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## **LOCAL PLAN SUB COMMITTEE 2<sup>ND</sup> APRIL 2025**

### **Future Housing Requirements 2020-2045**

#### **Report of Planning Policy Manager**

#### **Report Author and Contact Details**

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#### **Wards Affected**

All Outside the Peak District National Park

#### **Report Summary**

The report provides Members with information about the overall potential future housing requirements for Derbyshire Dales

#### **Recommendations**

1. That the extent of future housing needs for Derbyshire Dales, as set out in this report, be noted.
2. That for the purposes of the setting the strategic context for the Local Plan period 2020-2045 that the District Council confirms a future housing requirement of 573 dwellings per annum.
3. That further discussions are undertaken with the Peak District National Park, under the auspices of the Duty to Co-Operate in regards the future housing requirements in the Peak District National Park.
4. That a report be presented to a future meeting of Sub Committee that sets out progress on the discussions with the Peak District National Park.

#### **List of Appendices**

Appendix 1 Report from Icen Projects Overall Housing Need for Derbyshire Dales Local Plan – To Follow

#### **Background Papers**

#### **Consideration of report by Council or other committee**

This report is part of the overall work required to be undertaken as part of the review of the Derbyshire Dales Local Plan. As such it will be considered alongside

the rest of the Local Plan at a future meeting of the Community and Environment Committee.

**Council Approval Required**

No

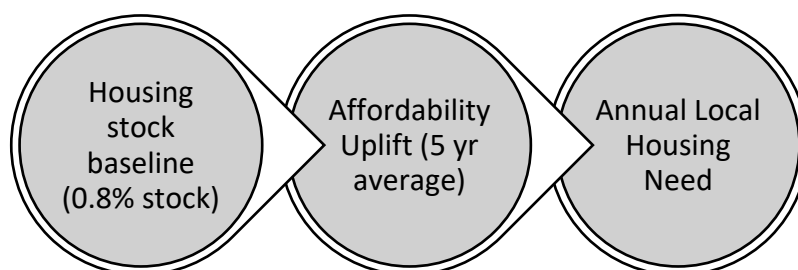
**Exempt from Press or Public**

No

## Future Housing Requirements 2020-2045

### 1. Background

- 1.1 Members will be aware that on 12<sup>th</sup> December 2024 the Government published an update to the National Planning Policy Framework (NPPF). Alongside the updated NPPF, the Government published an update to the Standard Methodology for the calculation of future housing needs.
- 1.2 The revised methodology, rather than taking a population-based approach to forecasting future housing needs, has as its starting point the amount of housing stock in each local authority area, and to which an affordability multiplier is then applied to reflect local affordability factors.



- 1.3 The housing stock baseline is 0.8% per annum, and the Affordability Adjustment based upon median work-place affordability ratios, and is increased by 0.95% for each 1% above a ratio of 5, averaged over five years.

$$\text{Adjustment factor} = \left( \frac{\text{five year average affordability ratio} - 5}{5} \right) \times 0.95 + 1$$

- 1.4 Data published by ONS on 24<sup>th</sup> March 2025 updated affordability ratios for England. The average affordability ratio in Derbyshire Dales over the past 5 years is now 10.21, which gives an affordability adjustment of 199%.
- 1.5 The actual calculation for the future housing requirements 2020-2045 is set out in Table 1 below:

	<b>Derbyshire Dales District</b>
<b>Housing Stock, 2023</b>	35,960
<b>0.8% Stock Baseline</b>	288
<b>Average Median Affordability Ratio, 2019-23</b>	10.21
<b>Affordability Uplift</b>	199%
<b>Local Housing Need (dpa)</b>	573

Table 1- Standard Methodology Calculation for Derbyshire Dales (Dwellings Per Annum)

- 1.6 This is an increase of 109% over the rate in the adopted Derbyshire Dales Local Plan (284 dpa), and 165% over the figure derived (216 dpa) from the previous version of the Standard Methodology.
- 1.7 Over 2020-2045 plan period this sets a provision of **14,325** for the whole of Derbyshire Dales (including the National Park). This excludes any allowance for flexibility in the market or the non-delivery of commitments.
- 1.8 The residual requirement for plan period 2020-2045 taking account completions and commitments from 2020-2025 is approx. **11,800** across the whole of Derbyshire Dales (including National Park).
- 1.9 The NPPG sets that the new Standard Methodology should be used to assess housing needs, but recognises that are circumstances in which an alternative approach can be justified. It does not set what approach to take for alternative methodologies but suggests:

*“authorities should take into consideration the best available evidence on the amount of existing housing stock within their planning authority boundary, local house prices, earnings and housing affordability. In the absence of other robust affordability data, authorities should consider the implications of using the median workplace-based affordability ratio for the relevant wider local authority area(s).*

*For local authorities whose boundaries cross National Parks or Broads Authority areas, the proportion of the local authority area that falls within and outside the National Park or Broads Authority area should also be considered – for example where only a minimal proportion of the existing housing stock of a local authority falls within the National Park or Broads Authority area it may be appropriate to continue to use the local housing need figure derived by the standard method for the local authority area.”*

- 1.10 A simple calculation using the housing stock figures from Council Tax records a 72% & 28% split between the local planning authority area and the National Park - equivalent to 415/158 dwellings per annum.
- 1.11 This suggests that over the plan period 2020-2045 a residual requirement of approx. 8,500/3,300 across the local planning authority area and the National Park. This does not, however, take account of National Park policy set out in the NPPF or statutory purposes of National Parks.

## **2. Review of Standard Methodology**

- 2.1 Icen Projects were commissioned to review the availability of data, and in accordance with the guidance in the NPPF to consider the extent to which there is justification for an alternative methodology to underpin the review of the Derbyshire Dales Local Plan.
- 2.2 The final report is attached at **Appendix 1** for Members consideration.

- 2.3 The report reiterates Government guidance that housing need is expected to be assessed upfront as part of the plan making process and should be identified on an unconstrained basis. It also reiterates the emphasis within the NPPF that plans should be meeting their objectively assessed housing needs, unless national policies provide that protect areas or assets of particular importance provide a strong reason for restricting the overall scale, type or distribution of development; or the adverse impacts of doing so would significantly and demonstrably outweigh the benefits.
- 2.4 The report confirms that the circumstances described in Para 2a-014 in the PPG are applicable in Derbyshire Dales as the planning authority boundary (covering the area outside of the Peak District National Park) does not align with the local authority boundary (for Derbyshire Dales District). The scope to use a ‘method determined locally’ is therefore engaged.
- 2.5 In order to understand local affordability Iceni Projects have undertaken a review of median house price data from the Land Registry. This indicates the following:

	<b>Peak District</b>	<b>Plan Area</b>
<b>YE Sept 2020</b>	£315,000	£266,000
<b>YE Sept 2021</b>	£377,000	£292,750
<b>YE Sept 2022</b>	£378,500	£310,000
<b>YE Sept 2023</b>	£424,675	£332,747.5
<b>YE Sept 2024</b>	£392,500	£299,995

*Table 2 - Median House Prices in Derbyshire Dales 2018-2024*

- 2.6 In order to assess whether there is any opportunity to establish a locally based affordability ratio Iceni Projects sought to identify whether there was any alternative and robust sources of income data below local authority level. A number of different sources of income data were reviewed, but none were considered to be sufficiently robust to enable a local affordability ratio to be determined for the area within and outside the National Park. As such the data published by ONS on median earnings was used to provide an affordability ratio for both areas of Derbyshire Dales

	<b>Median House Price</b>	<b>Median Earnings FT Workers</b>	<b>Affordability Ratio</b>
<b>YE 2020</b>	£266,000	£25,940	10.25
<b>YE 2021</b>	£292,750	£27,761	10.55
<b>YE 2022</b>	£310,000	£31,457	9.85
<b>YE 2023</b>	£332,747.5	£30,181	11.03
<b>YE 2024</b>	£299,995	£34,265	8.76
<b>Average</b>			10.1

*Table 3 - Derbyshire Dales Affordability Ratio 2020-2024 (Outside the National Park)*

	<b>Median House Price</b>	<b>Median Earnings FT Workers</b>	<b>Affordability Ratio</b>
<b>YE 2020</b>	£315,000	£25,940	12.14
<b>YE 2021</b>	£377,000	£27,761	13.58

	<b>Median House Price</b>	<b>Median Earnings FT Workers</b>	<b>Affordability Ratio</b>
<b>YE 2022</b>	£378,500	£31,457	12.03
<b>YE 2023</b>	£424,675	£30,181	14.07
<b>YE 2024</b>	£392,500	£34,265	11.45
<b>Average</b>			12.7

Table 4 - Derbyshire Dales Affordability Ratio 2020-2024 (Peak District National Park)

2.7 This compares to the affordability ratio when applied to the whole of Derbyshire Dales using the published ONS data:

	<b>Median House Price</b>	<b>Median Earnings FT Workers</b>	<b>Affordability Ratio</b>
<b>YE 2020</b>	£267,000	£25,940	10.3
<b>YE 2021</b>	£295,000	£27,761	10.6
<b>YE 2022</b>	£320,000	£31,457	10.2
<b>YE 2023</b>	£330,000	£30,181	10.9
<b>YE 2024</b>	£310,000	£34,265	9.0
<b>Average</b>			10.21

Table 5 - Table 4 - Derbyshire Dales Affordability Ratio 2020-2024

2.8 Applying this data to both areas of Derbyshire Dales delivers the following Standard Methodology calculation for the local planning authority area and the National Park:

	<b>Plan Area</b>	<b>Park Area</b>	<b>Derbyshire Dales</b>
<b>Stock baseline</b>	26,048	9,912	35,960
<b>0.8% stock</b>	208	79	288
<b>Average median affordability ratio</b>	10.3	13.0	
<b>Affordability uplift</b>	201%	251%	210%
<b>Local housing need</b>	418	199	605

Table 6 - Disaggregated Housing Needs for Derbyshire Dales Using Variable Affordability Ratio

2.9 This approach can, by disaggregating the housing requirements using affordability ratios for different areas of Derbyshire Dales, could for the purposes of the NPPG be considered as an alternative approach to Government's Standard Methodology.

2.10 This compares the calculation of housing need using the affordability ratio for the whole of Derbyshire Dales:

	<b>Plan Area</b>	<b>Park Area</b>	<b>District</b>
<b>Stock baseline</b>	26,048	9,912	35,960
<b>0.8% stock</b>	208	79	288
<b>Average median affordability ratio</b>	10.2	10.2	10.2

	Plan Area	Park Area	District
<b>Affordability uplift</b>	199%	199%	199%
<b>Local housing need</b>	415	158	573

Table 7 - Disaggregated Housing Needs Using Consistent Affordability Ratio

- 2.11 The results above essentially split the District-wide housing need based on the existing stock position.
- 2.12 As Members will see, on the basis of the published detailed data the alternative approach as set out in Table 6 indicates overall a lower level of housing requirement in the local planning authority area and higher level of housing requirement in the National Park.
- 2.13 The conclusions of the report by Icen Projects indicates that the alternative approach as set out in Table 6 above captures the impact of the house price differentials between the two areas of Derbyshire Dales on future housing requirements but is problematic in deriving a higher overall housing need district-wide that is inconsistent with the district-wide calculation.
- 2.14 The report also concludes that the approach set out in Table 7 above would be equally as robust as the alternative approach set out in Table 6, albeit that it would result in a higher level of need in the local planning authority area.

### 3. Conclusions and Next Steps

- 3.1 As set out in Para 2.3 above the calculation of housing need is an unconstrained requirement for the whole of Derbyshire Dales and does not take account of the Government's policy advice in relation to meeting housing needs within the Peak District National Park, as set out in Para 189 of the NPPF (December 2025). This set out:

*“Great weight should be given to conserving and enhancing landscape and scenic beauty in National Parks, the Broads and National Landscapes which have the highest status of protection in relation to these issues. The conservation and enhancement of wildlife and cultural heritage are also important considerations in these areas, and should be given great weight in National Parks 65 Where significant development of agricultural land is demonstrated to be necessary, areas of poorer quality land should be preferred to those of a higher quality. and the Broads. **The scale and extent of development within all these designated areas should be limited, while development within their setting should be sensitively located and designed to avoid or minimise adverse impacts on the designated areas”***

- 3.2 In terms of housing needs the effect of this policy is such that it is highly unlikely that the full extent of the identified housing requirements set out in Tables 6 or 7 for the National Park (either 158 or 195 dpa) will be met in full.
- 3.3 If the National Park Authority considered that the overall level of housing needs was in excess of that they could deliver consideration will need to be given how to deal with the shortfall – using an example of 100 dwellings per annum with the National Park this would have a resultant a shortfall of 58-

95 dwellings per annum over the Plan period or an overall figure of between 1,450 and 2,375 dwellings that would need to be accounted for.

3.4 In line with the District Council's obligations under the Duty to Co-operate the extent of any shortfall from within the National Park Authority will need to be agreed. This will be brought forward under the auspices of the Joint Member Housing Working Group.

3.5 It is considered that there are three potential options for the District Council to consider in relation to how the shortfall could be addressed.

- *Seek support from neighbouring local plans to deliver this shortfall – although a route that would need exploring is very unlikely to be achieved.*
- *Absorb the shortfall back into the Local Plan area – this is the approach that the District Council took and is set out in the adopted Local Plan. Although the scale of the residual requirement has yet to be agreed, it is considered that this approach may be feasible if part of the overall development strategy were to include the allocation of land for a new settlement.*
- *Make a case at the Examination in Public of the Local Plan that the District Council does not have the environmental capacity to deliver the 'shortfall' and that in effect it be set aside and not addressed as part of the Plan. This scenario may be justifiable, but has inherent risks that the Plan might be found unsound at the Examination in Public because not all the objectively assessed need for housing has been accounted for*

3.6 At this time, however, whilst there is ongoing research in respect of the potential capacity of the planning authority area to absorb the full objectively assessed need it is considered that all three options should remain open to the District Council.

#### **4. Consultation**

4.1 Consultation on the Local Plan is anticipated to be held early in 2026.

#### **5. Policy Implications**

6.1 The report provides evidence on future housing requirements that will be taken into account in the ongoing review of the Derbyshire Dales Local Plan.

#### **6. Financial and Resource Implications**

7.1 None as a consequence of this report.

#### **7. Legal Advice and Implications**

7.1 This report provides for Members consideration an updated housing requirement for the whole of Derbyshire Dales for the plan period 2020-2045.

7.2 There are 4 recommendations to be considered and decided upon. The risk of legal challenge should the decisions be taken as recommended has been assessed as low.

## **8. Equalities Implications**

8.1 The implications of the future housing requirements on the District Council's Public Sector Equality Duty will be assessed during the ongoing review of the Derbyshire Dales Local Plan.

## **9. Climate Change Implications**

9.1 The implications of the future housing requirements on the District Council's Climate Change Obligations will be assessed during the ongoing review of the Derbyshire Dales Local Plan.

## **11. Risk Management**

11.1 The most significant risk for the District Council in relation to this report, is that not adequately addressing the unmet needs arising from the National Park could result in the Local Plan being found unsound.

### **Report Authorisation**

Approvals obtained from:-

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Paul Wilson	25/03/2025
Director of Resources/ S.151 Officer	Karen Henriksen	25/03/2025
Monitoring Officer (or Legal Services Manager)	Barbara Beardwell	25/03/2025