

REPORT TO PORTFOLIO HOLDER FOR PLANNING

REPORT FROM ASSISTANT DIRECTOR, PLANNING SERVICES

SUBJECT: SOUTH ESSEX STRATEGIC HOUSING MARKET ASSESSMENT (SHMA)

1 DECISION BEING RECOMMENDED

- 1.1 That the South Essex Strategic Housing Market Assessment (SHMA) be accepted as part of the evidence base for the new Local Plan.

2 KEY DECISIONS DOCUMENT REFERENCE No: 1/16

3 REASON/S FOR RECOMMENDATION

- 3.1 A South Essex Strategic Housing Market Assessment (SHMA) has been prepared by Turleys Associates as an update to previous versions, which were prepared in 2008, 2010 and 2013. This study assesses in detail, demographic and economic trends and assumptions and identifies the market and affordable housing needs for the District and the wider South Essex housing market area as required by national planning policy and guidance. The purpose of the SHMA is to identify unconstrained 'policy off' housing needs, which will inform housing targets within local planning policy. This study will form part of the Council's planning evidence base to support the preparation of the new Local Plan but does not set policy.

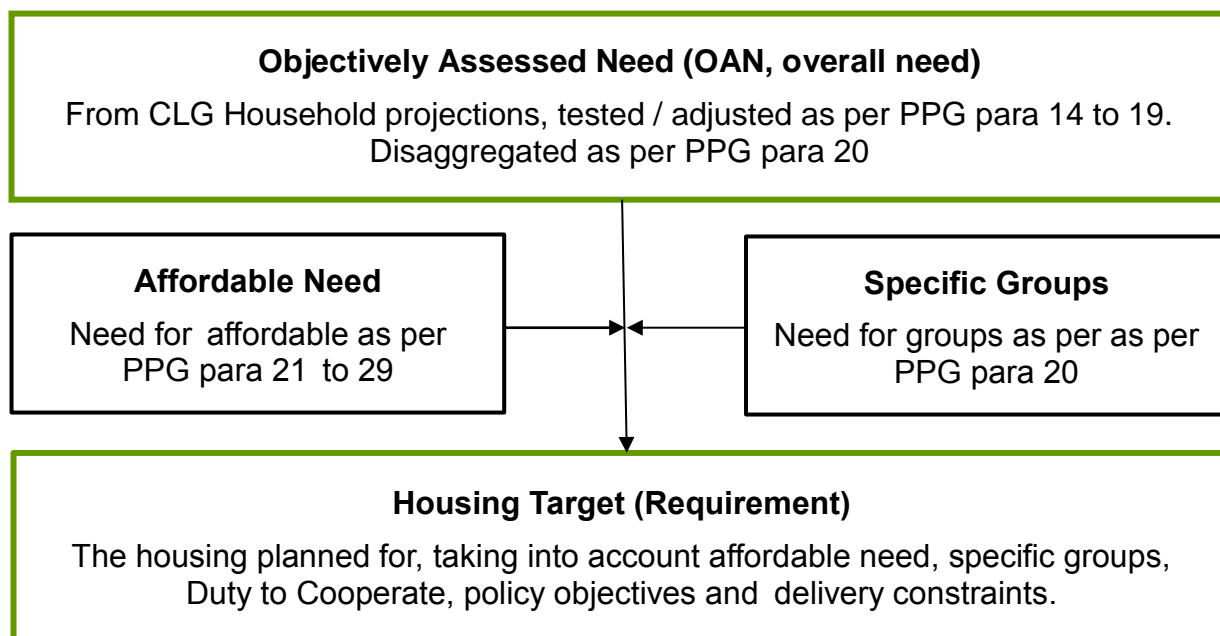
4 SALIENT INFORMATION

- 4.1 The publication of the National Planning Policy Framework (NPPF) on 27 March 2012 – which replaced numerous national planning policy statements and guidance – changed the overall thrust and importance of SHMAs in the plan-making process. Prior to the NPPF, SHMAs primarily focussed on determining the affordable housing needs for housing market areas. Housing targets in contrast were set by Regional Assemblies within Regional Spatial Strategies; housing targets for Rochford District up to 2021 were set out in the 2008 East of England Plan prepared by the former East of England Regional Assembly. Regional Assemblies were abolished in 2010, followed by the abolition of the 2008 East of England Plan on 3 January 2013.
- 4.2 A SHMA for South Essex, which was first undertaken in 2008, was followed by an update in 2010, both prepared by GVA. These studies focussed on identifying affordable housing needs for the District and wider South Essex housing market area (which, in addition to Rochford, includes Basildon, Castle Point, Southend and Thurrock Borough Councils).
- 4.3 Paragraph 47 of the NPPF, which was published in 2012, requires Local Planning Authorities to "use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs (OAN) for market and

affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period". As a result of this change in national policy, and the subsequent change in the purpose of SHMAs, a fundamental review of the previous SHMAs by Opinion Research Services was commissioned by the South Essex authorities in 2013 to ensure compliance with national policy.

- 4.4 The Government's Planning Practice Guidance (PPG) was then launched on 6 March 2014. This online resource provides guidance on the interpretation of policies within the NPPF and, in particular, sets out a broad methodology for undertaking SHMAs. Given the need to ensure compliance with both the NPPF and the PPG, the South Essex authorities determined a need to further review the SHMA to ensure robust evidence to support plan-making across the housing market area. The steering group overseeing the preparation of this most recent SHMA consists of the five South Essex authorities and Essex County Council.
- 4.5 Turleys Associates were appointed in December 2014 by the six authorities to undertake a PPG-compliant South Essex SHMA; broadly with the purpose of:
- Reaffirming the boundary of the South Essex housing market area;
 - undertaking a detailed assessment of demographic and economic projections – based on the most up-to-date data – to determine the objectively assessed needs (OAN) for market housing across South Essex up to 2037;
 - assessing the need for affordable housing through identifying those households in current need and estimating future newly arising need, balanced against supply; and
 - considering the size and type of properties required, including specialist accommodation.
- 4.6 In summary the evidence assessed in the SHMA strongly indicates that South Essex continues to represent an appropriate housing market area across which needs can be robustly assessed. In terms of housing needs, the SHMA concludes that the OAN for the South Essex housing market area is between 3,275 and 3,750 dwellings per annum. For Rochford District this equates to between 312 and 392 dwellings per annum between 2014 (the base date for the study) and 2037. There was found to be affordability issues across South Essex, with need for 1,877 affordable homes annually over the next five years to clear the backlog and meet newly arising needs. Once the backlog is cleared, only newly arising needs will need to be met, requiring 1,767 affordable homes annually over the remainder of the projection period. Taking into account shortfall, over a five year period there is a net annual affordable housing need of 268 dwelling per annum across the District.

- 4.7 However as set out in the NPPF and PPG, a local authority's housing target does not necessarily equal its OAN. The diagram below gives an indication of factors that should be taken into consideration when determining housing targets.



- 4.8 The South Essex SHMA is therefore a key component of the plan-making process and must be considered alongside other evidence in the preparation of the new Local Plan.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The SHMA is a key evidence base document, required by national planning policy, to support the Council's review of its planning policies. Not accepting this independent study as part of the evidence base would impact on the Council's ability to progress the review and fulfil its statutory requirements in terms of plan-making.

6 RISK IMPLICATIONS

- 6.1 As set out above, if the study is not accepted as part of the evidence base, this will have a detrimental impact on the plan-making process for this Council. Given the Government's aspiration to speed up the plan-making process – and a deadline by the government that seeks all Local Planning Authorities to have an NPPF compliant Local Plan by Spring 2017 – this could have significant implications for the Council in the longer term. The government will have the power to intercede if councils fail to deliver a local plan on time.
- 6.2 The SHMA is a joint assessment satisfying the requirements of the NPPF and PPG as well as the Duty to Cooperate. If the Council continues to progress

the review of its planning policies without utilising the information in the SHMA, there is a significant risk that a future Local Plan, on progression to examination, would not be considered sound or legally compliant.

7 LEGAL IMPLICATIONS

- 7.1 Failure to accept the South Essex SHMA as an evidence base document for the new Local Plan could have legal implications as set out in this report.

I confirm that the above recommendation does not depart from Council policy and that appropriate consideration has been given to any budgetary and legal implications.

LT Lead Officer Signature: _____



Date: 27 May 2016

Background Papers:

None.

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