

**BASINGSTOKE & DEANE COUNCIL  
LOCAL PLAN EXAMINATION (December 2014)**

**2.1 Objectively assessed need**

The Council will provide 748 dwellings per annum (dpa) or 13,464 over the 18 year plan period of 2011 to 2029. We consider this is be inadequate when a) judged against the official DCLG household projections; b) given the assumptions made by the Council regarding migration; and c) in the light of market signals, affordable housing and employment needs.

By comparison the DCLG 2011-based household projections indicate that some 990 households may form on average per year for the period 2011 to 2021 (see the RTPi toolkit: *Understanding the latest DCLG household projections*). If one were to extend this annual average up to 2029, then this would suggest a need to accommodate a minimum of 18,000 households. The figure of 990 dpa for the period 2011-2021 is remarkably consistent with the previous 2008-based household projection (950 dpa) which did not have the benefit of the 2011 Census results. The NPPG considers that the DCLG household projections should serve as the starting point in the assessment of need. The Government considers its household projections to be statistically robust. Plan-makers may consider using alternative demographic projections so long as these are clearly explained and justified. We do not consider the Council's alternative demographic projection to be justified.

The Council adopts as its favoured scenario a 10 year trend for internal migration and 5 year trend for international migration but reduced to 80% from the current national estimate. Of all the scenarios modelled this is the lowest apart from net nil migration and dwellings-led (which is policy-on).

The Council argues that the range is 550 to 1080 (paragraph 8.2 of the 2014 SHMA) but the lowest end of the range is net nil migration which does not provide a credible forecast of future needs. This will 'drag' the average down. The bottom end of the range should be anchored on 750 dpa. This will pull-up the average under variant A to 832 dpa.

No allowance has been made for the possibility that the household projections provide a conservative forecast of needs owing to the effects of the recession. The Council assumes that the 2011-based headship rates will continue after 2021 (variant A). This seems unlikely in view of the burgeoning but unmet need in London and the South East. Of all three variants this results in the lowest modelled.

Secondly, the Council's OAN is an unadorned demographic projection. No allowance has been make for market signals. According to DCLG table 576 the ratio of lower quartile house prices to lower quartile earnings has increased from 5.65 in 2001 to 7.71 in 2013. Thirdly, no increase to the baseline demographic projection of 748 dpa has been made to address affordable housing needs. The lower estimate for affordable housing is 765 dwellings per year (page 147 of the 2014 SHMA). The requirement would appear not to support employment needs which on the basis of the Council's own modelling and favoured variant (A) suggests would require a housing supply of 890 dpa.

Thirdly, there is no contingency in the plan in case the Council's demographic projection proves to be wrong. There is, consequently, no flexibility in the plan to respond to changing circumstances.

**2.2 Housing market area**

The Council's argument that it is largely self-contained lacks credibility in view of paragraph 1.34 of the plan and the 2104 SHMA (paragraph 2.20).

The influence exerted by London does need to be taken into account. The Council refers to the *London Infrastructure Plan 2050* and the assurance that London can address its own needs. This is contradicted by paragraph 1.10C of the FALP which shows that the Mayor's own modelling of his housing needs is predicated upon a 5% increase in out-migration from the capital and a 3% decrease in inward-migration compared to what is forecast by the DCLG 2011-interim household projections. The FALP is a document that is subject to examination therefore one should accord weight to its statements. In addition, there is the problem of London's objectively assessed but unmet need which could vary between 7,000 and 20,000 households per year. In view of this Further Suggested Change 3.1 to the FALP requires the London Boroughs and the local authorities of the wider South East to work together through the Duty to Cooperate in order to resolve the problem of London's unmet need.