

STRATEGIC HOUSING MARKET ASSESSMENT (SHMA)

Planning Advisory Committee – 13 October 2015

Report of Chief Planning Officer

Status: For Consideration

Also considered by: Cabinet – 5 November 2015

Key Decision: Yes

Executive Summary:

A first stage in the process of preparing a new Local Plan is to establish the up to date housing needs of the District. The consultant GL Hearn was procured jointly by Sevenoaks District and Tunbridge Wells Borough Councils to undertake a Strategic Housing Market Assessment (SHMA), a key piece of evidence from which the Local Plan strategy will be developed. Based on the Government's latest population and household projections the SHMA identifies the objectively assessed housing need across the District. This is an unconstrained figure and is not the District's housing target. It also identifies the need for different sizes of homes, and the need for different types of homes. This report outlines the findings of the SHMA and the full study is attached at Appendix A.

Portfolio Holder Cllr Piper

Contact Officer(s) Emma Boshell, Senior Planning Officer Ext.7358

Recommendation to Planning Advisory Committee:

To consider the Strategic Housing Market Assessment (SHMA) attached at Appendix A, and to recommend to Cabinet that the study be endorsed as a robust evidence base from which the Local Plan strategy will be developed.

Recommendation to Cabinet:

To endorse the Strategic Housing Market Assessment (SHMA) as a robust evidence base from which the Local Plan strategy will be developed.

Reason for recommendation: In order to plan for the housing needs of our residents and to prepare a Local Plan that is based on sound and robust evidence.

Introduction and Background

- 1 The Allocations and Development Management Plan (ADMP) was adopted in February 2015, and, together with the Core Strategy (adopted 2011), makes up the current Development Plan for the District Council. The Core Strategy was

adopted prior to the Government's National Planning Policy Framework (NPPF) being introduced, and as such, now contains some policies that are not consistent with the NPPF.

- 2 The District Council is therefore required to review its planning policies, and the intention is to combine the two documents into a single Local Plan that contains up to date policies consistent with the NPPF. To ensure that the Local Plan is found sound at examination, the first stage in this process (as part of a suite of new evidence base studies) is to establish the up to date need for both market and affordable housing across the District for the new Local Plan period. This is a technical study carried out by expert consultants, derived from Government statistics and subject to a prescribed methodology. Called a Strategic Housing Market Assessment (SHMA), this study will form one of the key pieces of evidence for the Local Plan. **This is an unconstrained figure and is not the District's housing target.**

Procuring the SHMA

- 3 The NPPF encourages joint-working under the duty to co-operate, particularly where there may be cross-boundary issues. In this instance, there was strong evidence (identified in chapter 2 of the SHMA (appendix A)) to suggest that Sevenoaks District and Tunbridge Wells Borough share a housing market area (i.e. there are strong links between the two districts in terms of where people live and work). To this end, the two councils worked together and the SHMA was procured jointly between Sevenoaks District Council and Tunbridge Wells Borough Council (with Sevenoaks District Council as the lead authority).
- 4 The consultant GL Hearn was appointed to undertake the SHMA, based on their quotation and subsequent interview. Their submission was comprehensive, clearly showing expertise and experience in this field and at examination. Importantly, GL Hearn has local experience having recently prepared SHMAs for Tonbridge & Malling, Maidstone and Ashford Borough Councils.

Early Stakeholder Engagement

- 5 A joint stakeholder workshop with Tunbridge Wells was held on 31st March with Planning and Housing officers from all neighbouring authorities, Kent County Council and key housing partners. The purpose of this workshop was to seek agreement on the SHMA methodology and on defining the housing market area. This was an important aspect of the study, as agreement on these matters provides a firm basis for discussions later on under the duty to co-operate.

The Findings of the SHMA

- 6 Firstly, the publication of the SHMA does not constitute acceptance by the District Council that it does not have a five year housing land supply. The SHMA is as yet untested, and so the five year housing land supply will continue to be judged against the adopted housing target of 165 new homes per year set out in the Core Strategy.
- 7 Secondly, the SHMA provides a starting point based on the latest Government statistics. **All local authorities are required to undertake this study as a basis for**

developing their Local Plan strategy. Any future planning policies will have to take account of market activity and viability, both independently and together as a whole, and will be subject to public consultation before being submitted to the Government's Planning Inspectorate.

8 Defining the housing market area:

- i. The SHMA identifies that Sevenoaks falls within a **West Kent housing market area which includes Sevenoaks, Tunbridge Wells and Tonbridge.** There are also cross-boundary interactions between Swanley, Dartford and London.

9 Identifying overall housing need:

- i. The SHMA identifies an **objectively assessed housing need of 620 new homes per year** across the District (12,400 over the 20 year plan period). **This is an unconstrained figure** based on the latest Government population and household projections, **and is not the District's housing target** Government has attached great weight to protection of the Green Belt and any reduction should only be considered in exceptional circumstances. In these circumstances, and without prejudice to the Local Plan assessment process, the high number of significant local constraints would clearly suggest that the final housing target for new homes to be built in Sevenoaks District will be lower.
- ii. An affordable housing need of 420 new homes per year across the District is also identified, with a recommended mix of 76% social/affordable rent and 24% intermediate housing. Whilst the two figures aren't directly comparable, it is evident that the affordable housing need makes up the majority of the overall housing need. Neither this figure, nor the quoted mix is final; the figure is likely to reduce and the mix change.

10 The need for different sizes of homes:

- i. The SHMA identifies that the greatest need in relation to market housing is for **2 and 3 bedroom homes.**
- ii. For affordable housing, the greatest need is for **1 and 2 bedroom homes.**
- iii. Notwithstanding this, there remains a need for a **balanced mix** of dwellings of different sizes to meet all housing needs.

11 The need for different types of homes:

- i. The SHMA indicates that the population of people aged over 65 accounts for 20% of the total population in the District, and the number of residents aged over 65 is expected to grow by 49% during the plan period.
- ii. A need of **66 homes per year is identified for older people, in the form of sheltered housing and extra care schemes.** These fall within use class C3 (residential) and are within the overall need of 620.

- iii. A need of **26 bedspaces per year is identified for older people, in the form of residential/nursing care**. These fall within use class C2 (institutional population) and as such, are additional to the overall housing need of 620.

Presentation of Findings

- 12 A workshop was held on 29th July for Planning Advisory Committee Members. Presentations were given by GL Hearn and the Planning Policy team, followed by an opportunity to discuss the data and to ask any questions. The draft report was also presented to the Housing Portfolio Holder and her deputies. Members raised concerns about the housing figures quoted and the highly misleading view this gives the public of the number of homes that will need to be built, before constraints are taken into account.
- 13 Further, a joint stakeholder workshop with Tunbridge Wells was held on 9th September for Planning and Housing officers from all neighbouring authorities, Kent County Council and key housing partners. Again, this provided our duty to co-operate partners an opportunity to discuss the data and to ask any questions.

What Happens Next

- 14 Government policy requires us to establish the unconstrained objectively assessed housing need for the District using the most up to date population and household projections and prescribed methodology set out in the Government's Planning Practice Guidance (PPG). The objectively assessed housing need is an **unconstrained figure** i.e. it doesn't take account of the District's constraints and limitations however we are required to prepare this evidence base study and use it as a starting point in order for the Local Plan to be found sound at examination. Importantly, the objectively assessed housing need **is not the District's housing target** and again, without prejudice to the Local Plan assessment process, the high number of significant local constraints would clearly suggest that the final housing target for new homes to be built in Sevenoaks District will be lower.
- 15 Following completion of the SHMA there are a number of steps that we are required to undertake to identify the housing target for the Local Plan. These steps were discussed and agreed by the Planning Advisory Committee on 7th July 2015.
- 16 The first of these steps is to assess the supply of land in the District to establish how much of the need can be realistically delivered. These studies are known as a Strategic Housing Land Availability Assessment (SHLAA) and Employment Land Availability Assessment (ELAA) and they begin with a call for sites whereby landowners, developers, businesses and other interested parties are invited to submit sites that will be assessed for their suitability for housing, employment and retail uses. It will be important to balance any future housing with sufficient employment land. Employment land will only be given up for housing where it is clearly no longer suitable for modern employment uses and it is replaced with more appropriate, better located employment sites. Whilst undertaking this important piece of evidence our focus will be on maximising development opportunities on brownfield land, in particular maximising the opportunities set out below:

- i. Exploring potential for increased site densities, whilst ensuring that any increased density is sensitive to, and reflective of, the character of the area;
 - ii. Exploring potential for focused increased site densities such as near railway stations;
 - iii. Assessing the quantum of under-utilised employment land, whilst ensuring that housing and employment land provision remains balanced and that key well-performing employment sites are protected;
 - iv. Assessing the potential contribution of windfalls;
 - v. Assessing the potential contribution of empty properties;
 - vi. Assessing the potential contribution of office conversions; and
 - vii. Discussing supply options in other authority areas under the Duty to Cooperate.
- 17 A report on the SHLAA and ELAA is timetabled to be presented to the next meeting of the Planning Advisory Committee in January 2016.
- 18 We will endeavour to meet the identified housing need from the above opportunities, however if a shortfall remains then we will then be required, at a later stage in the process, to undertake a focused review of the Green Belt. Other key evidence will also inform the suitability of areas for potential housing development including landscape character, nature conservation and flood risk. **Government has attached great weight to protection of the Green Belt and any reduction should only be considered in exceptional circumstances.** In these circumstances, and without prejudice to the Local Plan assessment process, the high number of significant local constraints would clearly suggest that the final housing target for new homes to be built in Sevenoaks District will be lower.
- 19 We are also required to have regular discussions with our neighbouring authorities under the Government's Duty to Cooperate. These discussions will be key in identifying cross-boundary issues and the potential for any of our neighbours to accept some of the identified housing need will have to be discussed, both at Officer, and later, at Member level.
- 20 Completion of the above steps will ensure that the District Council has a robust evidence base to support the development of the Local Plan and the setting of a realistic and deliverable housing target that will stand up to scrutiny at examination.

Other Options Considered and/or Rejected

The Committee could choose not to endorse the SHMA, however this is not recommended. The previous SHMA was completed in 2008 and is now considerably out of date. To rely on this out of date evidence would lead to the Local Plan being found unsound at examination. But comfort can be given to both Members and the local community at large that the housing target figure is likely to be lower.

Key Implications

Financial

The SHMA is funded through the LDF budget.

Legal Implications and Risk Assessment Statement

Preparation of a Local Plan is a statutory requirement. There are defined legal requirements that must be met in plan making which are considered when the plan is examined by a Government Planning Inspector. Risks associated with Local Plan making are set out in the Local Development Scheme.

Equality Assessment

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups. The decisions recommended through this paper directly impact on end users. The impacts will be analysed via an Equalities Impact Assessment (EqIA) to be prepared alongside each key stage of plan making.

Conclusions

A first stage in the process of preparing a new Local Plan is to establish the up to date housing needs of the District. The consultant GL Hearn was procured jointly by Sevenoaks District and Tunbridge Wells Borough Councils to undertake a Strategic Housing Market Assessment (SHMA), a key piece of evidence from which the Local Plan strategy will be developed. Based on the Government's latest population and household projections the SHMA identifies the objectively assessed housing need across the District. This is an unconstrained figure and is not the District's housing target. In these circumstances, and without prejudice to the Local Plan assessment process, the high number of significant local constraints would clearly suggest that the final housing target for new homes to be built in Sevenoaks District will be lower. It also identifies the need for different sizes of homes, and the need for different types of homes. This report outlines the findings of the SHMA and the full study is attached at Appendix A.

Appendices

Appendix A – Sevenoaks and Tunbridge Wells
Strategic Housing Market Assessment September
2015

Background Papers:

[Reports to Planning Advisory Committee – 7 July 2015 and 13 October 2015 – Local Plan work programme](#)

Richard Morris
Chief Planning Officer