

TONBRIDGE & MALLING BOROUGH COUNCIL

STRATEGIC HOUSING ADVISORY BOARD

9 November 2009

Joint Report of the Director of Health and Housing and Cabinet Member for Housing and Director of Planning, Transport and Leisure and Cabinet Member for Planning and Transportation

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 STRATEGIC HOUSING MARKET ASSESSMENT 2008

Summary

The purpose of this report is to inform Members of how the Council intends to respond to the recommendations of the 2008 West Kent Strategic Housing Market Assessment (SHMA).

- 1.1.1 Members will recall the recent completion of the West Kent Strategic Housing Market Assessment (SHMA), and the subsequent presentation to this Board and the Planning Board of the reports findings by David Couttie Associates, the consultant commissioned to perform the study.
- 1.1.2 The SHMA was commissioned in accordance with the Communities and Local Government (CLG) "Strategic Housing Market Assessments Practical Guidance" (August 2007), to gain a robust and comprehensive assessment of housing demand and need within the Borough.
- 1.1.3 The report had the purpose of informing the further development of housing and planning policies in the west Kent housing market area. The document makes recommendations on:
- the general mix of market housing by size to be delivered from future new developments, which is something new that is not addressed in our Core Strategy;
 - the target levels for affordable housing and future housing delivery by bedroom number; and
 - the type and size of affordable housing to be provided in the future.
- 1.1.4 Generally, the Council's approach to the SHMA's recommendations are contained within a range of existing policy framework documents. The key elements are

contained with the LDF Core Strategy, Affordable Housing SPD, and the draft Sustainable Communities Strategy that contains the draft Housing Strategy.

1.1.5 Overall, when examining how the Council will action the recommendations on the target levels for affordable housing, as well as the type and size of affordable housing to be provided in the future, it is important to realize that the SHMA provides a clear endorsement of the Council's existing adopted policy.

1.1.6 The actual detailed key recommendations of the report are contained in Section 1 of the SHMA, and are as follows.

1.2 Ensure that future new development provides a mix of housing type and size to meet the needs of all households.

1.2.1 The Council's adopted Affordable Housing SPD contains a matrix within Annex C that clearly describes how this recommendation is met. The indicative mix for house types and size presented are informed by housing needs data, and tailored to particular sub-regions within the Borough.

1.3 Focus new delivery in market housing to address the stock imbalance, and the impact of future demographic and household formation change.

1.3.1 The proposed scale of future provision of housing in the Draft South East Plan to 2026 is lower than would be required to fully meet demand levels in the market sector (notwithstanding current market circumstances). That conclusion is hardly surprising in a predominantly restrained Green Belt area such as Tonbridge & Malling, and clearly from a planning viewpoint the above recommendation is simplistic as such factors must be balanced against other important factors.

1.3.2 Therefore there are practical limitations to which the Council can (or would wish to) fully realise a solution to this recommendation.

1.4 Provide a guide to developers of market housing so that new stock meets local demand not addressed by existing stock turnover

1.4.1 It is not our intention create such a document, as advice to any developers enquiring about local demand information of this nature would be to study the contents of the SHMA itself.

1.5 Consider setting affordable housing targets of at least 40 per cent of all suitable sites

1.5.1 The Council's adopted Core Strategy contains policy CP17 which describes how we will seek affordable housing of 40 per cent on all suitable sites. The mechanics of how this is delivered are amplified within the adopted Affordable Housing SPD.

- 1.6 The overall affordable tenure mix targets could range from 60 per cent to 70 per cent affordable rent and 30 per cent to 40 per cent intermediate housing in the sub-region.**
- 1.6.1 The Council's adopted Core Strategy contains policy CP17 which describes how tenure splits are targeted as 70 per cent in favour of social rent on qualifying sites, with the balance being a shared ownership/intermediate tenure. Again, the detail of how this operates is contained within the adopted Affordable Housing SPD.
- 1.7 A detailed feasibility study of the practical delivery issues for intermediate market rented accommodation i.e. cost of development and rent affordability, should be undertaken.**
- 1.7.1 The Council adopts a flexible approach with our RSL Preferred Partners in determining tenures for new affordable housing schemes. Affordability issues are thoroughly examined and discussed against the backdrop of our adopted policy framework and feedback from the Homes & Communities Agency. This Council has an excellent track record of working with RSLs and the HomeBuy Agent Moat to deliver high quality and affordable homes across a range of tenures.
- 1.8 Consider affordable housing property size targets of 35 per cent one bedroom and 30 per cent two bedroom units, to meet the needs of single, couple and small family households and 35 per cent three and four bedroom houses to address the needs of larger families.**
- 1.8.1 The Council's adopted Affordable Housing SPD contains a matrix within Annex C that clearly describes how this recommendation is already being met. The indicative mix for house types and size are informed by housing needs data, and tailored to particular sub-regions within the borough. The Council takes a flexible approach in seeking housing or flats depending on the details of any given development, and in balance with other material considerations.
- 1.9 Consider market housing property size targets delivery of a 20 per cent level applied to one bed, 30 per cent to 2 two bed, 35 per cent to three bed units and 15 per cent four + bedrooms.**
- 1.9.1 It is a requirement of PPS3 that Core Strategies should include advice on the mix of market household types but this advice post-dated the submission of our Core Strategy. Whilst some of the changes in the latest version of PPS3 were taken onboard, it was impossible to meet this particular requirement because the 2005 Housing Needs Assessment, that informed our Core Strategy, had not addressed this issue.
- 1.9.2 The SHMA has expressed market household demand in terms of dwellings size and type. These conclusions have already been adopted as a material consideration for development control. That is not to say that development not meeting these requirements should be refused, but it will help inform decisions on the appropriateness of planning submissions. What PPS3 says is that

“developers should bring forward proposals for market housing that reflect the demand and profile of households requiring market housing as evidenced in the SHMA”. It is therefore as much advice to the housebuilders as it is to the planning authority.

- 1.10 Sites will need to be assessed individually, targets being subject to wider planning, economic viability, regeneration and sustainability considerations and will require a flexible approach to specific site negotiation.**
- 1.10.1 The Council maintains a flexible approach to sites, and all the relevant planning, housing, environment and economic factors are taken into consideration before committing to affordable housing details and applying our policy framework to a given scheme.
- 1.11 Consider a range of site thresholds below 15 units in sub-areas within each authority, recognising that viability issues may require lower target levels or provision of commuted sums for delivery on alternative sites.**
- 1.11.1 The adopted Core Strategy and adopted Affordable Housing SPD contain policy CP17, which has varying thresholds for triggering affordable housing requirements. For example, in areas designated as “rural”, the threshold is set at five units. The Affordable Housing SPD assesses viability criteria in Section 6, and explains how in particular circumstances the Council may accept commuted sums in place of actual delivery onsite (within section 9) on a site-by-site basis.
- 1.12 Meeting the affordable accommodation requirements of families and those with priority needs should be as important as the larger scale requirements of small units for single and couple households.**
- 1.12.1 The Council has a proven track record of working with our RSL Preferred Partners in providing affordable accommodation to meet the requirements of families and those in priority need, whilst also ensuring the development of smaller units for single persons or couples.
- 1.12.2 The Council’s aspiration is to continue in this vein to ensure the enabling programme meets the identified housing need within the Borough, which includes addressing a shortage of affordable homes for larger families.
- 1.13 Develop housing strategies to make best use of the existing stock by providing positive incentives to improve the turnover of family houses in the social rented sector, to address the under-occupation of over 2,500 units across the study area.**
- 1.13.1 The Council’s draft Housing Strategy Action Plan seeks to address the issues surrounding under-occupation. We have committed to work with stock-holding RSLs, review and update existing incentives, and report progress to this Board.

1.13.2 We intend to work with our RSL Preferred Partners to promote sensitive schemes and incentives to assist those households in certain circumstances that are looking to move to more suitable accommodation that may well be smaller than their current home.

1.13.3 The Council is also exploring the opportunities local lettings plans may represent for tackling under-occupation, by enabling new housing developments to cater to those in unsuitably large homes where the tenants express a desire to move and by encouraging a transfer led approach.

1.14 Address the current and future growth in older people and frail older households across all tenures, and their related care and support needs.

1.14.1 The Council's draft 2009 Housing Strategy Action Plan seeks to investigate with west Kent partners an extensive review of accommodation for older people in order to ensure that it meets current and future needs and aspirations, and to react accordingly.

1.15 The Housing Needs Survey data will remain valid until 2010 at which stage they will need to be fully updated. It is recommended that this is undertaken as a combined exercise for the sub-region.

1.15.1 The DHH and DPTL are both of the view that the most appropriate way to undertake that update is not to repeat the full blown Housing Needs study. This view is reinforced by the latest guidance from the CLG which steers councils away from the need to collect fresh primary (survey) data.

1.15.2 It is also the view of your officers that the adopted Core Strategy and adopted Affordable Housing SPD are not in a state or age where there is a pressing need for review. Also, on a practical front, with the Council's current financial constraints it is not a priority to fund such a review.

1.15.3 If we were of a mind to review the SHMA there is advice in the guidance which talks about using secondary data and stakeholder engagement. For example the significant affordability gap in the Borough can be evidenced through examining average incomes, house prices, and the number of those on the housing register, all of which will tell us about the nature of the need.

1.15.4 In Conclusion

1.15.5 As is clearly evident from this report, the affordable housing trigger thresholds for planning applications, affordable housing unit size percentage ratios and affordable housing tenure splits contained in the adopted Core Strategy and Affordable Housing SPD are endorsed by the findings of the SHMA.

1.15.6 There is, therefore, no need to consider amending these documents as a result of the SHMA. The conclusions on market housing mix have already been adopted as

a material consideration for development control and will help to influence the type of development proposed.

- 1.15.7 The SHMA's other recommendations are being successfully addressed through the actions identified in the draft Housing Strategy and its accompanying Action Plan.

1.16 Legal Implications

- 1.16.1 In accordance with the Communities and Local Government (CLG) "Strategic Housing Market Assessments Practical Guidance" (August 2007) local authorities need to carry out such surveys to gain a robust and comprehensive assessment of local housing demand and need.

1.17 Financial and Value for Money Considerations

- 1.17.1 None arising from this report.

1.18 Risk Assessment

- 1.18.1 There is a need to consider all the findings of the SHMA to ensure that our housing strategy and affordable housing policies and guidance are fit for purpose.

1.19 Recommendations

- 1.19.1 That **CABINET** is requested to **NOTE** and **ENDORSE** the Council's approach to addressing the recommendations of the West Kent Strategic Housing Market Assessment.

The Director of Health and Housing confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

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Nil

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