

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

LOCAL PLAN ADVISORY COMMITTEE – 3 JUNE 2014

Title of report	STRATEGIC HOUSING MARKET ASSESSMENT
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Purpose of report	To advise members of the findings of the Strategic Housing Market Assessment
Council Priorities	Value for Money Business and Jobs Homes and Communities Green Footprints Challenge
Implications:	
Financial/Staff	The Council has contributed towards the preparation of the Strategic Housing Market Assessment along with all other authorities in the Housing Market Area. The cost of this has been met from within existing budgets.
Link to relevant CAT	None
Risk Management	The preparation of the Strategic Housing Market Assessment (SHMA) is a key piece of evidence to demonstrate that the Council is making adequate provision for housing as part of the local plan. Failure to have an up-to-date SHMA would represent a significant risk that the local plan would be found unsound.
Equalities Impact Assessment	None

Human Rights	None
Transformational Government	Not applicable.
Comments of Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	The report is satisfactory
Comments of Monitoring Officer	On the advice of external solicitors, the report is satisfactory.
Consultees	None
Background papers	<p>National Planning Policy Framework which can be found at http://www.planningguidance.planningportal.gov.uk/</p> <p>National Planning Practice Guidance which can be found at http://planningguidance.planningportal.gov.uk/blog/guidance/local-plans/</p> <p>Leicester and Leicestershire Strategic Housing Market Assessment – copies of the report are held by the Planning policy Team (Room 102).</p>
Recommendations	<p>THAT THE ADVISORY COMMITTEE NOTES;</p> <p>(I) THE FINDINGS OF THE SHMA; AND</p> <p>(II) THE NEXT STEPS FOR AGREEING THE AMOUNT AND DISTRIBUTION OF HOUSING ACROSS THE HOUSING MARKET AREA.</p>

1.0 BACKGROUND

1.1 Members will be aware that a key concern of the Planning Inspector appointed to consider the Council's Core Strategy was that there was not an up-to-date Strategic Housing Market Assessment (SHMA) upon which the housing requirements in the Core Strategy were based. Therefore, he recommended that the Council withdraw the Core Strategy (a request which the Council agreed to).

1.2 The SHMA is a technical piece of work which covers a housing market area (HMA). According to the National Planning Policy Framework (NPPF) a SHMA should "*identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:*

- *meets household and population projections, taking account of migration and demographic change;*

- *addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and*
- *caters for housing demand and the scale of housing supply necessary to meet this demand”*

- 1.3 In the case of North West Leicestershire, the previous Regional Plan identified the district as being part of the Leicester and Leicestershire HMA. Therefore a new SHMA was commissioned jointly by all of the authorities which make up the Leicester and Leicestershire HMA.
- 1.4 The government has recently published as part of the National Planning Practice Guidance advice regarding undertaking housing and economic development needs assessments such as SHMAs. The approach taken in undertaking the SHMA is consistent with this advice.
- 1.5 A number of iterations of the SHMA report have been viewed and commented on by officers of the HMA local authorities. It is anticipated that the final report will have been received by the time of the meeting of this committee. The following section summarises the findings on the basis of the last report reviewed by officers. In the event that there are changes to any of the key findings these will be reported verbally at the meeting.

2.0 THE SHMA FINDINGS

- 2.1 The key finding in respect of the SHMA relates to the amount of new housing which it is estimated is needed to ensure that the ‘objectively assessed needs’ (as referred to in the NPPF) for the HMA and each authority are identified.
- 2.2 Two different projections have been produced; one covering the period 2011 to 2031 and one covering 2011 to 2036. The tables below set out the findings:

Table 1 – housing needs 2011-2031

	Recommended level of need per annum	Recommended level of need 2011-2031
HMA	3,775 - 4,215	75,500 – 84,300
Blaby	360 - 420	7,200 – 8,400
Charnwood	810 – 820	16,200 – 16,400
Harborough	415 – 475	8,300 – 9,500
Hinckley & Bosworth	375 – 450	7,500 – 9,000
Leicester City	1,250 – 1,350	25,000 – 27,000
Melton	200 – 250	4,000 – 5,000
NWL	285 – 350	5,700 – 7,000
Oadby & Wigston	80 - 100	1,600 – 2,000

Table 2 – housing needs 2011-2036

	Recommended	Recommended level
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	level of need per annum	of need 2011-2036
HMA	3,630 – 4,060	90,750 – 101,500
Blaby	340 – 400	8,500 – 10,000
Charnwood	770 – 780	19,250 – 19,500
Harborough	400 – 460	10,000 – 11,500
Hinckley & Bosworth	350 – 420	8,750 – 10,500
Leicester City	1,230 – 1,330	30,750 – 33,250
Melton	195 – 245	4,875 – 6,125
NWL	270 – 330	6,750 – 8,250
Oadby & Wigston	75 - 95	1,875 – 2,375

2.3 To put these figures into context, the Council's Core Strategy of 2013 was proposing an annual figure of 388 dwellings per annum which is very close to the above figures.

2.4 Other key findings relate to the type and amount of housing required. For North West Leicestershire it is suggested that the following percentage provision would be required for market and affordable housing.

	1 Bedroom	2 Bedroom	3 Bedroom	4+ Bedroom
Market housing	5-10%	35-40%	45-50%	5-10%
Affordable Housing	30-35%	35-40%	20-25%	5-10%

2.5 The report also identifies a potential need for between 1,312 and 2,593 specialist housing for older people.

2.6 Comparable figures were not available from the previous SHMA so it is not possible to make any comparison as to how the structure of the housing market area has changed in respect of these matters.

3.0 NEXT STEPS

3.1 The completion of the SHMA represents a significant step forward in the evidence base for the new local plan. However, at this stage the figures for individual districts need to be treated with caution as they do not necessarily represent the final requirement that will need to be provided in the new local plan.

3.2 The SHMA is a technical piece of work. Whilst it identifies what the housing need is for the HMA as a whole and the constituent local authorities, in itself it does not determine the actual level of provision to be made across the HMA or how it will be distributed. Instead that is a matter which needs to be determined and agreed by all of the constituent HMA authorities, particularly having regard to Duty to Cooperate as required under the Localism Act.

3.3 HMA wide it has been accepted that there is a need for some form of agreement in respect of both the amount and distribution of housing in order to demonstrate compliance with the Duty to Cooperate.

3.4 The first step in reaching such an agreement will require each authority to consider, having regard to its most recent Strategic Housing Land Availability Assessment (SHLAA),

whether the amount identified in the SHMA is capable of being met from the potential sites which have been identified in the SHLAAs. In addition, each authority will need to consider whether there are any constraints which would restrict the amount of development in a particular local authority (for example, highways issues or recognised environmental constraints such as flooding issues or infrastructure constraints).

- 3.5 It is expected that each authority should accommodate its own needs as identified in the SHMA if at all possible. However, it should be appreciated that the outcome of the above exercise may be that one or more local authority is not able to do this. In order to ensure that the overall HMA need is still met; consideration will need to be given to redistributing the shortfall amongst other authorities.
- 3.6 In the event that some redistribution is required it will be essential to ensure that whatever is agreed it is properly justified in planning terms. This will necessitate looking at range of technical issues including transportation, infrastructure and environmental constraints.
- 3.7 At the end of this process there will need to be some formal agreement amongst all of the authorities in the HMA. To oversee this process a Member Advisory Group (MAG) consisting of Councillors from all the HMA authorities has been established.
- 3.8 The results of the SHMA are to be discussed at a meeting of MAG on 26 June 2014. In addition, the meeting will consider the results of each authority's assessment against their respective SHLAAs. At that point in time it will be clearer what (if any) redistribution may be required.
- 3.9 At the MAG meeting of 26 June 2014 the timetable and process for reaching an agreement will be discussed. The outcome of this and its potential impact upon the timetable and the Council's process for the Local Plan will then need to be considered.