

NOTE ON THE STANDARD METHODOLOGY FIGURE FOR HOUSING NEED IN BASILDON BOROUGH

1. Revised Publication Local Plan 2018

- 1.1. The Revised Publication Local Plan (RPLP) 2018 was submitted to the Secretary of State on 28 March 2019 for examination. The RPLP 2018 set out an Objectively Assessed Need for housing of between 972-986 homes per annum or between 19,400 and 19,720 homes over 20 years. This excludes the requirement to provide additional pitches and plots for the Borough's Gypsy, Traveller and Travelling Showpeople households. This Objectively Assessed Need was identified by the South Essex Strategic Housing Market Assessment (SHMA) Addendum 2017 and used the 2014 Ministry for Housing, Communities and Local Government (MHCLG) sub-national housing projections as a basis. This methodology differs from the standard method for calculating local housing needs assessment, as set out in updated national planning guidance.

2. Standard Method of Calculating Housing Need

- 2.1. The Planning Practice Guidance (PPG) - Housing and economic needs assessment (December 2020)¹ uses a formula to identify the minimum number of homes expected to be planned for, in a way which addresses projected household growth and historic under-supply. The following calculations outline the Standard Method process which Councils must follow. This also provides the minimum annual housing need figure for the borough, which planning policies should then seek to deliver.

3. Housing Need Calculation

3.1. Step 1 - Setting the baseline

The most recent PPG updated on 20 February 2019 states that the baseline should be set using the Office of National Statistics 2014 Household Projections. The projected average annual household growth per annum should be calculated over a 10 year period (this should be 10 consecutive years, with the current year being used as the starting point from which to calculate growth over that period).

*Household Projection for Basildon Borough in 2021= 81,102 households
Household Projection for Basildon Borough in 2031= 88,570 households*

Therefore projected average annual household growth over a 10 year period is:

$88,570 - 81,102 / 10 \text{ years} = 747$

3.2. Step 2 - An adjustment to take account of affordability

¹ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

An adjustment has to be applied to the average annual projected household growth figure (747) based on the affordability of the area using the most recent median workplace-based affordability ratios, published by the Office for National Statistics at a local authority level.

The median workplace-based affordability ratio for Basildon Borough is 9.55 (2020).

Adjustment factor = $(\text{Local affordability ratio} - 4/4) \times 0.25 + 1$

Adjustment factor = $(9.55 - 4/4) \times 0.25 + 1 = 1.35$

Minimum annual local housing need figure = $747 \times 1.35 = 1,008$ dwellings per annum (dpa)

3.3. Step 3 - Capping the level of any increase

A cap limits the increases an individual local authority can face. Where the relevant strategic policies for housing were adopted more than 5 years ago the local housing need figure is capped at 40% above whichever is the higher of:

- a. *the projected household growth for the area over the 10 year period identified in step 1; or*
- b. *the average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).*

Basildon Borough Council last adopted a local plan more than 5 years ago and the SHMA 2017 has not yet been adopted or independently examined in any plans in the South Essex Housing Market Area. Therefore, no adopted average annual housing requirement exists.

Increase is capped at 40% above the household growth (747) over a 10 year period identified in Step 1. Therefore:

Increase cap = $(747 + 40\%) = (747 + 299) = 1,046$

The minimum annual local housing need figure identified in Step 2 (1,008 dpa) is lower than the capped figure (1,046 dpa). Therefore, no cap applies to Basildon.

3.4. Step 4- Cities and urban centres uplift

A 35% uplift is then applied for those urban local authorities in the top 20 cities and urban centres list. Basildon Borough is not identified as an urban local authority where a requirement for a 35% uplift applies.

3.5. Therefore the minimum annual local housing need figure for Basildon Borough is 1,008 dpa.

Minimum annual local housing need figure = 1,008 dwellings per annum

4. Objectively Assessed Need for Housing (Standard Method)

- 4.1. The minimum annual housing figure for Basildon Borough according to the standard methodology is 1,008. The Objectively Assessed Need (OAN) for Housing in Basildon Borough over a 20 year period is, therefore, 20,160 homes.

Objectively Assessed Need for Housing over 20 year period = 20 x 1,008 dpa = 20,160 homes
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- 4.2. This is an increase of 440 homes over the upper range required by the SHMA Addendum 2017 as per the RPLP 2018.

5. Housing Supply

Housing already Delivered in the Plan Period

- 5.1. In the period April 2014 to March 2020 a total of 3,051 net additional dwellings have been delivered against the OAN target.

Table 1: Net Housing Delivery in Plan Period

April 2014-Mar 2015	April 2015-March 2016	April 2016-March 2017	April 2017-March 2018	April 2018-March 2019	April 2019-March 2020	Total
678	816	412	341	340	464	3,051

- 5.2. Therefore, the Basildon Borough Local Plan needs to make provision for a further 17,109 net additional homes in the Plan period to 2034. Further details on housing supply will be set out in the Housing Topic Paper in due course.