

# Swindon and Wiltshire Local Enterprise Partnership

## Joint Strategic Economic Committee

28 June 2017

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### **Strategic Housing Market Assessment (SHMA) and Functional Economic Market Area Assessment (FEMAA)**

#### **1. Purpose**

- 1.1. To allow the Joint Strategic Economic Committee (JSEC) to consider the final draft SHMA and FEMAA reports.

#### **2. Background**

- 2.1 The agenda for the 14 February 2017 JSEC provided an outline of the methodology and headline findings of the SHMA and FEMAA, and considered the options for plan making in the light of the findings.
- 2.2 At the 14 February meeting it was agreed that the SHMA and FEMAA reports should be finalised for consideration at JSEC in June.

#### **3. SHMA and FEMAA Findings**

- 3.1. The headline findings of the SHMA and FEMAA were reported to the JSEC on 14 February 2017. At that point a number of technical details needed to be addressed before the reports could be finalised.
- 3.2. Resolution of the outstanding technical issues has not altered the overall headline findings, which are outlined here for ease of reference. The detailed findings are contained in a confidential report to be considered in Part 2 of this meeting.

##### SHMA Findings

- 3.3. The SHMA identifies that Wiltshire and Swindon comprise four constituent functional housing market areas (HMA) centred respectively on Chippenham, Salisbury, Swindon and Trowbridge.
- 3.4. The objectively assessed need for housing over the 20 year period (2016 to 2036) is 73,000 dwellings in Swindon and Wiltshire or 3,650 dwellings per annum. This compares to a level of 3,600 dwellings per annum set out in the authorities' adopted Swindon Local Plan and Wiltshire Core Strategy.

### FEMAA Findings

- 3.5. The FEMAA report identifies three 'best fit' functional economic market areas (Swindon/M4 corridor, A350/West Wiltshire towns and Salisbury/Amesbury/A36) that broadly correspond with the three economic zones of the Strategic Economic Plan.
- 3.6. The headline figures for 2016-2036 employment growth and office and industrial floor space requirements for Wiltshire and Swindon are around 40,250 jobs, with 35 to 38 hectares of Office floorspace and 215 hectares of industrial floorspace.
- 3.7. Overall, the requirement equates to 15 hectares per annum across Wiltshire and Swindon in the period to 2036. This compares to employment land policies in the adopted Swindon Local Plan and Wiltshire Core Strategy which provide just under 17 hectares per annum of employment land across Wiltshire and Swindon (in identifying this plan requirement for all of Wiltshire and Swindon it should be noted that Swindon's current plan covers the period 2011-2026 whereas Wiltshire's is 2006-2026).

### Status of the SHMA and FEMAA

- 3.8. In considering the SHMA and FEMAA outputs, it should be kept in mind that:
  - The requirements for housing and economic development land identified will not necessarily simply become the plan review targets. For policy reasons, the authorities may plan for more or fewer homes in a particular HMA, taking account of the overall necessity to ensure that the level of housing need evidenced in the SHMA across the Swindon and Wiltshire area as a whole is met. Similarly, there will be 'policy on' decisions to be made about the location and quantum of economic development land to plan for.
  - Unmet housing needs (if there are any) from neighbouring authorities may need to be considered.
  - The distribution of new homes between the unitary authorities and their constituent HMAs will not necessarily be as set out in the SHMA. It may be considered desirable to plan for inter HMA redistributions in order to promote sustainable development, co-locate new homes with supporting infrastructure and jobs, address local affordability problems, or protect environmentally sensitive areas.
- 3.8 The SHMA and FEMAA reports, when finalised and published, will be of interest to stakeholders, including community groups, parish councils and developers. It is therefore important that their status in the plan making process and for decision making is effectively communicated.
- 3.9. The government's guidance on the status of SHMA evidence is set out in the Planning Practice Guidance and further advice is provided in the Ministerial

Statement from Brandon Lewis MP to the Planning Inspectorate titled “Strategic Housing Market Assessments” dated 19 December 2014 attached as **Appendix 1**. The PPG states:

*Considerable weight should be given to the housing requirement figures in adopted Local Plans, which have successfully passed through the examination process, unless significant new evidence comes to light. It should be borne in mind that evidence which dates back several years, such as that drawn from revoked regional strategies, may not adequately reflect current needs.*

*Where evidence in Local Plans has become outdated and policies in emerging plans are not yet capable of carrying sufficient weight, information provided in the latest full assessment of housing needs should be considered. But the weight given to these assessments should take account of the fact they have not been tested or moderated against relevant constraints.*

3.10. The Ministerial Statement states:

*...the outcome of a Strategic Housing Market Assessment is untested and should not automatically be seen as a proxy for a final housing requirement in Local Plans. It does not immediately or in itself invalidate housing numbers in existing Local Plans*

3.11. It is considered, in line with government guidance, that the Core Strategy and Local Plan requirements remain the applicable housing requirements for the authorities. Monitoring and the determination of planning applications will therefore continue to be undertaken in accordance with the housing requirements contained in the adopted development plans for Swindon and Wiltshire.

#### The Housing White Paper

3.12. In February 2017 the government published its Housing White Paper ‘Fixing our broken housing market’. The White Paper announced the government’s intention to consult on a new standard methodology for calculating objectively assessed housing need. The White Paper states that the government will publish this consultation at the earliest opportunity this year, with the outcome reflected in changes to the National Planning Policy Framework.

3.13. The White Paper also states that the government’s intention is that local authorities should use the new methodology for preparing new plans unless there is a reasonable justification for departing from it.

3.14. In the light of the government’s stated intention to introduce a new methodology, officers will keep the position under review. It may be necessary to ask consultants to prepare an addendum to the SHMA to take account of the new methodology.

#### **4. Next Steps**

- 4.1. The detailed findings of the SHMA and FEMAA are set out in the Part 2 item to be considered at this meeting. Following consideration of the reports the documents should be published on the Councils' websites alongside information to explain what they are, their status and relationship to plan making.
- 4.2. The SHMA and FEMAA should form part of the evidence base for the Local Plan/Core Strategy reviews. The proposed process of joint working on the plan reviews was outlined in the agenda for the 14 February 2017 JSEC. The detailed programme for the plan reviews will be reported to the Councils' respective cabinets as part of the update of their Local Development Schemes in September.

#### **5. Recommendation**

- 5.1. To consider the final SHMA and FEMAA set out in Part 2 of this report and agree that the documents should be published on the Councils' respective websites following JSEC alongside information about their status and relationship to plan making.

**Richard Bell**

**Head of Planning, Regulatory Services & Heritage**

**Alistair Cunningham**

**Associate Director, Economic Development and Planning**

## Appendix 1: Ministerial Statement to Planning Inspectorate 'Strategic Housing Market Assessments' (December 2014)



Department for  
Communities and  
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**Brandon Lewis MP**  
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[www.gov.uk/dclg](http://www.gov.uk/dclg)

19<sup>th</sup> December 2014

Dear Simon,

### **Strategic Housing Market Assessments**

I am writing to ensure our existing policy position on emerging evidence in the form of Strategic Housing Market Assessments is clear.

We have set out in our recent guidance that a Strategic Housing Market Assessment is just the first stage in developing a Local Plan and councils can take account of constraints which indicate that development should be restricted ([http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-land-availability-assessment/stage-5-final-evidence-base/#paragraph\\_045](http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-land-availability-assessment/stage-5-final-evidence-base/#paragraph_045)).

The extent of constraints will be justified on a case by case basis for each Local Plan, depending on particular local circumstances, within a housing market area.

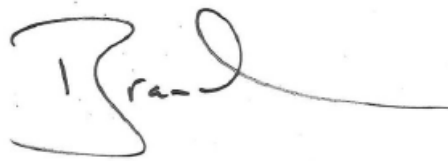
Many councils have now completed Strategic Housing Market Assessments either for their own area or jointly with their neighbours. The publication of a locally agreed assessment provides important new evidence and where appropriate will prompt councils to consider revising their housing requirements in their Local Plans. We would expect councils to actively consider this new evidence over time and, where over a reasonable period they do not, Inspectors could justifiably question the approach to housing land supply.

However, the outcome of a Strategic Housing Market Assessment is untested and should not automatically be seen as a proxy for a final housing requirement in Local Plans. It does not immediately or in itself invalidate housing numbers in existing Local Plans.

Councils will need to consider Strategic Housing Market Assessment evidence carefully and take adequate time to consider whether there are environmental and policy constraints, such as Green Belt, which will impact on their overall final housing

requirement. They also need to consider whether there are opportunities to co-operate with neighbouring planning authorities to meet needs across housing market areas. Only after these considerations are complete will the council's approach be tested at examination by an Inspector. Clearly each council will need to work through this process to take account of particular local circumstances in responding to Strategic Housing Market Assessments.

As you are aware, the Secretary of State can recover appeals, for example where he considers that they raise issues of national importance. This is important to support the application of relevant policies at national level.

A handwritten signature in black ink, appearing to read 'Brandon Lewis', with a long horizontal flourish extending to the right.

**BRANDON LEWIS MP**