

Report to	Cabinet
Date of meeting	21 May 2024
Lead Members / Officer	Councillor Rhys Thomas – Lead Member for Housing and Communities
Head of Service	Emlyn Jones - Head of Planning, Public Protection & Countryside Services
Report author	Angela Loftus/ Sue Lewis
Title	Draft Local Housing Market Assessment (LHMA)

1. What is the report about?

- 1.1. The Local Housing Market Assessment (LHMA) examines the current and future housing need/demand in Denbighshire and forms a key part of the evidence supporting Council policies and strategies including the Local Development Plan and Housing & Homelessness Strategy. Undertaking a periodical review of housing needs is a statutory duty as set out in section 8 of the Housing Act 1985. Section 87 of the Local Government Act 2023 requires Local Authorities to provide other material relating to housing and supply the minister with statements if required.
- 1.2. This report presents the draft Denbighshire Local Housing Market Assessment (LHMA) which includes the outputs from the revised LHMA tool and sets out the background information to the LHMA.
- 1.3. Welsh Government released the LHMA tool (version 1) and guidance in March 2022. However, since then the tool has been amended several times and updated in terms of house prices and economic projections data. Denbighshire's LHMA must be submitted to Welsh Government and this report seeks Cabinet approval to submit the report.

2. What is the reason for making this report?

- 2.1. The purpose of this report is to present the draft Local Housing Market Assessment for Denbighshire and to seek approval from Cabinet for submission to Welsh Government.
- 2.2. A summary of the results is attached as Appendix 1. The draft LHMA is attached as Appendix 2.

3. What are the Recommendations?

- 3.1. That Cabinet approves Denbighshire's draft Local Housing Market Assessment for submission to Welsh Government.
- 3.2. That Cabinet delegate authority for the Lead Members for Housing and Communities /Local Development and Planning to agree any minor editorial changes required to the draft Local Housing Market Assessment, prior to submission to Welsh Government.

4. Report details

Background

- 4.1. The Local Housing Market Assessment (LHMA) examines the current and future housing need/demand in Denbighshire and forms a key part of the evidence supporting policies including the Local Development Plan and Housing & Homelessness Strategy. It is also a statutory requirement to review housing needs and Denbighshire's previous LHMA was completed in July 2019.
- 4.2. Welsh Government has completely revised the methodology for producing a LHMA and has developed a toolkit to calculate the housing needs/ demands, to ensure a consistent approach across all Welsh local authorities. The LHMA covers a 15 year period and must be rewritten every 5 years and refreshed once during that period, between years 2 and 3.

Housing Market Areas

- 4.3 The LHMA tool is based on Housing Market Areas. These are areas which have been defined geographically, based on the functional areas where people live and would be willing to move home without changing jobs. Ten Housing Market Areas have been

identified for Denbighshire. The tool generates detailed information on housing needs for each Housing Market Area.

- 4.4 The tool utilises and produces housing need figures based on four different household forecast scenarios for Denbighshire: Welsh Government Principal, Higher and Lower projections and the Denbighshire LDP projections. The Welsh Government principal projection has been used to inform the LHMA housing need figure. The Denbighshire replacement LDP 2018 – 2033 projection has been included for reference and has been endorsed as part of the emerging Local Development Plan. The replacement LDP Preferred Strategy which established the growth levels for the replacement LDP was approved by Council in May 2023. The emerging LDP has not reached the public examination stage yet and will be subject to extensive further scrutiny to test the soundness of the evidence. Once the replacement LDP has been through Examination and adoption, the figures used for that will form the basis for subsequent reviews of the LHMA. The LHMA will be updated to reflect the approach taken.

Specific Housing Needs

- 4.5 The LHMA is based on a wide range of statistical evidence including incomes, house prices, rents, household projections, existing unmet housing needs, existing stock and planned supply. The guidance emphasises the need to consider the specific housing requirements of the full diversity of households within Denbighshire (qualitative and quantitative data).
- 4.6 The LHMA examines the following types of housing or housing-related provisions:
- Property needs – Accessible and adapted housing provision;
 - Multi-generational and/or larger family households requiring larger properties
 - Non-permanent housing e.g. temporary accommodation
 - Housing, care and support needs – supported accommodation – extra care, contemporary sheltered housing, supported living for people with a learning disability and/or Autistic Spectrum Condition, refugees, etc.
 - Locational needs – student accommodation or properties with close proximity to shops, places of worship to meet those with physical or cultural needs.

- 4.7 Various sources of data have been used for this purpose. Discussions have taken place with relevant people and organisations to ensure that they have had an opportunity to contribute towards the draft LHMA. Appendix C to the LHMA details who we have sought data from, what data has been received (also notes where this hasn't been forthcoming) and shows where this has been used in the data inputs and how it has informed any assumptions.

LHMA results

- 4.8 The LHMA is based on the premise that the current unmet housing need is met within the **first 5 years** of the 15-year LHMA period. It should also be noted that the model does not factor in potential supply of affordable housing after Year 5, due to uncertainty about delivery. A summary of the headline findings for Denbighshire are set out in Appendix 1. Whilst the LHMA will inform the emerging LDP, the figures presented do not represent an affordable housing target or new build housing requirement. Affordable housing is also delivered in a variety of ways, such as bringing empty homes back into use and acquisition of existing properties.

5. How does the decision contribute to the Corporate Plan 2022 to 2027: The Denbighshire We Want?

- 5.1 The Local Housing Market Assessment will form key background evidence for the replacement LDP, the Housing and Homelessness Strategy, and negotiation on planning applications and therefore will make a significant contribution towards the implementation of Corporate Plan priority: Theme 1: A Denbighshire of quality housing that meets people's needs.

6. What will it cost and how will it affect other services?

- 6.1. Report presents information on housing needs for the next five years, there are no direct cost implications of approving the draft LHMA for submission to Welsh Government.

7. What are the main conclusions of the Well-being Impact Assessment?

- 7.1. The report presents factual information for approval only and does not propose a decision on, or set policy. A WBIA is not required.

8. What consultations have been carried out with Scrutiny and others?

- 8.1 An update on the LHMA was reported to Strategic Planning Group on 28th June 2023, with regular verbal progress updates provided at subsequent meetings. The draft LHMA was presented to and discussed at its meeting on 13th March 2024. An initial report was presented to the Corporate Plan Housing and Homelessness Board / Strategic Housing and Homelessness Group on 16th June 2023, updates provided on 15th September 2023 and on 20th December 2023, and key results were discussed at its meeting on 11th March 2024.
- 8.2 Wide ranging engagement has also been undertaken with internal Council services involved with housing provision and a variety of external stakeholders including partner Registered Social Landlords, housing developers, Denbighshire Tenants and Residents Association, Shelter Cymru. Contributions from stakeholders have informed the report, particularly with regard specific housing needs requirements (Section 3.2 of the LHMA). A summary of the engagement undertaken and feedback received is set out in Appendix C of the draft LHMA.

9. Chief Finance Officer Statement

- 9.1 No financial statement is required on this type of report.

10. What risks are there and is there anything we can do to reduce them?

- 10.1 The LHMA provides an up to date assessment of housing needs in the County and will inform affordable housing provision, together with forming an important part of the evidence base for the emerging replacement LDP. Not approving the LHMA could delay work on the LDP

11. Power to make the decision.

- 11.1 Housing Act 1985 - Section 8

Local Government Act 2023 - Section 87