

Local Plan Panel Meeting	
Meeting Date	09 July 2020
Report Title	Housing Market Assessment for Swale Borough
Cabinet Member	Cllr Mike Baldock, Cabinet Member for Planning
SMT Lead	James Freeman
Head of Service	James Freeman
Lead Officer	Jill Peet
Key Decision	No
Classification	Open
Recommendations	1. It is recommended that Members note the content of this report and endorse it as part of the evidence base for the local plan review

1 Purpose of Report and Executive Summary

- 1.1 Local planning authorities are required to identify what their local housing needs are using the government's standard method set out in national planning guidance. Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed so that it can then, in turn be reflected in planning policies. This technical assessment is carried out using specific models that comply with government policy and guidance.
- 1.2 The report sets out detailed information about the size profile and the tenure split for the period 2022 to 2038 for new dwellings. It also sets out the number of specialist dwellings for older persons needed and the need for new adapted housing to meet the needs of people with disabilities.
- 1.3 The purpose of this report is to present the headline findings of this key piece of evidence.

2 Background

- 2.1 The standard method for assessing local housing need identifies an overall minimum average annual housing need figure but does not break this down into the housing need of individual groups. The Housing Market Assessment for Swale has been carried out by specialist consultants to provide this detailed information of the Borough's future housing needs for the local plan review.
- 2.2 The report itself is contained in appendix I of this report and the headline findings are as follows:
 - The housing market profile for Swale has strong connections with Medway and Canterbury but is distinct from it and can clearly be viewed as its own housing market

- For the purposes of this technical assessment of housing need and following government policy and guidance using the standard method approach, the annualised local housing need for the period 2022 to 2038 is 1,038
- Market accommodation in Swale is cheaper than regional equivalents, local incomes are also notably lower and therefore affordability of market housing is an issue.
- There is a significant gap between the cost of social/affordable rent and market rents which could be filled by intermediate products
- There is a large gap between entry level market rents and entry level home ownership which could be addressed by Discount Home Ownership options
- The standard method local housing need calculation of 1,038 is disaggregated using the Long Term Balancing Housing Markets model (LTBHM) to identify the tenure and size of housing that should be sought over the plan period to best accommodate the future population
- The affordable housing model (AHM) is used to provide an unconstrained estimate of the amount of affordable housing required. The affordable housing need figure is calculated in isolation from the rest of the housing market to indicate whether or not the Standard Method figure should be increased as this would increase the amount of affordable housing provision.
- The total annual affordable housing need in Swale is 287, 27.7% of the annual Standard Method figure of 1,038
- Subject to viability, it is reasonable to presume the affordable housing need identified in the model will be addressed by the dwelling growth identified by the Standard Method and no adjustment is required to the Standard Method to increase affordable provision
- The LTBHM outputs determine the size and tenure of the new housing required as a guide, acknowledging that the Council may wish to divert away from this profile in particular instances.
 - In terms of size profile, the greatest demand in market housing is for 3 bed properties, then 2 bed properties, and 4+ bed properties, the lowest demand being for 1 bed properties.
 - For Help-to-Buy/Starter Homes, the demand is reasonably level with 3 bed properties, 2 bed properties, 1 bed and 4+ bed
 - For shared ownership, the demand is highest for 2 bed properties, 1 bed and 3 bed properties and then 4+ bed properties
 - Affordable rent demand is highest for 3 bed properties, then 1 bed properties, 4+ bed properties and then 2 bed properties
 - The tenure split is:
 - 72.8% market housing
 - 18.0% affordable rent
 - 4.3% shared ownership
 - 4.9% help to buy/starter homes
 - Class C3 (specialist dwellings for older persons) need is for 516 additional units of sheltered housing required
 - An additional 305 Registered Care spaces (nursing and residential care) will be required (NB this additional accommodation is required to meet the future institutional population and therefore does not form part of the new housing to meet the Standard Method local housing need)

- The need for new adapted housing M4(2) Category 2 is required for an additional 4,200 households, of which 500 should be M4(3) Category 3 homes – wheelchair user dwellings
- Report recommends that the most effective approach to ensuring the housing stock has the flexibility to meet the requirements of the future population would be for the Council to implement a policy of universal Category 2 standards in new build housing

3 Proposals

- 3.1 In due course, Members will need to consider all of the evidence before them and the options for policy development within this context. Member workshops are planned for later this month where some of the options will be discussed. Viability evidence will also need to be considered in terms of the steer from Members and again, workshops are planned for this over the coming months as the local plan progresses.
- 3.2 The technical report is contained in appendix 1. It is a key document for the local plan review and its production is a requirement under paragraph 61 of the National Planning Policy Framework (NPPF) in that it provides the evidence needed to feed into policies for housing. Members are asked to note the content of the report and the appendix.

4 Alternative Options

- 4.1 There would be no benefit for Members to disregard the content of the attached report. It has been prepared by specialist experts using a methodology that is in line with government policy, guidance and best practice. This information, along with other evidence, in particular viability evidence will help to shape the housing policies in the local plan review. Without this information, policies cannot be based on evidence and will not be found 'sound' when the local plan review is examined. Therefore, there are no realistic alternatives.
- 4.2 Should the Council decide not to proceed with a local plan review as per the NPPF and national planning policy guidance this could place the Council at risk of intervention by the Ministry of Housing, Communities and Local Government and potential increase the risk of adhoc, unplanned development taking place and dilute the ability of the Council to secure affordable housing in new developments.

5 Consultation Undertaken or Proposed

- 5.1 The local plan review process is subject to public consultation. The technical evidence reported here will be used along with other technical work to draft the content of the local plan review document that will be brought before this Panel for endorsement in due course.

6 Implications

Issue	Implications
Corporate Plan	Priority 1: Building the right homes in the right places and supporting quality jobs for all.
Financial, Resource and Property	Work undertaken within existing Local Plan project budget.
Legal, Statutory and Procurement	None identified at this stage.
Crime and Disorder	None identified at this stage.
Environment and Sustainability	The Housing Market Assessment is one element of the Local Plan Review evidence base. A Sustainability Appraisal / Habitats Regulation Assessment Framework has already been established for the Local Plan Review process. Future local plan consultations will be accompanied by a Sustainability Appraisal / HRA document and subsequent key stages of the process will also be subject to SA/HRA.
Health and Wellbeing	None identified at this stage.
Risk Management and Health and Safety	None identified at this stage.
Equality and Diversity	The Local Plan process will be subject to a Community Impact Assessments at appropriate points.
Privacy and Data Protection	None identified at this stage.

7 Appendices

7.1 Appendix 1: Housing Market Assessment for Swale

8 Background Papers

8.1 None.