

MAIDSTONE BOROUGH COUNCIL
RECORD OF DECISION OF THE CABINET

Decision Made: 10 September 2014

STRATEGIC HOUSING MARKET ASSESSMENT UPDATE

Issue for Decision

To consider the key findings arising from the report of the Head of Planning and Development relating to the Strategic Housing Market Assessment Addendum. The addendum report has been prepared as a focused update of the Strategic Housing Market Assessment (January 2014) to deal with two specific issues; 1) the implications on the borough's 'objectively assessed need' for housing of the most recent population projections published by the Office of National Statistics (ONS); and 2) the new National Planning Practice Guidance requirement to quantify the future need for care home places.

Decision Made

- a) That the revised objectively assessed need for housing of 18,600 dwellings be adopted and that this be used as the basis of determining future housing provision for 2011-31;
- b) That a figure of 960 additional care home places in the borough be adopted as the basis for determining care home places in the borough for 2011-31; and
- c) That the GL Hearn reports be noted as part of the evidence base for the emerging Local Plan.

Reasons for Decision

The Council's Strategic Housing Market Assessment (SHMA) was completed in January 2014. The firm G L Hearn had been commissioned jointly by Ashford, Tonbridge & Malling and Maidstone Borough Councils to undertake separate SHMAs for each authority following a common methodology. Maidstone borough's SHMA found that there is an 'objectively assessed need' for some 19,600 additional dwellings in the borough over the period 2011 to 2031. Cabinet agreed this figure as the basis for determining future housing provision at its meeting on 27th January 2014.

Members will be aware that the 'objectively assessed need' figure is a measure of the need ('demand') for new housing. It is distinct from the housing target in the emerging Local Plan which will take account of site availability and development constraints.

In the light of two specific new pieces of information published since the main SHMA reports were concluded, the three authorities have recently commissioned G L Hearn to undertake a focused update of selective elements of the SHMA as an addendum to the main report. The substantive content of this Council's main SHMA report is unchanged; the report will continue to be a key part of the evidence base for the emerging Local Plan. The two pieces of information are;

- a. The publication of the Office of National Statistics' 2012-based Sub-National Population Projections (SNPP) on 29th May 2014; and
- b. The finalised National Planning Practice Guidance (NPPG) published in March 2014 indicates that Local Planning Authorities should assess and quantify future needs for elderly persons' accommodation, including residential care homes.

The findings in the addendum to the main SHMA covering these two points are addressed in turn below. The addendum report itself was attached as Appendix A to the report of the Head of Planning and Development.

The findings were considered by the Planning, Transport and Development Overview and Scrutiny Committee at its meeting on 19th August 2014. The recommendations from that meeting were attached as Appendix B to the report of the Head of Planning and Development.

2012-based Population Projections

The starting point for the main SHMA report's assessment of the 'objectively assessed need' for additional housing were the interim 2011-based Sub-National Population Projections (SNPP) published by the Office for National Statistics (ONS) in September 2012. A strength of the SNPP is that they provide a common framework for policy and service planning across a range of fields (not just land-use planning) as they are prepared in a consistent way.

Revised projections are regularly issued by the ONS. The NPPG is clear that not every new set of demographic projections should instigate a review of housing needs evidence; "this does not automatically mean that housing assessments are rendered outdated every time new projections are issued."¹

The significance of the 2012-based projections, however, is that they are the first to be published which take full account of the 2011 census results. They also extend to cover the period to 2037, i.e. up to and beyond the full Local Plan period, whereas the 2011-SNPP were interim projections to 2021 which then had to be extrapolated to 2031 as part of the SHMA. The three commissioning authorities agreed that it is prudent for the implications of these projections to be reviewed to provide a sensitivity analysis for the main SHMA taking account of this most recent demographic information.

The methodology followed to derive the objectively assessed needs figure in the light of the 2012-based SNPP projections has been the same as was used in the main SHMA report.

In producing the 2012-based SNPP, the ONS has updated its assumptions about future mortality and fertility rates. The latter will have limited significance for future housing requirements to 2031 as few people born in this period will become a 'head of household' by 2031. The more significant driver for differences between the 2011 and 2012 based projections is the ONS' adjusted assumptions around migration:

- a. ONS is now projecting a slightly lower average level of net migration for the borough in the 2012-based SNPP, slightly below recent trends, than was assumed in the SHMA (which was linked to 2011-based SNPP). In doing this, the ONS projections of migration take account of a number of factors including:
 - i. Expectations for international migration
 - ii. Changes in the age structure of the population in different areas of the country and how this will influence migration flows over time
- b. 2012-based SNPP no longer adjusts future levels of migration based on 'unattributable population change' (UPC). The SHMA did take account of UPC which resulted in increased modelled levels of net migration by some 110 people/annum.

Overall the 2012-based SNPP projects a lower level of population growth than the core projection used in the SHMA. The outcomes of the revised projection for future dwelling requirements (2011-31) are set out in the following table.

	2014 SHMA	Addendum (2012-based SNPP)	Difference
Total housing need ('objectively assessed need')	19,600	18,600	-1,000
Annual requirement	980	930	-50

This shows a reduction in the total requirement by some 1,000 dwellings compared with the main SHMA report. The updated 'objectively assessed need' is for some 18,600 dwellings (2011-31) equating to 930 dwellings/annum.

As was the case in the main SHMA, based on these figures there is found to be no affordable housing or local economy justification to revise the total housing requirement upwards.

Changes in working population: the projected number of people in employment in the 2011-31 period has also been updated to take account of the 2012-based SNPP. This shows growth in the working population of some 17,296 people compared with 20,016 in the main SHMA. This finding is strongly linked to the overall changes in population. People migrating into the borough are more likely to be of working age. On this basis it is not surprising that the adjusted (reduced) migration levels in the 2012-based SNPP leads to a reduction in the overall increase in the working population (17,296 people rather than 20,016).

In collaboration with G L Hearn, officers will monitor future statistical releases from ONS and the Department for Communities and Local Government to understand whether or not they have significant implications for the objectively assessed need figure. The NPPG guidance underlines that each new release does not automatically discredit previous assessments or generate a need for a new assessment.

Registered Care Accommodation needs

The NPPG indicates that local planning authorities should have an understanding of older persons' housing needs, including for registered care homes². The Guidance goes on to indicate that accommodation for older people, including additional care home spaces, can be counted towards their overall housing needs³.

The second purpose of the SHMA addendum has been to quantify care home needs, comprising residential care homes and nursing homes.

The assessment has drawn on local data in the recently published KCC Adult Accommodation Strategy (July 2014) as well as the projected increases in the number of those aged 75+ in the 2012-based SNPP to help quantify the need for additional care home spaces.

The findings for Maidstone borough are set out in the following table.

	Total additional bedspaces (2011-31)	Bedspaces/annum
Care home bedspace need	960	48

The need for 960 elderly care home spaces (2011-31) is additional to the need for 18,600 new dwellings (the 'objectively assessed need') over the same period. The assessments have been undertaken in a way which ensures there is no double-counting between the need for additional care home places and the separate need for additional homes.

In contrast, the need for additional elderly sheltered and extra care accommodation is included within the 18,600 dwelling figure.

The need for care home spaces will be addressed through the granting of planning permission and, if appropriate, the identification of sites in the

² NPPG: Housing and economic development needs assessments, paragraph 021.

³ NPPG: Housing and economic land availability assessment, paragraph 037.

emerging Local Plan. Some 61 additional care home bed spaces have been completed between 1st April 2011 and 31st March 2014 which will count towards the achievement of the above overall need figure of 960 bedspaces. In addition, there are extant consents (at 31st March 2014) for some 91 additional bedspaces (net). The supply of new bedspaces will continue to be monitored through the Kent County Council's annual Commercial Information Audit.

Alternatives considered and why rejected

It could have been decided not to commission the selective update to the SHMA report. However this is not considered to be a prudent approach as the three commissioning authorities had previously agreed that the projections need to be reviewed to provide a sensitivity analysis for the main SHMA taking account of this most recent demographic information.

Background Papers

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Policy and Communications by: **19 September 2014**