

Rossendale Local Plan Examination

MATTERS, ISSUES AND QUESTIONS (MIQs)



Matter 3 – Housing need and requirement

**Issue - Is the identified housing requirement of 3,180 dwellings between 2019 and 2034 (212 per year) justified and consistent with national policy?
[Policy HS1]**

Questions

a) Is the identified Housing Market Area appropriate and robustly-based?

3.1 Yes. A Housing Market Area (HMA) is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. The revised July 2019 PPG states that these can be broadly defined by analysing the relationship between housing demand and supply across different locations (using house prices and rates of change in house prices); migration flow and housing search patterns; and contextual data such as travel to work areas [TTWAs], retail and school catchment areas¹.

3.2 The SHMA 2016 (Examination reference [EB003](#)) examined these and other issues to define whether Rossendale Borough was a self-contained HMA. At the time the SHMA was drafted, the PPG identified a containment threshold of 70% of household moves being within an area (excluding long distance moves)². This has now been removed from the latest iteration, which now states that migration flows "*can help identify the extent to which people move house within an area, in particular where a relatively high proportion of short household moves are contained*"³.

3.3 The SHMA's HMA analysis found that, whilst Rossendale Borough in isolation was below the indicative 70% self-containment threshold (at around 62-63%), in practical terms, none of the alternative HMA areas explored suggested a self-containment level which was significantly higher than this. Therefore, as the area is predominantly rural with overlapping HMAs with a number of neighbouring authorities, it is considered both reasonable and pragmatic to take the administrative boundaries of Rossendale Borough as being a 'best fit' HMA for planning purposes. A detailed explanation of the rationale behind this conclusion is set out in Section 2.0 of EB003.

¹ PPG ID: 61-018-20190315

² PPG ID: 2a-011-20140306

³ PPG ID: 61-018-20190315

3.4 The SHMA emphasised, however, that under the Duty to Cooperate, the Council should continue to liaise with adjoining authorities to ensure that housing needs are met. Further details of how the Council has carried this out is in the 2019 Duty to Cooperate and draft Statement of Common Ground document ([SD008](#)). This demonstrates that no neighbouring authority was able to take any of Rossendale's housing need and vice versa. Neighbouring authorities also confirmed through the Duty to Cooperate that they agreed with Rossendale's approach to identifying their HMA and meeting their own housing needs in full within their own administrative boundaries. This further supports the appropriateness of using the Borough as the HMA.

b) The identified housing need of 212 dwellings per annum (dpa) is based on the standard method in the National Planning Policy Framework. Is the Council's application of the standard method in accordance with the methodology in the Planning Practice Guidance (PPG)? Is the use of baseline figures for the period 2016-26 and the 2016 affordability ratio justified?

3.5 The Government's standard methodology for calculating housing need was first set out as part of the consultation on the "*Planning for the right homes in the right places*" white paper, which ended in November 2017. The methodology in this consultation document used the 2014-based household projections and considered the ten-year period from 2016 to 2026. It also proposed an adjustment to take account of affordability by applying the most recent workplace-based median house price to earnings ratio. The consultation included the calculations for every relevant local authority in England and the results for Rossendale showed that a minimum of 212 new homes were needed every year. The figure of 212 dwellings per annum (dpa) was used as the annual housing requirement in the Regulation 19 Local Plan (published August 2018) as it reflected the preferred approach of the Government at that point in time. The details of the calculation used for the Local Plan requirement is set out in Appendix A.

3.6 Subsequent to the White Paper consultation, the revised NPPF was published on 24th July 2018 by the Ministry of Housing, Communities and Local Government (MHCLG) and confirmed that the standard methodology should be used to calculate local housing need (LHN). At this time, however, there was still some debate over whether the 2014 or 2016-based household projections should be used. The final agreed methodology (stating that the higher growth 2014 projections should be used) was not confirmed until the publication of the revised PPG on Housing and economic needs assessment in February 2019.

3.7 Given the concerns over the 2016 projections, the Council took a cautious approach and used the 2014 projections, which provided a higher figure than the more recent projections. For the Local Plan, it was considered that the figure of 212 dpa remained appropriate, especially whilst there was uncertainty surrounding the agreed methodology. For comparison, the following sets out the housing need figure calculated from the 2014 projections using the ten-year period of 2019-29 and applying the most recent affordability ratio (from 2018):

- 2019-29: **197 dpa** (the detailed calculation is set out in Appendix B)

3.8 This is different to the calculation for 2019-29 set out in the SHMA update (of 204 dpa) as the SHMA was undertaken prior to the latest median workplace-based affordability ratio being released. The latest affordability ratio is slightly lower, at 5.85 for 2018, compared to 6.43 for 2017. Similarly, the ten year annual household growth is higher for the period 2016-26 (187 dpa) compared to 2019-29 (177 dpa)

3.9 It is considered that the Council's application of the standard method to calculate housing need accords with the methodology in the revised PPG. However, it is acknowledged that a different figure will be generated if a different ten year period is used and the most up to date affordability ratio is applied (197 dpa in 2019, 15 dpa lower than the proposed Local Plan requirement).

3.10 For information, the Regulation 18 (Draft Local Plan) housing requirement of 265 dpa was based on the 2016 Strategic Housing Market Assessment (SHMA). The 2016 SHMA was undertaken prior to the revised NPPF and updated PPG (and associated consultation), so did not consider the standard methodology to identify housing need (although it too used the 2014-based household projections as the starting point to determine the objectively assessed housing need, and incorporated a market signals uplift to this starting point that incorporated worsening affordability ratios as one of the key indicators justifying a 10% uplift to the demographic projections).

c) The housing need and requirement of 3,180 dwellings or 212 dwellings per annum (dpa), as identified in Policy HS1 in the Plan, is based on the minimum number of homes needed using the standard method. Is the proposed objectively assessed need (OAN) and the absence of an uplift justified and soundly based? In particular:

i. How does the housing need and requirement align with forecast jobs growth in the Employment Land Report and the employment land requirement in the Plan of 27 hectares between 2014 and 2034? What is the justification for planning for a lower level of housing than is needed to support baseline employment growth? What weight has been given to the Council's aspiration to reduce out-commuting in the process of determining OAN and the housing requirement?

3.11 As set out in the PPG⁴, the NPPF expects strategic policy-making authorities to follow the standard method in this guidance for assessing local housing need. This generates the figure of 212 dpa proposed in the Local Plan. However, RBC accepts that the standard method provides a minimum starting point in determining the number of homes needed in an area, and that there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates⁵.

⁴ PPG ID: 2a-002-20190220

⁵ PPG ID: 2a-010-20190220-

RBC has considered whether such circumstances are applicable to Rossendale Borough. For example, the PPG⁶ identifies situations where increases in housing need are likely to exceed past trends. These include:

- Growth strategies for the area that are likely to be deliverable: Rossendale Borough does not currently have any Housing Deals or other funding arrangements in place to accelerate housing delivery on a significant scale;
- Strategic infrastructure improvements that are likely to drive an increase in homes needed locally: the Local Plan sets out a number of strategic infrastructure improvements which may be necessary to support the level of growth proposed in the Local Plan. These are usually local in scale except the Rawtenstall Gyrotory improvements which will have Borough-wide benefits. Again, however, the improvements are not expected to allow for additional growth which is not already anticipated in the Local Plan; the larger strategic projects referred to in Strategic Policy TR1 are considered to be longer term and do not relate directly to current identified development allocations;
- Taking on unmet need from neighbouring authorities: as set out above, the 2019 Duty to Cooperate and draft Statement of Common Ground document ([SD008](#)) demonstrate that no neighbouring authority is able to take any of Rossendale's housing need. Similarly given Rossendale's location and the constraints to development this Borough too is unable to provide for more than its own housing requirements.

3.12 The Borough is affected by a number of constraints which limit its capacity to deliver an uplifted housing requirement beyond that indicated by the standard method. These include significant physical constraints such as the topography of the valley region, flood risk and the presence of extensive areas of high environmental value, such as the West Pennine Moors and the Green Belt. There are also viability issues with some parts of the Borough suffering from low demand and low land values which may mean an inflated housing requirement would not be possible to achieve.

3.13 Despite steps being taken to maximise the potential capacity of brownfield sites in the Borough (by increasing the net density where appropriate) the housing requirement as it is has necessitated the proposed release of existing countryside and Green Belt. It is acknowledged that there are a limited number of brownfield sites in the Borough and, of those that could be available, there are various constraints which may make future redevelopment difficult, such as flood risk, highway access and viability.

3.14 As a final point, the PPG also notes that there may also be situations where previous levels of housing delivery in an area are significantly greater than the outcome from the standard method, and that authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.

3.15 However, as summarised in Table 1 below, whilst there have been isolated occasions when the Borough has delivered over 300 dpa before the recession, it has only averaged 205 dpa since 2001/02, and has only delivered more than the 212 dpa LHN on 3 occasions since 2008/09.

|

Table 1: Rossendale Borough Council Housing completions 2001/02 to 2017/18

Financial year	Net Completions
2001-02	245
2002-03	133
2003-04	305
2004-05	334
2005-06	280
2006-07	189
2007-08	263
2008-09	133
2009-10	244
2010-11	145
2011-12	119
2012-13	153
2013-14	241
2014-15	234
2015-16	122
2016-17	191
2017-18	149
Average	205

Source: MHCLG: Table 122 Net additional dwellings by local authority district, England 2001-02 to 2017-18

3.16 In relation to out-commuting, the Plan seeks to promote a better balance between homes and jobs so it may be anticipated that there will be some reduction in out-commuting over the life of the Plan as existing residents are given the opportunity to live closer to work.

ii. What are the implications of the updated demographic modelling, employment growth forecasts and recommendations on housing need in the Strategic Housing Market Assessment (SHMA) Addendum produced in March 2019?

3.17 The 2016 SHMA concluded that the OAN for housing was between 265 and 335 dpa. This range was based on demographic modelling and scenarios that were formulated under the 2012 NPPF and 2014 PPG on housing needs assessment. The modelling outputs in the 2016 SHMA differ to the 2019 update as a result of updated evidence available in respect of:

- Vacancy
- Unemployment
- Updated economic activity rates (in some scenarios) which take account of the 2017 MYEs
- Labour force ratio

3.18 For these reasons, it is considered that the 2016 SHMA's OAN analysis and the range it identifies has been superseded by the revised NPPF and PPG approach to identifying LHN.

3.19 The 2019 SHMA provides an update to some of the projections used in both the previous SHMA and the data used for the standard methodology. These were used in the subsequent modelling analysis set out in the 2019 SHMA Updated. These revised sources include:

- Population: use of the most up-to-date 2017 Mid-Year Estimates (MYE) (at the time of writing of the SHMA update) reveals that, as of mid-2017, the population of Rossendale was 70,365; this is 332 higher than the 2017 projection in the 2014-based Sub-national Population Projections (SNPP) incorporated into the standard methodology. This suggests the population is increasing at a slightly faster rate than the 2014-SNPP anticipated. Additionally, population estimates provide an updated age structure in 2017 which in turn can affect household formation rates over the Plan period;
- Job growth: use of more up-to-date Experian projections (Dec 2018) instead of the previous 2016 projections indicates a growth in jobs of 1,100 jobs over 2019-34; this indicates lower job growth over the plan period than the 2016 version which informed the 2016 ELR;
- Unemployment: model-based estimates for unemployment for Rossendale have been obtained from the Annual Population Survey (APS) and show that in 2017, Rossendale's unemployment rate was 3.3% - this is lower than in preceding years and has been held constant up to 2034;
- Economic Activity Rates: these are applied to the overall population to determine how many people are active in the labour market; to project economic activity rates, the latest modelling uses labour market participation rates published in January 2017;
- Labour Force Ratio: the number of employed workers living in area ÷ the number of workers who work in the area (number of jobs) .to create the ratio which is held constant across the period.

3.20 The 2019 SHMA modelled a number of scenarios based on these more recent trends to sensitivity test whether any adjustment to the standard methodology is justified. The starting point was the standard method LHN of 204 dpa (Scenario A) with Scenario B onwards extending the appraisal period to 2034, as follows:

Demographic-led scenarios:

- Scenario A: Standard methodology result for 2019-29;
- Scenario B: using the Standard Methodology but extending the time period to 2034 and including a suitable allowance for vacant and second homes;
- Scenario C MYEs 2017: using the same method as B but utilising the 2017 MYE to adjust the starting point to the latest population position;

Employment-led scenarios:

- Scenario D ELR Jobs Growth: using the 2017 MYEs together with jobs growth from 2016 Experian forecasts (90 jobs p.a. for 2019-34);
- Scenario E Experian Jobs Growth: using the 2017 MYEs with the (lower) jobs growth from the 2018 Experian forecasts (job growth of 73 jobs p.a. 2019-34).

3.21 For the demographic scenarios, an uplift has been applied for affordability as per the Standard Methodology (the uplift used in the 2019 SHMA was 15% but it is to be noted that, based on the latest affordability ratio⁷, this would now be lower, at 12%).

⁷ Affordability ratios are updated and published annually; the latest 2019 ratio was made available 28th March 2019, after the SHLAA Update was published

3.22 The results of these scenarios are as follows:

- Scenario A: 204 dpa
- Scenario B: 198 dpa⁸ (extending the time period reduces the housing need figure as population growth and household formation rates decline post 2030)
- Scenario C: 210 dpa (higher than A and B due to factoring in the slightly higher 2017 MYE)
- Scenario D: 253 dpa
- Scenario E: 236 dpa (lower than D due to the weaker jobs growth projected in the 2018 iteration)

3.23 The higher demographic-led result of 210 dpa is very similar to the 212 Local Plan requirement. If adhering to the standard methodology (Scenario B), which results in 204 dpa, the current Local Plan requirement actually provides an allowance of an additional 8 dpa (or a total of 120 over the Plan period).

iii. Does the housing need/requirement of 3,180 homes/212 dpa have appropriate regard to growth strategies and strategic infrastructure improvements in the borough or wider region?

3.24 The SHMA 2019 discusses the range of factors identified in the PPG which should be considered in determining whether an uplift beyond the standard methodology is appropriate, including growth strategies and strategic infrastructure improvements.

3.25 The following is a summary of the SHMA commentary on this issue. Strategic Policy TR1: Strategic Transport in the emerging Local Plan identifies a number of strategic transport investments which would help address some of the constraints on future development including:

- Improving links to Greater Manchester and the M60/M62 and enhancements to the A56;
- Developing the potential of the East Lancashire Railway for wider public transport and tourism

3.26 The emerging Local Plan states that the Council is working alongside partners to ensure these are included in future strategies for transport investment to enable funding to be secured.

3.27 Given the ageing demographic in Rossendale, it will be important to ensure there is the right mix of homes to attract younger economically active workers to support future jobs growth in the Borough.

3.28 The schemes referred to in policy TR1 are considered to be long term projects which will be included in future Local Plan reviews. Currently, they are not seen as reasons to increase the housing requirement, particularly in light of the various physical and other constraints outlined above.

⁸ For information – if the standard methodology calculation is carried out using the latest available affordability ratio, the LHN that would emerge is 197 dpa which is similar to this SHMA scenario. This demonstrates that the figure of 212 provides a reasonable flexibility allowance above the current minimum.

iv. Will the provision of 3,180 homes/212 dpa ensure that identified affordable housing needs are delivered?

[See also response to Matter 4 – Other housing needs (section on Affordable Housing)]

3.29 PPG on Housing and Economic Needs Assessment states that an affordability adjustment is applied to the standard methodology as household growth on its own is insufficient as an indicator of future housing need because:

- household formation is constrained to the supply of available properties – new households cannot form if there is nowhere for them to live; and
- people may want to live in an area in which they do not reside currently, for example to be near to work, but be unable to find appropriate accommodation that they can afford.

3.30 The affordability adjustment is applied in order to ensure that the standard method for assessing local housing need responds to price signals and is consistent with the policy objective of significantly boosting the supply of homes. The specific adjustment is set at a level to ensure that minimum annual housing need starts to address the affordability of homes.

3.31 The affordability adjustment is applied to take account of past under-delivery. The standard method identifies the minimum uplift that will be required and therefore it is not a requirement to specifically address under-delivery separately.

3.32 The affordability adjustment is, however, distinct from ensuring that identified affordable housing needs are delivered. In this regard, the 2019 SHMA has followed the recommended methodology in the revised PPG Housing and economic needs assessment (and recently reiterated in the new PPG Housing needs of different groups) for calculating the total annual need for affordable housing. This followed the basic approach to calculating affordable housing need by calculating:

- The Total Current Housing Need (gross) to be addressed, PLUS
- The Total Newly Arising Housing Need (gross per annum), LESS
- The Annual Supply of Affordable Housing, EQUALS
- Net Affordable Housing Need.

3.33 The variables used are set out in Table 5.11 of EB002, but include the B-with-Us housing waiting list; the 2014 household projections adjusted to the 2017 MYE; CORE data; and the committed supply of new affordable housing.

3.34 The outcome from the 2019 SHMA Update calculations is that between 102 and 170 affordable dpa are required (depending on the income percentage used). The SHMA identifies that, assuming delivery of affordable housing is at 30% of total delivery (in line with Local Plan Policy HS6), this would amount to a

total housing requirement of between 340 dpa (assuming 33% income) and 567 dpa (assuming 25% income) to meet affordable housing needs in full⁹.

3.35 The outcome from the 2019 SHMA Update calculations is that between 102 and 170 affordable dpa are required (depending on the income percentage used). The SHMA identifies that, assuming delivery of affordable housing is at 30% of total delivery (in line with Local Plan Policy HS6), this would amount to a total housing requirement of between **340** dpa (assuming 33% income) and **567** dpa (assuming 25% income) to meet affordable housing needs in full¹⁰.

3.36 Alternatively, if the affordable housing were simply added to the proposed LHN of 212 dpa, the need would be 314 dpa (33% income) or 382 dpa (25% income). This would equate to the need to provide 32% or 44% of the total LHN as affordable housing respectively.

3.37 As the SHMA Update points out, the revised PPG is clear that the total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments.

3.38 In Rossendale the notional policy requirement is 30%, which is lower than the level necessary to meet affordable housing needs in full. Whilst the full affordable locally assessed need equates to between 340 and 567 dpa (102/170 @ 30%), in practice the 2019 SHMA Update considered that it is extremely unlikely that this level of housing delivery will ever be achieved in Rossendale, which has averaged 43 net dpa since 1996/97. The PPG¹¹ suggests an increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.

3.39 In line with the approach envisaged by the Framework, affordable housing needs are an important component of the overall need for housing and the Council should seek to use its planning policy to maximise delivery of affordable housing given the scale of need identified. An additional uplift would go some way towards meeting the high level of affordable housing need identified for Rossendale. Additionally, the extent to which affordable housing could be delivered at such proportions would need to be subject to viability testing.

3.40 The Council have considered this but, for the reasons outlined above in relation to the significant physical constraints and historic delivery trends, it is not considered that increasing the housing requirement to the levels suggested would be appropriate.

⁹ These figures are derived by assuming that 30% of overall delivery should be affordable so to achieve 102 affordable dwellings per year, a total of 340 dwellings would need to be provided i.e. 102 is 30% of 340 (and 170 is 30% of 567, if using the higher requirement)

¹⁰ These figures are derived by assuming that 30% of overall delivery should be affordable so to achieve 102 affordable dwellings per year, a total of 340 dwellings would need to be provided i.e. 102 is 30% of 340 (and 170 is 30% of 567, if using the higher requirement)

¹¹ 2a-024-20190220

v. Is the Plan period for housing (2019 – 2034) sufficient to take account of long-term requirements and opportunities and consistent with national policy (taking account of the estimated date of Plan adoption in 2020)?

3.41 When the Local Plan was first being prepared 2019 was the expected year of adoption. The 15 year Plan period of 2019-34 relates to the housing land requirement and aligns with paragraph 67 of NPPF. This states that planning policies should identify a supply of specific, deliverable housing sites for years one to five and specific, developable site or broad locations for growth, for years 6-10 and, where possible, for years 11-15 of the plan.

3.42 It is acknowledged that if the Local Plan is adopted in 2020, the remaining Plan period will only equate to a 14, rather than a 15 year period as suggested in the NPPF. However, it is also recognised that much of the evidence informing the Local Plan has used the base date of 2019 and therefore the Council considers it is most appropriate to continue with this. Furthermore, the NPPF only expects the identification of specific housing land for years 11-15 “*where possible*”. Given that the Local Plan has actually identified specific land for the full period, the fact that the Local Plan will be reviewed within five years and the housing land supply will be monitored on an on-going basis (including the identification of new potential sites whenever they arise), it is considered that the Plan period is sufficient to meet long term requirements and opportunities.

3.43 As the Government acknowledge, housing requirements may need to be reviewed on a regular basis (for example, the standard method may change as the inputs are variable and this should be taken into consideration by strategic policy-making authorities. More fundamentally, the Government has committed to reviewing the standard methodology in its entirety in advance of the publication of the next set of ONS projections, expected in 2020. Whilst the PPG clarifies that LHN calculated using the standard method may be relied upon for a period of 2 years from the time that a plan is submitted to the Planning Inspectorate for examination¹², clearly if there are significant changes to Rossendale Borough’s housing need beyond this period then it will be necessary to review the Local Plan to reflect this.

3.44 For information, if the LHN was calculated for the period using the standard methodology (with the latest available data) but with a base date of 2020, it would emerge as 193 dpa.

d) Is the separate requirement for 456 dwellings in Edenfield justified and supported by sound evidence? To what extent is it based on strategic borough-wide needs and priorities? Does the figure take account of all potential forms of housing supply?

¹² PPG ID 2a-008-20190220

3.45 The update to the housing land supply requested in Q13 of the Pre-hearing Initial Questions and information from Q15 on the spatial distribution of housing growth demonstrates that the identified future supply in Edenfield (as of 01/04/19) was 466 dwellings, made up of the following sites as set out in Table 2:

Table 2: Housing Land Supply, Edenfield

Site Ref.	Site Address	No. of dwellings	Current Core Strategy location	Current Planning Status	Expected Delivery		
					Years 1-5	Years 6-10	Years 11-15
H71	Land East of Market Street, Edenfield	9	Part Urban Boundary/ part Green Belt	Proposed Allocation	9	0	0
H72	Land west of Market Street, Edenfield	400	Green Belt	Proposed Allocation (Major Site)	100*	150	150
H73	Edenwood Mill, Edenfield	47	Green Belt	Proposed Allocation (Major Site)	0	47	0
2018/0091	Alderwood, Market Street, Edenfield	1	Green Belt	Planning permission	1	0	0
2018/0126	Hawthorne House, Rochdale Road, Edenfield	9	Urban Boundary	Planning permission	9	0	0
TOTAL		466			119	197	150

*Includes 10 dwellings which are currently under construction on the Horse and Jockey site

3.46 Table 2 shows that nearly all the housing land supply in Edenfield is currently made up of the proposed site allocations (with the vast majority coming from H72 which represents over 86% of the Edenfield supply). Only 10 dwellings are expected from sites which are not allocated. These currently have planning permission but as yet have not been built. A very small amount of future supply may also be formed from small windfall sites (i.e. part of the Borough-wide small sites allowance of 18 dwellings per year expected from year 4 onwards).

3.47 It is recognised that Edenfield has been allocated a large proportion of the overall housing requirement, especially in relation to other settlements in the development hierarchy (apart from Bacup and Rawtenstall which have higher or similar numbers of dwellings expected). Apart from H72, the supply is made up of relatively small scale sites, with H71 and H73 also being on previously developed land.

3.48 Much of the justification for the allocation of sites in Edenfield is set out in the Green Belt topic paper as part of the commentary on the exceptional circumstances which are considered to exist in relation to the proposed release of Green Belt for development. The following text includes relevant extracts from the Topic Paper:

3.49 H72 forms Parcels 39, 43 and 44 in the Green Belt Study. This suggests that in Green Belt terms the site performs relatively weakly, partly because the site is contained by the A56 (T) which forms a strong physical and visual barrier. The Study recommends that the site be developed from south to north. The Landscape Study does not consider that the central area of the site is suitable for development. The site is in a viable location with willing landowners. It is recognised that a strategic Masterplan-led approach is required, including landscaping and infrastructure provision, and this is set out in Policy HS3.

3.50 Edenwood Mill (H73) is an existing though dilapidated building in the Green Belt so its development could be acceptable in Green Belt terms. The wider area (Green Belt Study Parcel 49) does not recommend release of the area for housing though the landscape study considers release of this particular area would be acceptable. The existing access is extremely poor so creation of a new road through to Wood Lane would require [access] through the Green Belt.

3.51 The Local Plan seeks to provide a good range of new housing in the Bacup area but also reflect the market demand in the west of the Borough. There is also a strong cross-border flow of households between Bury and South West Rossendale.

3.52 Communication with developers indicates that while there is a demand in Bacup for three and four bed market housing there are some sites where only social housing is viable. In contrast in the west of the Borough, where most Green Belt is located, there is very strong market demand.

3.53 As part of the Council's approach to achieving a balanced approach to site provision in line with NPPF, considerable effort was put into identifying suitable brownfield sites and increasing densities.

3.54 The Green Belt sites that are being put forward in this consultation have been assessed against a range of policy issues identified by both the authority and by respondents to the Regulation 18 consultation. It is recognised in particular that the large site at Edenfield (H72) plays an important role in contributing to a balanced housing supply in the following ways:

- It is located in the popular south west of the Borough where there is high demand;
- Given the substantial number of houses proposed in the East of the Borough the site helps to ensure a balanced supply between the east and west of the Borough;
- The site is large enough to ensure a mix of housing types and sizes, including affordable provision in an area of the Borough where affordability ratios are highest;
- The large scale of the site also ensure that a masterplan will be necessary which provides an opportunity to create a high quality, well designed scheme;
- It is important that past under delivery is addressed within the Local Plan and a supply of attractive sites provided which are attractive to the market. As many of these areas are currently constrained by Green Belt designation it is

important that some Green Belt release is considered as part of a balanced portfolio of sites that can reverse this trend;

- There is a willing landowner/developer involved so the dwellings proposed would be deliverable.

3.55 The Council does not take Green Belt land release lightly and has looked at a wide range of alternative sites, especially through the SHLAA but also through the Employment Land Study. Options for maximising use of brownfield land and increasing density have been considered.

3.56 The importance of having a balanced housing and employment supply in a District with challenging geography and viability issues in the east of the Borough has influenced the approach to release of Green Belt land. In employment terms the A56 corridor is key to attracting new businesses but many potential sites are constrained by Green Belt. In order to provide sites that meet the Borough's employment land requirement it has therefore been necessary, following analysis, to look at Green Belt sites.

3.57 Delivery of new housing to meet the numbers identified in the Standard Methodology is fundamental to the Plan. A wide range of sites have been considered and the potential for brownfield land and higher densities given detailed examination. The large allocation at Edenfield is considered to be a strategic allocation that with application of masterplanning principles can be implemented in such a way as to minimise impacts on the wider Green Belt.

APPENDIX A - LOCAL HOUSING NEED CALCULATIONS

The following provides a step by step breakdown of the calculation used in the Government's Standard Methodology for identifying housing need. It demonstrates how the Local Plan housing need figure was identified using the proposed methodology available when the Local Plan was being prepared. This used the ten-year period 2016-26 and the affordability ratio for 2016 (the most recent year available at the time). As set out above, this is still considered to accord with the latest guidance on calculating housing need.

Step 1 – Setting the baseline

The household projections to be used are the 2014- based figures published on the www.gov.uk website (table 406).

Rossendale's household projections are:

- Number of households in 2016: 30,115
- Number of households in 2026: 31,984

The total number of new households is 1,869 over the ten year period, equivalent to 186.9 household growth per year.

Step 2 –An adjustment to take account of market signals

The ratio of median house price to median gross annual workplace –based earnings for Rossendale in 2016 was 6.14.

The adjustment factor is calculated below:

$$\text{Adjustment factor} = \frac{(\text{Local affordability ratio} - 4)}{4} * 0.25 = \frac{(6.14 - 4)}{4} * 0.25 = 0.13375$$

The adjustment factor is 0.13375 and is used to calculate the local housing need as shown below:

Local housing need = (1+ adjustment factor) * projected household growth

Local housing need = (1+0.13375) * 186.9 = 211.89

Local housing need for Rossendale between 2016 and 2026, based on 2016 affordability ratio (6.14) is 211.89 rounded at 212 houses per year.

Step 3 – Capping the level of any increase

The cap does not limit the minimum annual local housing need figure for Rossendale. The Council adopted the Core Strategy in 2011, more than 5 years ago, and have not reviewed the housing requirement figure since then.

- The average annual housing requirement figure in the existing Core Strategy is 247 a year
- The average annual household growth over ten years is 186.9 (as per step 1)
- The minimum annual local housing need figure is 211.89 (as per step 2)
- The cap is set at 40% above the higher of the most recent average annual housing requirement figure or household growth:

$$\text{Cap} = 247 + (40\% * 247) = 247 + 98.8 = 345.8$$

The capped figure is greater than the minimum annual local housing need figure and therefore the minimum figure for Rossendale is 211.89 or rounded as 212 houses per year.

Local Housing Need calculation as at July 2019

Step 1 – Setting the baseline

The household projections to be used are the 2014- based figures published on the www.gov.uk website (table 406).

Rossendale's household projections are:

- Number of households in 2019: 30,722
- Number of households in 2029: 32,488

The total number of new households is 1,766 over the ten year period, equivalent to household growth of 176.6 per year.

Step 2 –An adjustment to take account of market signals

The ratio of median house price to median gross annual workplace –based earnings for Rossendale in 2018 (published 28/03/19) is 5.85

The adjustment factor is calculated below:

$$\text{Adjustment factor} = \frac{(\text{Local affordability ratio} - 4)}{4} * 0.25 = \frac{(5.85 - 4)}{4} * 0.25 = 0.1156$$

The adjustment factor is 0.1156 and is used to calculate the local housing need as shown below:

Local housing need = (1+ adjustment factor) * projected household growth

Local housing need = (1+0.1156) * 176.6 = 197.01

Local housing need for Rossendale between 2019 and 2029, based on 2018 affordability ratio (5.85) is 197.01 rounded at 197 houses per year.

Step 3 – Capping the level of any increase

A cap is then applied which limits the increases an individual local authority can face. How this is calculated depends on the current status of relevant strategic policies for housing. The cap does not limit the minimum annual local housing need figure for Rossendale. The Council adopted the Core Strategy in 2011, more than 5 years ago, and have not reviewed the housing requirement figure since then.

- The average annual housing requirement figure in the existing Core Strategy is 247 a year
- The average annual household growth over ten years is 176.6 (as per step 1)
- The minimum annual local housing need figure is 197 (as per step 2)
- The cap is set at 40% above the higher of the most recent average annual housing requirement figure or household growth:

$$\text{Cap} = 247 + (40\% * 247) = 247 + 98.8 = 345.8$$

The capped figure is greater than the minimum annual local housing need figure and therefore the minimum figure for Rossendale is 197 dwellings per year.