

SUBJECT:	LOCAL HOUSING MARKET ASSESSMENT REFRESH 2022-2037
MEETING:	CABINET
DATE:	22nd May 2024
DIVISION/WARDS	
AFFECTED:	ALL

1. PURPOSE

- 1.1 To provide an overview of the Local Housing Market Assessment (LHMA) Refresh 2022-2037 provided in **Appendix One** to Cabinet, and to seek Cabinet approval of the LHMA prior to consideration by Welsh Government.

2. RECOMMENDATIONS

- 2.1 To provide Cabinet approval of the LHMA prior to consideration by Welsh Government.

3. KEY ISSUES

- 3.1 All Local Authorities in Wales are required to undertake a periodic review of housing needs by conducting a Local Housing Market Assessment (LHMA). This involves a comprehensive review of housing need, broken down by tenure and area. LHMA's provide a crucial role in informing local development plans and housing strategies.
- 3.2 This LHMA Refresh has been undertaken using the new methodology and new LHMA tool provided by Welsh Government. Welsh Government required an updated LHMA to be completed by the end of March 2024. This LHMA has been submitted to Welsh Government, subject to approval by the Council.
- 3.3 LHMA's must be rewritten every five years and refreshed once during that five-year period (between years two and three). The Council last undertook a rewrite of the LHMA in 2020, meaning a refresh was required.
- 3.4 The LHMA estimates a net need for 499 additional affordable homes per year until 2027 across the whole of Monmouthshire, consisting of 409 social rent, 44 intermediate rent and 46 low-cost home ownership properties. The greatest need is for social rent accommodation (82%) with the need for intermediate rent and low-cost home ownership accommodation estimated at 9% each.
- 3.5 For the remaining 10 years of the LHMA period, there is an estimated need for 90 affordable homes, consisting of 48 social rent, 25 intermediate rent and 17 LCHO.
- 3.6 There is a particularly high need for one-bedroom social rent accommodation which has been influenced by the significant increase in homelessness presentations since the COVID pandemic. Although this need is particularly high, it is important to ensure that a mix of house types and tenures is provided on new developments in order to achieve the Council's objective of creating sustainable and resilient communities.
- 3.7 It is important to note that these figures should not be taken as a target for the delivery of affordable homes, as new build homes are not the only solution to the supply of affordable homes in the County. Other methods such as bringing empty homes back into use, the acquisition of existing homes and engaging with private sector landlords can all contribute towards the supply of affordable homes.
- 3.8 The LHMA also estimates a need for 126 market homes throughout the County per year, consisting of 86 private rented (68%) and 41 owner occupier properties (33%).
- 3.9 The LHMA also provides an assessment of the specific housing needs of a range of population groups who require specialist or supported housing.

4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

- 4.1 The following is an overview of the evaluation, a more detailed breakdown can be found at **Appendix Two**: There are significant positive impacts especially around health and wellbeing goals by contributing to “a prosperous Wales”, “a healthier Wales” and “a Wales of Cohesive Communities”. The proposal meets the sustainable government principles by contributing to the principles of “Long term”, “Collaboration” and “Integration”. There are no negative impacts of this proposal.

5. OPTIONS APPRAISAL

- 5.1 The following options are available:

Option	Benefit	Risk	Comment
Option 1: The recommended option is to recommend Cabinet approval of the LHMA.	<p>An up to date and accurate assessment of affordable housing need across the County which has been undertaken following Welsh Government guidance.</p> <p>Adherence to the Council's statutory duty to undertake a periodic review of housing needs.</p> <p>A robust evidence base to inform the Council's Replacement Local Development Plan and housing strategies.</p>	There are no risks to this option.	The LHMA is a complex piece of research, this has been undertaken using the Welsh Government methodology and Tool. It is the most accurate indicator of affordable housing need within Monmouthshire.
Option 2: The LHMA is not recommended for approval.	There are no benefits to this option.	<p>The LHMA is an integral part of the evidence base for a range of housing and planning related policies, including the Replacement Local Development Plan. To ensure the policies are fit for purpose and meet local need, the evidence base must be robust and up to date.</p> <p>It is a statutory requirement to undertake a periodic review of housing needs. If the LHMA is not approved there is a risk the Council will not meet its statutory duties.</p>	The LHMA is a complex piece of research, this has been undertaken using the Welsh Government methodology and Tool. It is the most accurate indicator of affordable housing need within Monmouthshire.

6. REASONS

- 6.1 Local Authorities in Wales have a statutory duty to undertake a periodic review of housing needs, as set out in section 8 of the Housing Act 1985. This is conducted through a Local Housing Market Assessment, which needs to be submitted to Welsh Government.
- 6.2 Local Authorities are required to follow Welsh Government guidance [Undertaking Local Housing Market Assessments: Guidance](#), produced in 2022, and utilise the LHMA tool when undertaking their LHMA's.
- 6.3 The LHMA provides a robust evidence base, which is crucial to inform local development plans and housing strategies.

7. RESOURCE IMPLICATIONS

- 7.1 There are no additional resource implications associated with this proposal, as the LHMA has already been carried out.

8. **CONSULTEES:** Housing & Communities Manager; Head of Enterprise and Community Animation; Chief Officer – Communities and Place; Head of Planning, Cabinet Member for a Sustainable Economy, People Scrutiny Committee

- 8.1 The LHMA was considered by People Scrutiny Committee on 16th April 2024, where the following conclusions were drawn:

Local Housing Market Assessment: *The report has been scrutinised by the People Scrutiny Committee, which discussed the definition and tenures of affordable housing, the income thresholds and affordability levels, the housing market areas, the census data, and the impact of the cost of living crisis on the number of homeowners in Monmouthshire. Members discussed the methodology for the LHMA and queried the data sources, highlighting that the inclusion of Usk and Raglan in the Chepstow housing market area, may be disadvantaging those wards due to the different needs and affiliations of those areas. Members supported there is a need for specific and supported housing for various groups, such as homeless people, older people, people with mental health needs, and children and young people. The Committee felt that as the county has an ageing population, officers should consider exploring other methods such as the housing register to give a more accurate picture. The Committee asked that officers challenge Welsh Government on the applicability of the statistical travel to work areas census data for determining the housing market areas in Monmouthshire.*

Following this feedback, further analysis of the Chepstow housing market area has been undertaken, the area has been separated into two sub-housing market areas to allow for a more localised assessment of housing need. This has been added as an Appendix to the report.

The housing market areas used in this assessment are consistent with the previous LHMA rewrite which was agreed in 2020, which were based on statistically defined Travel to Work areas. When the next rewrite of the LHMA is undertaken, consideration will be given to redefine these housing market areas, which will involve justifying the new methodology and consulting with key stakeholders including Welsh Government.

This response and updated report have been provided to People Scrutiny Committee.

9. BACKGROUND PAPERS:

[Undertaking Local Housing Market Assessments: Guidance](#)
Housing Act 1985

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Appendix One – LHMA Refresh 2022-2037



Monmouthshire
LHMA Refresh 2022-2

Appendix Two - Equality and Future Generations Evaluation



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