

## Home Builders Federation

### Matter 3

## FOLKESTONE AND HYTHE LOCAL PLAN EXAMINATION

### Matter 3 – The Housing Requirement

#### Issue

***Whether the Core Strategy Review has been positively prepared and whether it is justified, effective and consistent with national policy in relation to the housing requirement.***

#### Relevant policy – SS2

#### Questions

1) Has the calculation of Local Housing Need been undertaken correctly?

The two key variables in the standard method are household growth from 2014 based household projections and median income to house price ratio. The base date for any calculation of housing needs should be the year in which the calculation was undertaken. Given a base date of 2019 the average household growth expected over the proceeding 10 years is 556. At the time the plan was submitted the most up to date median income to house price ratio published was for 2018 and is 9.2. We therefore agree that using the formula for the standard method as set out in Planning Practice Guidance would result in a minimum local housing needs assessment of 738 dwellings per annum (dpa).

2) Is the base date of 2019/20 appropriate having regard to the use of the 2018 affordability ratio? Should the base date be 2018/19 or, alternatively, should the 2019 affordability ratio be used? If so, what effect would this have on the housing requirement?

As set out in our response to question 1 we would agree that the base date for undertaking the local assessment of housing need is the current year in which the calculation is undertaken. However, we are concerned that in the Council's decision to then amend its plan period the Council have in effect discounted the under supply from the first year of plan period as set out in the initial regulation 19 consultation. We are concerned that the Council's slow progress in preparing its local plan will mean that homes that should have been built will now no longer be delivered. As we outline in



our representations Paragraph 68-031 of PPG states that under delivery may need to be considered where the plan is being prepared part way through the plan period and delivery falls below the housing requirement level. On the basis of the Council's most recent Authority Monitoring Report projected delivery in the five year land supply for 2018/19 was 261 homes some 477 homes below the requirement for that year. As such we would suggest that the under delivery in this period is carried forward into future delivery. The simplest way of achieving this is by maintaining the 2018 to 2037 plan period as originally proposed by the Council.

With regard to the use of the 2019 affordability ratios which were published on the 19 March 2020 and show that the median affordability ratio has increased to 9.52. Using the standard method this would result in the local housing need increasing by 10 homes each year to 748 dpa. This would result in an increase across the plan period of 180 homes. Whilst the latest ratio indicates a worsening of affordability in the Borough PPG is clear that the local housing need assessment can be relied on for a period of up to two years from submission. As the Council submitted the plan on the 10 March, 9 day prior to the publication of these ratios they should not be used in the formula for assessing local housing needs.

However, we would argue that it proves a clear indication as to the worsening position with regard to affordability and that it is essential that under delivery in 2018/19 is not ignored and that the plan period start from 2018.

3) Are there circumstances which justify an alternative approach to the calculation of the housing requirement and the use of a different method? If so, what are they and what would be the resulting housing requirement?

No.

4) Is the use of a consistent annual average housing figure justified and appropriate, particularly having regard to the delivery of the proposed New Garden Settlement? Would a staggered requirement be justified and if so, what should that be?

The use of a consistent annual average is justified and appropriate. It should be the exception to use a staggered housing requirement which generally seek to push back the number of homes required to be delivered by the Council towards the end of the plan period. A staggered housing requirement can only be justified where it would not be possible to deliver the minimum number of homes required each year as identified using the local housing needs assessment.

5) Is the inclusion of housing falling within Class C2 of the Use Classes Order as part of the housing requirement justified?


No comment

6) What is the level of need for accommodation falling within Class C2 and how is any such need proposed to be met?

No comment

7) Should there be a housing requirement for any designated neighbourhood areas within the District (Paragraphs 65 and 66 of NPPF)? If so, what should these be?

The NPPF is clear that the Council should, where they exist, establish a housing requirement for such areas. However, we make no comment as to what these should be.

  
Planning Manager – Local Plans SE and E