

<b>Notice of:</b>	CABINET MEMBER FOR URBAN REGENERATION
<b>Decision number:</b>	PH104/2014
<b>Relevant Officer:</b>	Jane Saleh, Head of Development Plans and Projects
<b>Relevant Cabinet Member:</b>	Councillor Fred Jackson, Cabinet Member for Urban Regeneration
<b>Date of Decision:</b>	12 <sup>th</sup> December 2014

## **ANALYSIS OF HOUSING NEED IN LIGHT OF THE 2012 SUB-NATIONAL POPULATION PROJECTIONS - FYLDE COAST STRATEGIC HOUSING MARKET ASSESSMENT - ADDENDUM**

### **1.0 Purpose of the report:**

- 1.1 To appraise the Cabinet Member for Urban Regeneration of the analysis of housing need in Blackpool in light of the 2012 Sub-National Population Projections (released May 2014) and the implications of the projections on the conclusions of the Fylde Coast Strategic Housing Market Assessment (published February 2014).

### **2.0 Recommendation(s):**

- 2.1 To accept the findings of the Analysis of Housing Need in light of the 2012 Sub-national population projections (Appendix A refers) and that it is published alongside the 2013 Strategic Housing Market Assessment as part of the evidence base for the Local Plan.
- 2.2 To accept the objectively assessed need remains within the range of 250-400 dwellings per year.
- 2.3 To note the slight increase in the estimated need of affordable dwellings per year from 264 to 272 which in all circumstances will not have an impact on the overall annual delivery of affordable housing in Blackpool; and
- 2.4 To accept the addendum will be used to inform Development Management decisions alongside consideration with the 2013 Strategic Housing Market Assessment.

### **3.0 Reasons for recommendation(s):**

3.1 Having an up-to-date housing evidence base is a key requirement of the National Planning Policy Framework With respect to the figure for affordable housing needs, the Addendum sets out a slight increase from 264 in the 2013 Strategic Housing Market Assessment to 272 dwellings per year. This slight increase has little impact on the overall delivery of affordable housing in Blackpool because only part of this need is ever likely to be met through the provision of Affordable Housing and most households in housing need in Blackpool meet their requirements in the very large private rented sector.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

None, without approval of the addendum the Local Plan will not be informed by an updated Strategic Housing Market Assessment.

### **4.0 Council Priority:**

4.1 The relevant Council Priority is:

"Tackle child poverty, raise aspirations and improve educational achievement"

### **5.0 Background Information**

5.1 In 2013/2014 Turley Associates on behalf of the Blackpool, Fylde and Wyre Councils completed a Strategic Housing Market Assessment (SHMA) for the Fylde Coast. In early May 2014 the Cabinet Member for Urban Regeneration endorsed the study's findings for Planning Policy and Development Management purposes.

5.2 Following the publication of the Strategic Housing Market Assessment, official 2012-based sub national population projections (SNPP) prepared by the Office for National Statistics (ONS) were released (May 2014). The release of this dataset represents an important update to the range of information considered within the 2013 Strategic Housing Market Assessment with the Government's Planning Practice Guidance (PPG) highlighting that such official projections should be a starting point in assessing housing need.

- 5.3 The Fylde Coast Authorities asked Turleys to produce an Addendum to the original Strategic Housing Market Assessment to be read alongside the analysis presented in the Strategic Housing Market Assessment. This Addendum was requested to establish the implications of the 2012-based sub national population projections on the conclusions of the Strategic Housing Market Assessment and in particular the range of objectively assessed need arrived at in the study.
- 5.4 **Summary of Findings of the Addendum**  
The Addendum concludes that the 2012 sub national population projections have a relatively low level of housing need compared to other modelled scenarios. For Blackpool the resultant housing need is 98 homes per year. This falls significantly below the range of objectively assessed needs identified in the 2013 Strategic Housing Market Assessment which lie between a range of approximately 250 and 400 dwellings per year.
- 5.5 However, the Addendum report highlights that locally the population growth implied by the 2012 sub national population projections is considered to reflect more recent lower levels of migration into the authority which are likely to have been impacted by a range of factors.
- 5.6 These factors include the impact of the economic downturn and recession, which has seen lower average rates of house building, as well as a reduction in employment opportunities locally over this period. These factors are considered to have likely impacted on both the level of population growth associated with migration levels as well as the rate at which households have been able to form.
- 5.7 In response to this, the Addendum analysis has included an updated projection which projects future population growth on the basis of a longer-term ten year period. This projects a higher level of population growth in the future taking into account a higher level of assumed migration into Blackpool taking into account higher rates of migration seen prior to the last five or six years.
- 5.8 This longer term scenario derives an average annual dwelling requirement of between 241 and 289 dwellings (depending on inclusion of the unattributable population change). This is some 143 to 191 dwellings higher per year than the 2012 sub national population projections dataset would imply.
- 5.9 The 2013 Strategic Housing Market Assessment highlighted the importance of the link between housing provision and job growth in the area. The population projections show an ageing of the population which has an impact on the size of the labour-force in the future. The analysis identifies that the projected population change in the 2012 sub national population projections dataset would result in a fall in the size of the available labour-force by 2030. This would potentially mean that the level of jobs which could be supported in the authority would fall by around 4,100.

5.10 The 2013 Strategic Housing Market Assessment considered a number of economic forecast employment-led scenarios which produced a range of housing requirements. The analysis in the Addendum report has re-modelled the implied need for housing associated with these employment forecasts, re-basing the analysis to 2013 and taking into account updated data relating to commuting and economic activity rates. The implied housing need under the employment led scenarios 2011-2030 is projected to be 255 (Oxford Economics) to 366 (Experian 2013). In addition the Addendum explores the impact of assuming that unemployment falls to pre-recession levels and finds that this would result in a lower dwelling requirement per year of 174 (Oxford Economic) to 282 (Experian 2013).

5.11 Taking into account the impacts of the modelling, the Addendum concludes that the 2013 Strategic Housing Market Assessment's Objectively Assessed Need range for Blackpool of 250-400 dwellings per year remains appropriate.

#### 5.12 Affordable Housing

For Blackpool the net annual need for affordable housing has increased slightly from 264 to 272 per year. The change in the affordable housing requirement is due to a slight change in methodology which is the recommended approach in the new Planning Practice Guidance (PPG) as highlighted below. The biggest driver of affordable housing need in the official methodology is the number of future households that are likely not to be able to afford to meet their own needs in the market. The Addendum translates the 2012 sub national population projections into a gross household formation rate for those households aged 15 -44 and looks at the proportion of new households who could not afford market housing without assistance using a reasonable proportion of income. This results in a slightly higher level of household growth and therefore affordable housing need than the 2013 Strategic Housing Market Assessment that used a scenario based solely on natural change and did not take into account in-migration.

#### 5.13 Conclusions

In conclusion, the Addendum presents a range of average annual housing needs for Blackpool 2011- 2030, most of which fall within the previous range of 250 – 400 per year.

It is therefore considered that the housing requirement figure in the Proposed Submission Local Plan Part1: Core Strategy (June 2014), which sets out an average of 280 dwellings per year remains within this range; this figure is further evidenced and justified in the Housing Requirement Paper which supports the Submission Core Strategy document.

With respect to the figure for affordable housing needs the Addendum sets out a slight increase from 264 in the 2013 Strategic Housing Market Assessment to 272 dwellings per year. This slight increase has little impact on the overall delivery of affordable housing in Blackpool because only part of this need is ever likely to be met through the provision of Affordable Housing and most households in housing need in Blackpool meet their requirements in the very large private rented sector. This is highlighted in the 2013 Strategic Housing Market Assessment which advises on the need to ensure the balance between housing supply and demand does not exacerbate affordability issues but notes the role of the private rented sector in meeting the affordable housing need in Blackpool.

5.14 Does the information submitted include any exempt information? No

5.15 **List of Appendices:**

Appendix A Strategic Housing Market Assessment

**6.0 Legal considerations:**

6.1 The Strategic Housing Market Assessment and the Addendum form a critical part of the evidence base for the emerging Blackpool Local Plan. Having an up-to-date housing evidence base is a key requirement of the National Policy Framework.

**7.0 Human Resources considerations:**

7.1 None

**8.0 Equalities considerations:**

8.1 The Addendum considers the need for Affordable Housing and housing for specific groups but not Gypsies and Travellers which are covered by a separate study.

**9.0 Financial considerations:**

9.1 The costs of the Addendum have been met by the three Fylde Coast authorities. For Blackpool, these costs have been met within the Planning budget.

**10.0 Risk management considerations:**

10.1 Choosing a housing figure for the Local Plan is complex and must be based on robust evidence available. The Strategic Housing Market Assessment is based on up-to-date information and data, as of October 2013. The analysis and findings are considered to represent a balanced position, and needs to be continually monitored against emerging evidence which includes the analysis in this Addendum.

**11.0 Ethical considerations:**

11.1 None

**12.0 Internal/ External Consultation undertaken:**

12.1 None

**13.0 Background papers:**

13.1 Fylde Coast Strategic Market Assessment December 2013 (Published February 2014)

**14.0 Key decision information:**

14.1 Is this a key decision? NO

14.2 If so, Forward Plan reference number:

14.3 If a key decision, is the decision required in less than five days? N/A

14.4 If **yes**, please describe the reason for urgency:

**15.0 Call-in information:**

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? NO

15.2 If **yes**, please give reason:

**TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

**16.0 Scrutiny Committee Chairman (where appropriate):**

Date informed: N/A

Date approved: N/A

**17.0 Declarations of interest (if applicable):**

17.1 None

**18.0 Executive decision:**

18.1 The Cabinet Member agreed the recommendations as outlined above namely:

1. To accept the findings of the Analysis of Housing Need in light of the 2012 Sub-national population projections (Appendix A refers) and that it is published alongside the 2013 Strategic Housing Market Assessment as part of the evidence base for the Local Plan.
2. To accept the objectively assessed need remains within the range of 250-400 dwellings per year.
3. To note the slight increase in the estimated need of affordable dwellings per year from 264 to 272 which in all circumstances will not have an impact on the overall annual delivery of affordable housing in Blackpool; and
4. To accept the addendum will be used to inform Development Management decisions alongside consideration with the 2013 Strategic Housing Market Assessment.

**18.2 Date of Decision:**

12<sup>th</sup> December 2014

**19.0 Reason(s) for decision:**

Having an up-to-date housing evidence base is a key requirement of the National Planning Policy Framework With respect to the figure for affordable housing needs, the Addendum sets out a slight increase from 264 in the 2013 Strategic Housing Market Assessment to 272 dwellings per year. This slight increase has little impact on the overall delivery of affordable housing in Blackpool because only part of this need is ever likely to be met through the provision of Affordable Housing and most households in housing need in Blackpool meet their requirements in the very large private rented sector.

**19.1 Date Decision published:**

12<sup>th</sup> December 2014

**20.0 Executive Members in attendance:**

20.1

**21.0 Call-in:**

21.1

**22.0 Notes:**

22.1