

The Methods, Findings and Impact of Strategic Housing Market Assessments in the South West

Regional Findings

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Contents

PAGE

1.0	Introduction	1
1.1	Purpose of the research	1
1.2	Background	1
1.3	Research approach.....	2
1.4	Housing market partnerships in the South West	3
1.5	Scope and structure of this report	5
2.0	General Findings	7
2.1	Interface with RSS and the Regional Housing Strategy	7
2.2	Consistency and the regional picture	8
2.3	Boundary issues	9
2.4	Interface with private sector developers	11
2.5	Good practice.....	12
3.0	Key messages	14
3.1	Key messages from across the region	14
3.2	Migration and growth projections	15
3.3	Coverage of rural areas.....	16
3.4	Evaluation of quality of key findings and messages	16
3.5	Tabular analysis of SHMA outputs.....	17
4.0	Dissemination and Impact	28
4.1	Dissemination	28
4.2	Impact	28
4.3	Partnership working	29
4.4	Evaluation of dissemination and impact	30
5.0	Methodologies	32
5.1	Overview of partnership approaches	32
5.1.1	The use of consultants	32
5.1.2	Primary versus secondary evidence	33
5.1.3	Viability appraisals	35
5.2	Other main findings concerning methodologies	36
5.3	Evaluation scores for methodology	37

1.0 Introduction

This report contains the main regional level findings of ECOTEC's research into the Strategic Housing Market Assessments (SHMAs) that were carried out in the South West region between 2006 and 2009. It is accompanied by a second report which contains the detailed supporting analysis of individual SHMAs from which these main findings have been drawn. The findings do not necessarily represent the views of the South West Regional Assembly.

1.1 Purpose of the research

The South West Regional Assembly (now South West Councils), in its capacity as the Regional Housing Body, commissioned ECOTEC to undertake research into SHMAs across the South West region. The stated aims of the project were to:

- highlight and critically appraise key findings, and assess how robust they are in informing and providing the intelligence for strategy and policy development
- explore aspects related to the SHMAs' dissemination, impact and use, and
- evaluate the quality of the methods used to draw up the SHMAs and how these relate to the most up-to-date national guidance.

It is hoped the evaluation will be used to help future SHMAs to effectively deliver their objectives. Therefore the study aims to identify best practice and promote the exchange of experiences, to support cooperation and promote quality in future assessment work.

1.2 Background

Housing market assessments are intended to promote understanding of how housing markets operate, providing intelligence to inform the drafting of housing policy, economic development policy and local development frameworks. In order for development plans and housing policies to be 'fit for purpose' SHMAs have to be robust and based on accurate, valid data and on sound methodology.

An important precursor to the study is the following passage taken from the latest version of the Strategic Housing Market Assessment Practice Guidance which was produced by the Department of Communities and Local Government in August 2007 (referred to further in this report as "the Practice Guidance"):

"As part of preparing regional spatial strategies, regional planning bodies will want to bring together the findings of strategic housing market assessments within their region to provide an up-to-date overview of the constituent housing market areas, particularly in terms of characteristics, structure and linkages between housing market areas. These assessments will also provide an indication of current and future household change within the region in terms of housing demand and need. This information will help regional spatial strategies to set out the regional level of housing provision (distributed amongst constituent housing market areas and local planning authorities) and the

regional approach to delivering a good mix of housing and affordable housing targets (both for regions and housing market areas) as required by PPS3".¹

1.3 Research approach

In order to achieve the aims set out above, an approach consisting on the following elements has been taken:

- A detailed review of the content of individual SHMAs, their inter-relationship with current local and sub-regional contextual documents and policies, and their fitness to influence future policies and strategies;
- A detailed review of the quality and execution of methodologies, against CLG Guidance criteria;
- A series of interviews with those who had commissioned individual SHMAs and lead officers of local authorities involved to assess the dissemination and impact of SHMAs;
- A "challenge event" held in Bridgwater, Somerset at the end of June 2008 involving a range of representatives from strategic partnerships across the region.

Approach to identifying and evaluating key findings and messages

The core outputs and main conclusions of all SHMAs in the South West have been summarised in this report. An assessment matrix is used to evaluate the quality of key SHMA findings and their applicability. The framework used takes on board both how well they had been contextualised against existing strategies (in particular regional spatial and economic strategies), and how useful they were likely to be in constructing new housing, development and planning strategies and policies. Information from discussions with key members of SHMA partnerships has been added to these findings.

Approach to analysing the impact of the SHMAs on policy development

The impact assessment methodology described above has been used to deliver a consistent set of evaluations on how effective the SHMAs have been in a 'real world' environment. The scoring matrix has been based on the aspects of policy development or delivery described in the brief (dissemination, impact on strategies, policies, and programmes). This aspect has mostly been fed by a series of depth telephone interviews with senior housing and planning officers in local authorities for which an SHMA had been completed by mid-2008.

Approach to assessing methodologies and models

As required by the brief, the different methodologies and models used in SHMAs were identified and the data sources used were logged. Using the CLG SHMA methodology as a baseline we have assessed the quality of the main statistical outputs, looking at projections of housing supply, need and dwelling sizes, examining differing underlying housing needs / supply / demand methodology in the SHMAs.

We have assessed any gaps that the approach taken has left, the degree of reliance on secondary data, and the necessity (and expense) of commissioning primary research. As part of this process

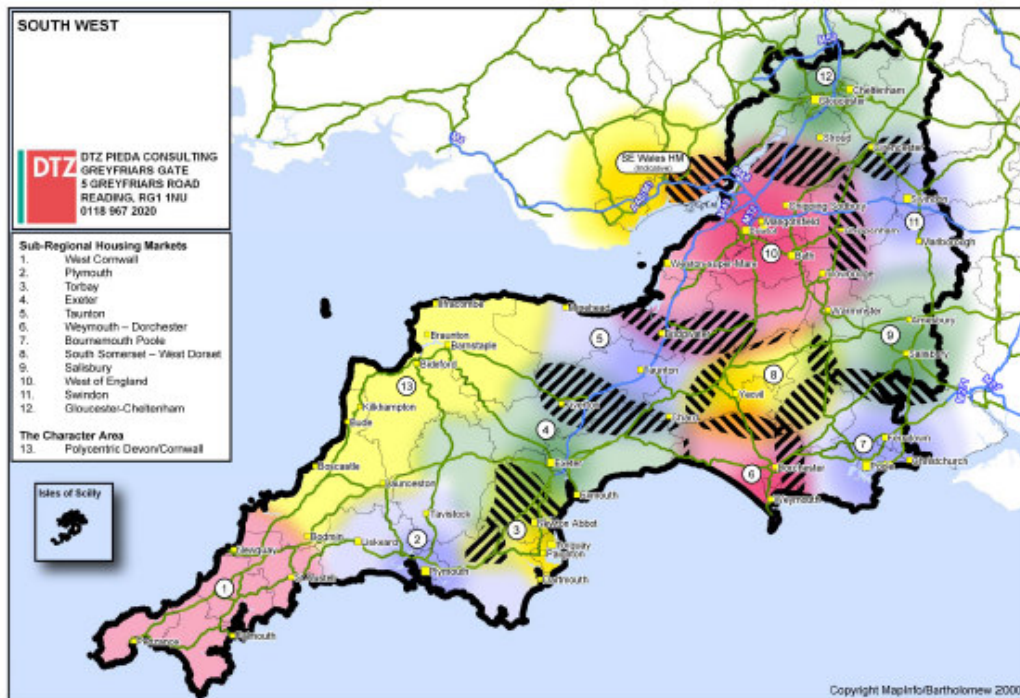
¹ Strategic Housing Market Assessments: Practice Guidance Version 2, CLG August 2007, p. 62.

we have started assessing how well different groups' needs have been taken into account in the SHMAs, identifying which groups have been covered – in fact, whether each SHMA is 'fit for purpose'.

1.4 Housing market partnerships in the South West

In 2004 the South West Regional Housing Board commissioned DTZ Piedad Consulting to define sub-regional housing markets across the region. This resulted in the report titled *Sub-regional Housing Markets in the South West* (July 2004). 12 sub-regional housing markets were identified as well as one so-called 'character area' - Polycentric Devon & Cornwall (which has subsequently been renamed Northern Peninsula by the partner local authorities in that area). These 13 areas are shown on the following map.

Sub-regional housing market areas as defined by DTZ Piedad

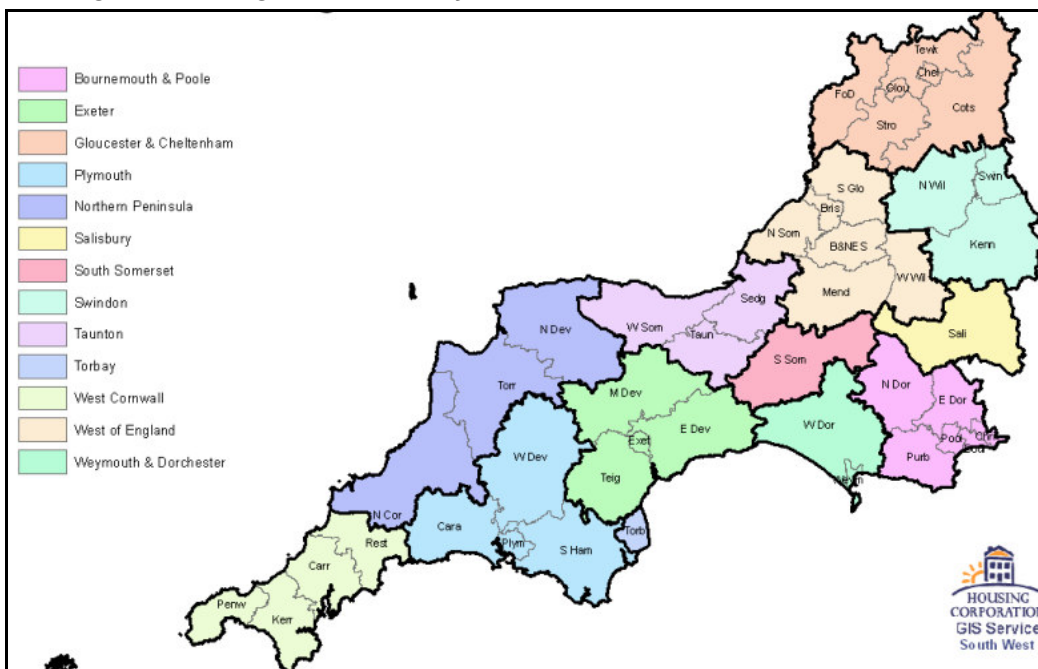


South West Regional Housing Board/DTZ Piedad July 2004

Following this preliminary work SHMA partnerships were established to carry out housing market assessments based on the sub-regional demarcation put forward in the DTZ study. Subsequently the areas were 'snapped' to the region's 45 Local Authority Districts (LAD) along boundary lines of best fit for funding purposes and housing targets in the Regional Spatial Strategy (RSS). The district based sub-regional areas range in size from single LADs in the case of Salisbury and South Somerset, to three sub-regions consisting of six LADs, namely West of England, Bournemouth & Poole and Gloucester & Cheltenham. These district-based areas are presented in the following map.

Although the DTZ study recommended that the SHMAs should be undertaken using the 'fuzzy' boundaries, a subsequent CLG note advised that 'regions and local authorities will want to consider, for the purposes of developing evidence bases and policy, using a pragmatic approach that groups local authority administrative areas together as an approximation for functional sub-regional housing market areas.'¹ As it transpired, some SHMAs chose one route, and some chose the other – leading to an initial element of inconsistency.

Sub-regional housing market areas by LAD 'best fit'



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Several housing market partnerships decided to work together to produce “joint SHMAs”, these being Exeter/Torbay; Bournemouth & Poole/Weymouth & Dorchester; and South Somerset/Taunton. Due to these arrangements the total number of Strategic Housing Market Assessments partnerships covering the 13 sub-regions has been reduced to 10. These are shown in the following table.

Overview of sub-regional partnerships

Sub-regions as defined by DTZ Pidea	Includes the following Local Authority Districts
Bournemouth & Poole; Weymouth & Dorchester	Bournemouth; Christchurch; East Dorset; North Dorset; Poole; Purbeck; West Dorset; Weymouth & Portland.
Exeter; Torbay	East Devon; Exeter City; Mid Devon; Teignbridge; Torbay UA.
Gloucester-Cheltenham	Cheltenham; Cotswold; Forest of Dean; Gloucester; Stroud; Tewksbury.
Polycentric Devon/ Cornwall (Northern Peninsula)	North Cornwall; North Devon; Torrridge.

¹ Identifying sub-regional housing market areas – advice note (CLG, March 2007)

Plymouth	Caradon; Plymouth City; South Hams; West Devon.
Salisbury	Salisbury
South Somerset - West Dorset; Taunton	South Somerset; Sedgemoor; West Somerset; Taunton Deane.
Swindon	Kennet; North Wiltshire; Swindon.
West Cornwall	Carrick; Kerrier; Penwith; Restormel; Isles of Scilly.
West of England	Bath and North East Somerset; Bristol City; Mendip; North Somerset; South Gloucestershire; West Wiltshire.

As indicated in the following table, three SHMA processes were completed in 2006: Swindon, Salisbury and Plymouth. The Exeter and Torbay joint assessment was completed in February 2008 followed by the Bournemouth & Poole/Weymouth & Dorchester joint assessment and the Northern Peninsula assessment which were signed off in May and December respectively. The Gloucester-Cheltenham SHMA and the Taunton and South Somerset joint assessment were finalised in February 2009 followed by the West of England assessment in May. The West Cornwall SHMA has not been formally signed off (due to the unitary authority reorganisation), although the bulk of the work had already been completed by mid 2008.

Period in which SHMAs were carried out																
SHMA process	2006				2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Plymouth		x	x													
Salisbury			x	x												
Swindon			x	x												
Gloucestershire (Gloucester & Cheltenham)			x	x	x	x	x	x	x	x	x	x	x			
Exeter/Torbay				x	x	x	x	x	x							
Bournemouth & Poole/Weymouth & Dorchester				x	x	x	x	x	x							
Northern Peninsula (Polycentric Devon & Cornwall)							x	x	x	x	x	x				
West of England							x	x	x	x	x	x	x	x		
West Cornwall							x	x	x	x	x	x	?	?		
Taunton/South Somerset										x	x	x	x	x		

It should be acknowledged from the start that the Partnerships were faced with a difficult task in delivering the SHMAs - particularly the ones that started earlier before the final version of the CLG Guidance. As will become clear through this study, even the final version of the Guidance left many methodological options for undertaking studies, resulting in a lack of consistency in the final products. This lack of consistency has made comparison difficult; but individual Partnerships cannot be held responsible for this ultimate situation

1.5 Scope and structure of this report

This report presents the main findings of the research based on an analysis of the ten SHMAs. Although the West Cornwall SHMA has not been signed off (because of local authority reorganisation) it is included in this review because no additional work has been done since the completion of the draft version in 2008. Section two of this report contains general findings

concerning SHMAs. Section three summarises those key messages from SHMAs that are relevant at the regional level. Section four summarises issues related to the way completed SHMAs have been disseminated and the impact they have already had on policy development and in practice. Section five briefly summarises the main conclusions concerning the methodological approaches taken in the SHMAs of the South West region.

2.0 General Findings

This section summarises the most important findings of the research. It cuts across a variety of themes and includes points stemming from the analysis of the three main areas reviewed – key messages, dissemination and impact and methodologies.

2.1 Interface with RSS and the Regional Housing Strategy

Most SHMAs acknowledge the importance of the RSS. Particular attention was given to the dwelling requirement figures listed in the draft RSS or (in the case of those Assessments produced later) the revised figures contained in the Examination in Public (EIP) Panel Report. This was commonly done in the context of presenting possible household growth scenarios, with comparisons being made with household projections, in particular CLG sub-regional projections and in some cases bespoke County Council projections. The majority of assessments generated figures for future (affordable) need and (market) demand using household survey response evidence, and these results were also compared to RSS dwelling requirement projections.

In most cases analysis of market drivers was done at the local authority or aggregate sub-regional HMA level. With a couple of notable exceptions SHMAs generally did not contain a finer-grained analysis of the spatial distribution of need and demand. Furthermore **little attention was generally paid to development capacity issues and the relationship between these and the likely location of future growth**. For this reason there is little commonality between the statistics-driven analysis contained in SHMAs and the spatial analysis contained in the RSS. For example there is no reference to RSS development policies A (Development of Strategically Significant Cities and Towns), B (Development at Market Towns) and C (Development in Small Towns and Villages). Those assessments which provided an analysis of alternative geographies to local authorities - Exeter/Torbay (which defined a number of local housing market areas), Bournemouth & Poole/Weymouth & Dorchester (which distinguished the urban core areas from the rural periphery) and West Cornwall and Northern Peninsula (both of which took a polycentric approach to defining local housing market areas) did so without reference to the aforementioned RSS policies A, B and C.

The West of England SHMA was exemplary in the way it addressed RSS assumptions and the issue of development land availability. It also contained a critical assessment of economic and demographic growth projections rather than simply accepting these as a given.

Providing a spatial analysis or a critique of RSS spatial policy is not a core SHMA output. It is however important that the SHMA shows an understanding of the interplay between, for example, the evidence of demand for market and affordable housing generated from the SHMA and ambitions in the RSS. As one stakeholder put it 'there is a fine line between an SHMA as an evidence base and [a document] that gives policy pointers'.

The fundamental purpose of a SHMA is to document the evidence ‘as it is’ and they tend to be limited in their usefulness as a tool to predict future development under ‘policy on’ conditions. This does not match well with the RSS which aims to set a strategic framework to promote the optimum spatial distribution of future development.

There is scant acknowledgement of the Regional Housing Strategy in SHMAs, nor do Local Housing Strategies feature strongly. This is due to the reason touched on above – that **SHMAs aim to provide the evidence base on which to predicate effective policy responses, and current policy is generally not being considered as part of the analysis.**

2.2 Consistency and the regional picture

There was very little consistency between the approaches taken by different partnerships in completing their SHMAs, except where the same consultant was engaged (e.g. David Couttie Associates (DCA) in Plymouth and Salisbury, Opinion Research Services (ORS) in Exeter/Torbay and West Cornwall, and Fordham Research in Bournemouth & Poole/Weymouth & Dorchester and Taunton/South Somerset). Differences stemmed from the overall methodological approaches taken (e.g. secondary data or primary survey), the sources of data used, methods of calculation and estimation, interpretation of the Guidance and the level of emphasis placed on the various components of the study (e.g. stakeholder consultation, sub-area analysis, economic analysis and forecasting).

As we have noted earlier, the underlying causes of inconsistency were two-fold: firstly, the fact that several of the studies were undertaken under earlier versions of the CLG Guidance; and secondly, that even under the final version of the Guidance, considerable leeway in its translation into methodology is allowed. We are therefore not criticising Partnerships for being inconsistent: we are merely pointing out the impact of the inconsistent approaches.

This lack of consistency resulted in widely differing outputs being generated making it very difficult to make fair and accurate ‘apples with apples’ comparisons between SHMAs. As a result **the ‘bottom-up’ aggregation of findings to the regional level is full of anomalies, creating a generally unsatisfactory picture.**

If consistent and accurate comparisons between sub-regions are the aim, then there are two possible approaches open to South West Councils, both of which were discussed at the Challenge event:

- **Commissioning a single ‘top down’ study for the whole region, focussing on those elements considered to be most important to informing regional level policy responses;**
- **Working with sub-regional partnerships to develop a more consistent approach to SHMAs, one which might contain some elements with a prescribed technical approach (e.g. an exact approach to be taken to calculate housing need, use of**

household projections and analysis of migration) as well as giving sub-regional partners full discretion over additional (elective) elements. This would be consistent with a ‘modular’ approach to SHMAs, one which is built up from different elements over time which is slotted together to form a whole. It also echoes one of the recommendations of the original DTZ study, which suggested a ‘Housing in the South West’ report that would consistently summarise standard datasets available for all Partnerships across the region¹

However it is recognised that not all sub-regional partnerships will be in favour of having an SHMA approach prescribed from above. Some welcome the opportunity to be able to take their own approach and focus on issues they feel to be important. And of course a future approach will need to reflect the availability of resources – financial and staffing – available for the task.

2.3 Boundary issues

There is clearly tension between the principle of conducting analysis at the level of functional housing market areas and conducting analysis at the local authority level. The former is promulgated by the Practice Guidance, as market dynamics can only be fully understood when a whole market view is taken. The latter approach however, which is accepted as an option by the CLG Advice Note of March 2007, has a number of practical benefits not least of which being the fact that SHMA findings will primarily be applied in practice at the local authority level – in policies, priorities and budgets. Future policy development around resource allocation – such as Multi Area Agreements – also seem likely to respect local authority boundaries. But, as was noted at the Challenge event, ‘sub-regional messages may be different to local ones’. In some areas snapping SHMAs to local authority boundaries risks under-playing the cross-boundary workings of more localised markets, and detract from paying attention to functional relationships between neighbouring market towns and villages that may straddle administrative boundaries.

The original DTZ study defined the Housing Market Areas of the South West without reference to LAD boundaries. When the HMAs were subsequently “snapped” to local authority boundaries this resulted in three “fuzzy boundary” issues of particular note:

- North West Dorset: parts of North Dorset and West Dorset districts are oriented towards Yeovil in the South Somerset HMA; North Dorset also looks towards Salisbury
- North Cornwall: most of the district falls within the Northern Peninsula character area except for the southwest fringe which lies within the West Cornwall HMA.
- West Somerset: the western part of this district falls within the Northern Peninsula character area while the eastern part makes up part of the Taunton HMA.

¹ Recommendation 6.13, Analysis of sub-regional housing markets in the South West (DTZ Consulting, 2004)

Concerning North West Dorset, the Fordham Research report commented on the difficulty of providing consistent analysis for sub areas within local authority boundaries and recommended that in the future, evidence should be analysed at the local authority level for reasons of pragmatism.

Following additional analysis of housing market relationships the West Cornwall partnership questioned the findings of the DTZ study with regard to the boundary between West Cornwall and North Cornwall. The partnership noted that the whole of Cornwall is characterised by “polycentricity”, inferring that the sub-regional boundary drawn by DTZ was an arbitrary one. The separate treatment of North Cornwall has caused the West Cornwall partnership significant difficulties in practice, preventing a consistent analysis of the Housing Market Area as a whole. This is most obvious with regard to the analysis of housing need. ORS provided housing need figures for the four most western districts of Cornwall which were significantly lower than those produced by DCA for North Cornwall district using a different methodology. But other aspects of the analysis also suffered from a lack of consistent treatment.

Because the West Somerset district was split between the Northern Peninsula and the Taunton / South Somerset SHMAs both reports contain full sets of outputs for the complete West Somerset district. This means that there are now two sets of housing needs and other figures for the district in circulation. However the net need figures are remarkably similar (271 affordable dwellings p.a. required in the Northern Peninsula study and 269 in the Taunton study).

Beyond the three main examples cited above, other parts of the region are also affected by the issue of HMA boundary definition. Mendip for example, whilst part of the West of England HMA, is also required to partake in (and contribute funding to) joint working on housing policy with other Somerset authorities. A Council officer commented that this left Mendip in a sort of “no mans land” and put a strain on resources. There are also issues around how SHMAs findings can be reconciled across boundaries to enable them to be more useful to National Parks as planning authorities.

The dichotomy between analysis of functional markets and taking a pragmatic approach is likely to increase with the formation of single Unitary Authorities in Cornwall and Wiltshire. Both will have to utilise evidence from three different SHMAs – West Cornwall, Northern Peninsula and Plymouth in the case of Cornwall, and Swindon, Salisbury and the West of England in the case of Wiltshire. Some have expressed the view that this should not be a problem, as the evidence provided by different SHMAs should be amenable for a variety of purposes and able to be combined where necessary.

On consideration of the evidence this view is not shared by ECOTEC for a number of reasons. Firstly, the definition of housing market areas is not clear cut which means that clearly delimited housing market areas tend to be something of an illusion. There is a great complexity of issues around scale (local, sub-regional or somewhere in between), fuzzy boundaries and appropriate self containment thresholds which can be very sensitive to small shifts in calibration. Mobility and geographic perception varies greatly from one household to the next. Secondly, due to

the data availability, much of the best evidence is only available at local authority level and analysis of smaller geographies tends to be patchy and frequently disappointing. Thirdly, where strong cross- boundary relationships are identified, the practical effects of these relationships are seldom explored in any depth and implications for policy response are generally not made explicit. Fourthly, divergent approaches create very real problems when it comes to combining the results of different SHMAs. There tends to be very little consistency between methodologies which results in incompatible output. Finally, whether the SHMAs are actually providing a clear “whole market understanding” (the original justification for taking a functional housing market approach), is questionable. Instead, findings tend to be fragmented, compartmentalised and often simplistic. Successfully drawing together the complex and diffuse threads of evidence together to form a coherent overview is the exception rather than the rule in the SHMAs reviewed to date.

ECOTEC is of the view that a useful analysis of housing dynamics can be done for most geographic scales and within most geographic parameters, as long as “polycentricity”, relationships between sub-areas and across external boundaries are adequately documented and explored. The sub-regional scale of analysis is undoubtedly useful in promoting a whole market understanding of the housing market relationships and facilitates necessary joint working and coordinated policy responses. However in practice and for the reasons set out above **the disadvantages associated with splitting local authorities for the purpose of carrying out SHMAs outweigh the benefits accruing from an attempt to take a whole market view. It is therefore recommended that a pragmatic approach is taken in future whereby SHMAs sub-regions are snapped to local authority boundaries.**

In keeping with this pragmatic approach, as an alternative approach for the future, it might be useful and efficient to define sub-regions along county boundaries – resulting in single SHMAs for Cornwall, Wiltshire, Dorset, Somerset and the West of England (Bristol, South Gloucestershire, North Somerset and Bath & North East Somerset). An exception might be considered for Devon because it is the largest and most geographically diverse county. The influence of Plymouth on eastern Cornwall is also a special case. But again, pragmatism and efficiency may dictate that a single SHMA, one that fully recognises the “polycentricity” of the area, is the best way forward.

2.4 Interface with private sector developers

Private sector developers have proven to be difficult to engage in the SHMA process and a number of reasons for this have been identified, many of which were raised at the Challenge event:

- Private developers tend to take a short term view as their interest in a project ceases as soon as it is sold (although this might be disputed by some); this contrasts greatly with the perspective of local authorities who need to be concerned with long term trends and outcomes 10 to 20 years into the future, as well as the current market environment.
- Developers rely more on direct market information – from estate agents and others in their own networks. Recent sales experience tends to guide the development mix on new sites coming forward; the value of the sort of complex statistical modelling used in housing needs

calculations for example is not readily apparent. This concern to capture up-to-the-minute market information is particularly germane in the current recessionary environment.

- From the perspective of house builders SHMAs are 'dull and meaningless' (a view expressed at the Challenge event)
- Some are reluctant to commit time and resources to a protracted SHMA process given the uncertainty of the results that will be produced.
- Some developers have been reluctant to sign up to the SHMA process as they fear it may tie their hands at a later date if they are not in agreement with the findings.

In light of these considerations it can be concluded that the practice guidance is not very realistic about developer involvement and it is therefore proving to be difficult to get meaningful input from them. House builders are generally more willing to get involved in viability assessments, as this is more their area of expertise and is more closely related to their daily operations.

2.5 Good practice

The study has revealed a number of SHMA good practice examples which provide a basis for future improvement and cross-learning. These include:

- Exeter/Torbay: analysis of migration and definition of local housing market areas; cross-border working on implementation strategies; effective consultation.
- Bournemouth & Poole/Weymouth & Dorchester: exploration of the possible impact of economic development scenarios on the housing market; thorough exploration of available secondary data; continued focus on monitoring and updating.
- Northern Peninsula: intensive involvement of the broader housing market partnership, with effective consultation and meaningful integration of stakeholder findings; and early linking up with a strategic viability assessment.
- Gloucestershire: strong consideration of the relationship between education, economic development and local housing markets.
- West Cornwall: strong spatial component to the analysis; detailed examination of housing market dynamics, for example in exploring the relationship between towns and rural areas, differentiating market dynamics by income strata and breaking down migration flows by age; the coverage of rural housing is exemplary; trends and interdependencies are summarised cohesively, with statistics interwoven into the narrative to strengthen understanding; exploring delivery issues has also been a feature, with housing officers and planners working closely with the private sector and taking a proactive approach to overcome development bottlenecks.
- Taunton/South Somerset: a well structured primary data approach; also housing issues concerning BME households and migrant workers were well handled. A good combination of statistics and information was captured in primary interviews, with clear conclusions to inform policy response.
- The West of England: a leading example of secondary data usage and data modelling. It also addressed the issue of integrating the SHMA outputs with the Regional Spatial Strategy and contained a critical assessment of economic and demographic growth projections rather than

simply accepting these as a given. The SHMA also provided a well-written Executive Summary which set out clearly important interrelationships and interdependencies between key housing market processes. e.g. the links between demographics, housing stock, site availability and development typologies. This provided something approaching a "holistic" summary of housing market processes, rather than examining different aspects in isolation. By doing so the SHMA reached well considered conclusions to help shape planning policy in particular.

Swindon, one of the first SHMAs to have been completed, was also one of the weakest. Nevertheless there are lessons to be learned here. It was only once the assessment was completed that it became clearer what sort of information was required from the SHMA in practice. It is therefore important to build on these early experiences to ensure that future assessments are tailored to these needs.

3.0 Key messages

This section provides a summary of regional level messages distilled from the SHMAs, discussion on two specific areas (migration and growth, and rural areas), and an evaluation of the quality of key findings and messages. It concludes with a tabular analysis of SHMA outputs

3.1 Key messages from across the region

The major key messages around the current and future state of housing markets across the region hold few surprises. Consistent themes have been:

- In-migration the main driver behind population growth; natural change is negative in some sub-regions (more deaths than births).
- Population increase especially among the 65+ group. This is accompanied by a rise in the number of single person households and these trends are projected to continue in the future. The household growth rate will outstrip the population growth rate due to a declining average household size.
- A greater number of smaller units will be required to meet the increase in smaller households. However a number of SHMAs conclude that two-bedroom units should be promoted instead of one bedroom units. Small new builds must be attractive to older people to encourage those living in larger properties to move.
- Indeed, under-occupation has been flagged up as an issue in most SHMAs. The importance of managing and getting the most effective use out of the existing stock has been stressed. There is considerable scope to improve the quality of the existing stock by addressing levels of unfitness and disrepair, bringing homes up to the decent homes standard through private sector renewal initiatives.
- The demographic trend of an ageing population will increase the need for adapted and sheltered housing, care and support.
- Acute issues of affordability, with price / incomes ratios above 10:1 not uncommon and high levels of current housing need being measured.
- The rate of turnover in the social sector is low, and there are few new units being produced, thus supply is not able to meet need; the result has been rapidly growing waiting lists for social housing.
- Young people are finding market entry most difficult and many are choosing to remain living with parents (concealed households) or are moving to the lowest priced areas within sub-regions. Furthermore the private rented sector is important to meeting the housing requirements of this group.
- There is a requirement for substantial amounts of additional affordable housing, both rented and intermediate market. Following the method set out in the Practice Guidance it is not uncommon for the shortfall in affordable housing to be greater than the total new build requirement, due to the size of the backlog that has built up. Tackling the backlog is, generally, a far more significant task in terms of magnitude than dealing with newly arising need. A common

conclusion in those SHMAs that covered the issue of site viability was that between 30% and 45% was a more achievable share for affordable new builds in practice.

- In some (but not all) sub-regions there is more need for larger (3 bed plus) affordable units than smaller ones, due to a lack of re-let supply becoming available for low income families. In most SHMAs a mix of different types and sizes of additional homes are required.
- Several SHMAs have indicated that intermediate products such as shared-ownership are being priced too high in practice (close to the market entry price level) and are therefore not affordable for most households in need; these products need to be priced lower down the income scales, to break an 'intermediate housing logjam' and enable a flow from social housing into this sector. This point was reiterated at the Challenge event.
- There was little evidence to suggest that key workers had major affordability constraints in the South West. On the contrary, it was found that the affordability position of key workers is better than average.
- Right to Buy was flagged up as an issue in several SHMAs, but on balance, the issue is not a significant one in the South West.
- A number of sub-regions have indicated second home 'hotspots', particularly on or near the coast. In these localities demand for second homes is negatively impacting on affordability for local lower income households.
- In most sub-regions levels of international migration from A8 (Eastern European) countries have been significant in recent years, increasing demand for cheaper open market dwellings and pressure on the private rented sector.
- BME housing issues are not well covered in the SHMAs of the South West. This is understandable given that ethnic minorities make up only a very small proportion of the households in the region (the West of England most likely being an exception). More creative methods to engage 'hidden' and dispersed communities are required

3.2 Migration and growth projections

Migration is clearly an important factor in the South West and this is recognised by all SHMAs. Some assessments, most notably West Cornwall and Exeter/Torbay, stood out in the level of detailed analysis provided on this theme.

The SHMAs reviewed contained very little in the way of scenario testing with regard to migration and household growth. In most cases one or more growth projections (CLG/ONS sub-regional projections, bespoke County Council Projections or RSS EiP figures) were presented 'as a given' but there was little analysis or testing of the likelihood or conditions under which projected growth will take place. Alternatives such as 'zero migration' or 'economic stagnation' were not examined. The West of England is a notable exception as these aspects were addressed within the complex projections models that formed a central part of the SHMA.

The affordability profile of migrant households was also an aspect which was given little attention in any of the SHMAs with the exception of the West of England. It appears that the most common assumption made was households migrating from elsewhere share the same income profile as

local households, thus housing need includes a share of migrant households. It is difficult to state this with certainty however because it is an issue that has not been explicitly reported on in the SHMA reports, nor have the policy dimensions, such as rights of access (or their absence) to social housing or welfare benefits.

3.3 Coverage of rural areas

The coverage of rural housing issues was generally weak in most of the SHMAs in the South West, with the West Cornwall and Taunton/South Somerset SHMAs being the main exceptions to this. Most of the SHMAs either did not provide a rural affordability analysis or relied on average income, often taken from sample household surveys. This is inappropriate because there is often polarity in the income distribution in rural communities, particularly in smaller villages and hamlets. Although these weaknesses are often explained by pointing to inadequate data, there are sources and techniques available that can be employed to provide a range of housing market information at postcode and Census Output Area levels.

Northern Peninsula's approach was to treat the whole area (with the exception of Barnstaple) as rural, and use as central market-determining forces such factors as quality of environment and attractiveness of the locality.

There is also considerable room for improvement in the analysis of the supply side, with detailed information covering small geographies being available such as house price data, affordable stock and turnover rates. More detailed work is needed on the condition, security of tenure and price of private rented housing in rural areas.

Some SHMAs have identified a high incidence of private rented housing in pressurised markets in rural areas. Unfortunately, knowledge of the role this sector is playing in the market is generally poor. Most of the Assessments examined for this report pre-date the downturn in the market and the credit crunch. From what is known of rural housing markets it is possible that the affordability problem will not be eased and could be exacerbated by these market trends.

Meeting rural housing needs and demands is part of the strategic responsibility of local authorities, and to do this they need robust evidence. Given the concerns raised about the depth of rural analysis it is perhaps not surprising that most of the SHMAs give scant attention to policy considerations that would affect rural communities.

3.4 Evaluation of quality of key findings and messages

As noted, part of this evaluation has involved 'scoring' the SHMAs against criteria agreed with the project steering group. This exercise covered different facets of the SHMAs, and in this sub-section we examine how fit for purpose they are in their role as long-term strategic documents, designed to inform housing, planning, development, spatial and economic strategies. It also assesses how well they have taken on board specific issues highlighted by the steering group as of concern across the South West.

To undertake this we reviewed each SHMA against the relevant parts of the CLG guidance; we examined the current relevant policies and strategies to assess how these were used as a baseline and context for the work; and we analysed each SHMA for their understanding and treatment of particular groups.

This exercise was undertaken for each separate SHMA by three different members of the research team, who 'challenged' each other on disparate findings, and came to mutually-agreed scores.

Evaluation of quality of key findings and messages

	Plymouth	Salisbury	Swindon	Exeter & Torbay	Bournemouth&P. Weymouth&D.	Northern Peninsula	West Cornwall	Gloucestershire	Taunton & South Somerset	West of England
To what extent can key findings of the SHMA be used to inform:										
Affordable Housing strategy	1	2	2	3	3	2	3	3	2	2
Delivery of the affordable housing programme	1	2	2	2	2	2	3	3	3	3
Market Housing strategy	1	0	0	1	2	1	2	2	2	2
LDFs & the spatial distribution of development plans	2	2	2	2	2	2	3	2	2	3
Regional Spatial Strategy	2	1	1	2	2	2	3	2	2	3
Regional Economic Strategy	1	0	1	0	2	0	1	1	0	3
Rural housing	0	0	1	1	1	1	3	1	2	1
Second homes/Buy-To-Let/But-To-Leave	1	0	2	0	1	1	2	0	1	3
Private rented sector	1	2	2	2	1	1	1	1	1	2
Intermediate, low cost market & key worker housing	2	1	2	2	2	1	2	1	2	2
Older persons issues	2	2	0	3	3	2	2	2	3	3
BME issues	2	2	0	1	0	0	0	0	2	0
Migration (intra- & inter-regional, international)	1	2	0	3	2	2	3	3	3	3
Total (maximum 39)	17	16	15	22	23	17	28	21	25	30

Scoring system: 0 = does not meet the criterion; 1 = partially meets the criterion, improvement needed; 2 = satisfactorily meets the criterion; 3 – meets the criterion extensively, delivers good practice and innovation.

According to the evaluation those assessments produced more recently have generally produced better outputs and thus are more fit for purpose. Concerning the coverage of selected themes, older person housing issues have been explored well in the main. The coverage of other themes however has been less consistent.

Overall the West of England SHMA is considered to have produced the most useful outputs to inform housing and planning policies. The level of detail of the analysis and the clarity of the conclusions are features of this work. In the best SHMAs statistics play a supporting role to the overall narrative thread. In contrast some of the lowest scoring SHMAs feature an overuse of statistics and a lack of clear narrative thread.

3.5 Tabular analysis of SHMA outputs

The following 10 tables contain the tabular analysis of SHMA Core Outputs required by the Regional Assembly. Not all Core Outputs are suitable for statistical presentation, as in practice a number of them consist of extensive analysis combining different data sources accompanied by considerable textual information. This has necessitated a selective approach here, with top-line

statistics being sought that commonly recur in different SHMAs. Due to the use of different data sources and methodologies, many of the figures shown in the tables are inconsistent with each other and difficult to compare. **A 'top down' approach using a common set of secondary data sources covering the above aspects would provide a better comparative framework.**

CLG Core Output	1) Estimates of current dwellings in terms of size, type, condition, tenure		
Statistical output	1a) Number or dwellings	1b) Recent completions	1c) Tenure breakdown
Plymouth	205,495 (2005, based on HIP Returns)	-	17% social rent; 11% PRS; 37% ow ned outright; 31% ow ned with mortgage; 1% shared ow nership; 3% tied/other (Census 2001)
Salisbury	-	-	13% private rent
Swindon	159,650 (2001)	1,300 p.a. 1995-2004	16% social rent; 11% PRS/rent free; 73% ow ner-occupiers (2001 Census)
Exeter	200,734	1,848 p.a. 2001-2006	12% social rent; 13% PRS; 41% ow ned outright; 33% ow ned with mortgage.
Torbay	62,736	475 p.a. 2001-2006	12% social rent; 17% PRS; 39% ow ned outright; 32% ow ned with mortgage.
Bournemouth & Poole	-	2,185 p.a. 2001-2006; 270 p.a. affordable (12.4%); mainly smaller flats in core urban area, 3&4-bed houses in peripheral rural areas, reinforcing existing stock.	11.0% social rent; 12.1% PRS (incl. tied); 40.2% ow ned outright; 36.7% ow ned w ith mortgage.
Dorchester & Weymouth	-	795 p.a. 2001-2006; 91 p.a. affordable (11.5%).	13.8% social rent; 12.9% PRS/other rented (incl. tied); 41.2% ow ned outright; 32.0% ow ned w ith mortgage.
Northern Peninsula	128,787	8,464 2001-02 - 2006-07 of which 13.5% affordable	71.0% ow ner-occupied; 0.7% shared-ow nership; 10.7% social rented; 13.0% private rent; 4.3% other rented.
West Cornwall	-	1,265 p.a. 2001-2006 of w hich 10% social rent and 4.5% other affordable housing (incl. shared ow nership); figures exclude North Cornw all.	73% ow ner-occupation; 12% rented from social landlords; 15% private rented.
Taunton	111,764 (HSSA 2007)	Circa 1,130 p.a. 2002-2007	Ow ner-occupied: 73.7%; Social rented: 14.4%; Private rented: 10.8% (tenure of households, not of stock)
South Somerset	70,449 (HSSA 2007)	720 p.a. 2001-2006	Ow ner-occupied: 74.7%; Social rented: 13.9%; Private rented: 11.5% (tenure of households, not of stock)
West of England	543,000 (2006)	5,329 net additional dw ellings p.a. 2001/02-2007/08	Ow ner-occupied: 72%; Social rented: 15%; Private rented: 14% (tenure of households, not of stock)
Gloucestershire	255,700 (2005/6)	8,900 (2001-5)	74% ow ner-occ., 14% social rented, 8% PRS, 4% other

CLG Core Output	2) Analysis of past and current housing market trends and description of key drivers underpinning the housing market			
Statistical output	2a) Current population	2b) Current number of households	2c) Annual rate of population change - recent	2d) Annual rate of household change - recent
Plymouth	-	201,000 in 2006 (source = ONS 2003-based projections)		Circa 2,000 p.a. 2003-2006 (source = ONS 2003-based projections)
Salisbury	118,450 (2006, using ONS 2001-based projection)	49,580 (2006, using ONS 2001-based projection)	760 p.a. 2001-2006	420 p.a. 2001-2006
Swindon	387,000 (2004)	163,000 (2006)	2,750 p.a. 1981-2004	1,980 p.a. 1991-2001 (15% increase)
Exeter	444,900 (2005)	194,000 (2006)	3,400 p.a. 2001-2005	2,280 p.a. 2001-2006
Torbay	132,800 (2005)	60,300 (2006)	700 p.a. 2001-2005	540 p.a. 2001-2006
Bournemouth & Poole	547,500 (2007 Patient Register) of which 382,400 in core and 165,100 in periphery.	244,300 (2007)	3.6% growth 1996-2006; 13.5% growth in periphery and 0.9% growth in urban core; population of Poole fell by 600 people over this period.	-
Dorchester & Weymouth	131,800 (2007 Patient Register) of which 18,800 in Dorchester core, 60,300 in Weymouth core and 71,500 in periphery.	72,245 (2007)	-	-
Northern Peninsula	278,300	121,000	2,300 2005-2006	-
West Cornwall	351,100 (2005, excluding North Cornwall)	146,700 (2001 Census, excluding North Cornwall)	2,460 p.a. 1981-2005	6,900 2002-2003, driven by migration
Taunton	253,700 (2006)	112,000 (2006)	1,836 p.a. 1981-2006	1,618 (current annual rate, based on survey + secondary data)
South Somerset	156,700 (2006)	68,000 (2006)	944 p.a. 1981-2006	720 (current annual rate, based on survey + secondary data)
West of England	1,275,000 (April 2006)	539,000 (2006)	11,700 p.a. 2001-2006 (0.96%)	6,100 p.a. 2001-2006
Gloucestershire	575,829 (2005)	226,000 (2006)	-	-

CLG Core Output	2 - continued) Analysis of past and current housing market trends and description of key drivers underpinning the housing market		
Statistical output	2e) Net migration - recent	2f) Average house price	2g) Lower quartile house price
Plymouth	-	£209,512	£110,000 (Plymouth City) to £164,000 (South Hams).
Salisbury	-	Terraced £ 166,405; Semi-detached: £192,461; Detached: £316,144; Flats & Maisonettes: £130,451; All properties: £221,209	"Entry-level prices": 1-Bed Flat: £107,500; 2-Bed Flat £131,338; 2-Bed Terraced £152,219; 3-Bed Terraced: £166,165.
Swindon	minus 600 during the Census year (2001)	£188,500 (Dec. 2005)	Kennet £153,000; North Wiltshire £138,000; Swindon £117,000.
Exeter	22,820 net in-migration 2000-2005 (England and Wales only)	Exeter & Torbay HMAs: 1-bed: £116,300; 2-bed: £166,300; 3-bed: £202,800; 4-bed: £291,200; 5+ bed: £381,500.	Exeter & Torbay HMAs: 1-bed: £90,000; 2-bed: £129,000; 3-bed: £152,500; 4-bed: £210,000; 5+ bed: £260,000.
Torbay	8,720 net in-migration 2000-2005 (England and Wales only)	Exeter & Torbay HMAs: 1-bed: £116,300; 2-bed: £166,300; 3-bed: £202,800; 4-bed: £291,200; 5+ bed: £381,500.	Exeter & Torbay HMAs: 1-bed: £90,000; 2-bed: £129,000; 3-bed: £152,500; 4-bed: £210,000; 5+ bed: £260,000.
Bournemouth & Poole	For Dorset as a whole: net inflow of over 10,300 plus 4,200 people arrived from outside the UK but outflows are not recorded (2001 only)	£ 243,400 (2006 Q4)	Entry level 2-bed for whole HMA: £ 142,000 (crude average across both districts).
Dorchester & Weymouth	For Dorset as a whole: net inflow of over 10,300 plus 4,200 people arrived from outside the UK but outflows are not recorded (Census year only)	£ 236,680 (2006 Q4)	Entry level prices ranged from £ 81,500 for 1-bed in North Dorset to £ 251,000 for 3-bed in Christchurch; Entry level 2-bed for whole HMA: £ 170,000 (crude average across 6 districts).
Northern Peninsula	More deaths than births and positive net migration in all districts; 18,100 net population growth and estimated 7,870 additional households 2002-2007 due to migration (England and Wales only).	North Cornw all: £246,978; North Devon: £233,833; Torridge: £215,205; West Somerset: £239,935.	Between 13% and 20% of households are able to afford a property at the lower quartile price.
West Cornwall	Net migration 2001-2005: + 4,264 people p.a. (England & Wales only; Source ONS, based on NHSCR data).	West Cornw all HMA: 1-bed: £90,000; 2-bed: £129,000; 3-bed: £152,500; 4-bed: £210,000; 5+ bed: £260,000.	Crude average: £ 159,400 (2005 LQ prices); ranging from £ 130,100 (St Blazey/Par) to £ 199,600 (St Ives); West Cornw all HMA: 1-bed: £116,300; 2-bed: £166,300; 3-bed: £202,800; 4-bed: £291,200; 5+ bed: £381,500.
Taunton	1,183 households p.a.	£ 215,893 (2007)	£ 130,000 (2-bed property)
South Somerset	499 households p.a. (or 487?)	£ 216,551 (2007)	£ 122,000 (2-bed property)
West of England	9,572 p.a. 2001-06 (population)	£ 187,751	147418 (all sales)
Gloucestershire	-	Detached - £249K, Semi-£170K, Terr - £143K, Flat - £127K, Overall - £169K (Q2, 2007)	£128K (range cross districts - £111 - £172K)

CLG Core Output	3) Estimate of total future number of households, broken down by age and type...	
Statistical output	3a) Annual rate of household change - projected	3b) Components of change - migration and natural growth
Plymouth	1,750 p.a. 2006-2026 (source = ONS 2003-based projections)	-
Salisbury	456 p.a. 2006-2021 (ONS 2001-based)	-
Swindon	1,900 p.a. 2006-2026 (ODPM 2006)	-
Exeter	3,031 p.a.	Net migration 2,032 households p.a.; Indigenous change 999 households p.a. (ORS Model)
Torbay	817 p.a.	Net migration 316 households p.a.; Indigenous change 501 households p.a. (ORS Model)
Bournemouth & Poole	1,857 p.a. 2006-2026 (draft RSS, lower scenario); 2,010 p.a. 2006-2026 (draft RSS, upper scenario); 2,215 p.a. 2006-2026 (DCLG 2004-based).	Across whole of Dorset: 100 dwellings p.a. would be enough to meet natural changes if migration was taken out of equation.
Dorchester & Weymouth	645 p.a. 2006-2026 (draft RSS); 960 p.a. 2006-2026 (DCLG 2004-based).	Across whole of Dorset: 100 dwellings p.a. would be enough to meet natural changes if migration was taken out of equation.
Northern Peninsula	1,575 p.a.; 31,500 additional households 2006 to 2026 (31% growth)	All population growth due to migration; deaths projected to exceed births
West Cornwall	3,430 p.a. 2005-2029; 2,308 p.a. (ORS Model)	Net migration 2,120 households p.a.; Indigenous change 188 households p.a. (ORS Model); figures exclude North Cornwall.
Taunton	1,650 p.a. 2006-2026	Based on current flows: 27% due to natural change and 73% due to migration
South Somerset	950 p.a. 2006-2026	Based on current flows: 32% due to natural change and 68% due to migration
West of England	7,450 p.a. 2006-2026	-
Gloucestershire	2,425 p.a. 2006-26	-

CLG Core Output	4) Estimate of current number of households in housing need		
Statistical output	4a) Total current need	4b) Affordable housing stock available	4c) Net current need
Plymouth	8,082 (Plymouth City: 4,929, South Hams: 1,094, West Devon: 642, Caradon: 1,417.	-	8,082; spread over 5 years = 1,616 p.a.
Salisbury	2,037 = 5,001 (unsuitably housed) - 1,293 (Council/RSL tenants) - 1,453 (in-situ solution) - 227 (able to afford in market) + 8 (homeless)	-	2,037; spread over 5 years = 407 p.a.
Swindon	North Wiltshire: 160; Kennet: 74; Swindon not given.	-	North Wiltshire: 160 (32 p.a.); Kennet: 74 (15 p.a.); Swindon not given.
Exeter	4,254 = 29,269 (in unsuitable housing) - 23,202 (insitu solution) - 445 (will leave area) - 160 (institutional housing) - 1,632 (able to afford in open market) + 424 (homeless).	-	4254
Torbay	2,212 = 9,562 (in unsuitable housing) - 6,477 (insitu solution) - 124 (will leave area) - 919 (able to afford in open market) + 170 (homeless).	-	2212
Bournemouth & Poole	7,149 (CLG method)	3,054 (CLG method)	4,115 (CLG method)
Dorchester & Weymouth	2,040 (CLG method)	1,052 (CLG method)	988 (CLG method)
Northern Peninsula	2,928 (nr of households on Waiting List)	-	2,928; spread over 10 years = 293 p.a.
West Cornwall	10,480 = 30,836 (in unsuitable housing) - 14,471 (insitu solution) - 1,370 (will leave area) - 86 (institutional housing) - 5,170 (able to afford in open market) + 678 (homeless); figures exclude North Cornwall.	-	10,480 (excluding North Cornwall)
Taunton	3,483	2,286	1,197
South Somerset	1,267	992	275
West of England	21,501	2,640	18,861
Gloucestershire	9,666	354	9,312

CLG Core Output	5) Estimate of future households that will require affordable housing			
Statistical output	5a) Annual (projected) newly arising Need	5b) Annual affordable supply	5c) Total net annual unmet Need (projected)	5d) Annual (projected) need arising from migrants
Plymouth	5,232 (total affordable need); Plymouth City: 3,060, South Hams: 859, West Devon: 429, Caradon: 884.	2,033 (social re-lets); Plymouth City: 1,412, South Hams: 253, West Devon: 118, Caradon: 250.	3,199 p.a.; Plymouth City: 1,648, South Hams: 606, West Devon: 311, Caradon: 634.	-
Salisbury	669 = 321 (newly forming households unable to afford in the market) + 224 (existing households falling into priority need) + 124 (in-migrant households unable to afford in the market)	445 p.a. = 361 (social re-lets) + 15 (shared ownership re-sales) -2 (units taken out of management incl. RTB) + 71 (committed supply of new affordable units)	631 p.a.; alternative calculation: 702 p.a. = 1,076 (total affordable housing need annually) - 374 (net re-lets of the existing social stock, after Right to Buy (RTB) impact)	124 p.a.
Swindon	Kennet: 743; North Wiltshire: 440; Swindon not given	Kennet: 305; North Wiltshire: 327; Swindon not given	2,110 p.a. (North Wiltshire 799, Swindon 857, Kennet 454)	-
Exeter	5,380 p.a. = 1,884 (Intermediate) + 3,496 (social rent)	3,883 p.a. = 1,428 (Intermediate) + 2,455 (social rent)	1,497 p.a. = 456 (Intermediate) + 1,041 (social rent)	Exeter & Torbay HMAs: 1,475 p.a. = 885 (Intermediate) + 590 (social rent)
Torbay	2,131 p.a. = 647 (Intermediate) + 1,484 (social rent)	1,632 p.a. = 552 (Intermediate) + 1,080 (social rent)	500 p.a. = 96 (Intermediate) + 404 (social rent)	-
Bournemouth & Poole	6,713 of which 1,993 newly forming households (30%) and 4,720 existing households falling into need (70%).	1,832 of which 1,741 social rent (95%) and 91 intermediate (5%).	5,704 p.a. 2007-2012 (CLG method); 2,234 p.a. (Fordham's BHM approach).	-
Dorchester & Weymouth	1934	594	1,538 p.a. 2007-2012 (CLG method); 824 p.a. (Fordham's BHM approach).	-
Northern Peninsula	513 (newly forming) + 50 (in-migrants) + 56 (owner-occupiers, i.e. existing household falling into need) = 619	300 (social lets) + 20 (intermediate) = 320	592	50
West Cornwall	3,944 p.a. gross affordable housing requirement (of which 28% upper-band intermediate, 8% lower-band intermediate and 64% social rent)	2845	1,099 p.a. = 448 (Intermediate) + 651 (social rent); figures exclude North Cornwall	-
Taunton	2,413	906	1,746	-
South Somerset	1,320	716	659	-
West of England	7,027	4,020	4,893	1,023 p.a. 2009-2021
Gloucestershire	1,884	1,311	2,435	-

CLG Core Output	6) Estimate of future households that will require market housing		7) Estimate of the size of affordable housing required
Statistical output	6a) Number of new market dwellings required annually	6b) Estimate of size of market housing required	
Plymouth	Gross demand = 18,670 p.a.; "There is an identified shortfall of over 4,900 units in the market sector, strongly linked to current in-migration levels".	Gross requirement: 1 bed flats: 12%; 2 bed flats: 6%; 2 bed bungalows: 4%; 3 bed bungalows: 5%; 4+ bed bungalows: 1%; 1 bed houses: 4%; 2 bed houses: 23%; 3 bed houses: 30%; 4+ bed houses: 17%.	Gross requirement: 1 bed flats: 25%; 2 bed flats: 13%; 3 bed flats: 1%; 1 bed bungalow: 5%; 2 bed bungalows: 6%; 1 bed houses: 3%; 2 bed houses: 22%; 3+ bed houses: 25%.
Salisbury	Gross demand = 2,803 p.a. of which 42% from existing households, 20% from concealed households and 38% from in-migrant households; no supply-side figures provided therefore no figures for net demand.	Gross requirement: 1 bed flats: 9%; 2 bed flats: 6%; 2 bed bungalows: 7%; 3 bed bungalows: 5%; 4+ bed bungalows: 1%; 1 bed houses: 2%; 2 bed houses: 24%; 3 bed houses: 20%; 4+ bed houses: 25%.	Gross requirement: 1 bed flats: 23%; 2 bed flats: 11%; 2 bed bungalows: 3%; 3+ bed bungalows: 4%; 1 bed houses: 5%; 2 bed houses: 27%; 3+ bed houses: 27%.
Swindon	-	"Considerable weight should be given to house builders and developer's interpretation of current market requirements in terms of the size and type of dwellings, within a framework of what is deemed suitable in terms of different locations and appropriate household types"	"Based on the assessment in the Housing Needs Surveys DTZ would argue that the authorities should plan for a range of affordable dwelling sizes (small and large)."
Exeter	1,535 p.a. = 14,253 (gross requirement) - 12,718 (supply)	Exeter & Torbay HMAs: 1-bed 34%; 2-bed 30%; 3-bed 3%; 4+bed 33%.	Exeter & Torbay HMAs: Intermediate: 1-bed 67.5%; 2-bed 32%; 3-bed 0.5%; 4+bed 0%; social rent: 1-bed 19%; 2-bed 69%; 3-bed 3%; 4+bed 9%;
Torbay	318 p.a. = 4,522 (gross requirement) - 4,204 (supply)	1-bed 34%; 2-bed 30%; 3-bed 3%; 4+bed 33%.	Intermediate: 1-bed 67.5%; 2-bed 32%; 3-bed 0.5%; 4+bed 0%; social rent: 1-bed 19%; 2-bed 69%; 3-bed 3%; 4+bed 9%;
Bournemouth & Poole	1,860 p.a. (= 1,957 owner-occupied dwellings minus oversupply of 97 PPS dwellings).	18% 1-beds (336); 40% 2-beds (748); 27% 3-beds (499); 15% 4+ beds (276).	22% 1-beds; 40% 2-beds; 24% 3-beds; 14% 4+ beds; (Social rent: 259 1-bed, 447 2-bed, 362 3-bed and 259 4+ bed; Intermediate: 239 1-bed, 453 2-bed, 175 3-bed and 45 4+ bed).
Dorchester & Weymouth	760 p.a. (= 802 owner-occupied dwellings minus oversupply of 42 PPS dwellings).	18% 1-beds (136); 58% 2-beds (442); 12% 3-beds (93); 12% 4+ beds (89).	34% 1-beds; 40% 2-beds; 22% 3-beds; 4% 4+ beds; (Social rent: 155 1-bed, 145 2-bed, 83 3-bed and 17 4+ bed; Intermediate: 125 1-bed, 187 2-bed, 100 3-bed and 12 4+ bed).
Northern Peninsula	in-migration (1,600), international migration (250) and the purchase of second and holiday homes (250) are creating a demand for an additional 2,100 homes per year with the effect,	64% 2-bed units, to allow older households to downsize; 30% 1 and 2 bed general needs properties; 9% for housing with care for older people; decline in requirement for family housing.	Substantial growth in the number of smaller homes required for single people; also more smaller/more manageable homes for older people as well as housing with care; requirement for 3- and 4- bed family housing is limited
West Cornwall	1,179 p.a. (ORS Model, excludes North Cornwall)	6% 1-bed; 42% 2-bed; 48% 3-bed; 5% 4+ bed.	Social rent: 3% 1-bed; 66% 2-bed; 2% 3-bed; 29% 4+ bed; Intermediate: 2% 1-bed; 73% 2-bed; 17% 3-bed; 8% 4+ bed.
Taunton	-	5% 1 bedroom, 32% 2 bedroom, 43% 3 bedroom, 20% 4+ bedroom	74% 1 and 2-bed units; 26% larger units
South Somerset	-	5% 1 bedroom, 32% 2 bedroom, 43% 3 bedroom, 20% 4+ bedroom	75% 1 and 2-bed units; 25% larger units
West of England	-	Requirement for 2-bed family dwellings and 4+ bed family dwellings is emphasised.	Social rent: 40% 1-bed; 0% 2-bed flat; 28% 2-bed house; 18% 3 bed house; 11% 4+ bed house; Intermediate: 42% 1-bed; 16% 2-bed flat; 20% 2-bed house; 20% 3 bed house; 2% 4+ bed house.
Gloucestershire	1,879 pa (based on newly arising hhlds able to afford in market)	2-bed requirement is highlighted, but firm target percentages are not provided	1 & 2 bed flats or houses: 12%; 2 bed houses: 21%; 3 bed houses: 58%; 4+ bed houses: 9%.

CLG Core Output	8) Estimate of household groups who have particular housing requirements...			
Statistical output	8a) Current number of households in 65+ age group	8b) Projected number of households in 65+ age group	8c) % key worker households	8d) % BME households.
Plymouth		Projected increase of 41,242 people aged over 65 2001-2026 (a 51.2% increase).	-	-
Salisbury	1 adult over 60: 16% of households (DCA Survey, 2006)	The retired population (65+ age group) forecast to rise by 8,800 and the 85+ population by 1,950 people by 2021.	5,847 key worker households (heads of household)	3.1%, of which 1.7% "Irish and white - other" (DCA Survey, 2006)
Swindon	33,425 pensioner households 2006 (21,297 singles and 12,128 couples)	580 additional pensioner households p.a. 2006-2026 (522 single pensioners and 58 couples)	-	3.1% non-white (including "mixed").
Exeter	36,800 single person households of retirement age	17,400 additional single person households of retirement age 2006-2026		
Torbay	10,700 single person households of retirement age	4,300 additional single person households of retirement age 2006-2026	24 % of all households contained at least one respondent or their partner who worked in the public sector	
Bournemouth & Poole	68,600 pensioner households in 2001 (31%)	-	24,408 key worker households (19.6%); 85% are owner-occupiers.	-
Dorchester & Weymouth	12,571 single pensioners (17.4%) and 11,711 multiperson pensioner households (16.2%).	-	8,233 key worker households (11.4%); 80% are owner-occupiers.	-
Northern Peninsula	-	70% or more projected growth in number of older households (pensionable age) 2006-2026: over 22,000 additional households; 2,500 new extra care units needed	-	-
West Cornwall		ONS projections estimate that between 2008 and 2025 there will be a 44% increase in the number of people aged 65+.	-	-
Taunton	30,410 pensioner households (2001)	-	26.5% of employed people ('public administration', 'education', 'health' sectors; source census 2001)	2.0% of population: 1.1% "White other" and 0.9% "Non-White" or "Mixed".
South Somerset	18,338 pensioner households (2001)	-	24.6% of employed people	1.9% of population: 1.2% "White other" and 0.7% "Non-White" or "Mixed".
West of England	205,000 (2006)	293,900 (2026)	-	-
Gloucestershire	19% (60/65 – 75)	over 65s up by 52,000 by 2026	-	2.8% (Census 2001)

CLG Core Output	Additional outputs			
Statistical output	9a) Annual newbuilds required (all tenures)	9b) Affordable housing requirement as % of new supply	9c) Tenure split of affordable housing required (social rent:intermediate)	9d) Vacancy rate
Plymouth	2,255 p.a. 2006-2026 (Draft RSS provision)	142% of Draft RSS Provision, ranging from 135% in Plymouth City to 242% in South Hams.	Gross requirement: 81% social rent, 19% shared-ownership (Plymouth City 85:15; South Hams 62:38; West Devon 58:42; Caradon 89:11).	-
Salisbury	460 p.a. 2006-2026 (from Draft RSS)	"...the total outstanding affordable need of 702 is 153% of the full annual allocation."	Gross requirement: 72% social rent, 28% shared-ownership; But later: "...This overall target includes both housing for social rent (60%) and intermediate housing (40%)".	-
Swindon	1,900	Swindon: 30% recommended;	North Wiltshire: 60% social rent, 40% intermediate; Swindon: 17%-33% intermediate;	3% (2001)
Exeter	3,032	49%	70% social rent, 30% intermediate	2.37%
Torbay	818	61%	81% social rent, 19% intermediate	2.43%
Bournemouth & Poole	4,095 p.a.	55% (Fordham BHM model); 93% (Fordham BHM as % of EIP Panel figure); 237% (CLG figure as % of EIP Panel figure).	59% social rent, 41% intermediate.	2.65%
Dorchester & Weymouth	1,584 p.a.	52% (Fordham BHM model); 91% (Fordham BHM as % of EIP Panel figure); 169% (CLG figure as % of EIP Panel figure).	49% social rent, 51% intermediate.	
Northern Peninsula	2,100 p.a. due to in-migration (1,600), international migration (250) and the purchase of 2nd/holiday homes (250).	North Cornwall 88%; North Devon 151%; West Somerset 217%	North Cornwall 66:34; North Devon 75:25; West Somerset 69:31	2.6%
West Cornwall	2,277 p.a. (ORS Model)	48% (ORS Model: market housing 52%, intermediate housing: 20% and social housing: 28%).	58% social rent, 42% intermediate.	2.4%
Taunton	Not stated; (draft) RSS targets discussed: 1,725 dpa	40%	Social rent: 65% (26 of 40); Intermediate: 35% (14 of 40)	3.4% (public sector 0.8%, private sector 3.8%)
South Somerset	Not stated; (draft) RSS targets discussed: 985 dpa	35%	Social rent: 66% (23 of 35); Intermediate: 34% (12 of 35)	2.4% (public sector 0.9%, private sector 2.7%)
West of England	Several household growth scenarios are modelled and explored	-	82% rented, 18% intermediate	2.8%
Gloucestershire	Not stated; (draft) RSS targets discussed: 2,820 dpa	25%-45% depending on project viability and the need to balance local markets.	88% rented, 12% intermediate	-

CLG Core Output	Additional outputs (continued)		
Statistical output	9e) Second and holiday homes	9f) Housing register	9g) Stock condition
Plymouth	6,589 in 2005 (3.2%)	13,717 (HSSA 2006) of which Plymouth: 7,411; South Hams: 1,879; West Devon: 1,023; Caradon: 3,404.	-
Salisbury	-	-	11.2% of households surveyed felt their home was inadequate
Swindon	0.005	circa 10,000 households (2005)	-
Exeter	0.026432347	-	17,095 of households (15%) had a "serious problem with the condition of their home".
Torbay	0.0419	-	4,720 households (15%) had a "serious problem with the condition of their home".
Bournemouth & Poole	Most heavily concentrated in coastal areas (Bournemouth 4.2%, Purbeck 6.85%); lower proportions inland (East Dorset 0.8%)	17,179 (2006); rapid growth (270%) in urban core 2001-2006	Unfit properties ranging from 3.1% in Poole to 5.5% in Purbeck
Dorchester & Weymouth	West Dorset 5.3% (most on the coast in the west of the district); Weymouth & Portland 2.6%.	4,678 (2006); 250% growth 2001-2006.	West Dorset 4.8% unfit; Weymouth & Portland 4.0% unfit.
Northern Peninsula	6.27%; increase of more than 1,000 2001-2005	9,374 in 2005/06; up from 5,417 in 2001/02	-
West Cornwall	6.9% second homes (occupied properties only) + 1.1% holiday let (all properties); Second homes highest in Restormel (13%) and lowest in Carrick (3%).	-	9.6% or 14,959 households reported serious problems with their home (excluding North Cornwall)
Taunton	1.1% (2001)	7,083 (Taunton)	4.360 unfit dwellings (HSSA, 2006); 3.9% of the stock; 43.4% of the private sector stock considered "non-decent"
South Somerset	0.8% (2001)	6,444 (2007)	830 unfit dwellings (HSSA, 2006); 1.2% of the stock; 42.5% of the private sector stock considered "non-decent"
West of England	Relatively few	23,592	No sub-regional figure given.
Gloucestershire	-	9,087	1.3% social, 7.5% 'private rented' – is "private sector" meant?

4.0 Dissemination and Impact

This section analyses the dissemination and impact of six of the region's SHMAs - Exeter/Torbay, Plymouth, Salisbury, Swindon, Bournemouth & Poole/Weymouth & Dorchester and finally West Cornwall. The others have been excluded because they have only relatively recently been completed and signed off. West Cornwall, although not formally signed off, has been included because the majority of the work was completed by mid 2008, and the SHMA evidence base is already being used in practice.

Input for the analysis was generated by a series of telephone interviews conducted with local authority planning and housing officers involved in the SHMA process.

4.1 Dissemination

The picture is mixed concerning the way SHMAs have been signed off. They have generally not been presented at full council meetings and in some cases did not go to the portfolio holder either. In most cases they were given a launch event where they were presented to the wider housing market partnership stakeholders. All completed SHMAs are available for download on partner authority websites.

The interviews revealed that the completed SHMAs generally enjoy a reasonably high profile within local authority housing and planning teams, although this is to a lesser degree the case with regard to the three assessments that were completed prior to 2007. A clear pattern to emerge from the research is a lack of involvement of and awareness among economic development staff. West Cornwall and Bournemouth / Poole are exceptions here.

4.2 Impact

The picture is also varied with regard to the impact that completed SHMAs are having on housing and planning policy and practice. This is largely dependant on the timing of the policy development cycle. Some salient points to emerge from the interviews are listed here:

- SHMAs have provided much input into those local authority Housing Strategies that have been formulated after sign-off of the SHMA,
- However, it was important to treat SHMAs as tools for policy making, along with other inputs, rather than existing as policy in their own right. This point was strongly made at the Challenge event.
- SHMAs have been particularly important in providing evidence to determine the size, type and tenure of new dwellings required, particularly affordable dwellings.
- Many of the findings contained in SHMAs are “nothing new”, but the SHMA is useful in that it provides additional backing to reinforce the direction of travel. The need for affordable housing was a frequently cited example in this context. SHMA evidence has been used to aid realignment of policy priorities and add weight to efforts to gain additional targeted resources.

- A number of cases have been cited where SHMAs have been used to support planning applications, assist in negotiations with developers and as evidence at planning enquiries.
- Local authority housing and planning officers have “chosen selectively” evidence from SHMA to meet a variety of needs.
- In Salisbury the SHMA was used to set affordability thresholds in the Local Development Framework (LDF).
- In Purbeck the Dorset SHMA has been used extensively in preparing guidance on affordable housing provision, and in Poole the SHMA has been instrumental in justifying reduced thresholds and higher affordable housing targets
- For those local authorities with an LDF still at an early stage of development, it is anticipated that the SHMA will provide important evidence for elements such as affordable housing Supplementary Planning Documents (SPDs).
- Teignbridge’s Core Strategy was formulated parallel to the SHMA process, and was subsequently invalidated by the planning inspectorate due in part to the lack of integration with the SHMA. While the Core Strategy work is being redone, the SHMA is functioning as a *de facto* Core Strategy for the district.
- SHMAs have had limited impact on aspects of spatial distribution i.e. the location of new housing, and their influence on Section 106 agreements has also been limited. There is no evidence of an active relationship between SHMAs and Sustainable Communities Strategies.
- Not all recommendations contained in SHMAs have been followed up by local authorities, and there have been examples where their findings are disputed.
- Some interviewees expressed the view that the majority of information contained in SHMAs was superfluous, with only small fragments being especially useful.
- The Swindon SHMA appears to have had a negligible impact in practice and more weight has been given to local studies. It was commented that weaknesses of the assessment only became apparent when it came time to put its use and findings into practice.

4.3 Partnership working

Most interviewees indicated that the SHMA process has contributed significantly to greater joint working between neighbouring local authorities, enabling issues to be addressed at the sub-regional level. The most notable examples of this are in Dorset and the Exeter HMA. In the Exeter sub-region a proactive approach was taken following sign-off of the SHMA. A cross-boundary workgroup of portfolio holders and senior council officers from all constituent districts was formed and an action plan was made to implement key SHMA recommendations. In Dorset local authority partners, led by the County Council, are turning their attention to update requirements of the SHMA. Training workshops are also being organised to promote making the best use of the evidence base.

One comment made at the Challenge event highlighted the positive side of cross-boundary working: ‘Cross-boundary working is delivering real and tangible benefits. Good will and trust is being built up which will be of real benefit in the future’. It was also noted at the event that working

together on SHMAs had helped break down barriers within local authorities, between the housing and planning teams

The evidence is less clear concerning the effects on partnership working with external parties such as the private sector and housing associations. Private sector developers have been difficult to engage and draw into the SHMA process in some sub-regions, although exceptions to this have been noted, such as in West Cornwall, and in Taunton / South Somerset. As noted earlier, this was commented upon at the Challenge event, where it was noted that developers' reluctance to engage was based on a combination of considering the process irrelevant, disinclination to discuss commercial matters openly, and a feeling that they may well not want to 'sign up' to the SHMA if it could be used to reinforce policies they considered unhelpful. It was also suggested that there may also be opportunities to integrate the management of parallel work, on strategic viability assessments and Strategic Housing Land Availability Assessments, into the Partnership framework. This may help make best use of limited development industry engagement.

4.4 Evaluation of dissemination and impact

Dissemination and impact have been scored on the following matrix. These assessments were based primarily on the interviews with local authority staff within the districts covered by the relevant SHMA, in most cases the lead officers concerned. These followed a topic guide focussed on the principle questions and issues in the matrix below. Again, the results were subject to challenge and validation by several staff.

Evaluation of dissemination and impact of SHMAs

	Plymouth	Salisbury	Swindon	Exeter & Torbay	Bournemouth&P. Weymouth&D.	West Cornwall
A Dissemination						
Was the SHMA formally presented at full Council meetings	0	0	1	0	0	0
Did it go to the portfolio holder?	1	1	0	1	1	0
Were housing staff briefed and presented with findings?	1	1	0	1	1	1
Were planning staff briefed and presented with findings?	1	1	0	1	1	1
Were economic development staff briefed and presented	0	0	0	0	2	1
Were stakeholders briefed and presented with findings?	1	1	1	1	1	1
Was there a press release?	1	0	1	1	1	0
Is it available on the website?	1	1	1	1	1	0
B Impact on planning and strategy						
Changes to the local plan/local development framework	1	2	0	1	2	2
Impact on sup. planning documents and housing strategy	2	2	1	1	2	2
Impact on sustainable communities strategy	1	0	0	0	0	0
C Impact on policy, procedures, plans						
New policies adopted	1	1	0	1	1	2
New guidance given or published	0	0	0	0	0	0
Changes in targets/ indicators / thresholds	1	1	0	0	2	1
New actions agreed	2	2	0	2	1	1
D Impact on development programmes						
The numbers of homes to be built	1	1	0	1	1	1
Impact on the locations where homes are required	0	0	0	0	0	2
Impact on the types of homes required	2	2	1	1	2	2
Impact on S106 agreements	2	2	0	0	0	1
Impact on new partnership working and agreements	2	2	1	2	2	2
Total (maximum 32)	21	20	7	15	21	20

Scoring system for A: 'yes' = 1 'no' = 0; Scoring system for B, C, D: 0 = no impact; 1 = minor/partial impact; 2 = significant/major impact.

5.0 Methodologies

The various methodologies employed to meet the Strategic Housing Market Assessment Core Outputs of the Guidance as well as the SHMA Process Checklist (both listed in the introduction of this report) are examined in this section. It begins with a general overview of partnership approaches taken, looking at the use of consultants, the issue of primary versus secondary data input and the issue of viability appraisals. This is followed by the presentation of additional findings of the research, including the scores for methodology. The full, sister report to this – the detailed analysis of each SHMA – has full and extensive analysis of the individual methodologies as well as additional focus on approaches used to explore rural housing.

5.1 Overview of partnership approaches

5.1.1 The use of consultants

The CLG Practice Guidance promotes the model of sub-regional partnerships to encourage authorities to undertake as much of the assessment work as is possible themselves. It also acknowledges that there will be circumstances where partnerships will want to commission consultants to increase their analytical resource or undertake particular specialist aspects of the assessment.

Our review of SHMA approaches has included looking at the extent to which sub-regional partnerships have done the assessment work themselves or asked external consultants to do part or all of the assessment for them. This is difficult to identify accurately without insider knowledge of each SHMA process. Based on discussions with key members of SHMA partnerships and a review of documents produced, an indication has been given (overleaf) of the relative position of SHMAs in this respect.

Use of consultants



The three assessments carried out in 2006 have been placed on the right as these SHMAs were essentially commissioned in their entirety. The evidence suggests that the Northern Peninsula, Bournemouth & Poole/Weymouth & Dorchester and West Cornwall Partnerships in particular have maintained a central role in carrying out the assessment work, using consultants to carry out parts of the overall work and pulling the various inputs together themselves. The other SHMAs have been positioned between these extremes, as consultants have clearly been asked to carry out large parts of the assessment work but the partnerships have been integrally involved in the process throughout.

5.1.2 Primary versus secondary evidence

A second major consideration when viewing the general approach taken to carrying out a Strategic Housing Market Assessment is whether a household survey has been carried out or the extent to which the assessment is based on secondary data. Bespoke household surveys were carried out in Plymouth, Salisbury, Exeter and Torbay, West Cornwall, Bournemouth & Poole/Weymouth & Dorchester and Taunton & South Somerset. The assessments in Swindon and Gloucester-Cheltenham made use of survey evidence from separate local housing needs studies that were carried out prior to the sub-regional SHMA taking place. Two SHMAs have been based entirely on a secondary data approach, these being Northern Peninsula and the West of England.

Concerning this issue the Guidance states that “there is an assumption that secondary data (ie from local administrative or national data collection exercises rather than specially commissioned surveys or interviews) should be used where appropriate and feasible. This means that partnerships may not need to undertake large-scale primary data collection exercises such as household surveys to achieve the requirements of this assessment, provided that they have sufficient information from other sources to estimate housing need and demand”.¹

This has been a subject of much deliberation, borne out by an exchange of correspondence between Fordham Research and CLG in early 2008 which has been circulated to Government Office and Regional Assembly contacts. In brief, Fordham Research feels strongly that assessments based upon secondary data alone cannot meet the policy requirements set out in PPS3.

The CLG responded by stating that “the guidance is clear that secondary data should be used where appropriate and feasible. It acknowledges that there may be occasions where primary data could be used. It gives a clear steer to partnerships that, as part of agreeing the methods and data sources to be used at the outset of the assessment, their starting point should be to consider using secondary data where it is a robust source of information. It then follows that where partnerships can demonstrate that secondary data is not robust for the purposes of assessment, they will want to consider using primary data.” (CLG Correspondence to Fordham Research, March 12 2008).

Special attention has been paid to the relative merits of primary and secondary data in the analysis of the SHMAs. Key findings include:

¹ Strategic Housing Market Assessments: Practice Guidance Version 2, CLG August 2007, p 16.

- Plymouth and Salisbury (both DCA): primary data provided most of the core outputs and insight into market; the use of secondary data was generally not strong and was poorly integrated with the primary outputs.
- Exeter and Torbay (ORS): primary data provided most of the core outputs although this was augmented by effective use of secondary data to provide additional insights.
- West Cornwall (ORS and Land Use Consultants) and Bournemouth & Poole/Weymouth & Dorchester (Fordham): as with Exeter and Torbay primary data was used to provide the key housing needs outputs required by PPS3, but the extent and depth of analysis using secondary data was greater;
- Swindon (DTZ): a number of core outputs were provided using secondary data although this data was not always up to date (e.g. Census 2001), and some of the analysis was not at an appropriate sub-regional level, which is probably connected to a paucity of good information sources. To provide outputs on housing need DTZ fell back on previous work in Local Housing Needs Studies done (by Fordham Research) in the three districts of the sub-region. An assessment of the Swindon SHMA would tend to lend weight to the conclusion that a household survey is a necessary component of a robust SHMA.
- Gloucestershire (Fordham and Peter Smith Research & Consulting): Although there are confusing elements that the combination of two studies by different consultancies inevitably generated, the innovative and well-explained usage of secondary data by PSRC is exemplary.
- Taunton / South Somerset (Fordham): large scale survey and successful strong use of primary data – the best example of its type completed in the South West to date.
- The West of England (Bramley et al): made extensive use of secondary data, some of which was specifically accessed from the CLG, to successful effect, although some elements fell into the 'black box' category of lack of transparency due to the complexity of the modelling work undertaken. This assessment provides the best example of a successfully completed SHMA based on secondary data to date.
- It was noted at the Challenge event that the treatment of groups with special needs was often weak, across many of the SHMAs. Better use of secondary data, including Supporting People data, could help improve this.

Primary data is generally used to fill the same data gaps from in each of the SHMAs that have used it. Household surveys typically provide:

- an up to date snapshot of household characteristics (age, household type, number of household members, income etc);
- an up to date snapshot of occupied dwellings (tenure, type, number of bedrooms, condition);
- recent moving behaviour;
- aspirations and special needs;
- a picture of concealed households and other types of housing need.

Whilst secondary data touching on many of these aspects is available, the picture that emerges is patchy as there remain gaps in the evidence which can only be filled using assumptions-based

modelling. As well as this sources overlap so that it is impossible to rule out double counting from one source to the next (e.g. households that are overcrowded and living in a dwelling that is in a serious state of disrepair). Furthermore, secondary data does not allow cross-tabulation in the same way that survey data does.

The response data generated by household surveys is commonly used as input for a 'flows' model, comparing housing need, demand and supply to identify shortfalls and surpluses in various sectors of the market. These flows models commonly lack transparency as it is difficult to test the assumptions upon which they are based. Future household moves are predicted on the basis of households that have moved in the recent past, or alternatively, expressed intentions to move in the future. These stated intentions may not however form the most solid basis for assumptions about actual household behaviour given the complexity of factors that will influence actual choices.

The Northern Peninsula assessment took a secondary data approach – a household survey was not commissioned. The housing needs calculation of this assessment deviated significantly from that set out in the Practice Guidance. These deviations included the 'running order' of the calculation diverging from the CLG Guidance; the labels given to the various components being different; and a lack of clarity about the derivation of the housing needs figures. This is described further in the full, detailed report. What cannot be ascertained is whether the overall assessment would have been radically different had a more primary-based approach been used.

In conclusion, we would suggest that there is no right or wrong answer as regards the need for additional primary data. At the Challenge event the view was put that it is important that Guidance not be too prescriptive. Partnerships need to be able to make their own call based on available resources and local priorities as to whether additional work is required. **A bespoke targeted approach should be allowed. We would concur with this view.**

5.1.3 Viability appraisals

A third issue which is attracting increased attention across the country as more SHMAs are reaching completion concerns whether economic viability assessments should be carried out as part of the SHMA process. Viability here refers to the deliverability of development policies based on SHMA outputs, particularly with regard to the requirement to build affordable housing. This issue essentially concerns the point where SHMAs end and the planning process begins.

Paragraph 33 of PPS3 states that SHMA evidence concerning need and demand is merely one of a number of factors that planning bodies will need to consider when setting housing provision figures. After the SHMA has established an evidence base it is the role of subsequent plan-making stages to make the most equitable judgement as to the level of market and affordable housing that can be delivered in an area having regard to the factors set out in paragraph 33. In particular affordable housing targets must balance the need for affordable housing on the one hand with economic viability and (S106) developer contributions on the other, as explained in paragraph 29 of PPS3.

One comment made at the Challenge event was that 'housing need has grown to such an extent that the viability assessment has replaced the needs assessment as the most important SHMA output'

The issue has been put into sharp focus by the Blyth Valley case (Persimmon Homes North East v. Blyth Valley Borough Council, July 2008) where the Court of Appeal upheld a challenge to the validity of the Core Strategy and affordable housing targets, in the absence of a full economic viability study.

Viability assessments were carried out to support and inform recommendations arising from the SHMAs in four Partnerships in the South West, namely Gloucester-Cheltenham, Northern Peninsula, Taunton/South Somerset, and Dorset.

5.2 Other main findings concerning methodologies

This section summarises some of the other main findings around methodologies, discussed in more detail in the full SHMA analysis:

- The analysis of trends and drivers in some of the assessments is quite descriptive and vague, and there is often a failure to draw clear conclusions which are relevant to the housing market. As a result the information is less valuable to housing and planning officers looking for a policy steer than it could have been.
- A number of good practice examples have been found however, in which extra attention has been given to the way data is analysed and presented, and the possible messages that can be drawn from it. In the West Cornwall assessment, for example, some of the secondary data analysis is fine grained allowing conclusions to be drawn for quite small local areas.
- For SHMAs to be effective and fit for purpose in the future, providing the level of insight necessary to properly inform policy, it is important that those involved in assessments 'lift their game' and learn from best practice examples.
- Information gleaned from stakeholders can provide valuable (qualitative) insights into housing market dynamics adding colour and comprehension to an otherwise dry and possibly inconclusive data analysis. It can also shed light on aspects that may be difficult to explore using secondary and survey generated information. Given this, stakeholder input should be given a more prominent place in assessment reports, rather than being hidden away or not reported on at all.
- The estimate of future numbers of households, broken down by household type, age etc, is an aspect generally poorly covered in the SHMAs. Partnerships had particular difficulties with estimates of net market housing breakdowns. This is also true of future economic trajectories and the interplay between economic development and the housing market.

- The 'flows' models employed by several consultants, while providing detailed output such as need and demand by tenure and dwelling size, are difficult to scrutinise due to their complex nature. At the Challenge event, several participants referred to the 'black box' used by some consultancies which were not at all transparent. However, provided the core Guidance was followed, this was not necessarily a problem.
- The effect that changing market circumstances might have on housing need and market demand patterns has only been considered in the SHMAs which were completed in late 2008 and early 2009. The dramatic reversal of the market trajectory that has unfolded since the beginning of the 'credit crunch' in the 3rd quarter of 2007 has impacted on fundamental factors such as house prices, interest rates, the availability of mortgage credit, the need for a deposit and the relative attractiveness of owner-occupation and private renting given to first time buyers. However, it is recognised that SHMAs are designed to inform housing and planning decisions long-term, identifying underlying trends as well as snapshots of immediate market conditions. It will be important to test how easy it is to adapt and update the models into the future
- On this topic, the coverage of update requirements is generally poor, with the exception of the Taunton/South Somerset and the Bournemouth & Poole/Weymouth & Dorchester SHMAs. Concerning the latter, the Partnership developed a spreadsheet making it easier to anticipate the availability of new data in the future. This does not go as far as providing a system through which new outputs can be generated by feeding in new inputs. Fordham Consultants did provide methodology for updating house prices and converting them into weekly housing costs. Northern Peninsula Partnership received training and information in the form of an update manual and associated tables.
- An important finding is that core outputs are very sensitive to the application of different approaches, and significant differences can occur even when both approaches meet official Guidance requirements. A case in point is the comparison of housing need calculated by DCA in North Cornwall compared to that calculated by ORS in Penwith, Kerrier, Carrick and Restormel. That officially sanctioned assessment methodologies can lead to such wide disparities brings into doubt the reliability of assessment methodologies in general.
- Lastly, there is the issue touched upon earlier of the geographic reach of SHMAs. While it has been found convenient to 'snap' the SHMA sub-regions to local authority boundaries, to reflect both resource allocation boundaries and data sets predominantly constructed within district parameters, in reality it is clear that housing markets do not neatly conform to administrative boundaries. This is as true for cross-SHMA geographies as it is for the construction of local housing market areas within the SHMA boundaries.

5.3 Evaluation scores for methodology

The assessment below of the quality of methodology employed has been driven by careful analysis, primarily of how successfully and robustly they have delivered against the national CLG

guidance. But, as noted in section 1, the CLG Guidance and methodology is just a starting position, and considerable discretion is left to those carrying out assessments to deliver the full range of core outputs required. This means that different consultancies and in-house staff can, for example, use different models to calculate the need for different amounts of affordable and market housing, and within this, the need for different types of housing. This report respects the fact that there is no 'one size fits all' approach, and any critique of a particular model (which may be reflected in the score) is based on our assessment of how well it delivers the core outputs required.

The other factor to be borne in mind is that some of the earlier assessments were initiated before the final CLG guidance was issued in August 2007 (and in some cases before the initial March 2007 draft guidance). We have tried to take this into account in our assessments.

Quality of methodologies against current national guidance framework

	Exeter & Torbay	Swindon	Salisbury	Plymouth	Dorset	West Cornwall	Northern Peninsula	Gloucestershire	Taunton & South Somerset	West of England
Reliability and robustness of core outputs										
Estimates of current stock (size, type, condition, tenure)	2	1	1	2	3	2	2	1	2	2
Analysis of past and future trends	2	1	1	1	2	3	1	1	2	3
Identification of key drivers underpinning market	2	2	2	2	3	3	1	2	3	3
Estimate of future numbers of households, broken down	1	1	2	1	3	1	2	3	2	3
Estimate of current housing need	3	1	1	2	3	3	1	3	3	3
Estimate of future demand for rented affordable housing	2	0	2	2	2	2	1	3	2	3
Estimate of future demand for intermediate housing	2	2	2	2	2	2	1	2	2	3
Estimate of future demand for market housing	2	1	2	2	2	2	2	2	2	2
Estimate of size of affordable housing required	2	1	2	2	2	2	1	3	2	2
Estimate of size of market housing required	2	1	0	2	2	2	2	1	2	1
Estimate of groups with particular requirements	3	1	2	2	2	1	2	2	3	2
Quality of assessment process										
Approach to identifying local housing market areas	3	2	0	1	2	3	3	2	3	2
Housing market conditions assessed in context of area	3	0	2	2	3	3	2	1	3	3
Key stakeholders including housebuilders involved	3	2	0	2	3	0	3	2	3	2
Full technical explanation provided	2	1	1	1	1	2	0	1	1	1
Assumptions etc fully justified and presented openly	2	1	1	1	2	2	0	1	2	2
Uses and reports on quality control mechanisms	1	0	2	1	2	0	0	1	2	2
Explains how findings can be monitored and updated	2	0	0	0	3	0	2	2	3	2
Total (maximum 54)	39	18	23	28	42	33	26	33	42	41

Scoring system: 0 = does not meet the criterion; 1 = partially meets the criterion, improvement needed; 2 = satisfactorily meets the criterion; 3 – meets the criterion extensively, delivers good practice and innovation.