

Summary Sheet

Council Report

Commissioner Kenny Decision Making Meeting, 5th October 2015

Title

Rotherham Strategic Housing Market Assessment and Sheffield Rotherham Joint Report

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Karl Battersby, Strategic Director of Environment and Development Services

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Ward(s) Affected

All

Executive Summary

In 2014 the Council committed to carrying out a new Strategic Housing Market Assessment (SHMA) for Rotherham. A SHMA is a study of the whole housing market. It examines how the market is functioning and provides an independent assessment of future housing need. The previous full study was considered to be out of date during the Examination in Public of the Rotherham Local Plan Core Strategy.

The Strategic Housing Team commissioned the University of Sheffield to carry out a new SHMA study of the Rotherham housing market, and to help us better understand the relationship between Rotherham and Sheffield markets.

The Rotherham SHMA and the Sheffield/Rotherham Joint SHMA are now complete and the purpose of this report is to summarise the findings.

Recommendations

That Commissioner Kenny:

- Notes the final reports and key findings and that the reports will be published on the website.
- Notes that the strategic housing and planning officers will use the reports to inform the Council's housing policies, support the Local Plan process and our plans for housing provision

List of Appendices Included

- Rotherham Strategic Housing Market Assessment 2015 Executive Summary (appendix 1)

Background Papers

- Rotherham Strategic Housing Market Assessment 2015
- Sheffield / Rotherham Joint Report 2015
- Sheffield Strategic Housing Market Assessment 2013
- SHMA Standing Order Waiver Report Cabinet Member 07.04.14
- Housing Strategy 2013-2043 Commitment 8
- Core Strategy Planning Examination ED75 Inspectors Preliminary Findings Point 6
- Corporate Plan, Helping to create safe and healthy communities
- Housing Growth Report, Meeting of Cabinet 27.11.13 Item 132
- Draft Housing Growth Plan

Consideration by any other Council Committee, Scrutiny or Advisory Panel
N/A

Council Approval Required
No

Exempt from the Press and Public
No

Rotherham Strategic Housing Market Assessment and Sheffield Rotherham Joint Report

1. Recommendations

That Commissioner Kenny:

1.1 Notes the final reports and key findings and that the reports will be published on the website.

1.2 Notes that the strategic housing and planning officers will use the reports to inform the Council's housing policies, support the Local Plan process and our plans for housing provision

2. Background

2.1 Purpose of the SHMA

2.1.1 Rotherham's Planning Core Strategy was subject to Examination in Public in late 2013 and the Spring of 2014. While the plan was found to be sound, the Inspector was concerned that an up to date assessment of housing need across the whole Sheffield /Rotherham housing market area had not been produced. The Inspector required that such an assessment be carried out and its findings be taken into account in the production of the remaining elements of the Local Plan. The National Planning Policy Framework requires that objective assessments of housing need be carried out in the form of a Strategic Housing Market Assessment. At the time of the examination work commissioned by Sheffield City Council to produce a SHMA for the city was nearing completion. The Inspector agreed to Rotherham producing its own SHMA, following the same methodology as the Sheffield study, along with a further report providing joint findings for the overall housing market area.

2.1.2 National Planning Policy Framework (NPPF) states that Local Planning Authorities should have a clear understanding of housing needs in their area; they should prepare a SHMA to assess their full housing needs and work with neighbouring authorities where housing market areas cross administrative boundaries. The joint report was commissioned to acknowledge our close relationship with Sheffield.

2.1.3 The SHMA is an important document and forms part of the evidence base to inform Local Plan strategy and policies. The SHMA also relates to a range of other corporate strategies and policies and, in particular, the Housing Strategy and Housing Growth Plans. These documents emphasise the importance of increasing the supply of housing, including affordable housing and the private rented sector, delivering sustainable places, meeting housing need, and supporting corporate objectives to grow the local economy, protect vulnerable people, and regenerate the town centre.

2.1.4 The Rotherham SHMA has involved a household survey, baseline data analysis of Census and administrative data, analysis of housing submarkets, and a programme of engagement with residents, local stakeholders, and sub-regional partners. The methodology is consistent with that of the 2013 Sheffield

SHMA, thereby enabling the production of a joint SHMA covering the Sheffield-Rotherham housing market area.

2.2 Summary of Rotherham SHMA findings

2.2.1 Rotherham occupies a central location within the Sheffield City Region housing market system. It is geographically central and shares important housing and labour links with the surrounding areas, in particular Sheffield.

2.2.2 Rotherham is considered to have a self-contained housing market (73% of moves are within the boundary). It has five distinct housing market areas (HMA) which are also considered to be relatively self-contained. In general, housing in the south is more desirable and higher priced than that in the north of the borough.

2.2.3 House prices are rising and affordability has marginally worsened recently, though values are still among the lowest in the sub region. This can be viewed as both strength (value for money, affordability and meeting need) and a challenge (low development values testing the viability of new developments).

2.2.4 New, large developments such as Waverley and Bassingthorpe are not expected to conform to the characteristics of the existing HMAs with regards to self-containment and affordability, but are expected to bring a new, high quality offer which will help to meet housing need from across all areas of the borough.

2.2.5 The overall housing requirement is for 900 (net) new dwellings per year. 10% of which would need to be 1 bed, 40% 2 bed, 50% 3 bed or more in size. Included in the 900 required are 237 (26%) new affordable homes, the rest would be delivered by the private sector. The 237 should consist of 170 dwellings for social rent and 67 intermediate tenures (i.e. shared or low cost ownership). The study indicates a requirement for a higher percentage of smaller 1 and 2 bed properties would be required for social rent properties.

2.2.6 We are not currently delivering at the level suggested by the study. Help to Buy and other Government initiatives are assisting in recovery but the gap between requirement and delivery remains low with an average of between 550 and 600 net homes per year. Affordable housing delivery broadly aligns with policy but also fails to deliver at the rate required, delivering an average of 150 per year. Allocation of new housing sites in the Local Plan Sites and Policies Document will greatly increase the amount of development land available to house builders and ensure that delivery rates are increased.

2.2.7 Welfare Reform is impacting on the housing market through reducing money in the local economy, tenure switching and downsizing which add further pressure on affordable housing.

2.2.8 There is a recognition that regeneration activity has been limited in recent years and it is clear that the housing market would benefit from investment into making communities more attractive. The survey found that the most important factors when making a decision to move were related to quality neighbourhoods, housing choice and affordability rather than education or employment. 55% of people working in Rotherham live outside of the borough.

2.2.9 The residential market for town centre living is considered to be underdeveloped. There is a consensus that it has potential but does not have the right offer as yet. There may be scope for an offer aimed at specific age groups i.e. young people, older households seeking independent living. 12% of residents would consider moving into the town centre if the right housing and environment were created.

2.2.10 The number of older people is rising and will present challenges in the future. Older people have greater levels of self-containment and have a preference towards bungalows. Though it is acknowledged that housing needs for older people are becoming more diverse and there appears to be a lack of alternative housing choices.

2.2.11 The BME population is growing but is still small in comparison to other areas. There were no significant special housing needs arising from BME households. This may require further analysis.

2.2.12 The private rented sector has grown significantly in recent years and continued to do so in the North Urban and South East HMAs. The private rented sector makes up a key part of the housing market in Rotherham and provides a level of housing which is seen as being affordable to many. Selective licencing has been acknowledged as a key tool to assist in improving this offer.

2.3 Sheffield / Rotherham Joint SHMA – key findings

2.3.1 The Rotherham housing market has strong links with neighbouring areas, particularly Sheffield. Rotherham and Sheffield are considered as self-contained markets (with over 70% of moves from within their own boundaries) but despite this they form part of a wider system which supports population mobility. Rotherham takes the largest proportion of migrants from Sheffield.

2.3.2 House prices, land values and private rent levels have seen some recovery but are still below national averages and are rising at a slower rate across the two areas.

2.3.3 Migration from Sheffield into Rotherham is dominated by families looking for more affordable options whereas more young people are lost to Sheffield.

2.3.4 Overall housing requirement for the two areas is between 2,875 and 3,375 (Sheffield's need was presented as a range rather than a target figure). There is scope for the two areas to continue to meet each other's needs.

2.3.5 Within the overall requirement there is a need for 962 affordable dwellings per annum. It is suggested that authorities should plan to meet this need locally. Sheffield is expected to need a higher proportion of intermediate tenures (i.e. affordable rent, shared ownership).

3. Key Issues

3.1 The report sets out an objective assessment of housing needs and the overall housing requirement for the next five years. It balances out the housing that is needed to meet existing needs whilst considering additional pressures arising from demographic and economic growth.

3.2 The Local Plan must set this requirement against matters related to practical delivery, spatial strategy and development constraints.

3.3 Officers within the strategic housing, growth and planning teams will need to understand the details of the study and ensure it is reflected throughout current and emerging housing policy and strategy.

3.4 The SHMA has been used to develop Rotherham's new Housing Growth Strategy which is aligned with the wider Economic Growth Plan. The new Housing Strategy is currently being drafted and will reflect the SHMA findings.

3.5 There is scope for further work with neighbouring authorities to meet some areas of housing need and particularly in relation to funding opportunities for the wider region.

4. Options considered and recommended proposal

N/A – for info

5. Consultation

5.1 The study has involved a large element of qualitative work and has captured views from a wide range of stakeholders including:

- A household survey to capture information from 1,700 local residents
- Stakeholder interviews with professionals from the development, estate agency and social / private landlord community
- Policy workshops with housing professionals to discuss;
- Private Housing Market
- Affordable Housing Sector
- Officers Steering Group with contributions from other Local Authorities

6. Timetable and Accountability for Implementing this Decision

6.1 Once approved by Commissioner Kenny the SHMA will be published on the Council's website on 5th October 2015.

7. Financial and Procurement Implications

7.1 There are no financial / procurement implications arising from this report.

8. Legal Implications

8.1 There are no legal implications arising from this report.

9. Human Resources Implications

9.1 There are no human resources implications arising from this report.

10. Implications for Children and Young People and Vulnerable Adults

10.1 There are no implications for children and young people and vulnerable adults arising from this report, however we will be using the SHMA as part of the evidence base for formulating our housing growth plan, which will include specialist housing for young people.

11 Equalities and Human Rights Implications

11.1 There are no equalities and / or Human Rights implications arising from this report.

12. Implications for Partners and Other Directorates

12.1 The SHMA is an important document for our Registered Social Landlord partners and the summary was shared via a workshop with staff, partners and stakeholders in March 2015. Further discussion took place with RSLs in July.

13. Risks and Mitigation

13.1 Supplementary evidence provided at the examination ensured that the Core Strategy was found to be sound on the understanding that a new SHMA study would be carried out and that any changes in the overall housing requirement would be addressed accordingly. The housing requirement has not significantly changed.

13.2 The housing market can be somewhat unpredictable; it is linked to economic sensitivities and has many variables which can impact on delivery and affordability. A SHMA is considered to be a reliable way of understanding the housing market for a five year period but can quickly become out of date if there is a significant change in the market. The Council has access to a wide range of housing intelligence data which will be used alongside the new study to help mitigate against the need to revise the study any sooner.

14. Accountable Officer(s)

Karl Battersby, Strategic Director, Environment and Development Services

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<http://modern.gov.rotherham.gov.uk/ieDocHome.aspx?Categories=>