BRACKNELL FOREST LOCAL PLAN (BFLP)

Note for Inspectors on Local Housing Need

1. This note provides an update on Local Housing Need (LHN) in view of the reference in Planning Practice Guidance to the fact that an LHN based on '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 examination' (Reference ID: 2a-008-20190220)[1].

2. The Bracknell Forest Local Plan (BFLP) was submitted to the Planning Inspectorate on 20th December 2021. The two year anniversary of the submission of the Local Plan, therefore occurred on 20th December 2023.

3. The paragraph referred to above in Planning Practice Guidance, also states that:

'strategic policy-making authorities will need to calculate their local housing need figure at the start of the plan-making process. This number should be kept under review and revised where appropriate.

The housing need figure generated using the standard method may change as the inputs are variable and this should be taken into consideration by strategic policy-making authorities.'

4. In accordance with paragraph 61[2] of the National Planning Policy Framework (NPPF 2023), preparatory work on the BFLP included determining the minimum number of homes needed using the standard method, as set out in Planning Practice Guidance. Step 1 indicates that the baseline should be set using the 2014-based household projections[3] to calculate the projected average annual household growth over a 10-year period. An affordability adjustment also has to be applied.

5. The Pre Submission version of the Plan that was submitted for Examination includes an LHN of 614 dwellings per annum which was calculated using the **2014 based household projections** and the **2019 affordability index** (published March 2020).

Table 1 Calculation relating to Local Housing Need figure used in the Pre Submission version of the Plan

Step 1: Setting the baseline	
Average annual projected household growth for the period 2020 – 2030	56,191 −51,588/10 = 460.3
Step 2: Adjustment to take account of affordability	
Median workplace-based affordability ratio at 2019 (using 2022 based data for 2019, published March 2023)	9.33

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[1] Housing and economic needs assessment - GOV.UK (www.gov.uk)
[2] National Planning Policy Framework - 5. Delivering a sufficient supply of homes - Guidance - GOV.UK (www.gov.uk)
[3] Household projections - GOV.UK (www.gov.uk)

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Adjustment factor to take account of affordability	(9.33 - 4/4) x 0.25 = 0.333
Annual Local Housing Need	
Calculation using standard formula	(1 + 0.333) x 460.3 = **613.6 (614 rounded)**

6. The above method provided an annual number which has been applied to the whole plan period (2020 – 2037) to calculate a total need of 10,438 (net) additional homes over the 17-year plan period 2020/21-2036/2037 and is reflected in Policy LP3 of the Pre-Submission version of the Plan. This overall figure relates to housing in C3 uses (including C3 specialist uses) and C2 uses.

7. As the Planning Practice Guidance points out, the LHN generated using the standard method can change, as the inputs are variable. Applying the same method to subsequent years, but, using the data applicable to each year results in the following figures. The calculations for each year are set out in Appendix 1.

Table 2: Local Housing Need figures applicable since figure set in Bracknell Forest Local Plan

Assessment date	Local Housing Need
1st April 2021	581
1st April 2022	593
1st April 2023	566

8. As can be seen, the LHN figures for Bracknell Forest has fallen for all years since it was set in 2020. As the supply is orientated to a total need of 10,438 (net) additional homes over the 17-year plan period, based on 614 per annum, greater flexibility is provided.

9. The LHNs set out in Table 2, use the latest set of affordability ratios published in March 2023 by the Office for National Statistics[4]. A note on the datasheet explains that the affordability ratio statistics are revised annually, to reflect revisions to the house price statistics and earnings data associated with lags in the collection of data. Table 4 in Appendix 1 tracks how the affordability ratios for the years 2019 to 2022 have changed since initial publication. It can be seen that the ratio for 2019 (that was used in calculating the LHN used in the Pre Submission version of the Local Plan) has not changed. If the most recent affordability ratio for 2022 (8.73 - published in March 2023) is applied to the projected household growth for the period 2020 – 2030, the LHN is 596.

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[4] House price to workplace-based earnings ratio - Office for National Statistics (ons.gov.uk)

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APPENDIX 1

LHN assessment using the Government's standard methodology (2014 based household projections and the affordability ratios published in March 2023)

Table 1: 1st April 2021

Step 1: Setting the baseline	
Average annual projected household growth for the period 2021 – 2031	56,608−52,089/10 = 451.9
Step 2: Adjustment to take account of affordability	
Median workplace-based affordability ratio at 2020 (using 2022 based data for 2020, published March 2023)	8.57
Adjustment Factor to take account of affordability	(8.57- 4/4) x 0.25 = 0.286
Annual Local Housing Need	
Calculation using standard formula	(1 + 0.286) x 451.9 = 581

Table 2: 1st April 2022

Step 1: Setting the baseline	
Average annual projected household growth for the period 2022 – 2032	(57,020-52,563)/10 = 445.7
Step 2: Adjustment to take account of affordability	
Median workplace-based affordability ratio at 2021 (using 2022 based data for 2021, published March 2023)	9.29
Adjustment Factor to take account of affordability	(9.29 - 4/4) x 0.25 = 0.331
Annual Local Housing Need	
Calculation using standard formula	(1 + 0.331) x 445.7 = 593

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Table 3: 1ˢᵗ April 2023

Step 1: Setting the baseline	
Average annual projected household growth for the period 2023 – 2033	(57,426-53,059)/10 = 436.7
Step 2: Adjustment to take account of affordability	
Median workplace-based affordability ratio at 2022 (using 2022 based data, published March 2023)	8.73
Adjustment Factor to take account of affordability	(8.73 - 4/4) x 0.25 = 0.2956
Annual Local Housing Need	
Calculation using standard formula	(1 + 0.2956) x 436.7 = 565.79 = **566** (rounded)

Table 4: showing revisions made to affordability ratios applicable to particular years over time

Affordability ratio year (Tab 5c: Ratio of median house price to median gross annual workplace-based earnings)	Dataset published in March 2020	Dataset published in March 2021	Dataset published in March 2022	Dataset published in March 2023
2019	9.33	9.33	9.33	9.33
2020	-	8.26	8.45	8.57
2021	-	-	9.05	9.29
2022	-	-	-	8.73

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