

TITLE OF REPORT: STRATEGIC PLANNING MATTERS**Addendum paper on Stevenage and North Hertfordshire Strategic Housing Market Assessment Update 2015**

1. On 27 February 2015 the Department for Communities and Local Government published new household projections. According to the Planning Practice Guidance such projections are supposed to be the starting point for local planning authorities in establishing the objectively assessed need for development in an area. Such projections are normally published every two years.
2. Working with Stevenage Borough Council, the Council commissioned Opinion Research Services to prepare an updated Strategic Housing Market Assessment for the two authorities, taking into account these latest projections and recent changes in Government guidance.
3. Whilst the household projections provide the starting point, authorities are encourage to think about whether there are local demographic factors suggesting the projection may need adjustment – e.g. known local problems or anomalies – and considering what migration trend periods are appropriate to use. This exercise should give rise to a more robust local figure for household projections.
4. These locally-adjusted figures are then tested further for other factors. For instance, is the predicted future workforce large enough to cater for the projected growth in jobs? Are there 'market signals' such as worsening affordability trends which suggest a greater increase in supply is necessary? Once these questions have been tested and quantified, a figure for the objectively assessed need is reached.
5. The draft study should be ready to publish shortly. It concludes the adjusted local household projections for North Hertfordshire is 13,080 dwellings for the period 2011-2031.
6. The estimated workforce arising from this population should adequately cover the projected jobs growth over the same period, so no further adjustment for workforce balance is required. However, market signals do suggest the trends are worse than comparator areas, suggesting a further uplift is required. The situation appears to be similar to that in Eastleigh, where a 10% increase was held to be the appropriate uplift to respond to the signals there.

7. Consequently the study concludes that the objectively assessed need for North Hertfordshire is **14,400** dwellings. This figure takes no account of any unmet need from other areas. The figure for Stevenage from this study is 7,300 dwellings. Stevenage Borough Council is about to publish a consultation on this figure, which is substantially higher than the 5,300 they were previously planning for, but still appears to be within the levels which can be accommodated within the borough boundaries.
8. Further work is also underway to re-examine how housing market areas fall across the district (in conjunction with several nearby authorities), which will be of use when it comes to considering unmet need from other areas.