

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
9 February 2016

Subject: LOCAL PLAN - STRATEGIC HOUSING MARKET ASSESSMENT

All Wards

Portfolio Holder for Environmental and Planning Services: Councillor B Phillips

1.0 PURPOSE AND BACKGROUND:

- 1.1 The purpose of the Strategic Housing Market Assessment (SHMA) is to provide an assessment of future needs for market and affordable housing for the Local Plan period to 2035, providing the Objectively Assessed Need for housing for the new Local Plan. It should be noted that the Objectively Assessed Need (OAN) is not the housing target for the new Local Plan, but it is the first steps towards it.
- 1.2 The purpose of the report is to agree the Strategic Housing Market Assessment as part of the Council's evidence base for the new Local Plan and as a basis to inform negotiations on planning applications in relation to affordable housing and housing type, mix and tenure. The conclusions and recommendations of the Assessment are attached at Annex 'A' and the full report is available in the Members' lounge.

2.0 KEY FINDINGS:

Housing Market Area

- 2.1 is considered that Hambleton forms its own Housing Market Area, however there are links with Harrogate and Richmondshire, and with York Travel To Work Area (TTWA) and Middlesbrough TTWA. Continual engagement with our Duty to Co-operate partners on housing issues through the development of the Local Plan is essential.

Overall Assessment of Housing Need

- 2.2 The starting point for assessing housing need is the use of population and household projections. The 2012 Sub National Population Projections indicate a need for 168 dwellings per annum in the Hambleton Housing Market Area. A range of scenarios were considered to test the robustness of the projections and they were considered to be sound, but it was noted that there was a reduction in population and migration growth from 2008, it is therefore appropriate to consider long term trends. The long term migration indicates a housing need of 207 dwellings per annum.

Economic Led Housing Requirements

- 2.3 In order to model the relationship between jobs and homes the Strategic Housing Market Assessment has considered the economic prospects set out in the Experian Yorkshire and Humber Regional Econometric Model (YHREM) and Oxford Economics Model. These models provide a baseline for jobs growth within the district. The forecasts do not consider the Council's aspirations for economic growth. It is a "policy off" position. The difference in job growth between the two forecasting houses was substantial. The need for housing arising from the Oxford Economic Model is 245 dwellings per annum and the need for housing resultant from the Experian (YHREM) is 161 dwellings per annum. The higher is considered to be the more robust. An uplift in the level of housing need is required to take

into account baseline job growth. This leads to a housing need of 245 dwellings per annum. Further modelling work will be required to assess the implications of the Council's aspirations for economic growth on housing need.

Affordable Housing Need

- 2.4 In relation to affordable housing need the Strategic Housing Market Assessment indicates that 69 net additional households per year will require support in meeting their housing needs. It is not appropriate to compare need identified in the analysis of affordable need with the demographic projections above as they are calculated in different ways. It should be noted that need arises from newly forming households, those in temporary accommodation, concealed households and homeless households, but also includes needs from those households who require a different type/size or tenure of home. Further some of the need for affordable housing will be met through Empty Homes Programmes, Rural Exception Site Development, the National Affordable Homes Programme, and the role of the private rented sector.

Consideration of Market Signals

- 2.5 The Strategic Housing Market Assessment considers that there is evidence from the analysis of affordable housing need and market signals that some additional housing would be appropriate to help improve affordability for younger households. An uplift of 29 dwellings per annum (12%) should be applied.

Need for Different Types and Mixes

- 2.6 In addition to considering the overall need for housing, the Strategic Housing Market Assessment considers what type of homes, both affordable and market, will be needed. The conclusions take account of how the structure of the population and households are expected to change over the period to 2035. The table below provides the conclusions on need for different sizes of homes across Hambleton.

	1 bed	2 bed	3 bed	4 bed
Market	5-10%	40-45%	40-45%	5-10%
Affordable	40-45%	35-40%	10-15%	5-10%
All dwellings	15-20%	40%	35%	5-10%

- 2.7 In terms of the proportion of homes that should be affordable the Strategic Housing Market Assessment does not make a specific recommendation. The National Planning Policy Framework sets out that percentage targets for affordable housing need should take account of viability evidence and this will require further work.
- 2.8 The Strategic Housing Market Assessment analysis indicated that in delivery of affordable units a mix target of 25% intermediate and 75% social or affordable rented homes would be appropriate for the Hambleton Housing Market Area.

Specialist Housing Need

- 2.9 The Strategic Housing Market Assessment considers that there will be a need to provide specialist supported housing in response to the ageing population and higher levels of disability experienced by older persons. The number of people 65 and over is expected to increase by 52% over the plan period to 2035, with a higher increase in the number of people aged 85 and over (168%). The analysis indicates that there may be a need for 68 specialist units of accommodation for older people (generally sheltered or extra care housing) per annum.

- 2.10 The analysis highlights a potential need for an additional 24 registered care bed spaces per annum for older people (75 and over). This would be in addition to the estimates of housing arising from the demographic modelling.
- 2.11 The analysis indicates that there was anecdotal evidence of significant demand for self/custom building. There is evidence of a lack of supply of plots for this sector.

Overall Housing need

- 2.12 The total Objectively Assessed Need for housing over the period 2014 - 2035 is 274 dwellings per annum. This is made up of a demographic starting point of 168, an adjustment of 39 to take account of long term migration, an uplift of 38 to meet the needs of the economy and an uplift of 29 to respond to market signals.

Next Steps

- 2.13 It should be noted that the purpose of the Strategic Housing Market Assessment is to provide an objective assessment of the need for housing without taking into consideration other policy aspirations, opportunities and constraints. It is for the Council to assess the District's capacity and strategy for growth in order to inform the Local Plan housing target.
- 2.14 In order to develop options for the Local Plan housing target it recommended that additional modelling work is carried out. This should develop a range of realistic options for economic growth, reflecting the Council's growth aspirations. The Objectively Assessed Need established through the Strategic Housing Market Assessment provides the baseline position. Further options will consider the aspirations set out in the Economic Strategy, the Employment Land Review and Business and Economy's Industrial Estates Review. The scenarios should inform the development of the Preferred Options for the Local Plan. Discussions with Duty to Co-operate partners will be essential to understand the implications of the alternative economic growth scenarios.

3.0 LINK TO COUNCIL PRIORITIES:

- 3.1 The relevant Council priorities to which the Strategic Housing Market Assessment relates includes the following:
- Driving Economic Vitality – The Strategic Housing Market Assessment will provide evidence alongside a new Employment Land Review and additional testing of economic growth scenarios to ensure that provision of homes aligns with jobs growth. It will provide evidence for the Local Plan to ensure that policies and allocations reflect the needs of a growing economy.
 - Providing a Special Place to Live – The Strategic Housing Market Assessment provides the assessment of nature, type and quantity of housing required to meet needs of the population and forms a key piece of the evidence base for the Local Plan ensuring that policies and allocations are responsive to the needs of the population.

4.0 RISK ASSESSMENT:

- 4.1 There is no significant risk in approving the recommendations

4.2 The key risks in not approving the recommendations are as shown below:-

Risk	Implication	Prob*	Imp*	Total	Preventative action
Not having an up to date evidence base for the Local Plan will delay the Local Plan preparation	Lack of certainty for the community and for developers	5	5	25	Consider changing timing of the Preferred Option consultation to enable additional work to be carried out without impact on the overall timescale.
Increase in speculative applications	Delay in the determination of planning applications on unallocated sites until evidence is available. An increase in appeals which could undermine the current strategy for development and predetermine the future strategy for the District. Also potential risks to reputation.	4	5	20	Issuing interim guidance on the approach to applications until such evidence is in place.

Prob = Probability, Imp = Impact, Score range is Low = 1, High = 5

5.0 FINANCIAL IMPLICATIONS:

5.1 There are no financial implications for the Council attached to the recommendations of this report.

6.0 LEGAL IMPLICATIONS:

6.1 There are no legal implications for the Council attached to the recommendations of this report.

7.0 EQUALITY/DIVERSITY ISSUES:

7.1 This Strategic Housing Market Assessment does not require an Equalities Impact Assessment. The Strategic Housing Market Assessment will however provide evidence for the preparation of Local Plan policies which could have an impact on hard to reach groups, and groups with protected characteristics. The Local Plan process will be subject to Equalities Impact Assessment and should deal with any policy issues which arise as a result of evidence presented within the Strategic Housing Market Assessment.

8.0 RECOMMENDATIONS:

8.1 That Cabinet approves and recommends to Council:

- 1) that the Strategic Housing Market Assessment is approved for the purposes of the evidence base for Hambleton Local Plan;

- 2) that the Objectively Assessed Need in the Strategic Housing Market Assessment provides the basic requirement for assessing the five year housing supply and be considered in the determination of applications for housing until a Housing Target is developed as part of the Local Plan;
- 3) that additional work is carried out to develop scenarios for economic growth, using the established Objectively Assessed Need as a base, in order to determine the final Local Plan Housing Target and that this is reported to Cabinet; and
- 4) that the Strategic Housing Market Assessment be used as a basis to inform negotiations on planning applications, both with respect to the mix and type of market housing and affordable housing contributions including the type, mix and tenure.

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Background papers: The Hambleton District Council Strategic Housing Market Assessment, January 2016

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