



# West of England Strategic Housing Market Assessment review

## Pre-production Brief Consultation March 2013



Planning strategically  
across local boundaries

**West of England**

Bath & North East  
Somerset Council



North  
Somerset  
Council

South Gloucestershire  
Council

## Introduction

1. The National Planning Policy Framework requires local authorities to prepare a Strategic Housing Market Assessment (SHMA). A SHMA is an objective assessment of local housing needs. These assessments should consider housing market areas, and therefore need to be prepared jointly between neighbouring authorities.
2. The West of England Strategic Housing Market Assessment will be an important part of the evidence base to inform the monitoring of core strategy policies. It will inform policy makers of the context of decisions on the quantum of housing to be planned for, the type of housing that is required and where it should be developed to best meet the needs of our local communities now and in the future.
3. The evidence needs to be clear, transparent and inform policy makers of what to plan for to enable the delivery of a sustainable mix of housing that takes account of the full range of housing needs.

## Proposed approach

4. The West of England Authorities have worked together formally for many years on consistent housing monitoring, production of Strategic Housing Land Availability Assessments, and the West of England Strategic Housing Market Assessment. However monitoring is an ongoing process and will inform the evidence base and lead to updates of the evidence when appropriate.
5. The Authorities have published this Pre-production brief to set out the proposed approach to undertaking a shared SHMA review.
6. The SHMA is a technical exercise that needs to consider many variables that have complex relationships to one another, across several local authorities.
7. The SHMA project programme will therefore comprise the following workstreams:

<b>Workstream 1</b>	<b>Economic Growth Scenarios</b>
<b>Workstream 2</b>	<b>Demographic Scenarios</b>
<b>Workstream 3</b>	<b>Housing supply and summary outputs from SHLAAs</b>
<b>Workstream 4</b>	<b>Housing needs elements including the needs of specific groups</b>
<b>Workstream 5</b>	<b>Bringing all of these elements together into a final SHMA report.</b>

8. An outline of the scope for each workstream is at appendix 1.
9. It is anticipated that to complete these work streams commissioning of specialist consultants/services will be required. **Any comments or views on the proposed approach as set out in this pre-production brief are welcome. These views will help inform and shape the final brief for the SHMA and the appointment of successful consultants.**

## Scope of SHMA

10. It is anticipated that the final SHMA output would detail ranges of housing requirement at the West of England level and at Unitary Authority level, (subject to the chosen consultants approach). Individual authorities will require appropriate evidence to draw on and inform them of how they may determine their sustainable locally derived housing targets, and to make choices based on their own strategic objectives.
11. In this approach it is important to note that the SHMA would not set housing numbers as it is technical work to inform policy rather than set policy itself.
12. However, this will need to be done within the context of the overall requirement at the West of England level and will require effective cross boundary cooperation as required in the Duty to Co-operate.
13. It is also important to note that the Housing Market Area will need to be defined either re-affirming the existing Sub-regional Housing Market Area (as defined in the Regional Spatial Strategy), as still relevant, or evidencing an alternative.

## Going Forward

14. The West of England Authorities working with our key stakeholders and partners are committed to reviewing the SHMA to help inform strategic planning. There are practical timing issues, regarding the publication of census information, which will be required to input into any assessment, and the anticipated confirmation of housing allocations in adopted local plans (as current Core Strategies are finalised/progressed).
15. Lord Taylors recent review of planning guidance has also implied that there will be new SHMA and SHLAA guidance (possibly combined guidance), to consider in SHMA preparation.
16. The West of England will continue to work with our neighbouring Authorities to determine the best approach to undertaking the SHMA review.

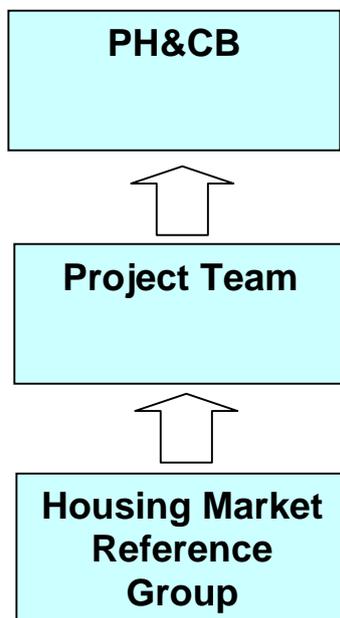
### Proposed Programme Timetable

17. It is anticipated that taking into account the practical issues above and any comments received on this pre-production brief, invitations to quote by suitably qualified consultants could be sought during summer 2013. Consultants could be appointed in the early autumn, ready to start on the work streams as data becomes available around October 2013. On that basis interim findings could be available at the end of 2014, with a final draft report anticipated in 2015, which could feed into any update of Core Strategies as appropriate and necessary. The proposed SHMA programme is set out below.

<b>Mar-May 2013</b>	<b>Consultation on a Pre-production brief</b>
<b>Summer 2013</b>	<b>Consider outcomes of pre-production brief consultation</b> , and draft brief for each work stream/commissioning of consultants.
<b>Autumn 2013</b>	Finalise the Brief and identify commissioning arrangements. Commission consultants in principle (and subject to the outcome of the HMA Area boundary), for work streams as required
<b>Spring/Summer 2014</b>	On basis of all data available (2011 Census), work streams commence.
<b>Winter 2014/15</b>	First output (likely interim findings)

### Joint working and the duty to co-operate

18. Existing resources and structures will be used where possible. The proposed governance arrangements are set out in the diagram with further detail below:



19. The West of England Planning Housing & Communities Board- will receive progress reports from the project team. Comprises of Executive Members or appropriate representatives from each Authority with the portfolio for Planning and Housing.

20. Project Team: preparation and technical work will be undertaken by a small working group of specialists in housing and planning in the Local Authorities and projected managed by the West of England Office.

21. A Housing Market Reference group – will challenge and act as a critical friend, considering assumptions and methodology to be used in the SHMA review and giving their views to the project team. Invited representation from those bodies listed as statutory consultees in the Localism Act under the duty to cooperate as appropriate e.g:

- Housing/Planning/Economic Development officers UAs
- LEP/Business representation
- Lead SHMA officer of neighbouring authorities
- Lead SHMAA Officer of non –neighbouring authorities.
- Home Builders Federation
- Registered Providers
- Homes & Communities Agency
- Private Landlords
- Economic Intelligence Panel (LEP)

22. Wider stakeholder engagement could take place at key stages of the process through workshops.

**This project is a technical piece of work and we have targeted people with direct experience or expertise in this topic area. Comments are also welcome from other interested parties. Comments on the pre-production brief or on the workstream outlines are welcome between March 28<sup>th</sup> and May 31<sup>st</sup> 2013. Please send your comments to [laura.grady@westofengland.org](mailto:laura.grady@westofengland.org)**

Please note we will not be providing individual responses as a matter of course. We will record your comments and will publish our responses when the SHMA review is completed.

## Appendix 1: Outlines scope for workstreams for the SHMA review.

The workstreams may be undertaken by one or more consultants, but it is acknowledged that these workstreams will need to be considered alongside each other and the relationships between them clearly analysed to understand how various aspects of the population and our economy will impact on various aspects of housing need.

<b>Workstream 1: Economic growth scenarios</b>	
To commission scenarios (likely to be from 2016 and up to at least 2036 at both UA level and WofE level) to include:	
1a.	<b>Economic Growth</b> measured in Gross Value Added - scenarios chosen could be above and below (OBR) Office of Budget Responsibility projections, and a longer term projection based on historic trends.
1b.	<b>Job numbers/land supply</b> from Core Strategy growth expectations & LEP ambitions
1c.	<b>Possible economic forecasts</b> to allow for how variables may affect the economy as we move forward <sup>1</sup> as projections will only extrapolate existing trends
<b>Workstream 2: Demographic Scenarios* will require Census 2011 information</b>	
To commission scenarios and forecasts (likely to be from 2016 and up to at least 2036 at both UA level and WofE level) around:	
2a.	<b>Population Projections</b> (including age structure and components of change) (Census 2011 anticipated May 2014)
2b.	<b>Sensitivity testing projections</b> in terms of Migration & Zero net migration*
2c.	<b>Household projections</b> including headship rates (household formation) *
2d.	<b>Workforce and economic activity</b> , including resident workforce, and employment projections*
2e.	<b>Jobs</b> -rates of employment *
2f.	<b>Confirmation of the housing market area</b> – informed by the Census 2011
2g.	<b>Possible locally (UA) derived demographic forecasts</b> given that ONS national projections will only extrapolate existing trends (useful to compare with 2a, anticipated May 2014)
<b>Workstream 3: Housing supply and summary outputs from SHLAAs</b>	
Consistent approaches to defining & summary output tables of housing land supply.	
<b>Workstream 4: Housing needs elements</b>	
Likely to be a modelled approach (with separate information for the Gypsy and Traveller Needs Accommodation Assessment element), which may be undertaken separately but will need to be brought into the SHMA.	
Assumptions taken from above workstreams- economic growth, housing supply and detailed housing data will feed into a modelled approach along with other socio-economic variables which could include:	
<ul style="list-style-type: none"> <li>• Household earnings and incomes</li> <li>• Interest rates and availability of credit, change in the mortgage market</li> <li>• Housing stock, completions, conversions, vacancies, tenures.</li> <li>• Allocations of housing- new supply</li> <li>• Social housing provision by tenure</li> <li>• House prices</li> <li>• Private rental market</li> </ul>	

<sup>1</sup> note that projections will only extrapolate existing trends and therefore do not allow for consideration of how policy interventions or other external factors may affect future positioning.