



Purbeck Local Plan Examination:

Update on local housing need

July 2023

Dorset Council

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Response to inspectors' request to update local housing need (LHN) figure

July 2023

Purbeck Local Plan (2018-2034) – housing need figures: July 2023

1. In a note dated 24 May 2023, the Inspectors requested:

'A revised update to LHN figure calculations using the most up-to-date figures available, including a full worked example for uncapped and capped LHN (if a cap is proposed to be applied) that accords with the methodology set out in PPG.'

2. As background, the version of the Purbeck Local Plan submitted in January 2019 specified "at least 2,688 homes" over the plan period 2018-2034, equivalent to "168 homes per year" (Policy H1). This was amended by the main modifications schedule in November 2020 to "at least 2,880 homes ... equivalent to 180 homes per year" (MM25 and MM26).
3. In April 2021 the Council provided the Inspector with an updated local housing need figure for the Purbeck area. The constituent parts of the calculation of this LHN figure are set out in the following table.

| | |
|--|--------------|
| Annualised household growth (2021-2031) | 132.1 |
| Affordability ratio (ONS, 2019) | 9.52 |
| Affordability adjustment | 0.345 |
| LHN figure | 178 |

Table 1: Local housing need April 2021

4. The Council noted in its response that the figure of 178 dpa was slightly less than that set out in the main modifications schedule. It would reduce the overall plan target from 2,880 to 2848 dwellings. The Inspector responded in a letter dated 15 July 2021 to say:

...there is little meaningful change overall between the local housing need figures which have been the subject of public consultation as Main Modifications and the figures that result from the recalculation. Therefore, in the light of this and having regard to the advanced stage of the examination and the intended timescale for the adoption of the Dorset Local Plan I intend to deal pragmatically with the matter of the local housing need figure and prepare my report on the basis of the proposed Main Modifications that have already been the subject of public consultation although minor changes to the wording of some of the Main Modifications may be necessary.

5. The previous calculation used the affordability ratio for 2019 as that was the most up to date information available at the time. Since then, ONS have published updated affordability ratios. The most up to date affordability ratios are for 2022 and this is used in the calculation below.

| | |
|--|---------------|
| Annualised household growth (2022-2032) | 132.5 |
| Affordability ratio (2022) ¹ | 10.63 |
| Affordability adjustment | 0.414 |
| LHN figure (uncapped) | 187.40 |
| Annualised household growth + 40% | 185.5 |
| LHN figure (capped) | 186 |

Table 2: Local housing need 2022

6. The next calculation combines the latest affordability ratio (2022) with the updated annualised household growth figure for the 10-year period 2023-2033. This results in a slightly lower figure.

| | |
|--|---------------|
| Annualised household growth (2023-2033) | 130.7 |
| Affordability ratio (2022) | 10.63 |
| Affordability adjustment | 0.414 |
| LHN figure (uncapped) | 184.86 |
| Annualised household growth + 40% | 182.98 |
| LHN figure (capped) | 183 |

Table 3: Affordability ratio (2022) and updated household growth figure between 2022 and 2032

7. The plan period is 2018-2034 (16 years). The implications of the revised LHN figures on the existing housing requirement from the main modification schedule are as follows:

| | Nov 2020 - Main modification | April 2021 revision | Nov 2022 revision | July 2023 revisions |
|--------------------------|-------------------------------------|----------------------------|--------------------------|----------------------------|
| Annual (dpa) | 180 | 178 | 186 | 183 |
| Total (2018-2034) | 2880 | 2848 | 2976 | 2,928 |
| Difference | - | -32 | +96 | +48 |

¹ Available from:

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningsforformerlocalauthorities>

Table 4: Implications for revised local housing needs figures

8. In summary, the latest LHN figure suggests a need for an additional 3 dwellings per year, or 48 dwellings over the plan period. This is equivalent to a 1.6% increase.

Implications of the revised LHN for five-year housing land supply

9. Dorset Council was formed from four districts, a borough and county council in April 2019. The council is preparing a new local plan for Dorset, but at present continues to monitor housing land supply and delivery on the basis of the adopted local plans that cover the Dorset Council area.
10. The council has applied the 2021 affordability ratio in its published report for the East Dorset, North Dorset and West Dorset and Weymouth & Portland areas as this corresponds with the base date for the deliverable supply within these reports. For consistency with these reports the council has used the 2021 affordability ratio when calculating LHN in the recently published five-year housing land supply report for the Purbeck area.
11. Applying the 2022 affordability ratio over the period 2023 to 2033 gives a capped LHN of 183 dwelling per year which is lower than the 186 dwelling per year calculated using the 2021 affordability ratio as presented in the council's earlier report (November 2022). Taking account of the modest variations between assessed LHN, the council proposes supplementary Main Modifications (SMM) based on an LHN of 186 dwelling per year in the accompanying 5 year housing land supply report.