

Report to CRHB on Future development of the SHMA

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Author(s)

Sue Beecroft, John Williamson

Why is the report coming to CRHB?

- Each of the seven districts in the housing sub-region contributes £7,000 per year for the SHMA which funds our Hometrack subscription and one FTE posit in the County Research Group.
- By September districts need to have committed this money for the following financial year. A summary of the budget spreadsheet is attached at the end of this note.
- This report outlines an approach for 2017/18 to support a continuation of the work and to help build a new brief for 2018 onwards.

Decision(s) required from CRHB

- To extend the current arrangement for a further year while thinking around devolution and a new spatial plan is developed.
- To agree to fund the SHMA in 2017/18 and to ensure the contribution of £7,000 per district is contributed to the fund for one further year.

Background

At its annual review day in Feb 2016, CRHB recommended we test the value for money of our partnership approach to the SHMA, and gain some reassurance the product is fit for purpose under the national planning policy framework and guidance (referred to as NPPF and NPPG in this note).

This would have the benefit of also improving the brief for the work being undertaken for the benefit of all partners.

Following this recommendation a note was taken to Chief Planners to seek their views, as the SHMA needs to be jointly commissioned in order to meet both planning and housing requirements and to provide outputs for each professional group's purposes.

SHMA progress since publication of the 2013 version

- In May 2013 we jointly published an updated SHMA. This included several "ingredients" namely:

1. A report based on the East of England Forecasting Model (EEFM) which provided projections of demographic, economic and dwelling change to 2031 and 2036 for HDC to inform out Objectively Assessed Need (OAN).
 2. A memorandum of cooperation which set out the OAN for each district across the housing sub-region with a commitment to work together to meet the need as a group.
 3. New chapters of SHMA providing further background to the OAN and its rationale, also figures based on the existing guidance for affordable housing need, and a note explaining how the OAN and AH need related to each other.
- In January 2015 CRHB and CPOs agreed some principles for reviewing the SHMA, see *Considering the future of the Cambridge SHMA – update note* on page 5.
 - The SHMA continues to evolve from the CLG approach (specified in 2007) to the new national planning policy framework and guidance which is now published and being put into practice by other areas reviewing and updating their SHMAs.
 - This continuing work and refinement has fed into
 1. Forest Heath’s single issue review.
 2. East Cambridgeshire’s progress on a new Local Plan.
 3. Cambridge and South Cambs examination in public.
 - This work has led to the following outputs
 1. Forest Heath Objectively Assessed Housing Need, January 2016
http://cambridgeshireinsight.org.uk/ForestHeath_OAN-Update-2016
 2. East Cambridgeshire Objectively Assessed Housing Need, January 2016
http://cambridgeshireinsight.org.uk/EastCambs_OAN-Update-2016
 3. Cambridge and South Cambs examination document, found at
<https://www.scambs.gov.uk/localplan>

Timetable for Local Plans

- The overall picture is that most local plans should be in place / adopted by early 2018. When each draft plan is prepared it needs to be based on current understanding of the housing market.

Outline of local plan stages as at July 2016, in order of (anticipated) adoption date.

	Submission of draft plan	Examination	Adoption / anticipated adoption
Fenland			May 2014
Cambridge & South Cambs	March 2016	April to June 2016	TBC (after June 2016)
Forest Heath & St Eds	Nov 2016	Feb to June 2017	Aug 2017
East Cambs	May 2017	Sept to Oct 2017	Feb 2018
Peterborough	May 2017	Oct to Nov 2017	Feb 2018
Hunts	Autumn 2017?	Late Autumn 2017?	Early 2018?

Effect of devolution and thoughts about a new “spatial plan”

- Devolution strengthens the “divide” between Cambridgeshire and West Suffolk, and strengthens the “glue” between Cambridgeshire and Peterborough. Though the housing market area is not defined by devolution geography, we all need to make best use of our time and resources so need to discuss how to take the relationships and approach to this assessment forward.
- CPOs are at an early stage of discussing a new spatial framework in line with the devolution deal. This would need to be supported by evidence such as the SHMA.

What do we need to decide now?

- Whether is acceptable to continue with our current model for 2017/18
- In the intervening period work on soft market testing, learning from other SHMAs as they are published, learning from local and national planning examinations
- CCRG to review capacity to continue with the work in its current format within the resource identified, for 2017/18
- Who would work on this?

What decisions are we suggesting deferring?

- Our future approach long term overall i.e. internal partnership, use of consultants; and whether we can agree on a form of partnership or contract to meet each individual districts’ needs.
- The area to work on for the HSMA and how to continue to work with West Suffolk and Peterborough.
- What housing and economic evidence precisely is needed for a new spatial plan, and whether this differs from what we currently produce.
- Who would work on this (i.e. review project team?).

Outcomes

- At the outset, define the balance of uses between planners and housing.
 1. Underpins a range of housing and planning functions.
 2. Re-use of data for many purposes.
 3. Value of it for housing agencies.
 4. Especially housing uses of affordable, size and tenure.
 5. Tessellating OAN with AH need.
- Also with other agendas including
 1. Supported
 2. Older
 3. Disability
 4. Self-build
- Principal purposes:
 1. For planners, NPPG and OAN
 2. For housing, the above plus definition of size type and tenure to be used in negotiations on each site and in supporting bids to HCA &/or other funders.
- Vital it's both housing and planning involved
- Holistic document in line with the guidance, within our timescale

Brief notes of CPO discussion

- Clearer brief would be great.
- Suggested we ask county if they can meet the brief or not, then go out for any bits unable to do.
- Don't want to sub consultants if they are not needed in each district.
- If we are looking at this with "fresh eyes" it could be more straightforward and different to the past approach.
- The idea of a documents every so often with annual monitoring fits in nicely with planners AMRs for monitoring local plans, which are published around autumn / winter each year.
- Product is some way off – so it's also about what we do in the meantime.

Considering the future of the Cambridge SHMA – update note

- 16.1.15
- October 2013: The following principles were agreed by the following people at a meeting on 3.10.13: Sue Beecroft (SB); Caroline Hunt; Trevor Baker (TB); Becca Roebuck; Jo Emmerton; John Williamson (JW); Stuart Morris (SM)
- Principles to recommend back to CRHB/CPOs regarding a future SHMA
- Content/format
 1. A full review of the current SHMA should be undertaken against the final national planning practice guidance (nppg), so that any future SHMA- whenever it is produced- fully meets this guidance. This process will enable all districts to put forward their own needs for the SHMA, and should start relatively soon, when the final nppg is published.
 2. A future SHMA should consist of a concise, core SHMA, plus supplementary technical evidence
- Timing
 1. Future SHMAs should be produced on a rough 5-year cycle
 2. Ideally, a future SHMA should be completed prior to Local Plan issues and options stages. To achieve this, there would need to be agreement between HMA local authorities about when to start a review of their Local Plan.
- Governance
 1. At a project sponsor level, suggested that CRHB/CPOs should take joint responsibility for the SHMA. These groups might provide a more active steer if requested, or might just sign-off a completed SHMA.
 2. At a practical, project management level, the project team should include officers representing planning, housing, and possibly economic development interests. The balance of housing/planning officers on the project team can be decided later once a full review of the current SHMA against nppg has been completed. The group could potentially be smaller, or could include all districts if necessary.
 3. Further active steer could be provided as required by Planning Policy Forum for planning interests, and Strategic Housing Group for housing interests.
- Oct-Dec 2013: JW and SB attended CPOs and CRHB meetings where these principles were approved.

Some practicalities

- From 2016/17 onwards, annual cost of SHMA is £40,000 (1 FTE staff at CCRG) plus £10,000 hometrack subs.
- Positives of “partnering” approach
 1. Can be reviewed / updated reasonably quickly
 2. Makes good use of existing secondary data
 3. “On call” service for unforeseen updates and defence
 4. Can discuss and develop our approach over time and do this in consultation with neighbours so as to support the memo of cooperation
 5. Other spin off projects which include
 - Housing market bulletin (funded via sub-regional service but uses Hometrack data subs)
 - Fuel poverty atlas
 - Rural housing profiles
 - New stock condition tool being piloted for Cambridge City and could be extended
 - Ad hoc projects such as future housing affordability project
- Negatives
 1. Need help with interpretation by local partners, as gathering stats is only part of the assessment
 2. Gets a lot of questioning / criticism: seen as “less than the standard approach” because it’s not undertaken externally?
 3. May not a cheap option, but need to test against market to see how much this service would cost from another partner, and whether we would actually get what our existing partnership provides.

My thought is that there are three necessary parts to the totality of what we now refer to as the 'SHMA'. These are:

1. The SHMA itself as a one-off product that is produced as key evidence when needed to support local plans - could be produced in-house or by consultants (no single view on this - at one extreme Caroline is pro-consultants; at the other Richard Kay thinks we should do it in-house unless there is good reason not to).
2. Data gathering and analysis between SHMAs - needed for a range of purposes.
3. Publishing information annually to meet the 'monitoring SHMA' requirement in the PPG - 2 & 3 can definitely be done in-house by the Research Group and there's no reason to involve external consultants.

Crucially, for next year, CPOs view was that the RG 'SHMA' posts should continue to be funded, particularly given their role in 2 and 3 above. It is unlikely that we are looking at a new SHMA (1 above) for at least a year if not longer. When we get to that point we will need to have a more decisive, collective view on whether this is to be done by the RG or by external consultants.

Resource implications

£7,000 per district for one further financial year. See below for a summary of the budget over the years.

Outcomes

Decision/ action	Who takes action	When by	Agreed?

Sub-regional budget summary

Yellow boxes = balance at 1 April 2017 (i.e. anticipated amount to carry forward)

	2013/14	2014/15	2015/16	2016/17 proposed
SHMA				
SHMA Income				
Carry forward from previous year	£41,917	£38,617	£35,317	£33,767
Cambridge	£8,350	£8,350	£8,350	£7,000
East Cambs	£8,350	£8,350	£8,350	£7,000
Fenland	£8,350	£8,350	£8,350	£7,000
Huntingdonshire	£8,350	£8,350	£8,350	£7,000
South Cambs	£8,350	£8,350	£8,350	£7,000
Forest Heath	£8,350	£8,350	£8,350	£7,000
St Edmundsbury	£8,350	£8,350	£8,350	£7,000
Total SHMA income (excl c/f)	£58,450	£58,450	£58,450	£49,000
Total SHMA income and c/f	£100,367	£97,067	£93,767	£82,767
SHMA Expenditure				
Research Officers (= 1 FTE)	£40,000	£40,000	£40,000	£40,000
Other RG staff time	£12,000	£12,000	£12,000	¹
Total staffing costs	£52,000	£52,000	£52,000	£40,000
Cambs Insight contribution	£1,750	£1,750	²	
Hometrack subs	£8,000	£8,000	£8,000	£10,000 ³
Total SHMA expenditure	£61,750	£61,750	£60,000	£50,000
SHMA BALANCE				
Total income including c/f	£100,367	£97,067	£93,767	£82,767
Total expenditure	£61,750	£61,750	£60,000	£50,000
Difference (=amt to c/f)	£38,617	£35,317	£33,767	£32,767
Sub regional coordintor				
SRC:Income				
C/f from previous year (from row 67)	£15,094	£19,094	£23,949	£18,039
Cambridge	£9,500	£8,350	£8,350	£8,350
East Cambs	£9,500	£8,350	£8,350	£8,350
Fenland	£8,000	£8,350	£8,350	£8,350
Huntingdonshire	£9,500	£8,350	£8,350	£8,350
South Cambs	£9,500	£8,350	£8,350	£8,350
West Suffolk	£9,500	£8,350	£8,350	£8,350
CHS		£2,600	£2,600	
Circle / Roddons		£2,600	£2,600	
Hundred Houses		£1,200	£1,000	
Sanctuary		£1,000		
Luminus		£1,000	£1,000	
bpha		£2,600	£2,600	
Havebury		£1,000	£1,000	
Aldwyk			£1,000	
Minus VAT		-£2,000	-£2,000	

¹ Agreed to stop paying the additional £12,000 from April 2016 onwards

² Moved to SRC line in 2015/16

³ Increased to £10,000 from April 2016 to subscribe to "comparables" for a trial year

CRHB report

	2013/14	2014/15	2015/16	2016/17 proposed
Sub-total from RSLs	£10,000	£10,000	£9,800	£10,000 ⁴
Peterborough for HMB inclusion ⁵	£	£500	£500	£500
Open Data fund one-off payment		£8,815		
Total SRC income (including c/f)	£80,594	£88,509	£84,349	£78,639
SRC expenditure				
Sues salary and on-costs ⁶	£60,000	£64,560	£64,560	£64,560
Cambs Insight contribution ⁷			£1,750	£1,750
Total SR cost	£61,500	£64,560	£66,310	£66,310
SRC BALANCE				
Total income held once c/f and invoices raised	£80,594	£88,509	£84,349	£78,639
Total expenditure	£61,500	£64,560	£66,310	£66,310
Difference (=amt to c/f)	£19,094	£23,949	£18,039	£12,329

Combining the SHMA and SRC balances				
SHMA				
Total income including carry forward in this year	£100,367	£97,067	£93,767	£82,767
Total expenditure this year	£61,750	£61,750	£60,000	£50,000
BALANCE (to carry forward)	£38,617	£35,317	£33,767	£32,767
SRC				
Total income including c/f in this year	£80,594	£88,509	£84,349	£78,639
Total expenditure this year	£61,500	£64,560	£66,310	£66,310
BALANCE (to carry forward)	£19,094	£23,949	£18,039	£12,329
Combined				
Total income including carry forward	£180,961	£185,576	£178,116	£161,406
Total expenditure	£123,250	£126,310	£126,310	£116,310
Total balance	£57,711	£59,266	£51,806	£45,096

⁴ Should make £10k plus VAT = £12k.

⁵ Should be invoiced early in 2015 march? £500 per year.

⁶ SB total salary, car and phone. I have used this figure for 2014/15, 2015/16 and 2016/17 as Julia gave me an updated figure - prev working on £60K. Covers SB's basic pay, pension, NI and essential car user allowance

⁷ Moving from SHMA to SRC in 2015/16 as the CI work is now so far- reaching