

<b>REPORT TO:</b>	<b>ENVIRONMENTAL AND DEVELOPMENT SERVICES COMMITTEE</b>	<b>AGENDA ITEM: 7</b>
<b>DATE OF MEETING:</b>	<b>5<sup>th</sup> MARCH 2020</b>	<b>CATEGORY: (See Notes) DELEGATED or RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>ALLISON THOMAS</b>	<b>OPEN</b>
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<b>SUBJECT:</b>	<b>STRATEGIC HOUSING MARKET ASSESSMENT 2020</b>	
<b>WARD(S) AFFECTED:</b>	<b>ALL WARDS</b>	<b>TERMS OF REFERENCE: EDS 03</b>

## **1.0 Recommendations**

- 1.1 That the Committee notes the content of the report together with the Strategic Housing Market Assessment (SHMA) 2020 Executive Summary (at Appendix 1).
- 1.2 That the Committee endorses the SHMA 2020 to be used both as required by the adopted Local Plan and as a material consideration, to assist in the determination of planning applications.
- 1.3 That the Committee endorses the production of a draft Affordable and Specialist Housing Supplementary Planning Document (SPD), to be brought to this Committee prior to public consultation.

## **2.0 Purpose of the Report**

- 2.1 To enable the new SHMA to be endorsed by the Committee. The updated SHMA was commissioned in June 2019 following the publication of the revised National Planning Policy Framework (NPPF) in February 2019. The SHMA provides an overarching perspective on housing requirements from all sectors across the District.
- 2.2 This piece of research will be used to inform future planning negotiations and decisions relating to new housing, including affordable housing across the District.

## **3.0 Executive Summary**

- 3.1 The SHMA was commissioned by the Council in June 2019 to provide a holistic evidence-based piece of research that could be used to inform decision making within Planning and Strategic Housing.

- 3.2 Initially the Strategic Housing Team explored the possibility of undertaking a Housing Market Area-wide SHMA with Amber Valley Borough Council and Derby City Council, however the timing was not right for the local plan production of those authorities.
- 3.3 The research methodology was compiled to ensure that the future housing requirements of the District are captured, including specialist groups, enabling informed decisions to be made about the type, tenure, design and location of new homes across South Derbyshire.
- 3.4 The main findings from the SHMA are summarised within the Executive Summary at Appendix 1. The full report is attached as Appendix 2.

#### **4.0 Detail**

- 4.1 Since the last SHMA was produced in 2013, there have been many changes to both the housing market and the NPPF. This SHMA focuses in detail on the future housing needs of the District and will provide greater transparency for developers who want to invest in South Derbyshire.
- 4.2 The SHMA provides a holistic evidence base that incorporates historic data, predicted trends and current information relating to housing need from the Housing Register. The SHMA will assist many service areas across the Council and will inform decisions relating to new build Council housing, acquisitions, regeneration, asset management and planning, as well as assisting joint working with neighbouring Councils to ensure new housing on the Derby Fringe reflects actual demand.
- 4.3 The SHMA provides the evidence for what was already known anecdotally relating to specialist housing, lifetime homes requirements and vulnerable households. The study evaluates socio-economic and health data sourced from ONS (Office of National Statistics), POPPI, (Projecting Older People Population Information), Public Health England, the Census 2001 and 2011 and CoRe<sup>1</sup> data, and analyses information from the Council's datasets relating to housing requirements, dwelling types and stock condition within the District.
- 4.4 The affordability ratio across South Derbyshire averages 6.96, which means the average cost of purchasing market housing is nearly seven times the average salary for the District. This figure has increased from 4.22 since 2002. This compares to the national equivalent of 5.12 in 2002 rising to 8.00 in 2018. There is a need for 325 social and affordable rented homes per year for the remainder of the Local Plan period, that is to 2028. At a sub-market level, this can be broken down to 107 homes in the Derby Fringe, 162 homes in the Swadlincote and South Fringe and 58 homes in the North West Fringe.
- 4.5 The SHMA supports the delivery of affordable housing for rent to be weighted towards the delivery of social rented housing above affordable rented housing. This will help to ensure social housing rents stay well below Local Housing Allowance (LHA) rates and that homes are genuinely affordable irrespective of what part of the District they are built in.
- 4.6 The evidence supports that shared ownership is the most appropriate form of affordable home ownership. However, based on affordability analysis, there is a

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<sup>1</sup> The continuous recording of lettings and sales in social housing in England (referred to as CoRe) is a national information source that records information on the characteristics of both private registered providers and local authority new social housing tenants and the homes they rent

surplus (22 homes) of affordable home ownership per year. Where alternative forms of affordable home ownership are delivered, it will be important that the homes are truly affordable. The SHMA gives an indication of the threshold that property prices should be capped at to be deemed affordable.

- 4.7 The focus of market housing should be on two and three bedroomed homes to meet the demand for family homes from newly forming households. In comparison, affordable housing for rent should be focussed on achieving a more even split of one, two and three bedroomed homes. Taking existing stock into consideration, the Council and its Registered Provider partners therefore need to build more one and two bedroomed homes (see housing requirements table below):

	1-bed	2-bed	3-bed	4+-bed
Market	0-5%	20-25%	50-55%	20-25%
Affordable home ownership	10-15%	40-45%	35-40%	5-10%
Affordable housing (rented)	25-30%	35-40%	25-30%	5-10%

- 4.8 There is a growing ageing population, with anticipated increases in the incidence of Dementia, mobility problems and hearing loss amongst this group. Existing housing stock does not meet the needs of this population, with a shortfall identified in specialist housing, nursing care and homes built with the features to allow someone to live independently for longer.

## **5.0 Financial Implications**

- 5.1 There are no direct financial implications associated with the approval of this report.

## **6.0 Corporate Implications**

### **Employment Implications**

- 6.1 There are no direct employment implications associated with the approval of this report.

### **Legal Implications**

- 6.2 The adoption of the revised SHMA will enable the Council to use up to date, robust data with which to negotiate future development sites and defend legal challenges relating to affordable housing where viability is being challenged.

### **Corporate Plan Implications**

- 6.3 The proposals contained within this report will facilitate and deliver a range of integrated housing and community infrastructure.

### **Risk Impact**

- 6.4 The risk of not having robust evidence on which to base decisions relating to planning, affordable housing delivery and specialist housing will be mitigated by the adoption of this report.

## **7.0 Community Impact**

### **Consultation**

- 7.1 The SHMA will be made publicly available on the Council's website.

### **Equality and Diversity Impact**

- 7.2 There are no adverse effects relating to equality and diversity arising from this report. However, the report highlights the need for more specialist accommodation, housing for the aging population and need for adapted homes, therefore endorsement of the recommendations contained in the SHMA will lead to improved access to housing for a more diverse range of households.

### **Social Value Impact**

- 7.3 The social value associated with this study can be measured by the extent of the impact it will have on new sites going forward. The Council will have the benefit of robust evidence to justify why affordable housing should be delivered on site (or not) and whether proposed affordable housing delivery is going to meet demand and reflect the housing need that exists within that area of the District.

### **Environmental Sustainability**

- 7.4 The research findings contained within the SHMA identify what type of housing is required to meet the needs of the District's expanding population and will help to ensure the right type of homes in the right locations are built.

## **8.0 Conclusions**

- 8.1 It is recommended that the Affordable Housing SPD is reviewed to ensure it is aligned with these research findings. This revised SPD will include new requirements for specialist housing provision linked to Policy H20 E of the adopted Local Plan, to increase the provision of accessible and adaptable homes, including homes meeting wheelchair accessible standards, across the District.
- 8.2 The timing of a subsequent update to the SHMA will, amongst other factors such as changes in national policy, also depend on when evidence is required for local plan reviews.

## **9.0 Background Papers**

Appendix 1 – Executive Summary: Strategic Housing Market Assessment, January 2020  
Appendix 2 – Strategic Housing Market Assessment, January 2020