

Bath and North East Somerset Core Strategy Examination

Hearing 17 September 2013:

**The Scope of the Strategic Housing Market
Assessment (SHMA)**

Statement of Mendip District Council

15 August 2013

- 1.1 This statement sets out Mendip District Council's position in relation to the Inspector's questions on the scope of the Strategic Housing Market Assessment (SHMA) as set out in note ID/35. The statement is confined to the overarching question (3.1) set out below but, in doing so, also more generally addresses issues raised in other questions 3.2 – 3.12:

“In the context of the Examination to date, including my preliminary conclusions on strategic matters in June 2012, does the geographic coverage of the Council's new SHMA (CD9/H4) in relation to Housing Market Areas provide an adequate basis for the objective assessment of housing needs in accordance with the NPPF? If not, is any departure from national policy justified?”.

- 1.2 Whilst it is understood that this session is not intended to explore numerical aspects of B&NES's housing requirement, the Statement also updates more widely Mendip District Council's representations on the draft Core Strategy.

2.0 Background

- 2.1 In commenting on the SHMA, the District Council is concerned with the extent to which B&NES's housing market(s) overlaps with those operating in Mendip and therefore the extent to which it is necessary for the future housing needs of the two councils' combined areas to be considered jointly.
- 2.2 For the avoidance of doubt, the District Council's comments are concerned solely with the relationship between Mendip and B&NES and makes no comment on the extent to which B&NES's local housing market area(s) might overlap with other areas, most notably Bristol.
- 2.3 Clearly, the District Council's primary concern is to ensure that neither the methodology nor the outputs from B&NES's SHMA would lead to future under-provision of housing with resulting housing pressures on towns and villages in the northern fringes of Mendip. Such concerns have previously been articulated through formal submissions on the B&NES Core Strategy.
- 2.4 By way of background, Mendip District Council is aware that B&NES have commissioned ORS to prepare a SHMA for that area. The housing needs and requirement for Mendip is currently similarly being updated through an update of its SHMA by Justin Gardner Consulting. This work is expected to have been published by the time of this Examination Hearing.

3.0 B&NES as a discrete Housing Market Area

- 3.1 The starting point for consideration is the NPPF's requirement for local planning authorities to have a clear understanding of housing needs in their area. This should involve working with neighbouring authorities where HMAs cross administrative boundaries.
- 3.2 A key area for consideration, therefore, is the extent to which B&NES can be considered as a functioning housing market area (HMA) in isolation from Mendip. In this regard, it is important to acknowledge that there is no single accepted methodology for determining HMAs and, moreover, overlap with surrounding authorities in any HMA is inevitable to a greater or lesser degree. A key consideration is whether the relationships are so strong that jointly commissioned research or plan making is essential in the interests of sound plan-making.
- 3.3 In the case of B&NES, it is noted that ORS have reviewed CLG/CURDS research of 2010 (Housing Markets in England) which sets out a series of gold and silver standard Housing Market Areas. The gold standard HMAs show a housing market centred on Bath which extends into Mendip. However, it is notable that substantial parts of Mendip District are more closely linked to other areas away from B&NES. Generally links into Mendip District - taken as a whole - are relatively weak.
- 3.4 ORS also undertake more locally specific analysis, and assume a different 'closure' rate to the CURDS work, which suggests that the Bath HMA extends only slightly into the fringes of Mendip and excludes any market towns. The District Council notes that this is consistent with the 2001 Wells and Shepton Mallet Travel to Work Area (TTWA) which, with the exception of Frome, approximates closely to the District of Mendip.
- 3.5 This is also consistent with Mendip's own more recent work on looking at housing market boundaries which suggests that Mendip can be considered as a relatively self-contained market area (albeit with links into B&NES and other areas). In this regard, whilst there are some strong cross boundary links (most notable Frome and some villages), it is worth noting that only 9% of Mendip's residents work in B&NES whilst just 5% of Mendip's workforce commutes to Bath. These figures suggest a relatively weak link when considering the whole district.
- 3.6 Mendip District Council have also drawn on data in the 2011 Housing Needs Assessment for Mendip about household movements. This source shows that of households moving over the previous two-years into Mendip, only around 5% of all movers had previously lived in the B&NES area. This again shows a relatively weak link with B&NES.

- 3.7 Overall, therefore, analysis does not strongly suggest that the whole of Mendip should for analytical (and SHMA) purposes be merged with B&NES. It certainly does not point to a need for objectively assessed housing needs to be commissioned jointly between the two authorities.
- 3.8 Clearly, however, ongoing liaison between B&NES and Mendip will be needed and will continue. In this regard, Mendip are currently updating the evidence base with regard to housing requirements using a broadly similar methodology employed by ORS for B&NES. In ensuring comparable outputs for both areas, a consistent and co-ordinated approach to the wider HMA can be demonstrated.

4.0 Housing Requirements

- 4.1 Whilst the consideration of housing requirements is beyond the scope of this Hearing session, it is worth noting that B&NES's current position is to provide 12,700 additional homes over the period from 2011 to 2029 (around 700 per annum). The latest ORS work on demographic change and identifying an objectively assessed level of need puts this figure towards the top end of the range of scenarios developed (in the recent Addendum 1a).
- 4.2 Having now been able to review the methodology, Mendip District Council is satisfied that it appears to be soundly based and takes account of new data that has become available over the past few months (including a full set of consolidated mid-year population estimates and the latest CLG household projections). On this basis, the Council's housing figure appears to be of the right order and reflects a reasonable assessment of the need for housing taking into account migration and demographic change.
- 4.3 Mendip's own update of the evidence base with regard to housing requirements is using the same broad methodology as employed by B&NES in the SHMA. In this regard, discussions have been held with B&NES about the assumptions used by ORS and will ensure that comparable outputs are available for both areas. The outputs for Mendip will be likely to cover the period to 2029 to be consistent with the emerging Plan in B&NES.
- 4.4 Although a report looking at objective housing requirements for Mendip has not yet been published, the outputs from the scenarios run suggest that Mendip will be able to meet its objective need within the District boundary. Equally, it is accepted that this is also the case for B&NES.

5.0 Conclusions

- 5.1 Mendip District Council is content that the analysis of housing market areas is consistent with good practice and that the outputs can broadly be seen to reflect a

functioning HMA for B&NES. Mendip District also appears to have a significant level of self-containment and can be considered as a reasonable proxy for a HMA.

- 5.2 It is therefore concluded that the respective assessments for the two councils provide a reasonable and co-ordinated basis for understanding and addressing cross boundary housing market issues. Ongoing liaison between the two councils will ensure planning for housing at the local level will ensure any cross boundary issues (such as Frome) will be taken into account by both councils.
- 5.3 The housing requirements coming out of the SHMA and ultimately through Council decisions also appear to be sufficient to meet the objective level of need in the District with no requirement for this to be met in other locations. Mendip is similarly in the position of being able to meet its own needs with the District boundary.