



CABINET

20TH SEPTEMBER 2018

AGENDA ITEM (9)

COUNTY-WIDE PROCUREMENT OF LOCAL HOUSING NEEDS ASSESSMENT

Accountable Member	Councillor S Hirst Cabinet Member for Housing, Health and Leisure
Accountable Officer	Anwen Hughes Strategic Housing Manager 01285 623121 anwen.hughes@cotswold.gov.uk James Brain Forward Planning Manager 01285 623549 james.brain@cotswold.gov.uk
Purpose of Report	<p>To consider the use of monies from the Council Priorities Fund to meet the Council's share of the cost of preparing a county-wide Local Housing Needs Assessment.</p> <p>To seek approval to enter into a joint procurement process with the six district authorities in Gloucestershire for a new Local Housing Needs Assessment (LHNA).</p> <p>To seek approval to enter into participation agreements for joint working to enable the delivery of the procurement.</p>
Recommendation(s)	<p>(a) That delegated authority be given to the Head of Paid Service to approve the final budget, in consultation with the Chief Finance Officer and Cabinet Member for Housing, Health and Leisure;</p> <p>(b) that this Council's share of the cost of the assessment be funded from the Council Priorities Fund;</p> <p>(c) that the Joint Head of Legal and Property Services be authorised to approve and sign the participation agreement;</p> <p>(d) that delegated authority be given to the Head of Paid Service to approve the final tender brief and the contract award, on behalf of the Council.</p>
Reason(s) for Recommendation(s)	<p>Local Authorities have a legal duty to periodically review housing need within their administrative area under the Housing Act 1985.</p> <p>The National Planning Policy Framework (NPPF) also requires local planning authorities to have "a clear understanding of housing needs in their area" and that "strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance". In addition, the NPPF requires that "any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for".</p>

Key Decision	No
Recommendation to Council	No

Financial Implications	<p>Each of the six district authorities will contribute an equal share of the total cost of the assessment. This is currently estimated as being approximately £120,000. The Council's share would be £20,000; although this will rise if the final budget increases.</p> <p>In addition, there is a balance of £13,000 from previous joint housing needs assessment work held by Cheltenham Borough Council on behalf of the partners which can be utilised for additional survey work, presentations etc. if required.</p> <p>The Council needs to consider setting aside an annual sum of £5,000 into earmarked reserves to provide for future required housing needs assessments. Typically the assessments have been carried out every five years, dependent on changing circumstances and revised legislation etc. A request for this unavoidable budget growth will be submitted as part of the Council's budget-setting processes in the autumn.</p>
Legal and Human Rights Implications	<p>Ensure the joint procurement agreement complies with regulations and the Council's policies.</p> <p>An updated understanding of local housing requirements will assist the Council to implement housing policies to protect the most vulnerable and marginalised.</p>
Environmental and Sustainability Implications	None
Human Resource Implications	The procurement process will be managed by the Strategic Housing team working with Forward Planning colleagues. The project will be led by Forest of Dean District Council, with project management support from Cotswold District Council within existing resources.
Key Risks	The failure to provide a robust evidence base will reduce the effectiveness of the Local Plan policies and the ability of the council to implement the Local Plan. It would impact on the effectiveness of the Council's negotiations with developers in delivering housing to meet the district's need.
Equalities Analysis	The Local Housing Needs Assessment (LHNA) will assess the housing requirements of specific groups and assist the Council in meeting its responsibilities to them.

Related Decisions	Council, September 2016 - adoption of Housing Plan, which contained the task to commission a new LHNA (formerly called Strategic Housing Needs Assessment - SHMA)
Background Documents	None
Appendices	None

Performance Management Follow Up	<p>(i) Implement Cabinet decision(s).</p> <p>(ii) The procurement process will be managed by the LHNA project group which includes representatives from each of the partners. The Strategic Housing Manager will provide regular progress reports to the Executive Director, Group Manager for Professional Services and Cabinet Member for Housing, Health and Leisure, through the Housing Plan monitoring process.</p>
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Options for Joint Working	This is a county-wide partnership including the six Gloucestershire District/Borough Councils.
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Background Information	
1. <u>General</u>	
1.1 Following the Local Plan's adoption, an updated Local Housing Needs assessment (LHNA) is required to ensure our understanding of housing need and demand is kept up-to-date. It will help to ensure Local Plan policies and the Housing Plan can be fully implemented	
1.2 The revised National Planning Policy Framework (NPPF) 2018 requires a LHNA to be undertaken to provide an assessment of future needs for market and affordable housing for the Local Plan period for the identified housing market area. The LHNA helps to inform the objective assessment of housing and economic development needs, a key NPPF requirement. The purpose of the LHNA is to provide an objective assessment of the need for housing without taking into consideration other policy aspirations, opportunities and constraints. It is for the Council to assess the district's capacity and strategy for growth in order to inform the Local Plan housing target.	
1.3 The findings help the Council to take a broader view of its overall housing responsibilities in balancing the housing market through assessing housing need and demand. The information will inform housing delivery through the adopted Local Plan, the Housing Plan 2016-2020 and negotiations with developers seeking planning permission.	
1.4 A LHNA has to give an understanding of a housing market area. Previous studies have identified Gloucestershire as a discrete housing market area, which supports working in partnership with the other Gloucestershire local authorities. Partnership working brings benefits including greater understanding of the other authorities' housing areas and how they inter-relate, value for money, prevents duplication of effort and helps the Council to meet requirements around its Duty to Co-operate.	
1.5 Whilst it will be a county-wide assessment, it will include individual assessments for each district council. The LHNA will provide information about open market demand and the need for affordable housing providing a holistic view of the housing market which can be used to support Local Plan policies. Core outputs will be included as set out in Government guidance in order to provide a robust evidence base that will withstand scrutiny at appeals and inquiries.	
1.6 The starting point for assessing housing need is the most recent population and household projections. In order to model the relationship between jobs and homes, the LHNA will consider the evidence for economic prospects affecting the district.	
2. <u>Current Position</u>	
2.1 Each of the six district authorities will contribute an equal share of the total cost of the assessment. This is currently estimated as being approximately £120,000. The Council's share would be £20,000; although this will rise if the final budget increases. It is intended that each Council will contribute £20,000 to a joint budget held on behalf of the partnership by the lead partner, Forest	

of Dean District Council. The contribution is outside of the Council's approved budget for 2018/19 and will therefore need to be funded from earmarked reserves. It is proposed that the Council Priorities Fund is used to fund the contribution.

2.2 Forest of Dean District Council has agreed to lead the partnership work, with project management support from Cotswold District Council. A small working group consisting of planning and/or strategic housing officers has been formed to progress the project. A wider group of officers will be engaged during the process.

2.3 A draft brief and procurement evaluation has been produced. Cabinet is asked to give delegated authority to the Head of Paid Service to approve the final content of the brief and the subsequent award of the contract and the final budget, including for any additional services requested by Cotswold District Council.

2.4 A draft Participation Agreement has been prepared for signature by the participating partners. Approval is sought for the Joint Head of Legal and Property Services to sign the agreement on behalf of the Council.

2.5 The costs of the assessment will be shared equally by the six district authorities. Additional information may be requested by any authority with the extra cost being borne by that council.

2.6 Tenders for the work will be evaluated by a Co-ordinating Group made up of representatives of each partner authority.

3. Future Position

3.1 The National Planning Policy and Guidance (NPPF) clearly identifies that local planning authorities should have a clear understanding of housing needs in their area.

3.2 Paragraph 31 of the NPPF states that, in preparing and reviewing plans, local planning authorities should ensure that the preparation and review of all policies should be underpinned by relevant and up-to-date evidence.

3.3 The Council needs to consider setting aside an annual sum of £5,000 into earmarked reserves to provide for future required housing needs assessments. Typically the assessments have been carried out every five years, dependent on changing circumstances and revised legislation etc. A request for this unavoidable budget growth will be submitted as part of the Council's budget setting processes in the autumn.

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