1. Background

1.1 The National Planning Policy Framework (NPPF) was published in March 2012 to set out the Government’s planning policies and outline how these are expected to be applied. The NPPF provides the framework to identify how local planning authorities should be producing local plans, and outlines in the following paragraphs how local authorities should plan to meet housing need.

Paragraph 14:
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.

Paragraph 17:
Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth.

Paragraph 47:
To boost significantly the supply of housing, local planning authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period.

Paragraph 182:
A local planning authority should submit a plan for examination which it considers is “sound” – namely that it is:
- positively prepared – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development.

1.2 The NPPF states that local plans should make every effort to meet the full, objectively assessed needs for market and affordable housing in the housing market area, as identified through the Council’s evidence base.

1.3 The Maldon District Local Development Plan (LDP) Preferred Option consultation document (2012) identified a preferred minimum housing requirement of 200 dwellings per annum between 2014 and 2029. This requirement was based on the conclusions of
the LDP evidence base in relation to environmental constraints and infrastructure limits of the District, and also taking into account local aspirations for growth identified through previous consultations. However, this target was not taking into account what was considered to be the District’s housing need at that time. The District’s housing need was considered within the Plans ‘Alternative Growth Option 3: Meeting Projected Need’, which used the 2008 based Sub National Population Projections (SNPP) to identify a requirement of 397 dwellings per annum.

2. What is objectively assessed need, and how it should be identified

2.1 Although the NPPF is clear that local authorities should plan to meet the areas full objectively assessed needs for housing, Government has not provided an explanation of what objectively assessed need is considered to be or how it should be identified. It is therefore currently unclear exactly how local authorities should be identifying objectively assessed need.

2.2 Due to the level of uncertainty, it is likely that the Government will be providing guidance on identifying and planning for objectively assessed need, however there is currently no known timetable for the production of this guidance. There is a risk to the Council in seeking to identify the District’s objectively assessed need without clear guidance being provided from Government. However, due to the pressing need for the Council to produce and have in place an adopted Local Plan, it would be inappropriate for the Council to await further guidance from Government without a clear timetable for production or confirmation that further guidance will be provided. Government is currently consulting on the Review of Government Planning Practice Guidance by Lord Taylor, which does not include any proposals to provide further guidance on identifying and planning for objectively assessed need.

2.3 To provide some clarity on this issue the Council has sought to receive advice from a number of relevant and respected sources. The following advice has been provided to the Planning Policy Team in relation to identifying and planning for objectively assessed needs:

2.3.1 Andrew Wright, Manager of the Planning Officers Society Enterprises. Advice provided during an examination training event in February:
- The selection of a local plan housing target should be based only on meeting housing needs of the area, identified through the evidence base.
- A local plan should seek to meet Sub National Population Projections (SNPP) figures as a minimum, alongside the conclusions of the Strategic Housing Market Assessment (SHMA).
- Not meeting objectively assessed needs within a local plan housing target requires strong environmental national or international designations. Infrastructure constraints or local opposition alone are unlikely to be an appropriate reason for not meeting the areas objectively assessed needs.

2.3.2 Steve Carnaby, Planning Inspectorate:
- The identification of housing need should be based on a range of issues, including waiting lists, affordable housing, population projections, migration etc.
- The conclusions of the SHMA are very important in outlining this information. However, in identifying affordable housing need the results of the SHMA can provide large and unrealistic targets. Therefore, the objectively assessed need should be based on a range of information and scenarios.
- The SNPP projections provide a key scenario which should be considered.
It was noted that there is not one correct or clear answer. We should be using a variety of scenarios, producing evidence to show how we have considered the range of scenarios, and then using evidence to identify which scenario would be the most realistic in terms of housing delivery and major constraints.

2.3.3 Counsel advice from Paul Shadarevian, Cornerstone Chambers:
- There should be a range of growth options which the Council can consider to identify its objectively assessed need, particularly based on recommendations in the SHMA, population and household projections and the results of a capacity analysis of the District.
- The identification of objectively assessed need should also consider employment provision in the District. It is appropriate for the level of housing growth identified in the Local Development Plan (LDP) to match the potential for employment growth. Therefore, the assessment of future employment growth in the District should contribute towards the identification of the Council’s objectively assessed need.
- Following discussions, Counsel agreed with the Officers’ assertion that there were three primary data sources from the LDP evidence base that should be considered when assessing the range of scenarios which reflect objectively assessed need for housing. These are the workforce stable scenario from the Heart of Essex Housing Growth Scenarios Report, SNPP population projections, and conclusions from the emerging SHMA update.
- In consideration of this range of scenarios, Counsel agreed that the Council could reasonably propose that the SNPP population projections provide the District’s objectively assessed need for housing if the level of need outlined in the SHMA could not be realistically accommodated.

2.3.4 Chelmsford City Council, advice provided during a recent Duty to Cooperate meeting:
- The starting point to meeting objectively assessed need should be figures from the SNPP population projections, considered against the results of the SHMA and any other appropriate scenarios.
- Chelmsford CC noted that they would like to see all local planning authorities meeting their objectively assessed housing need unless there are exceptional reasons why this cannot be achieved.

2.4 A consensus can be identified from the advice outlined above. It is generally agreed that objectively assessed need should be identified through a range of scenarios including, but not exclusive to, the SNPP population projections and conclusions from a SHMA. However, without a definitive explanation of objectively assessed need provided by Government it is unclear whether the views of relevant and respected sources are correct.

2.5 Paragraph 159 of the NPPF states that local planning authorities should gain a clear understanding of the areas full housing needs through the SHMA. The dictionary definition of ‘objective’ suggests that an objective assessment should not be based on personal feelings, interpretations, or prejudice, and should rather be based on facts and unbiased opinion. Therefore, an objective assessment of housing need requires an unbiased assessment of facts identified within the SHMA and other related evidence base documents, to develop an objective housing need which has not been influenced by personal feelings, interpretations, or prejudice.
3. Developing case law, experience from other areas

3.1 The importance of planning to meet the areas objectively assessed needs for housing has been strongly emphasised by the Planning Inspectorate at several recent examinations, where a number of plans have been found unsound as they have not planned to meet, or provided sufficient reasoning not to meet, what the Inspector considers to be the areas objectively assessed needs for housing. The following list identifies relevant examples of local authorities which have withdrawn from or suspended local plan examinations following advice from a Planning Inspector in relation to the failure to appropriately identify or plan for the areas objectively assessed needs:

- Dacorum Borough Council – Dacorum Core Strategy
- Ryedale District Council – Ryedale Plan: Local Plan Strategy
- East Hampshire and South Downs National Park Authority – Local Plan: Joint Core Strategy
- Bath and North East Somerset District Council – Core Strategy
- Hull City Council – Core Strategy

3.2 Hull CC, Bath and North East Somerset DC, and East Hampshire and South Downs NPA provide examples of areas that have failed to clearly identify the areas full objectively assessed housing need due to the failure to provide an appropriately completed SHMA.

3.3 The following two case studies provide examples of where the local authority has chosen a housing target which is not considered by the Inspector to be the objectively assessed need. Both case studies clearly identify the importance of appropriately identifying and planning for objectively assessed needs for housing.

Case Study 1: Dacorum Borough Council Core Strategy

Dacorum Borough Council identified a housing target of 11,320 dwellings over the plan period. The submission Core Strategy provides no clear explanation of the full housing need in the area, and no explanation of the ability of the area to provide for this need. The inspector's comments therefore stated that the identified housing target 'does not represent full objectively assessed need, rather it represents a level of development that in the Council's opinion could be satisfactorily accommodated in the Borough without detriment to other policy constraints as set out in the NPPF'.

The inspector stated that to make the Core Strategy sound, Dacorum Borough Council should identify the areas full objectively assessed needs as a starting point. This should take into account CLG household projections, SNPP population projections, and affordable housing need. The inspector noted the importance of paragraph 159 of the NPPF regarding meeting household and population projections.

The inspector recommended that having identified the full need, the Council should then undertake an appropriate analysis to ascertain whether or not that full need for market and affordable housing could be met within the Borough, remembering that the NPPF objective is to 'boost significantly the supply of housing'. The Council is currently undertaking a consultation on modifications to the Core Strategy based on the inspector’s recommendations.

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1 Inspector’s reports for all examples listed can be made available upon request.
Case Study 2: Rydale District Council Local Plan

The draft Rydale District Council Local Plan identified a housing target of 200 dwellings per annum, 3,000 dwellings over the plan period.

The inspector concluded that the submitted Plan was unsound, since it failed to reflect key elements of the NPPF (paragraphs 14, 17, 47-55 and 159). In particular, it was noted that the Plan did not clearly demonstrate how the Council has undertaken an objective assessment of housing needs, including meeting the full objectively assessed needs for market and affordable housing, and it provided insufficient evidence in terms of assessing alternative levels of housing provision and explaining how any adverse impacts of making higher levels of provision would significantly and demonstrably outweigh the benefits of making such provision.

The examiner stated that the 200 dwelling per annum target did not appear to fully meet the housing need of the District when assessed against the latest household projections of 240-252 dwellings per annum. The inspector’s recommendation to increase the Plan’s housing target to conform to the latest household projections was rejected by the Council, and the plan was therefore withdrawn.

4. Maldon District’s objectively assessed needs

4.1 The Planning Policy Team’s interpretation of guidance in the NPPF and advice provided to the Council outlined above has identified the need to use a range of scenarios based on well recognised, factual and unbiased evidence to determine the District’s objectively assessed needs. The following scenarios are currently available as part of the LDP evidence base, and can therefore be considered as part of the identification of the District’s objectively assessed housing need.

Population Stable Scenario – 146 dwellings per annum

4.2 The Heart of Essex Housing Growth Scenarios Study (2012) identified a range of housing growth scenarios based on population and employment growth projections. The population stable scenario tests the minimum number of new homes that the District needs to deliver to prevent the population declining. This scenario was used to produce the ‘Alternative Growth Option 1: Population Stable’ in the LDP Preferred Options consultation document (2012), which identified a requirement of 146 dwellings per annum.

Workforce Stable Scenario – 263 dwellings per annum

4.3 The Heart of Essex Housing Growth Scenarios Study (2012) also identified a workforce stable scenario which tests the minimum number of new homes needed to prevent the workforce declining. This scenario was used to produce the ‘Alternative Growth Option 2: Workforce Stable’ in the LDP Preferred Options consultation document, which identified a requirement of 263 dwellings per annum.

2 An update of this scenario is required to take into account recent updates of Office of National Statistics (ONS) base data used to produce the figure in the 2012 Study.
Sub National Population Projections (SNPP) – 294 dwellings per annum

4.4 The Office of National Statistics (ONS) provides an independent view of the future population in each local authority, called the Sub National Population Projections (SNPP). The Department for Communities & Local Government (DCLG) uses these population numbers to estimate the number of new households likely to form in the future. The resulting projection can be viewed as a proxy for housing demand.

4.5 The 2008 based projections (released in 2010) were used to produce the ‘Alternative Growth Option 3: Meeting Projected Need’ scenario in the LDP Preferred Options consultation document (2012), which identified a requirement of 397 dwellings per annum.

4.6 In April 2012 ONS published an update to the 2008 based projections using 2010 based data. The Essex Planning Officers Association (EPOA) has recently published the Greater Essex Demographic Forecasts Study (2013) which provides an assessment of the 2010 based update to the SNPP population projections. This has identified that the SNPP based housing requirement for the District is 294 dwellings per annum.

Strategic Housing Market Assessment (SHMA) – 825 units per annum (market sector shortfall rather than housing requirement – see explanatory text below)

4.7 A SHMA assesses the housing market of a specified area, to identify the full housing needs and outline the scale and mix of housing and the range of tenures that the local population is likely to need in the future. The SHMA investigates the existing supply of homes in an area (stock) and the housing requirements of people in housing need living in the District now and in the future (flow). The SHMA is therefore intended to illustrate the stocks and flows of housing locally, and indicate the current housing backlog and future need and supply, rather than to identify a specific housing requirement for the District.

4.8 The SHMA has identified a market sector shortfall in housing supply of 825 units per annum over the 15 year plan period. This figure should not be considered as a housing requirement, but rather an indication of need which should be managed though a range of planning and housing based strategies. The housing need figures are based on a range of variables which are highly susceptible to change depending on the amount and type of dwellings built in the District, as well as the future make up and management of the District’s housing stock. The SHMA suggests that three or four household moves can become available as a result of one new unit for older people being provided. For example, if 80 affordable houses were provided, of which 25 were for older people who want to downsize from larger affordable homes, the actual increase in supply could be 155 affordable homes. Therefore, the improvement of churn in the housing stock has the potential to reduce the number of housing need units to a level which exceeds the amount of new dwellings being built.

4.9 The range of possible household configurations within the housing stock has varying effects on the level of need in the District. Therefore, the need identified as units in the SHMA should not be interpreted as a number of dwellings on the ground, and should instead be used to develop appropriate policies to achieve the optimum use and supply of the existing and future housing stock.
5. Conclusion

5.1 Based upon consideration of the identified evidence and scenarios, and taking into account advice received to date and emerging case studies nationally, the objectively assessed need for housing in the District is considered to be represented by the SNPP population projections, which currently equates to 294 dwellings per annum.

5.2 It should be noted that this constitutes the figure that the Council should seek to plan towards in accordance with the NPPF, but it does not constitute the LDP housing target. Members will determine the level of growth to be included within the Plan at a later date having regard to all relevant considerations, including the legal advice received, evidence base in relation to the constraints that exist in the District, and previous LDP consultation responses received by the Council.