

NOTE REGARDING SHMA STAKEHOLDER CONSULTATION HELD ON
31 MARCH 2014 AT THE TOWN HALL, PETERBOROUGH

A presentation was made by the project consultants G L Hearn, which is available on the website with the SHMA consultation documents.

**QUESTIONS AND ANSWERS ON THE ABOVE TO THE CONSULTANTS
(SUMMARISED)**

Q: From Jane Gardner, Marrons Planning: How is the shortfall so far allowed for?

A: Since 2011, by incorporating in the main projection. Prior to then, by looking at whether rates of household formation have been suppressed when doing the demographic projections.

Q: [Name not recorded] Thought the transfer of numbers/need from the Cambs. SHMA was opaque.

A: Tables exclude unmet need / shortfall re Cambs.

Q: [Name not recorded] Any employment transfer from Cambs?

A: No evidence of unmet need coming over.

Q from Trevor Baker, Cambs CC re projections

A: Looked at Census and past trends. Also demographics / projections / household sizes and gaps in existing housing mix.

Q: from Trevor Baker, Cambs CC: How was this assigned to bedroom size?

A: Looking at profile over age.

Q: Kate Warburton National Housing Federation: How was bedroom tax addressed?

A: Taking a long term approach.

DISCUSSION /GROUPS

There were five discussion groups held. Most groups were run twice and all attendees were able to access the two groups of their choice. The main points from the groups are listed below. These are from a range of stakeholders and therefore do not always reflect the views of the councils or the SHMA consultants.

Policy / demography

20 people signed up on the day and the group was run twice.

- We have used the most up-to-date and best evidence that is available and other authorities (e.g. King's Lynn) have used similar methodologies and produced similar results.
- Believe that the figures produced are similar to those in current Local Plans and therefore are nothing extraordinary, but due to the current climate and evidence from recent past trends these figures will not be deliverable.
- A representative from Fenland would like to see a stronger link within the document to recognise the functional relationship between Peterborough and Fenland.
- A representative from South Kesteven was not convinced that uplifting the figures would deliver more affordable housing. Other issues were brought into the debate and it was suggested that if an authority has a CIL (Community Infrastructure Levy) in place they may struggle to deliver high numbers of affordable housing due to viability and in some places, such as Rutland, this could potentially 'kill' affordable housing.
- Would like to see 'sub-district' projections and consider a range of figures at the district level which would total to the OAN (objectively assessed need) figure.
- Overall, most were happy with the projections and how they were derived. They thought the various market signals were compliant with the National Planning Policy Framework and Planning Practice Guidance.

Private rented sector

8 people signed up on the day and the group was run once.

General observations concerning the private rented sector in the housing market area

- Market is growing, driven by demand from employed households.

- Expectation that rents will continue to rise, albeit slowly as there is still an element of choice in the market.
- The nature of investment has changed over recent years, from those without capital (e.g. buy to let) in 2008 through to those with capital in 2014.
- Large levels of investment flowing into the market.

Issues with private rented sector

- Evidence of an imbalance in supply and demand for one bed / single person accommodation across the HMA (housing market area), in that there is high demand and low supply. More even balance for family accommodation.
- Access to private rented sector for Housing Benefit (HB) tenants is being constrained by direct payments of HB, a mismatch between Local Housing Allowance rate and what the market is demanding, and fears amongst landlords around the impact of Universal Credit. Consequently, fears within the group as to how the private rented sector will continue to meet the needs of this group unless risk to landlords can be reduced.

Opportunities for private rented sector

- Several RPs (registered providers, usually housing associations) around the table explained that they plan to enter the private rented market. Focus on commercial gain, with plans to invest in higher value areas (locations with transport links to London and Cambridge were mentioned). Some RPs plan to use the private rented sector as a means of cross-subsidising on-site affordable housing, whereas others plan to keep this as an entirely separate operation solely for profit in standalone companies.
- Consensus that small developments of build to rent are likely to prove attractive to investors in the area once the build to rent market establishes itself. However, some land agents felt that demand for build to rent is being suppressed by the existing supply of properties to purchase to rent on the open market. Large scale development for the private rented sector is likely to prove too risky for investors in the local market.
- In terms of the role of the planning system, consensus that allocations of small sites solely for the private rented sector (approx. 10 units) would be welcomed by investors.

Affordable housing

17 people signed up on the day and the group was run twice.

- It is notable that the SHMA shows that there are very high levels of need in the HMA. It also suggests that a very significant number can only afford social rent levels. If the government has moved away from capital funding for

affordable housing to revenue funding to support affordable rents, why are so many people only able to afford social rents if they can claim housing benefit to help them afford the higher rents?

- Views included that planning policy has to be pragmatic and make sure sites are deliverable, but also that councils should be tough on viability claims from developers who try to avoid or reduce the levels of affordable housing that they are required to provide through planning policy.
- It is useful to have an up to date assessment that shows a high level of affordable housing need despite the challenges in trying to meet it. It will give local authorities the evidence they need to try and maximise delivery.
- One way of maximising the delivery of affordable housing is to stimulate growth. Increasing the delivery of housing overall will lead to an increase in the delivery of affordable housing.
- Now that it has been made easier for councils to build again, they should build more homes to help address high levels of affordable housing need. Even local authorities that have transferred their housing stock should look at ways of starting to build new affordable homes. Councils can also assist affordable housing development by -
 - making any funds that they have for affordable housing provision available to registered providers
 - using their access to Public Works Loan Bonds (Boards?) to assist registered providers with accessing good lending rates to fund affordable housing development
 - taking into account the benefits of affordable housing provision when negotiating land sales to registered providers.
- The SHMA suggests that the tenure split required to meet affordable housing need is very much weighted towards providing rented tenures rather than shared ownership or shared equity products. However, the reduction in HCA funding has resulted in more schemes increasing the percentage of affordable housing home ownership products to make them financially viable and this is unlikely to change in the near future. The affordable tenure mix on a scheme is usually a minimum of 30% affordable home ownership to 70% affordable rent.
- While the SHMA has provided a guide on the breakdown of bedroom sizes for affordable housing, in reality most registered providers are not going to provide more than 10% of 1 bedroom properties on a scheme. The vast majority of new build affordable homes are 2 bedroom properties, although there are some attempts to future proof new affordable homes by providing double bedrooms rather than single bedrooms and enabling units to be easily converted from 1 bedroom to 2 bedrooms.

- Registered Providers have had to become more flexible if they want to continue to deliver affordable housing in a climate of reduced grant levels. This has led to an increase in housing associations delivering market rented housing to help subsidise affordable housing. The benefits of this is that they are providing good quality market housing to help bring up the standards in the private rented sector.
- The private market housing sector is not a substitute for affordable housing. The introduction of market low cost purchase products has muddied the waters for identifying the benefits of genuine affordable housing home ownership products and private rented housing is becoming less and less sustainable as rents continue to increase.

What can be done to enhance delivery?

20 people signed up on the day and the group was run twice.

Smaller accommodation

- Registered providers see this as high risk with high turnover/churn and associated costs so don't want to take it on.
- Registered providers nervous about providing smaller accommodation - don't want to be left with legacy of properties no-one wants when bedroom tax changes.
- Not possible to control through private sector – if people can afford larger property they will buy/rent it.

Self build

- No experience of self build providing reliable delivery – where schemes have been tried they have been very slow to take off.

Factors that could increase delivery

- Local authorities being more joined up in terms of housing delivery – seems perverse for local authority to take money out of a development (through S106 agreements) only for another part of the authority to put money into the same development (through New Homes Bonus etc.).
- Private rented sector – direct payment of Housing Benefit to landlords.
- Local planning authorities often too prescriptive on requirements for mix on developments – does not necessarily reflect what is required locally.
- More certainty from pre-application discussions on schemes.

Supported and specialist housing

5 people signed up on the day and the group was run once.

- One attendee thought there was need for more supported living / housing in Rutland (e.g. people with learning disabilities) from their professional experience, although the perceived need seemed to be more than what was coming through the Council's own research. This may be partly due to the difference between people having housing issues (e.g. insecurity / homelessness) and needing support in any suitable property, as opposed to them needing specialist or supported housing.
- The information available from councils etc. on need to inform the SHMA was thought to be patchy.
- Accommodation to facilitate rehabilitation for people being discharged from hospital was a potential need.
- Properties had to be suitable and desirable for older people.
- Funding for potential solutions was considered to be a problem.
- The resale value of private supported housing for older people was raised as a potential concern.
- It was important for new projects to have an open mind regarding possible future uses, with flexibility built in from the start.

ORGANISATIONS REPRESENTED

36 stakeholders attended, not including the SHMA (Strategic Housing Market Assessment) Delivery Group and the consultants. (Around 850 people were invited.)

The attendees included representatives from the following organisations. Some organisations were represented by more than one person.

Accent Group
Anton Aspbury Associates
Athene Communications
Barker Storey Matthews
Barrowden PC
Borough Council of King's Lynn and West Norfolk
Cambridgeshire ACRE
Cambridgeshire County Council
Capita
Cross Keys Homes
East Northamptonshire Council
Fenland District Council
Graeme Law Planning Consultant
Grant Biddle
Huntingdonshire District Council
Hyde Housing
Larkfleet Homes
Lincolnshire County Council
The Lindum Group
Longhurst Group
Longstaff
Lucking Estates
Marrons Planning
Muir Group Housing Association
Persimmon Homes East Midlands
Peterborough City Council
Rutland County Council
Seagate Homes Limited
South Holland District Council
South Kesteven District Council