner.

3.2 This issue was addressed in the original (2013) Strategic Housing Market Area where it states at Para 12.15 and 12.16:

“Overall the analysis does not suggest that the economy is a significant driver of housing demand in Bolsover District. Indeed it suggests a ‘jobs deficit’ locally – with notable out-commuting to nearby employment centres including Chesterfield, Mansfield and Alfreton. This is partly a feature of the geography of the District; but the analysis does point to a jobs deficiency across the housing market area.

Given the potential for changes to commuting patterns, for enhanced economic participation; as well as the sensitivity of the modelling to assumptions on people holding down more than one job, we find no
convincing evidence that housing supply would need to increase above the demographic projections per se to support economic growth”.

3.3 The proposed employment growth across the District and its basis is set out within the Position Paper relating to Employment Provision. Whilst some of this work has considered demographic issues, the Council has not sought to directly link housing provision and the potential for employment growth for the reasons outlined here.

3.4 The table and chart at the end of this report illustrate the lack of a clear relationship between employment growth and housing demand. The table sets out the overall population growth (1), against overall jobs growth (2), whilst factoring in the rate of new housing built (3), and ha of employment land developed (4).

3.5 It is accepted that developments of employment land, can lead, over time to the creation of some new or relocated jobs, which may then lead to increases in immigration and housing developments within the District.

3.6 However, it is very difficult to see any sort of correlation even over the 17 year period considered. Whilst the population has gradually increased, and overall the amount of job’s has steadily grown, both the house building rates and the development of hectares of employment land has varied considerably year to year, with no obvious clear or related changes.

Employment Growth

3.7 One of the major difficulties for people trying to model the impact of employment growth to any requirements for new housing is the degree of separation of the two issues.

3.8 Firstly, Local Plans tend to allocate employment in terms of land area (either hectares or floorspace). The main employment uses are B1 (Business), B2 (General Industrial), and B8 (Storage or distribution). Feeding into the ‘need’ for employment modelling makes assumptions in relation to:

- a. the sites coming forward;
- b. the amount of different types of floorspaces for the different uses;
- c. the amount of jobs that those levels of floorspace may generate;
- d. the level of the existing working age population who may be able to take up those jobs which will depend on the nature of the job and the skills of the workforce;
- e. the amount of new workers that may need to relocate to the area to take up the additional jobs not covered by the existing population;
- f. whether the employer is a new enterprise seeking to recruit staff or an existing, relatively local employer who will retain his current workforce.

3.9 There is clearly a significant set of assumptions that have to be made that will vary in their accuracy from place to place. In addition, given that they include assumptions about economic performance, they can be sensitive to wider
national economic changes such as Brexit for example. The future likely impacts of some of these are currently very uncertain.

Geography

3.10 Bolsover District is geographically a long, slim District running north – south and with the M1 running alongside the western boundary. It has no major centres of population and recent employment development has been largely linked to the four Motorway Junctions (28, 29, 29a, 30), and the east – west links with them.

3.11 In many of the cases, a travel to work area around any given employment growth site within Bolsover, is more likely to contain more populated areas in other districts than within Bolsover, given the shape of our District and the emphasis of employment uses along the western edge and the M1.

3.12 This issue is probably exacerbated by the fact that the reasons for our employment growth is based around the very fact that these are highly accessible locations and therefore jobs in those locations are highly accessible to people within a large travel zone.

3.13 A key characteristic of the District is that it is a net exporter of labour, that is, more people in the District commute out to work than the number of people commuting into the District to work. This is despite recent high levels of job growth in the District. The data shows that there is a very mobile work force within this general area where we are not only a net exporter of labour, but also a significant part of our work force are in-commuters. The area clearly does not have a lack of jobs to support the indigenous workforce, but cross boundary travel is a natural part of how the area works.

Commuting

3.14 Whilst the 2011 Census data provides the main basis for information on this issue, it is important to note that since that work the District has seen the development of 56.68 ha of employment and just over 1,500 dwellings, the impacts of which are currently uncertain in terms of changes to commuting patterns. However, based on the 2011 census we know:

   a) 36.7% of people working in the District also lived in the District;
   b) 44.8% of people working in the District lived in a neighbouring authority;
   c) 18.5% of people working in the District lived elsewhere.

3.15 The Map following (Fig 1) shows the main employment sites and how they relate to areas of population. The Infrastructure Study and Delivery Plan (Figure 4 and 5), also cast further light in relation to the porous nature of the boundaries in terms of commuting.

3.16 A further difficulty is that within a modelling approach where commuting rates are maintained, this leads to a disproportional requirement for new houses to
service the numbers of jobs that may be generated, as it is assumed that a large number of our new population will also be out commuters, despite the fact that it is employment within our district that has generated the jobs that have in turn generated a modelled housing requirement.

3.17 It is important to note here again that our neighbouring authorities and the two LEP’s support our approach to the provision of housing and employment land.

*Figure 1: Main Bolsover employment areas and the wider population distribution.*
Nature of Employment

3.18 Another important consideration is the changing nature of the employment market, particularly in relation to zero hour contract and the use of agency workers.

3.19 Whilst evidence in this regard is mainly anecdotal, it is clearly a relatively new phenomena which has significant impacts on the idea of people relocating to areas where they work, as that work may be for a short period or intermittently.

3.20 Temporary Employment Agencies fill positions on a short term basis and in times of uncertainty provide flexible labour especially for new businesses. Looking at Internet coverage of this issue it has been noted that:

a. the Temporary-Employment Placement Agencies industry is in the growth stage of its life cycle;

b. the industry is growing at a faster rate than the overall UK economy;

c. Growing by 9% annually, the UK recruitment industry increased its value in 2016 to £35.1bn in 2016, employing over 100,000;

d. Contract recruitment, worth £31.5bn to the UK economy, with over 1.2 million contractors actively working today;

e. Sonovate’s data, taken from Companies House, reveals that the number of recruitment agencies launched each year has almost doubled since 2010 when 2,092 were founded and has more than trebled since before the recession when 1,303 agencies launched in 2007;

f. TUC analysis showed that there are 3.2 million people who face insecurity in work in the UK, either because they are working on a contract that does not guarantee decent employment rights (including zero hours contracts, agency and casual work), or because they are in low paid self-employment (earning less than the government’s National Living wage).

3.21 Looking at TUC statistics for insecure employees in 2016 the following figures emerge.

Table 2: TUC statistics on insecure work types

<table>
<thead>
<tr>
<th>Type</th>
<th>Example</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insecure Temporary work</td>
<td>Agency, casual, seasonal, other, excludes fixed term contracts</td>
<td>729,623</td>
</tr>
<tr>
<td>Zero Hours Contract workers</td>
<td>Excludes self-employed and in above category,</td>
<td>806,911</td>
</tr>
<tr>
<td>Total Insecure employees</td>
<td>Total of insecure employees and zero hours contacts</td>
<td>1,536,534</td>
</tr>
<tr>
<td>Insecure employment rate</td>
<td>Insecure work as a proportion of employees</td>
<td></td>
</tr>
</tbody>
</table>
3.22 General information is that these approaches to employment are most common in new employment opportunities and start up-businesses, especially around Logistics/warehousing uses, which have been significant in Bolsover.

3.23 The importance of the recent growth in this sector is clearly that it acts against the idea of people relocating based on new employment opportunities, which may not be permanent and may make up an element of ‘portfolio working’ across different areas. Such uncertain employment is unlikely to lead to a demand from people to relocate in order to reduce commuting time or distances new housing within the District.

The Government’s New Approach

3.24 Whilst the Council have followed previous guidance in relation to how a SHMA should be develop, it is important to note that the PPG guidance in 2014 (Paragraph: 005 Reference ID: 2a-005-20140306 -Revision date: 06 03 2014), stated that:

“There is no one methodological approach or use of a particular dataset(s) that will provide a definitive assessment of development need. But the use of this standard methodology set out in this guidance is strongly recommended because it will ensure that the assessment findings are transparently prepared. Local planning authorities may consider departing from the methodology, but they should explain why their particular local circumstances have led them to adopt a different approach where this is the case. The assessment should be thorough but proportionate, building where possible on existing information sources outlined within the guidance”

3.25 Whilst the Council followed the standard methodology it appears reasonable, at this time, to believe that seeking to rely on the Government’s new way of assessing housing need, would also provide for a transparent, thorough and proportionate approach to this issue.

3.26 It is important to note that the approach to defining housing requirements given within the new (July 2018) NPPF, largely follows the advice given in the earlier Local Plan Expert Group (LPEG) report, and the September 2017 consultation document titled ‘Planning for the Right homes in the Right places’. These set out a methodology for the calculation of housing need, separating out housing requirements from the demand arising from new employment allocations. As noted above this is because independent experts considered this to be a problematic element in assessing housing need. This is now in national guidance in the updated NPPG.

3.27 The new approach does still provide for an indirect linkage related to actual economic growth, where increased jobs in an area generates greater housing demand.

3.28 The mechanism for this is an ‘affordability ratio’. This arises where any scarcity of housing supply for incoming workers drives up housing prices. Under this, an
adjustment factor (local affordability ratio (house price to income) is used to increase the demographic housing needs of the district.

3.29 The new methodology to defining the housing requirement is based mainly on the demographic needs of an area but lifted where average house prices are more than 4 times the average income. The figure given for Bolsover within the Government consultation is 244 dwellings per annum. This new approach seeks to use actual market forces to reflect the relationship between an increase in demand and any lack of supply, and seems to be much more attuned to the way in which the market operates, than other approaches might be.

3.30 We have developed an average of 9.48 ha of employment land a year over the last 5 years, creating a number of new jobs, which would be expected to translate into housing requirements and pressure on the housing market. However, Table 3 below shows that over the last 4 years the lower quartile house prices against lower quartile earnings have not changed drastically and remain below national and regional averages. Under the new method of calculating this would lead to a gradual increase in OAN on periodic reviews (five yearly as set out in the new NPPF).

3.31 Whilst the table shows a gradual increase in the cost of houses to income and a closing of the gap with our East Midland neighbours, it does not show a significant uplift that may be expected if a lack of demand in the housing market was pushing prices upwards. This clearly does not indicate an area with high housing pressures and a lack of available housing to support the growth in jobs and the demand from incoming migrants.

Table 3: Ratio of lower quartile house prices to lower quartile earnings

<table>
<thead>
<tr>
<th>Year</th>
<th>Bolsover</th>
<th>East Midlands</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>4.27</td>
<td>5.54 (Derbyshire)</td>
<td>6.59</td>
</tr>
<tr>
<td>2013</td>
<td>4.41</td>
<td>6.05</td>
<td>6.66</td>
</tr>
<tr>
<td>2014</td>
<td>4.97</td>
<td>6.25</td>
<td>6.95</td>
</tr>
<tr>
<td>2015</td>
<td>5.02</td>
<td>6.46</td>
<td>7.02</td>
</tr>
</tbody>
</table>

3.32 The new method is an important consideration as it not only indicates a direction of travel in terms of the Government’s approach, but also identified a consistency with the LPEG report and a recognition of the fact that the relationship between employment land allocations and housing requirements are not as clear as has sometimes been suggested through other studies and work.

3.33 From a Bolsover perspective, it also reflects our concerns over the connectivity, if any, between the allocation and potential development of employment sites and the need for housing developments.
4) Housing and the Local Plan

4.1 Full detail of the Council’s approach to this issue is set out in the Position Paper relating to the Housing Requirement.

4.2 The figure of 272 dpa appears to be a reasonable and acceptable figure to base the Local Plan on, at this time. Using current national guidance and the new approach to calculating an OAN, the figure for Bolsover district would be 244dpa. However, the Government has said they will be issuing further guidance in September 2018 on this. Therefore the figure of 244, may see a revision following the issue of this additional guidance.

4.3 The Council has given careful consideration as to how much housing to provide. To meet the OAN, the Plan would need to provide a 19 year supply (2014-2033) which equates to 5,168.

4.4 However, the Council are also committed to encouraging growth and development and therefore are minded to allocate an additional ‘buffer’ of housing land in order to give flexibility to the Plan and allow for:

   a. Potentially higher future requirements based on the new approach to be brought in by the Government which may rise during the Plans life due to changes to the demographic trend as well as changes to the affordability ratio.

   b. Meeting the NPPF requirement in relation to Paragraph 14 and the presumption in favour of sustainable development, especially related to the second bullet point which states, “Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless:
      • any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or
      • specific policies in this Framework indicate development should be restricted.

4.5 It is considered that allowing an extra ‘buffer’ of housing land above the OAN, fully accords with this advice.

4.6 It is also important to note that this figure and the approach has been agreed with Neighbouring authorities and the two LEP’s (SCR and D2N2), through the Duty to Cooperate.

4.7 As it is considered appropriate to add a buffer, the question arises as to what level of buffer would be most appropriate.

4.8 The Local Plan development work was based up until the Consultation Draft Local Plan, on a Housing OAN of 240. This gave a 15 year requirement of 3,600. In considering the new OAN, the table below looks at the potential impacts of various approaches.
4.9 The buffer needs to be sufficient to give choice and flexibility to the Plan, but not so high as to undermine the work that has been done in relation to Infrastructure Planning or to undermine the Sustainability Appraisal work. Too high a buffer may make it difficult to maintain the strategic approach to development, ensure that the Sustainability Appraisal stays positive, or ensures that infrastructure requirements can be met.

4.10 Table 4 looks at the potential allocation levels and the impact of various levels of buffer above the 2017 SHMA based OAN figure of 272. This figure is currently the most justifiable figure to adopt in relation to the PLP.

**Table 4: Showing the effect of different ‘buffers’**

<table>
<thead>
<tr>
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<th>Per annum</th>
<th>Forward Plan period (15yrs)</th>
<th>Variance from Plan base</th>
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<tbody>
<tr>
<td>Original Requirement</td>
<td>240</td>
<td>3600</td>
<td>0%</td>
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<tr>
<td>NPPF 2018 method</td>
<td>244</td>
<td>3660</td>
<td>1.6%</td>
</tr>
<tr>
<td>2017 SHMA</td>
<td><strong>272</strong></td>
<td><strong>4080</strong></td>
<td>13%</td>
</tr>
<tr>
<td>2017 SHMA +5%</td>
<td>286*</td>
<td>4290</td>
<td>19%</td>
</tr>
<tr>
<td>2017 SHMA + 10%</td>
<td>300*</td>
<td>4500</td>
<td>25%</td>
</tr>
<tr>
<td>2017 SHMA + 15%</td>
<td>313*</td>
<td>4692</td>
<td>30%</td>
</tr>
<tr>
<td>2017 SHMA +20%</td>
<td>327*</td>
<td>4896</td>
<td>36%</td>
</tr>
</tbody>
</table>

*Not an annual requirement but the OAN plus buffer, pro-rated across the Plan period from 2018, for comparison.

4.11 The ‘Variance from Plan base’ looks at the percentage change each approach would have compared to the original requirement of 240 pa on which earlier work has been based.

4.12 In looking at these options, it should also be considered that between 2009/10 and 2014/15, lapse rates within the district (sites that had planning permission but did not come forward within their permission timescale) was 5.1%. Taking a similar assumption would suggest that the figures above base would probably deliver around 5% less than forecast.

4.13 On this base, and in advance of Sustainability Appraisal consideration, it appears that the OAN set out in the 2017 SHMA plus 10%, would maximise the potential buffer without undermining the previous approach to an excessive degree. It would look to provide a quantum of housing of 4,500 units, which, with a 5% lapse rate, lifts the overall quantum by between 20% and 25% and a quarter from the base level. This would seem to be a manageable amount.

4.14 Whilst this would correlate to 300 units per annum, it is important to make clear that this is not a target or expectation, but simply applying the buffer across the whole plan period. The OAN and the Plan requirement will remain as 272, but if, as the Plan progresses, the market wishes and is able to produce more within the district for variety of reasons, the supply is flexible enough to account for it.
5) Conclusions

5.1 In relation to this issue the Council appear to have three options:

1) Reduce the level of employment provision to match up to a model’s assessment of the relationship between housing and employment land;
2) Increase the level of housing provision to match up to a model’s assessment of the relationship between housing and employment land;
3) To proceed on the current basis of the Plan which has been discussed and agreed with our Duty to Cooperate partners as an acceptable approach.

Reduce Employment Levels

5.2 In relation to option 1, nearly 20ha. has already been delivered, a site of 3.74ha. is under construction and another 46.62ha, either have planning permission or in the case of the Clowne Garden Village proposal are subject to a resolution to grant, whilst a S106 agreement is being drawn up.

5.3 This leaves a total of around 21.5ha, that are allocated and without consent, of which one (for 14ha) have recently been subject to planning applications which were withdrawn but re-submission is expected. This indicates two things. First, there is very little leeway to reduce the level of employment allocations across the district and secondly that there is a significant demand for such sites.

5.4 The Council clearly have very little ability to reduce the level of employment provision even if we wished to. Also, such a step may well bring about objections from neighbouring authorities and especially the two Local Enterprise Partnerships who support the approach we have taken to employment allocations.

Increase Housing Levels

5.5 The Council has recognised that there is an argument that in view of our employment allocations, that are largely already permitted, we should have a housing target that represents the Economic Growth scenario in the SHMA. However, this report has sought to set out that whilst a much higher figure has been modelled, there are a number of ‘relevant market and economic signals’ which suggest that such a figure is too high.

5.6 The key implications of adopting such a high figure, where house builders and the housing market have not shown such an appetite for growth is that regardless of the level of sites offered we would:

a. immediately fail to have a 5 year housing supply;
b. existing housing related policies would have limited weight;
c. the new Local Plan would be unable to show a 5 year housing supply;
d. the Housing Delivery test outlined in the new NPPF would be failed.
5.7 Further to this, to change the quantum of delivery so drastically would lead to a scenario emerging where the Council would have to return to first principles in terms of plan making and reconsider, through the Sustainability Appraisal, not only the quantum of development proposed but the strategic approach to be taken towards delivering it. Then we would need to consider amongst all of the sites available, which sites maybe most suitable to add to the development quantum if required.

5.8 Such a course of action would lead to significant delays in bringing a Local Plan forward, without any real evidence that such an approach was needed or justified.

**Proceed with the Publication Local Plan**

5.9 In the current circumstances it seems reasonable that planned housing provision for the district should be set at the full OAN figure of 272 dwellings per annum or 5,168 over the whole Local Plan period.

5.10 There appears to be insufficient evidence, other than the modelling exercises, (which in themselves were subject to caveats), to justify a significantly higher figure. To pass the ‘soundness’ tests the figures used must be realistic. It is the view of the Council that the much higher figures proposed through seeking to tie a housing level to the amount of employment land that may be developed, and the jobs that that may generate is not realistic, given the evidence and market indicators set out above.

5.11 However, the Council is keen to ensure that the Local Plan is flexible and reflects our wish to aspire to greater growth should the market seek it. Therefore a buffer of 10% of the requirement has been added (raising the quantum to 5,700 units overall), to provide for this.

5.12 In the Council’s opinion, there is a strong case to take a plan, monitor, manage, approach based on our current proposals.

5.13 This would allow, over the next 5 years, development to be pursued with a degree of certainty and clarity and further sites to be released as part of a Plan review within the next five years, if necessary. The new approach to determining a housing requirement would give us a regular basis to measure changes in affordability across the District and whether any upward pressure on our housing requirement required the allocation of new sites.

5.14 On this basis it is concluded that the Council’s approach to its Local Plan is the only reasonable and deliverable approach to take and should be supported.
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