

Cambridge Centre
for Housing &
Planning Research

**Providing the evidence base for
local housing need and demand
assessments**

Appendices

**Sarah Monk, Anna Clarke and Fiona Lyall
Grant**



**UNIVERSITY OF
CAMBRIDGE**

Contents

Annex 1: Review of current policy.....	2
Annex 2: Results from planners' survey.....	9
Annex 3: Findings from the stakeholder interviews	21
Annex 4: Findings from local authority interviews	25
Annex 5: Topic guide for planners' telephone interviews.....	29

Annex 1: Review of current policy

Abolition of regional spatial strategies

The first major change in planning policy in this Parliament was the abolition of Regional Spatial Strategies (RSS). This had been promised in the conservative party manifesto and was announced by the Minister on 6 July 2010. The only exception was the London Plan, where the London regional government has been retained under the Mayor. In August the developer Cala Homes asked for a judicial review of the decision, claiming it was unlawful (Property Week, 2010). This was initially successful and RSS were re-established on 10 November 2010. A subsequent challenge by Cala Homes to stop planners using the intended revocation of RSS as a 'material consideration' was lost at the High Court (DCLG, 2011a). The RSS thus remain part of the statutory development plan but it is up to local planners to decide what weight to give to any 'material consideration'. The RSS will finally be abolished once the Localism Bill, currently still going through Parliament, is finally passed.

The abolition of RSS was preceded by the abolition of the National Housing and Planning Advice Unit (NHPAU). This was established explicitly to assist regional planning bodies / local authority leaders' boards in both policy making – to enable more homes to be built – and in providing an adequate and robust evidence base to support these policies. The removal of a whole tier of planning and advice will have a substantial impact on the way that housing needs are forecast and provided for through the planning system (TCPA, 2011). While not supporting the previous top down methods, the Town and Country Planning Association (TCPA) nevertheless raises concerns that an exclusively local consideration of housing needs will not match what was achieved by a nationally organised and regionally and locally expressed housing regime based on targets (TCPA, 2010). One consequence of the changes could be a significant under-supply of housing because local housing needs assessments may not consider international, national and regional housing pressures.

The abolition of RSS has been criticised by many, including the Select Committee on Communities and Local Government. The committee produced a report, *Abolition of Regional Spatial Strategies: A Planning Vacuum?* on 17 March 2011 after hearing evidence from a wide range of stakeholders, experts and interested parties. The report does not pass judgement on the merits of regional strategies but expressed concern about the hiatus created by their intended abolition. The resulting inertia is likely to hinder development, making it harder to deliver necessary facilities such as waste disposal sites, mineral workings or sites for gypsies and travellers. It will also make it more difficult to ensure that the national need for new housing is met.

The committee was also concerned about the lack of robust and consistent evidence to support local development plans.

The government's response to the report failed to take account of the weight of evidence in two key areas: the need for a stronger strategic framework for planning at the larger-than-local level; and the problems associated with the New Homes Bonus scheme (see below). However, the government did agree to review progress and report back to the committee after three years.

Emphasis on growth

The new government also introduced a new emphasis on economic growth. The Minister for Decentralisation issued a Written Ministerial Statement on 23 March 2011 on Planning for Growth and a letter from the Chief Planners to all Chief Planning Officers pointed out that this statement was capable of being regarded as a material planning consideration. The changes introduced in this Written Statement include a strong presumption in favour of

sustainable development, the need for authorities to identify and meet the housing, business and other development needs of local areas and the need to maintain a flexible and responsive supply of land for key sectors, including housing. Importantly, to ensure that development can go ahead, all local authorities should reconsider, at developers' request, existing S106 agreements that currently render schemes unviable, and where possible to modify those obligations to allow development to proceed.

The government introduced a Growth Review which also announced important changes related to previously developed land and buildings. Through the National Planning Policy Framework (see below) the government aims to localise choice about the use of previously developed land by the removal of the national target for the amount of housing development that should take place on such land (previously 60%).

The government is also consulting on proposals to change the Use Classes Order to make it easier to convert vacant commercial premises to housing.

Community Infrastructure Levy (CIL)

The letter from the Chief Planners also reminded local authorities about changes to planning obligations introduced through the CIL Regulations 2010. Planning obligations are being scaled back alongside the introduction of CIL, although CIL is voluntary. However, two key features of the scaling back apply to all planning obligations whether or not CIL is introduced in an area. The first is to impose statutory tests on planning obligations for developments given planning permission after 6 April 2010 – that obligations must be a) necessary for the development to go ahead b) directly related to the development and c) fair and reasonably related in scale and kind to the development. Second, after 2014 or the adoption of CIL, whichever is sooner, local authorities will no longer be able to pool more than five planning obligations to a single project which could be financed by CIL. This will make S106 tariffs which fund such projects inoperable. The government considers that CIL is a fairer, more transparent and predictable mechanism where viability is properly assessed at an early stage of the charging schedule.

Localism Bill

New powers being introduced in the Localism Bill will give local people a real voice to shape development in their area through a neighbourhood plan, from determining the locations of shops, offices and schools to setting the standards of design for new housing (DCLG 2011).

To ensure communities have the right support and advice to meet their own aspirations, Mr Clark announced four organisations with renowned expertise in planning who will share a £3.2m fund to provide assistance to local groups developing neighbourhood plans (DCLG 2011b).

Communities can choose to take up free advice and guidance depending on their needs through The Prince's Foundation, Locality, The Royal Town Planning Institute, and the National Association of Local Councils in partnership with the Campaign to Protect Rural England.

Each organisation will use its expertise, skills and track record advising on development to empower communities to reach the full potential of their neighbourhood plan from start to finish, from understanding the planning process and finding local solutions through to developing clear documents and building community support. This will include free impartial advice, practical workshops with local authorities and community groups, tailored on-line resources, networking tools and telephone advice lines.

The Localism Bill is currently (October 2011) with the House of Lords. The RTPI has prepared a quick guide to the Bill as at June 1, 2011 while recognising that it may change in its passage through parliament (RTPI, June 2011). The guide includes the following:

There will still be local plans and there will also be new statutory Neighbourhood Plans. Designated bodies such as Parish Councils and proposed Neighbourhood Forums will be allowed to prepare Neighbourhood Plans. Where there is no Parish Council, any group of people living in a neighbourhood will be allowed to apply to the local planning authority to be designated as a 'Neighbourhood Forum' in order to prepare a neighbourhood plan. Such a forum should have

- a minimum of 21 people who live or work or are Councillors in the neighbourhood,
- be open to all including those wanting to live in the area, and
- have a constitution.

The local authority will adjudicate on the boundary of the plan that a Neighbourhood Forum wants to prepare. There can only be one plan for each neighbourhood.

Not all areas may want to prepare a neighbourhood plan, in which case the local plan will still provide policy for the area.

Local authorities will have a duty to provide support to neighbourhoods undertaking planning, but this does not have to be financial.

The local plan will have a strategic role and can contain new housing numbers, transport routes etc. The neighbourhood plan will have to incorporate the local plan's policies. For example, it will have to take on the local plan's housing targets for the area as a minimum, although it may propose additional housing development.

Neighbourhood plans will undergo independent examination, undertaken by an examiner who is agreed by the forum and the council. This will check whether the neighbourhood plan conforms with

- the strategic content of the local plan
- the National Planning Policy Framework, including the 'presumption in favour of sustainable development'
- European directives
- national and international designations such as listed buildings and green belts
- neighbouring neighbourhood plans

Subject to the independent examination, neighbourhood plans will be put to a local referendum and will be 'approved' if more than 50% of those voting are in favour. If the referendum is positive, the local authority will have to adopt the neighbourhood plan.

New Homes Bonus

The coalition government has introduced a New Homes Bonus which is intended to provide a real financial incentive to local authorities and more importantly, residents and voters, to welcome new housing development. According to the DCLG,

'the New Homes Bonus addresses the disincentive within the local government finance system for local areas to welcome growth. Until now, increased housing in communities has meant increased strain on public services and reduced amenities. The New Homes Bonus will remove this disincentive by providing local authorities with the means to mitigate the strain the increased population causes. This will ensure that the economic benefits of growth are returned to the local authorities and communities where growth takes place. In addition, in doing so the New Homes Bonus should help engender a more positive attitude to growth, and create an environment in which new housing is more readily accepted.'

The Bonus commenced in April 2011, and will match fund the additional council tax raised for new homes and properties brought back into use, with an additional amount for affordable homes, for the following six years' (DCLG, 2011c).

For each additional home, local authorities will receive six years of grant based on the national average council tax bands. They will be able to decide how to spend it, in line with local community wishes. It will be paid through section 31 of the Local Government Act 2003 as an unringfenced grant. There is an enhancement for affordable homes at a flat rate of £350 p.a. for each new affordable home. This is about 25% of the current average Band D council tax or 36% of Band A.

The definition of 'affordable homes' includes the new 'affordable rent' which will be offered to new tenants at a level between social rents and local market rents and on a tenancy that will be reviewed after an agreed period of time. Pitches on Traveller sites owned and managed by council or social landlords and houseboats will also be eligible for the New Homes Bonus.

The RTPI has raised concerns about the legality of the New Homes Bonus and the stage in the development planning process at which it should have an effect (RTPI, May 2011). A key issue relates to an important principle of planning, which is that *planning permissions must not be bought and sold* and there must never be any perception that this might be the case. A clause introduced into the Bill during its Report Stage appears to allow the New Homes Bonus to be a material consideration when determining planning applications. The RTPI believes this comes far too close to buying and selling planning permission. Therefore the ways in which the community are to be incentivised to accept new development needs to be spelled out much more clearly and to ensure that they are legal.

National Planning Policy Framework

As promised the new government has published a draft National Planning Policy Framework (NPPF) for consultation (DCLG, 2011b). It was designed to consolidate policy statements and circulars into a single concise document. A key principle is the presumption in favour of sustainable development, in which *sustainable* means ensuring that better lives for ourselves does not mean worse lives for future generations, and *development* means growth (Ministerial foreword). However, sustainable is later split into economic, environmental and social sustainability.

The framework sets out some **core planning principles** (paragraph 19) summarised below.

- planning should be genuinely plan-led
- the default answer to a development proposal is 'yes'
- planning policies and decisions should take into account local circumstances and market signals such as land prices, commercial rents and housing affordability
- planning policies and decisions should take account of the potential environmental quality of land regardless of its previous or existing use
- planning should protect the environment
- make effective use of land
- re-use existing resources
- encourage public transport, walking and cycling
- support strategies to improve health and well being
- seek a good standard of amenity

Importantly for this project, the framework states that Local Plans should be based on adequate, up-to-date and relevant **evidence** about the economic, social and environmental characteristics and prospects of the area. LPAs should ensure that the **assessment** of and strategies for housing, employment and other land uses are integrated and take full account of relevant market and economic signals such as land prices to inform judgements about levels of demand (NPPF, para 27).

Elsewhere the NPPF states that LPAs need a clear understanding of the housing requirements in their area (NPPF, para 28). They should prepare a Strategic Housing Market Assessment (SHMA), working with neighbouring authorities where market areas cross boundaries. The SHMA should identify the scale and mix of housing and the range of tenures likely to be required over the plan period. This should

- meet household and population projections, taking account of migration and demographic change
- address the needs for all types of housing including affordable housing and the needs of different groups (including service families and self builders)
- cater for housing demand and the scale of supply necessary to meet that demand

They should prepare a Strategic Housing Land Availability Assessment to establish realistic assumptions about the availability, sustainability and likely economic viability of land to meet the identified housing requirements over the plan period.

The NPPF includes a view of viability in the context of the emphasis on growth. 'Acceptable returns' for the developer is crucial, and the implication appears to be that if the affordable housing requirement makes a scheme unviable, then that requirement should be reduced (NPPF, para. 39).

Another important aspect of the NPPF is the focus on **neighbourhood planning**. While neighbourhoods and neighbourhood forums are not defined (except where parishes are mentioned) they will have powers under the Localism Bill to draw up plans and determine planning applications. These plans must conform to the relevant Local Plan and will be assessed by an independent assessor before going to a local referendum. However where there is conflict with the Local Plan an agreed neighbourhood plan takes precedence. Neighbourhood plans can plan for higher growth and more housing than the Local Plan indicates but they cannot plan for less. However, Local Plans should be strategic and not duplicate anything in the (presumably) more detailed neighbourhood plan.

In a section headed Planning for People: Housing the NPPF sets out some further guidance for ensuring an adequate supply of new housing. This means

- increase the supply of housing
- deliver more choice
- widen opportunities for home ownership
- create sustainable, inclusive and mixed communities (NPPF, para 107)

To boost the supply of housing, LPAs should

- use an evidence base to ensure the LP meets the full requirements for market and affordable housing, including identifying key sites
- maintain a rolling supply of specific deliverable sites for 5 years plus an additional allowance of at least 20% to ensure choice and competition in the land market
- identify sites or locations for growth for 10 and where possible 15 years
- not make allowance for windfall sites unless compelling evidence of genuine local circumstances
- illustrate the expected rate of housing delivery – trajectory
- set out their own approach to density to reflect local circumstances
- use empty homes strategies, using compulsory purchase where appropriate (NPPF, para 109).

To deliver wider choice, LPAs should

- plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups
- identify the size, type, tenure and range of housing required to meet demand

- have policies for affordable housing on site unless offsite provision or a commuted sum can be justified (e.g. to improve use of existing stock) which contributes to the objective of creating **mixed and balanced communities** (NPPF, para 111)

In rural areas LPAs should be responsive to local circumstances and allow market housing where this facilitates affordable housing provision to meet local needs (NPPF, para 112). They should avoid isolated homes in the countryside unless there are specific circumstances [this is spelled out in some detail] (NPPF, para 113)

Concerns about Coalition Government's approach to planning

Although the RTPI broadly supports the approach of placing planning at the heart of the localism agenda, it has some areas of concern (RTPI, February 2011). These are:

- the National Planning Policy Framework announced in the Coalition Agreement needs to be embodied in statute;
- arrangements for strategic planning between the local and national levels need to be strengthened; and
- the proposed neighbourhood planning system is overly complex and this, combined with the lack of resources supporting the engagement of communities, may mean that neighbourhood planning will not be as visionary, widespread or effective as intended.

The Town and Country Planning Association (TCPA)'s report on housing and planning reform (TCPA, 2011) is forward looking and positive, seeking to help the government to align its policy priorities for increasing housing supply, rebalancing the economy and increasing growth with the overall goal of sustainable development. The report acknowledges that the previous planning system had proved controversial for many communities as they lacked local legitimacy. The report makes six recommendations: the need for a mechanism to assess whether the sum of local decisions matches the national picture of housing need; strengthening the role of regional planning; smartening housing incentives; aligning them with the planning regime; regenerating older northern metropolitan areas; and 're-balancing England' in terms of the long term economic implications of the spatial distribution of economic activity in England. The report concludes that the planning system is facing real challenges at a time when both the framework and the resources available have been substantially reduced. The exception is London, which retains its regional plan. The net result will be a period of uncertainty in how we plan for housing.

Rural affordable housing

There is a vicious circle in terms of evidence, policy and practice in rural areas (Lavis and Riding, 2009). They highlight that the default position in many rural authorities appears to be one that significantly restrains housing development in the countryside. If there is to be no development, then proactive approaches to affordable housing provision are not seen as necessary. As a result there is no pressure to provide a rural evidence base. Yet without any rural analysis there is no trigger for policy changes that would more effectively increase the supply of affordable housing in rural areas.

The same research identified low staffing levels available to take on the task of providing rural affordable housing and collating an evidence base. Housing teams were mostly between one and three people, and planning teams not much larger. There was a marked lack of research staff. Rural Housing Enablers operated in 23 out of the sample of 30 rural authorities. Their absence in other authorities was usually because of a lack of funding although two authorities had concerns about their effectiveness.

Evidence of housing need was mainly based on household postal surveys targeted at settlements of less than 3,000 population. Most authorities surveyed 30% or less of their parishes and response rates were low. More than half the sample reported response rates of less than 20%. To be statistically valid as a strategic source of evidence, the sample

authorities would need to distribute 350,000 surveys to achieve a 55% response rate in each community (ibid, page 6).

References

Commons Select Committee on Communities and Local Government (2011) *Abolition of Regional Spatial Strategies: A Planning Vacuum?* House of Commons, London

DCLG (2011a) Press Notice 'Free advice for communities to support neighbourhood planning' 13 April 2011, DCLG, London

<http://www.communities.gov.uk/news/planningandbuilding/1886588>

DCLG (2011b) *Draft National Planning Policy Framework*, DCLG, London

DCLG (2011c) New Homes Bonus and Financial Allocations, see

<http://www.communities.gov.uk/housing/housingsupply/newhomesbonus/>

DCLG (2010b) Press Notice 'Government wins appeal on regional strategies' 7 February 2010, DCLG, London

DCLG (2010c) Press Notice 'Localism Bill starts a new era of people power', 13 December 2010, DCLG, London

Lavis J and Riding K (2009) *Assessing Rural Housing Need* National Housing Federation, London

Property Week (2010) 'Cala seeks judicial review of coalition planning reform', 10 August 2010, www.propertyweek.com, last accessed 11 August 2011

RTPI (February 2011) *National Planning Policy Framework Pre-Consultation Phase: RTPI Initial Proposals*, RTPI, London

RTPI (May 2011) *The Localism Bill: Lords' Second Reading. RTPI Briefing on Local Financial Considerations*, RTPI, London

RTPI (June 2011) *A Quick Guide to the Localism Bill: Neighbourhood Plans*, RTPI, London

TCPA (2011) *Policy Analysis of Housing and Planning Reform*, Town and Country Planning Association, London

TCPA (2010) *The Future of Planning Report: Distilling the TCPA Roundtable Debates*, TCPA, London

Quartermain S (2011) Letter to Chief Planning Officers 31 March 2011

<http://www.communities.gov.uk/publications/planningandbuilding/letterplanninggrowth>

Annex 2: Results from planners' survey

A total 445 e-mails were sent to local planning officers of every district council in England on 13th April asking them to complete the online Planning Survey. Fifty e-mails were rejected due to invalid addresses or because people had retired or no longer working there. A further 13 out of office/vacation leave e-mail messages were received.

Fifty five out of 382 (14% response rate) local planning officers completed the online survey and gave the name of the local authority they work for. Twenty nine also said they would be happy to have a follow up interview and provided a telephone number. It should be noted that not all people who started the survey completed it, and in some cases questions were skipped.

Current situation

Question: 'Does your local authority (LA) have a current technical assessment of housing need and demand, such as a Housing Market Needs Assessment (HMNA) or a Strategic Housing Market Assessment (SHMA)?'

Fifty four planning officers answered this question. Fifty two responded that they did have a current technical assessment of housing need and demand and two said they didn't.

Question: 'When was the assessment carried out?'

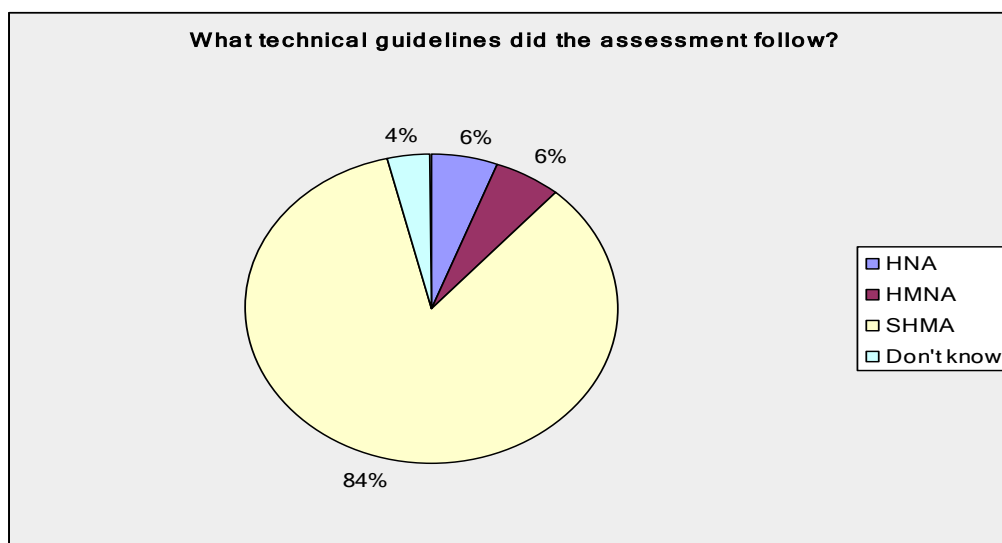
Twenty one people answered this question by giving an exact date.

When the assessment was carried out	2006	2007	2008	2009	2010	2011	Total
No. of responses	2	5	7	5		2	21

The majority of technical assessments were carried out over the past four years. Of the earlier assessments, two respondents who said their assessments were carried out in 2006 said they would be updating it this year. Similarly, one respondent who said his/her assessment was carried out in 2007 said this would be updated this year. Another said the qualitative part of their SHMA was updated in 2009 and one who answered 2008 said this was updated in 2009. A further four with assessments which were carried out before 2006 said they had updates in 2010.

Question: 'Which technical guidelines did the housing need and demand assessments follow?'

The chart below shows that the vast majority (40) followed the SHMA guidelines.



Five respondents answered 'other' and provided the following responses:

- Bespoke approach
- Government guidelines to meet the LAs particular requirements
- Two said that they used both HMA and SHMA guidance?
- One said although the work followed SHMA guidance they were currently updating it to include the HNS primary data set

Question: 'Who did the assessment?'

Forty five respondents answered this question. Seventy seven percent of respondents said their assessment was carried out by consultants, seventeen percent said it was a mixture of in house and consultants, and six percent said they carried out their assessment in house only.

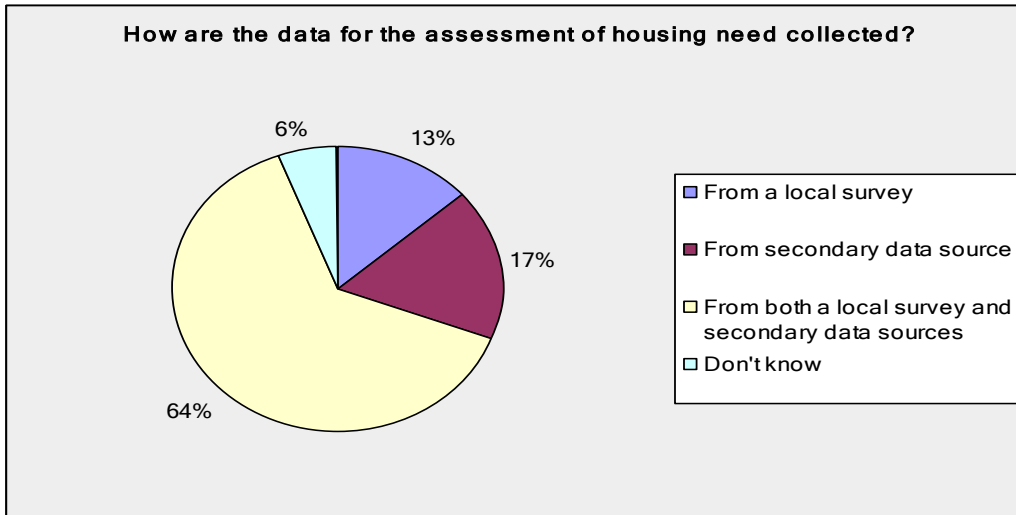
Of those who used consultants to carry out their assessment of housing need and demand, a wide variety of consultants were used. Some authorities used different consultants for different aspects of the work, or at different times.

- David Couttie Associates (9)
- Fordham (9)
- Atkins/Arc 4 (5)
- Outside UK (3)
- GL Hearn (2)
- Edge Consulting (2)
- Ecotec (2)
- GVA Grimley (2)
- ORS (2)
- Bob Line (2)
- Tribal Research (2)
- Housing Vision
- DCA
- Nevin Leather Associates

- Glen Bramley
- Nathaniel Lichfield
- JG Consulting
- DTZ
- Baker Associates

Question: 'How are the data for the assessment of housing need collected?'

The majority of LAs (33) collected the data for their assessment of housing need by using a local survey and secondary data sources as shown below:

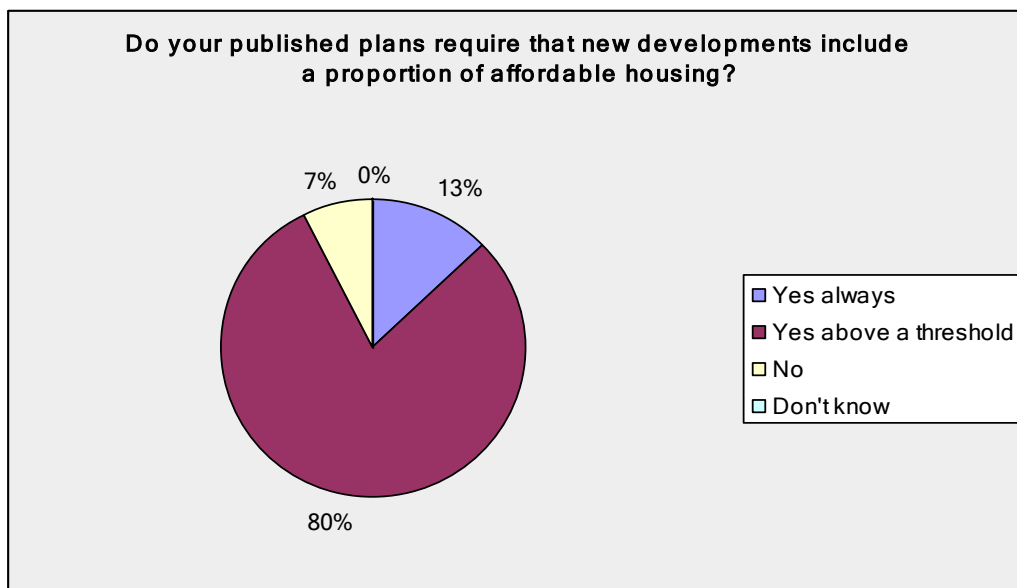


Only two respondents used other means to collect the data.

One of these two respondents said they did not rely on SHMA; they used local demographic and labour supply projects. The other said they used population and household forecasts, then applied economic factors to derive economic scenario ranges plus other housing needs surveys and other data sources.

Question: 'Did published plans require that new developments include a proportion of affordable housing?'

The vast majority (43) of respondents reported that their published plans required that new developments included a proportion of affordable housing above the threshold:



Thresholds varied from one to 25 units. In detail:

<i>Threshold</i>	<i>Responses</i>
25	3
15	2
10	6
6	1
5	3
4	1
3	2
2	1
1	1
Variable depending on settlement size/ locally appropriate threshold	7

Rural areas typically varied their thresholds by settlement size, operating a lower threshold in villages than in towns. Thresholds in some areas were also dependent on the physical size of the development, typically half a hectare or more.

Question: 'Do you have targets for different types of affordable housing such as social rented or intermediate tenures?'

Fifty eight percent (28) said yes, 38 percent (18) said no, and four percent (2) didn't know.

Question: 'Are you expecting to change the way you determine the proportion of tenure of affordable housing in the future?'

Fifty six percent (27) said yes whilst 44 percent (21) said no.

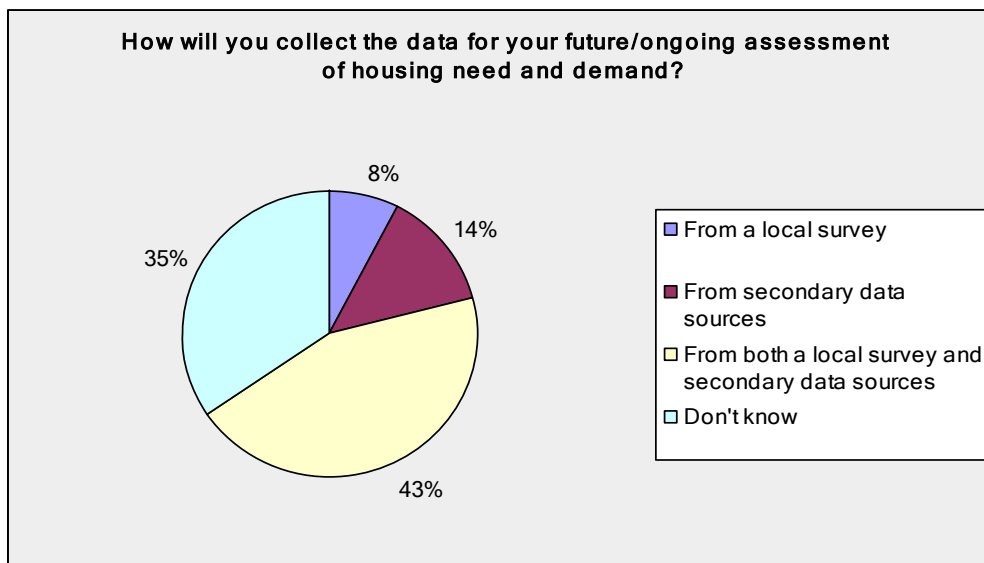
Those that answered yes were asked to explain how. Their answers can be summarised as follows:

<i>Response</i>	<i>Number</i>
In response to new affordable rent product	12
More flexibility/reduce proportion affordable to keep developments viable without grant	5
In response to new evidence being collected	4
Reduce thresholds	4
In response to local views	1
Variable thresholds	1
Increase target affordable	1
Specify rent/shared ownership split	1
Not sure yet	3

Note: Respondents could give more than one answer.

Question: 'How will you collect the data for their future/ongoing assessments of housing need and demand?'

Over 40 percent (23) said they would collect the data from both a local survey and secondary data sources. Another 35 percent (18) reported that they did not know how they would go about collecting the data in the future, as shown below:



When asked about how they currently collected data, the vast majority said they used both a local survey and secondary data sources, but when they were asked how they collect the data in the future, the number of respondents reporting that they did not know was significantly increased from three to 19, or six percent to 35 percent of all respondents. This clearly shows that many local planning officers are facing difficulties in collecting data for assessment of housing need and demand in the future.

Only five respondents reported that they will use other means to collect the data for future/ongoing assessment:

- One will employ consultants to do the SHMA for them
- One said they were not currently intending to undertake another assessment as they had adopted the CORE strategy very recently
- One said they would possibly update their SHMA
- One said they would use population and household projections
- One said they would use the local survey undertaken for the current SHMA but it was unlikely they would use it for the next SHMA

Ensuring a robust local assessment

Question: *'Has the localism agenda and the abolition of the Regional Spatial Strategies had an impact on how you decide whether to give planning permission on new developments?'*

Sixty six percent (33) of respondents reported that the localism agenda had no impact, some noting that the RSS targets were still in use, 30 percent (15) reported it had an impact, and only two reported that they did not know.

For those that reported that the localism agenda had an impact, they were then asked to explain why. Most gave answers suggesting that they would in the future be giving permission for fewer housing developments. Their answers can be summarised as follows:

<i>Response</i>	<i>Number</i>
Housing targets being reviewed downwards	4
Created uncertainty and confusion	2
Harder to justify which sites to allow development on	1
More likely to refuse exception sites	1
More flexibility about location of developments	1
Generated local opposition to developments	1
Large scale strategic development no longer appropriate	1
Not sure yet	1

Note: Respondents could give more than one answer.

Question: *'Are you continuing to work to the same overall housing supply targets as before the abolition of the Regional Spatial Strategy?'*

Thirty three respondents (66%) said no, and 15 (30%) said yes. The remaining two said they didn't know.

Respondents were then asked how they would determine housing targets in the future. Responses covered a range of factors they would consider, as shown below:

<i>Response</i>	<i>Number</i>
Demographics, projections of need and use of other secondary data	16
Through review of CORE strategy	10
Future/updated SHMA/needs assessment	10
Retain existing targets	6
Land supply/environmental concerns	6
In co-ordination with the sub-region/county	4
In response to public consultation	4
Using regional targets	3
Taking into account labour market needs	3
Local political agenda	3
Local surveys	3
Viability constraints	2
Not sure yet	6

Note: Respondents could give more than one answer.

Question: 'In your view, would using housing waiting lists be a robust element in identifying the requirements for affordable housing in your local authority?'

Eighteen respondents (36%) answered yes, and 32 (64%) answered no.

Respondents were then asked why. They raised a variety of problems with using waiting lists, as shown below, though a few also noted their usefulness in indicating need at a local level or by size required.

<i>Response</i>	<i>Number</i>
Useful, but need to use along with other indicators	12
People may register who are not (yet) in need or not local	11
Under-registration of households in need	8
Doesn't consider viability of delivery	4
Double counting between lists	2
Don't project future need	2
Don't consider income and savings	2
Provides local level information	2
Provides evidence on size needed	1
Can be manipulated	1
Don't have a waiting list	1

Note: Respondents could give more than one answer.

Question: 'How do you intend to co-operate with other LAs over housing targets?'

Respondents mentioned a variety of joint working arrangements, though few gave much detail as to how they would agree the actual targets. Joint information gathering (such as a

joint SHMA or needs survey) was more common than joint target setting, with some leaving it up to individual districts to decide how much need they wanted to meet.

<i>Response</i>	<i>Number</i>
General co-operation, sharing information and joint working groups	14
Joint SHMA	6
Formal housing partnership	5
Other joint studies	4
Nothing at present	3
Other formal partnerships	2
Work in HMA areas across LA boundaries	2
Joint Core strategy	2
Joint local plan with neighbour	1
Using regional targets	1
Don't know	3

Note: Respondents could give more than one answer.

Question: 'Are you concerned about their LA ability/capacity to carry out robust housing assessments of housing need and demand?'

Forty eight percent (24) said they were concerned, 44 percent (22) said they were not concerned, and eight percent (4) said they did not know.

Question: 'Are there any specific aspects of undertaking market assessments of housing need and demand that may present challenges for your LA?'

Financial constraints, especially associated with the costs of consultants, were the main issue raised here, though the skills of in-house staff was also raised as an issue for some.

<i>Response</i>	<i>Number</i>
Lack of financial resources	19
Skills and staff resources	7
Need for robust survey methodology	3
Unrealistic to meet need identified	2
Difficulties with joint working between LAs	2
Migration/housing market areas not closed entities	1
Lack of reliable secondary data sources	1
Need to recognise importance of wider economy	1
Survey response rates	1
Localism bill	1
Recognition that need is not a static concept	1

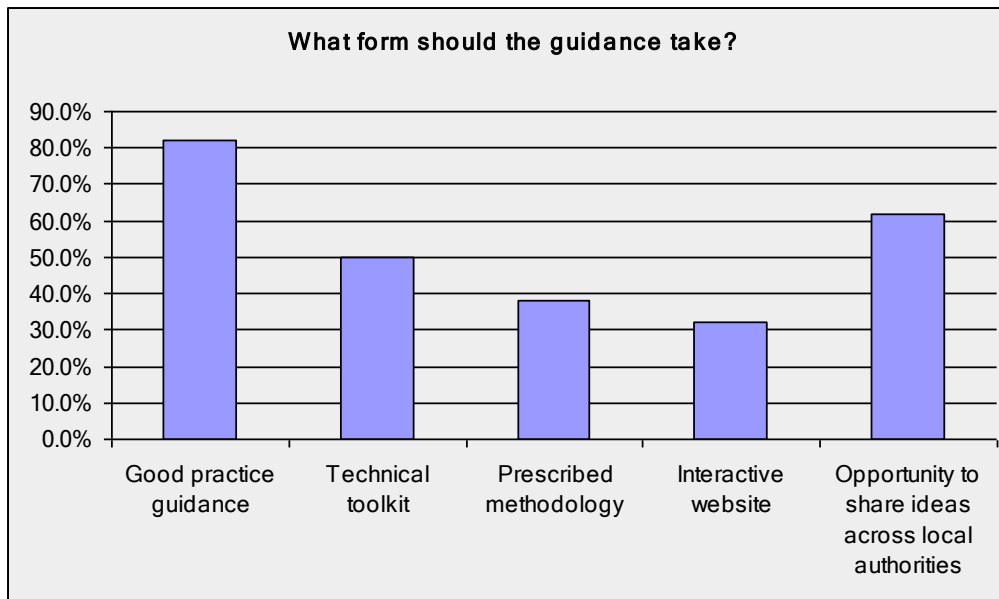
Note: Respondents could give more than one answer.

Possible guidance on estimating future housing requirements

Question: 'In your view, would it be helpful to have some guidance on how to estimate future housing requirements?'

Over 84 percent of respondents (42 out of 50 answering this question) said it would be helpful to have some guidance, only five said it would not be helpful whilst three said they did not know.

Those who answered yes were asked what form the guidance should take. The most favoured option was for a good practice guide, shown in the chart below:



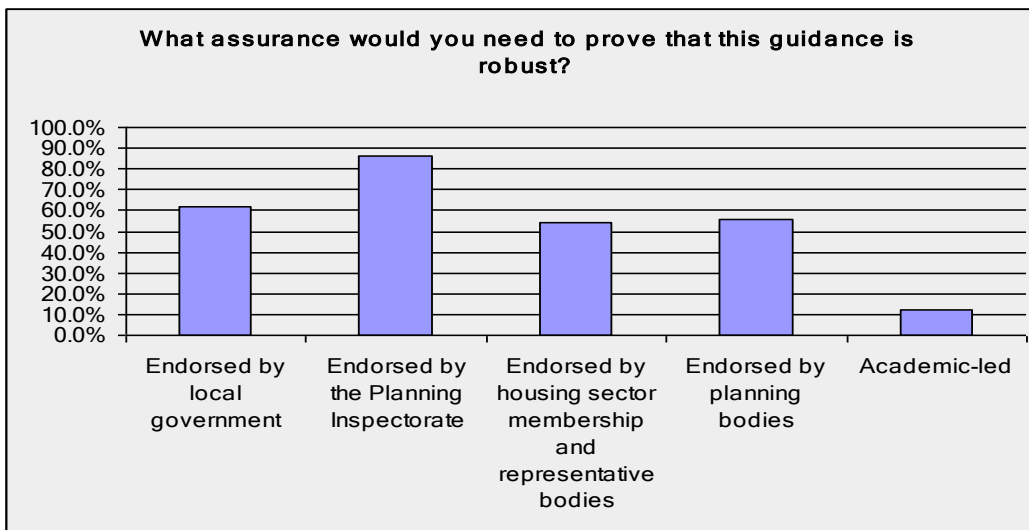
Note: Respondents could give more than one answer.

Six respondents gave 'other' additional comments:

- One said that a telephone helpline/critical friend would be useful
- One commented that the value of the guidance depended on what it is, broad scoping would be helpful
- One said any approach recognised by CLG would be helpful
- One said any toolkit or prescribed guidance should allow for local circumstances
- One said no further guidance was needed as PPS3 outline what factors should be taken into consideration
- One said that they already had guidance and had been doing this sort of work for decades

Question: 'What assurance would you need to prove that this guidance was robust?'

The majority of respondents, over 80 percent, said it would need to be approved by the planning inspectorate as shown below:



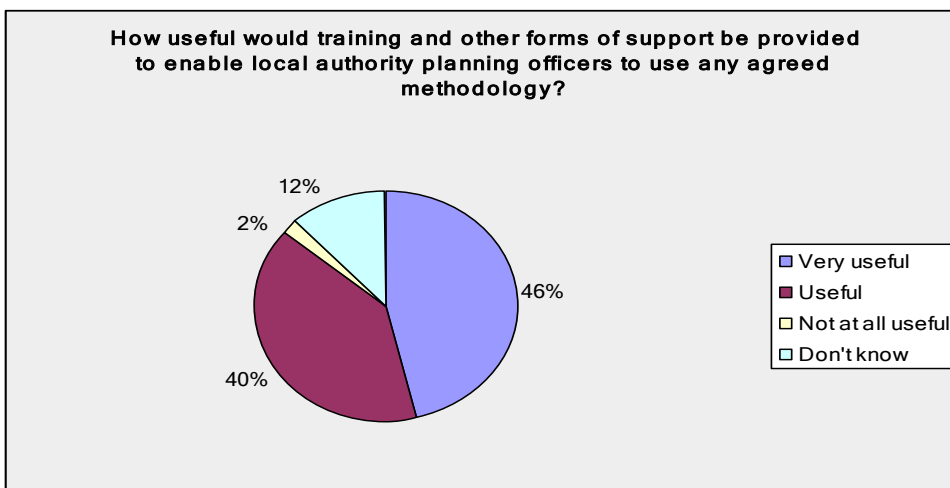
Note: Respondents could give more than one answer.

Ten respondents gave 'other' comments. Of these:

- Five said it would need to be endorsed by DCLG/government
- One said it would need cross party support
- One said academic involvement rather than 'led'
- One said the guidance would need to be approved by the Chief Planning Officer
- One said the guidance should be subject to consultation with local authorities and referred to in PPS/National planning framework
- One said the guidance needs to be careful tailored to local requirements, it is best prepared at the local level in the spirit of localism

Question: 'How useful would training and other forms of support be provided to enable local planning officers to use an agreed methodology?'

The vast majority said it would be very useful or useful as shown below:



Question: 'Please indicate whether you agree or disagree with the following statements about possible guidance on robust numerical assessment.'

Please indicate whether you agree or disagree with the following statements about possible guidance on robust numerical assessments						
Answer Options	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Response Count
a. Simple guidance should be provided on which data sources to use and their limitations	20	23	3	0	2	48
b. There should be a simple template that all local authorities can use	15	21	6	4	2	48
c. The guidance should be short and accessible - so that it is reasonable to expect every councillor to read it	11	14	16	4	3	48
d. The guidance should specify the technical methodology used to collect, analyse and report on the data	12	22	6	7	1	48
e. The methodology should cover both housing NEED (i.e. the requirement for housing for those who are unable to access suitable housing without financial assistance) and DEMAND (i.e. the requirement for housing that households are willing and able to buy or rent)	19	22	4	1	2	48
f. The methodology should ensure consistency between approaches used by each authority	14	19	12	3	0	48
g. The methodology should be flexible as one size does not fit all	13	25	7	1	2	48
h. The methodology should result in clear numerical measures of overall housing need and demand	14	26	8	0	0	48
i. The methodology should result in clear numerical measures of AFFORDABLE housing need	17	22	8	0	1	48
j. The methodology should result in clear numerical measures of the PERCENTAGE of affordable housing need	11	20	15	0	2	48

Question: 'Are there any other points you would like to make?'

A variety of other issues were raised:

<i>Response</i>	<i>Number</i>
Deliverability is what determines proportion of affordable housing, not need	3
Need to be left alone by government	1
RSS/Regional plans not yet abolished	1
Policy vacuum between RSS and locally determined targets may lead to housing development in unfavourable locations	1
Policy vacuum resulting in stalling of applications and reflecting distrust of planners by government	1
Lack of regional working makes SHMA work more expensive for LAs	1
Different LAs take different approaches, scope for disputes	1
More prescriptive guidance needed to avoid differing interpretations	1
Need greater clarity on how to reconcile need and demand, derived from differing sources	1
Need to involve members in agreeing methods, not prescriptive	1
Role for county councils in providing data to districts	1
Should give communities what they want, not impose it	1

Annex 3: Findings from the stakeholder interviews

General questions

<p>1. Has your organisation approached DCLG or been approached by DCLG to produce or discuss housing assessment methodologies? If yes please give details</p>	<p>Despite Greg Clark having spoken publicly of an approach which involved inviting professional bodies to make recommendations for robust assessment methodologies, no organisation has received a specific approach from DCLG about doing this. The issue has arisen in a number of discussions which the organisations surveyed have held with DCLG. However, when one organisation put to DCLG, the case for some kind of standard setting /kitemarking of methodologies for undertaking assessments, DCLG had made it clear that there was no capacity/appetite for making such assessments nor any funding to support such a development. The conclusion at that time appeared to be that the sector is on its own in this area and will not receive any very tangible support from DCLG to develop or validate housing requirement methodologies.</p>
<p>2. What is your organisation's view of the need for a sound evidence base on housing requirements to underpin the new planning regime?</p>	<p>There was unanimity on the need for a sound evidence base on housing requirements. This was often accompanied by suggestions about the form that this should take – and the key points made on this are picked up in what follows</p>
<p>3. What do they think are the key elements of this evidence base to ensure an up-to-date core strategy is in place?</p>	<p>A wide range of points were highlighted. Some related to expected contents of a housing market assessment (to be listed separately). Other points included:</p> <ul style="list-style-type: none"> • Community consultation should be part of the process • Transparency is important: LAs need to be seen to be getting it right. • Choice based letting registers shouldn't be used as a proxy for need • Use of demographic projections needs care • Particularly important to look beyond LA boundaries • Must be testable and use reliable data

<p>4. Would your organisation want to be associated with the development of appropriate assessment methodologies?</p>	<p>All of the organisations survey expressed an interest in being involved in some way in the development of appropriate assessment methodologies.</p> <p>However it would be important to avoid any sense that documents produced under the previous guidance should be discarded</p>
<p>5. Should training and other forms of support be provided to enable local authority officers to use any new methodology accurately and confidently?</p>	<p>Most of the organisations consulted endorse the need for some form of training and support to help local authority officers use a new methodology although two took a different view. These two suggested that it was more a case of promoting and raising awareness as most planning officers are aware and intelligent enough to use tools off the shelf if they are straightforward enough – which they should be. Others thought that a more important issue was that LAs developed ownership of the results – something that a ‘plug and play’ tool would not generate</p> <p>Of those that supported some kind of training, a number referred to the tight financial situation and suggested that cheaper approaches such as on-line tutorials and LAs grouping together for collective training sessions using in-house resources.</p> <p>A couple of respondents emphasised the need to cater for the needs of elected members so that they could play an informed role.</p>
<p>6. Would some kind of critical friend/quality assurance be helpful to support local authorities?</p>	<p>The responses on the provision of some kind of critical friend were a little mixed - although those expressing caution may have been reacting to the idea of an authoritative organisation providing wholly external scrutiny (the practicality of which was queried by one on respondent.)</p> <p>The majority were in favour of some form of quality assurance with comments suggesting an informal, peer review type approach that would build confidence and minimise the risk of flaws being uncovered at a core strategy inquiry.</p>

Methodological Questions

Note: 1 = strongly agree
 2 = agree
 3 = indifferent
 4 = disagree
 5 = strongly disagree

Question	Mark	Comment
a. The methodologies should cover both demand (i.e. the requirement for housing that households are willing and able to buy or rent) and housing need (i.e. the requirement for housing for those who are unable to access suitable housing without financial assistance)	11 out of 14 responses were strongly agree, with two agree.	Very strong endorsement of the importance of covering both demand and need. One approach was that total housing requirements should be assessed and then segmented into the different elements of demand and need.
b. The approach should concentrate on the key drivers of need and demand and not be overly complicated.	All but three rated this strongly agree or agree. The others gave it neither agree or disagree or simply disagree	The reservations were largely around the practicality of covering the key issues whilst keeping the approach simple.
c. The methodologies should be transparent.	13 strongly agree or agree	Unanimity about the need for a transparent approach. The message seems to be that black boxes are not wanted.
d. Practical advice should be given on the extent to which LAs need to co-operate with neighbouring authorities – based on objective evidence of the practical extent of their local housing market.	Result split evenly between strongly agree and agree	There was unanimity that housing markets don't respect LA boundaries and the need to encourage councils to take a wider view and co-operate, but widespread scepticism about whether many were open to being guided on this. Reference was, however, made to examples of effective and successful sub-regional co-operation.
e. The methodology should enable national/regional/sub-regional housing numbers to be estimated	Four strongly agree, six agree and four neither agree nor disagree	A wide range of views was expressed but it is not clear whether there was a fundamental disagreement. Some were concerned that a methodology that could produce regional or national numbers might be a distraction or even be seen as an attempt to re-introduce RSSs by the back door.

		Others argued that, if the primary focus was helping in the formation of local plans, the focus should be on the local or sub-regional. However, some took the view that it was important to have a broader picture to enable the national policy context to be seen. There was wide support for methodologies that were able to produce sub-regional assessments that reflected sensible housing market areas.
f. The basic document should be short and easily accessible to a wide range of people, eg, councillors and residents.	All but two responses were strongly agree and agree. The two others were neither agree nor disagree	Although there was a spread in the responses, the basic message was common to virtually all respondents: accessibility is important but the necessary technical content must be present for a document to be credible. There was broad support for an accessible summary on top of a fuller document.
g. Guidance should provide basic minimum standards for assessment but allow for sharing of good practice and have the capacity to be tailored to local circumstances.	Nine strongly agree, two agree, two disagree and one strongly disagree	Both ends of the spectrum were represented here. Some felt that the ability to tailor the approach to local circumstances was essential if there was to be local buy-in. Others were concerned that allowing flexibility could lead to abuse. One of the 4s said their mark might be a 2 if there were adequate safeguard to prevent abuse.
h. There should be an opportunity for consultation and practitioner input to the production of the methodologies.	All but three responses were strongly agree and agree. Two disagreed and one split mark: strongly agree for national body consultation and neither agree nor disagree for local input	The responses indicate general enthusiasm for practitioner input. One of the concerns that led to at least one of the 'disagree' responses was a concern that there was a need to move quickly and produce something by the end of 2011. The cost and practicality of wider practitioner input was also raised. The objections seem, therefore, to be to do with practicality rather than principle.
i. Simple guidance should be given on data sources to use and their limitations.	10 strongly agree and four agree	Strong support for this.

Annex 4: Findings from local authority interviews

Local authority staff completing the survey (see Annex 3) were invited to take part in follow up discussions by phone. A total of sixteen interviews were carried out in June 2011. The topic guide used can be found in Annex 5.

The interviews focussed on overall housing requirements, affordable housing need, the existing SHMA guidance and views about future guidance. Other points of interest arising from the responses to the survey were also followed up.

Overall housing requirements

The use of regional housing targets and core strategies

Some local authorities were still using the figures for overall housing requirements that the RSS had provided, whilst others were not. A key determinant was the stage of development of Core strategies; some LAs had already formally adopted their Core strategy, which included overall housing targets from the RSS, and therefore continued to work to these figures. However others had not yet adopted their Core strategy and were in many cases reconsidering the RSS figures.

In total, five of the sixteen LAs interviewed reported that the RSS figures were still in operation for now at least (though one was in the process of revising them) and a further seven reported that they had chosen to retain the same housing targets as had been contained within the RSS. In some cases the LAs themselves had been very involved in the work producing the RSS figures and were therefore unaffected by the formal abolition of the RSS, as they were able to draw on the underlying work behind the figures and as a result their targets remained unchanged.

Two of the interviewees reported that they were now using different figures from the RSS and both of these had adopted lower figures.

Joint working

Nearly all the authorities interviewed were involved in joint working with neighbouring authorities to some extent. There was a great deal of variation in the form this joint working took. In many areas it was based on well-established traditions of joint working and county councils sometimes took a strategic role in co-ordinating joint working as well as providing resources and information. Examples of joint working included:

- Joint commissioning of SHMAs
- Common housing registers
- Joint core strategies
- Use of common data sources, supplied by county councils or consultants commissioned jointly.
- More general co-operation around issues such as travel to work areas and migration

Challenges for joint working included:

- Differences in timing of SHMAs, Core strategies and other key documents. Some LAs found they needed an update at times when their neighbours did not and some joint working arrangements broke down for these reasons.
- Political differences
- Different configurations of joint working for different purposes. Some LAs were involved in two or more different groupings

There were two main benefits of joint working – saving money and ensuring that co-operation resulted in better services for residents.

Many expected to develop their joint working arrangements to a greater extent in coming years as a result of the new ‘duty to co-operate’ and to fill the gap left by the declining role of the regions and the abolition of the RSS.

SHMAs and other means of establishing housing requirement figures

Although nearly all LAs interviewed did have an up to date SHMA, these were not the primary source of information on overall housing requirements. Some did produce figures on overall requirements, based on survey data, but these were often vastly in excess of both the RSS figures and historic building rates and were therefore considered unrealistic.

Some local authorities, working jointly with neighbours or through county councils, had commissioned or carried out other work to establish housing targets. These involved the use of demographic projections and modelling demand as well as taking into account the economic needs of the area and local factors such as the needs of migrant workers.

Land availability was also a key factor in half of the authorities we spoke to. These were mostly urban areas constrained by adjacent urban areas, national parks, greenbelts, or the sea or containing areas unsuitable for building such as flood plains or protected sites. Some of these authorities reported that they did not currently have a five year supply of land available, and that the limited supply of land prevented them from building sufficient housing for the needs of their population.

The other half of local authorities were areas with at least some undeveloped land which could be allocated for housing, though only one reported significant numbers of brownfield sites suitable for housing. In these areas development was more likely to be constrained by viability issues, especially once infrastructure costs were factored in.

Many interviewees drew attention to the historic rates at which they had built new housing in the past and most felt that in the current financial climate it would be unrealistic to aim to build higher. They were aware that existing methods of producing housing targets did not allow for the fluctuations in production as a result of the changing housing market conditions that they were now observing.

Affordable housing need

Establishing total numbers and tenure of affordable housing needed

The interviewees were mainly planners and some were more involved than others in establishing the affordable housing figures used.

Most used a SHMA to establish the level of need. A few local authorities carried out some or all of the work involved in the SHMA themselves. Reasons for this included:

- Saving money
- Allowing updating to be done more easily when needed
- Joint working with other local authorities allowing pooling of expertise

Most SHMAs, however, were carried out by consultants and the reasons for this were fairly consistent between the LAs we spoke to. The main reasons were:

- A lack of capacity to do it in-house, or to do it quickly enough
- A lack of expertise, especially in areas such as large scale surveys, statistical analysis and demographic modelling.

- A lack of confidence in their own abilities, as compared to consultants with a strong track record in this specialist area of work
- A perception that consultants would be seen as independent especially in negotiations with major housebuilders.

Most SHMAs used a survey-based approach to establishing levels of housing need. An alternative approach involved using consultants to undertake modelling to establish both overall requirements and need.

Establishing affordable housing targets

Nearly all of the local authorities used S106 to deliver a proportion of new affordable housing on market sites. This required a proportional target for each site. Legislation requires that this be based on an assessment of housing need through a SHMA. The SHMAs generally came up with an annual number of new affordable dwellings that would be required. Local authorities struggled with the discrepancy between identified housing need and the total housing target that they had adopted from the RSS or other sources. In some cases the affordable housing need was in excess of the total housing requirement, and in most cases it was substantially in excess of what the local authority felt was viable.

Some SHMAs also produced a total housing requirement figure and some LAs worked out the proportion of this that the SHMA housing need figure represented and then applied this proportion to the total housing requirement they were working to. For instance, if their SHMA found a need for 1,000 units a year in total, and 400 of these should be affordable (40%) and the RSS figure of 200 a year was actually planned to be built, then an affordable housing quota of 40% of new build would be sought via S106.

Many had been increasing the proportion they required in recent years, though a few had found that more recently they had had to lower the proportion because of increased viability issues.

In one area, there had been a political decision not to build social housing and only low levels of shared ownership were sought. In all the other areas the local authority wanted to ensure that as much new housing as possible was affordable and viability was the key determinant of the level of affordable housing sought, rather than level of need. There were no cases where the precise level of housing need was used to determine the proportion of each development site that was required to be affordable.

Responding to the new 80% rent product

The local authority officers we spoke to differed in their level of knowledge about the new Affordable Rent project. Some were based in planning departments and were aware that their housing colleagues might know more.

Of those that had been involved in getting to grips with the new product, some had carried out research looking at the potential to raise rents and the resultant impact on affordability. Some were concerned about the impact on low waged households who would struggle to afford the new product. In other areas, their research had shown little or no potential to increase rents by moving to this model – especially for smaller dwellings. Some were planning to distinguish the type of units they could build with HCA funding via the affordable rent product and other housing that they could develop with their own resources.

All the officers we spoke to appeared not to have altered their assessment of housing need in respond to the new product. Nor were there any major concerns raised about whether there would be demand for the new product.

The future and the need for further guidance

Most of the interviewees were in agreement that good practice guidance on any aspect of their work was generally welcome.

Those who were familiar with the current SHMA guidance did however struggle to understand the complexities of the task in hand. Some found that it failed to meet their needs because it was out of date, gave insufficient guidance on dealing with cross-boundary working or didn't include elements such as parish surveys.

Many reported that they employed consultants with good track records whom they felt they could rely on to understand the detail of the guidance and therefore did not deal with the technical aspects themselves.

There was a conflict of views as to whether any future guidance should be prescriptive, in order to increase consistency between areas, or should allow greater freedom to LAs to carry out something appropriate for their area.

There was also a diversity of views as to the future of the SHMA guidance and accompanying legislation (PPS3) which made reference to it. Some local authorities were of the view that these were likely to remain in place and that they would therefore continue to estimate need much as they had always done. Others believed that these elements would soon go and that they would therefore be no longer required to carry out this type of work. One interviewee spoke enthusiastically about the new consultative approach they were planning to undertake.

The future of the legislation is of course key to what kind of future guidance might be of help. Interviewees who believed that the current framework would remain in place nevertheless stated that they would appreciate further good practice guidelines, rather than anything prescriptive. These interviewees anticipated that they would continue to find the funding for future SHMAs as it was a statutory obligation to have one.

Those who believed that the existing legislative framework was about to change however were less sure what future guidance they would look for. Some were looking at more consultative approaches, working with local groups to establish housing need and the desire for new housing at a very local level. Others were concerned that there could be a policy vacuum nationally.

Many of the local authorities were aware that changes were possible and felt unable to say what their needs would be until the legislative framework in which they were operating became clearer.

The sixteen authorities

Boston	Brighton and Hove
Bristol	Broadland
Cumbria County Council	Devon County Council
East Cambridgeshire	East Riding County Council
Epsom and Ewell	Forest of Dean
Hart	Maldon
South Somerset	Walsall
West Devon	Windsor and Maidenhead

Unfortunately London is not represented, because none of the London boroughs that responded to the survey agreed to be telephoned. It is likely that those authorities who agreed to be telephoned were those who are currently most interested in the topic because they are working on their core strategies at the moment.

Annex 5: Topic guide for planners' telephone interviews

(Intro – explain that we've been looking at their survey answers and will want in a bit to pick up on a few points covered - show we're familiar with what they've said)

Section A: Overall housing requirements

1. By way of context/background, would you describe your district as high demand for housing/ having affordability problems?
2. How do you currently establish the total housing requirements in your LA?

(Ascertain use of:

- a. Regional figures (are you still using these? What will you do instead? Would you look to the SHMA to help you?)
- b. SHMA?
- c. Core strategy?
- d. Joint working with other LAs?
- e. Land availability constraints?
- f. Constraints around viability of development?)

Section B: Affordable housing requirements

3. Do you have an overall target for the number of affordable units you are seeking to build each year, or do you just require a proportion of developments (above a threshold)? If a number, how is this translated into a proportion for new developments?
4. How are you planning to respond to the new 80% rent product?
 - a. Will this affect how you assess the numbers in need of affordable housing?

Section C: SHMAs

5. (if no SHMA)
 - a. Why have you not carried out a SHMA?
 - b. Do you have plans to carry one out in the future?
 - c. (if require a proportion of new developments to be affordable) – how do you manage to enforce this?
 - d. (if don't require a proportion of new developments to be affordable) Why not? Is there no need for more affordable housing?
6. (If using consultants for the SHMA)
 - a. Would you consider carrying out the SHMA in-house? (why/why not)
 - b. How do you choose your consultants?
 - c. Do you think there are any disadvantages of using consultants? (other than the cost)
 - d. What are the advantages?
 - e. How often do you update it, and is this done in-house, by the same consultant or by different ones? What are the reasons behind this?
7. (if SHMA carried out in-house)
 - a. What is your experience of carrying out the assessment in-house?

- b. Any difficulties with staff resources or skills?
- c. Any concerns over defending findings at planning enquiries?
- d. Why do you do it this way? Any advantages other than saving money?
- e. How often do you update it? Who does this and why is it done as it is?

Section D: (Follow up any particular issues that emerged in the survey)

Section E: Options for new guidance

- 8. What use do you currently make of the SHMA guidance? Does it meet your needs?
- 9. Are you anticipating any changes to this in the light of the forthcoming national planning policy framework?
- 10. I see from the survey that you consider new guidance would/would not be useful
 - a. Why/why not?
- 11. What kinds of further guidance would be useful?
- 12. Do you have any other suggestions for further guidance that could usefully be produced to help you establish total housing requirements, or how much affordable housing to build?
- 13. Any other comments?