

# Leicester & Leicestershire Housing Market Area

**Housing requirements in Leicester  
and Leicestershire:  
Understanding existing evidence  
and developing and applying a  
methodology to inform future  
housing provision figures**

Version 7  
BRIEF FOR TENDER  
NOVEMBER 2010



# 1.0 INTRODUCTION

- 1.1 The priorities of the new Coalition Government, regarding housing and planning, include introducing 'local plans', built out of a process of 'collaborative democracy'. Partners in Leicester and Leicestershire have been considering what work is needed to strengthen the evidence base and planning framework to support their local economic sub area and help enable local communities and authorities to determine 'locally' derived housing figures. The need to undertake a review of the evidence base that supports strategic housing provision targets and developing a common methodology to create a framework at the local level has been identified as a priority by partners. Further evidence to explore community needs and aspirations will be key but is outside the scope of the project; it is hoped that the outputs of this project will support and inform this.
- 1.2 The Partners in Leicester and Leicestershire (comprising the local authorities listed below), jointly submitted a bid to East Midlands Councils in August 2010 to undertake a project:
- To understand and bring together in one report the evidence and assumptions that were used to formulate the overall housing requirement for the Housing Market Area (HMA) and how this translated into the apportionments for each district at each stage in the process of producing the to be revoked RSS, including any further policy decisions that were made.
  - To identify and understand the new evidence that will provide the basis to formulate future judgements on future housing requirements.
  - To develop a common methodology for future use in Leicester and Leicestershire to identify the housing requirements (up to 2026 and 2031) for sub-areas based on robust evidence and clear assumptions, including that provided by the SHMA.
- 1.3 Partners were notified that the bid had been successful in late September 2010.
- 1.4 The project will provide the basis for a timely, consistent approach to analysis across the HMA and allow the HMA partnership authorities to have full ownership of the methodology required to assess the requirement for housing in their areas and, ultimately, to support the development and monitoring of housing and planning policies.
- 1.5 Whilst this project will allow the Housing Market Area partnership authorities to assess the total housing requirement for their areas (and potentially incorporate these into policy), the current Strategic Housing Market Assessment (SHMA) update will be used as the

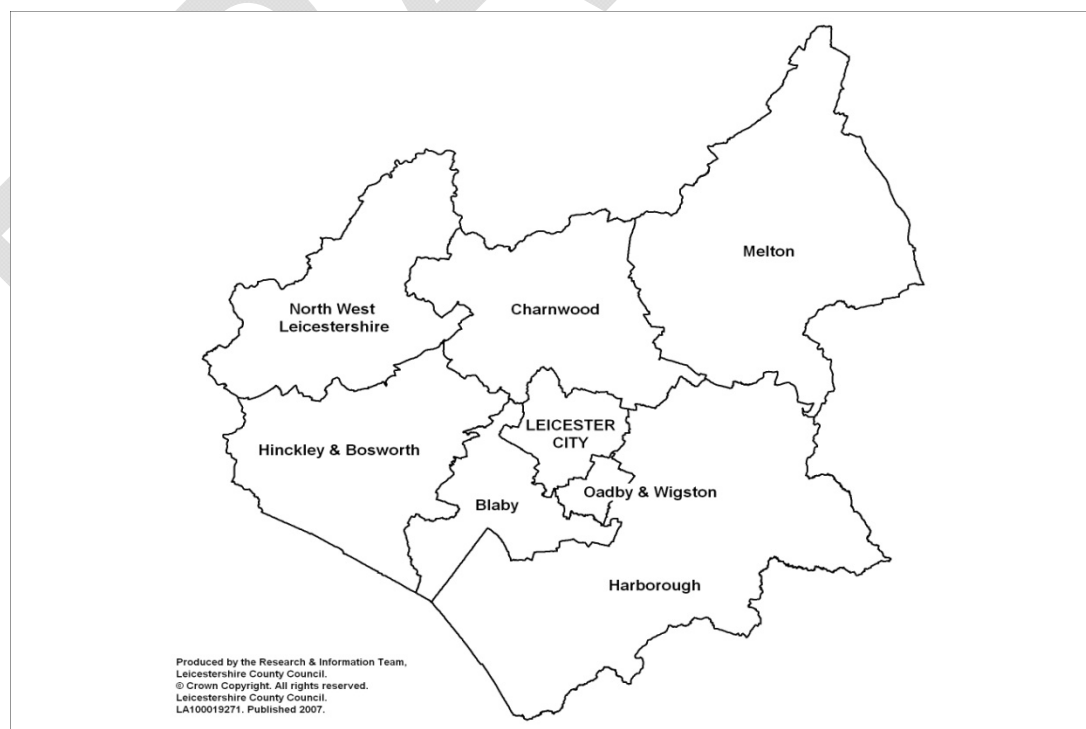
mechanism for determining affordable housing requirements in Leicester and Leicestershire.

## 2.0 GEOGRAPHICAL SCOPE OF THE PROJECT

2.1 The Project will cover the whole of the Leicester and Leicestershire Housing Market Area. The HMA consists of the following local authorities:

- Blaby District
- Charnwood Borough
- Harborough District
- Hinckley and Bosworth Borough
- Leicester City
- Leicestershire County
- Melton Borough
- North West Leicestershire District
- Oadby and Wigston Borough

### THE LEICESTER & LEICESTERSHIRE HOUSING MARKET AREA



2.2 The Leicester and Leicestershire HMA comprises a number of market towns and many rural villages with the City of Leicester and its surrounding urban area at the centre. The study area borders

Nottinghamshire and Derbyshire to the north, Northamptonshire to the south, Staffordshire to the west, Warwickshire to the south-west and Rutland and Lincolnshire to the east. It is made up of 7 district authorities in the area covered by Leicestershire County Council, plus the unitary Leicester City Council.

2.3 The study area has a total population of almost 1 million, and includes an ethnically diverse major city which extends into administrative areas adjoining Leicester City Council, a number of important market towns, and a rural hinterland. Housing needs and conditions within the area are diverse reflecting the wide mix of communities the area contains

#### 2.4 Governance

2.5 Leicester City and the Shire Districts are the housing and planning authorities for their respective administrative areas. It is anticipated that the Decentralisation and Localism Bill will introduce a 'duty to cooperate' and there is an acceptance and support from all partners that this is an appropriate approach in the context of this project. Nevertheless, this project will take account of and potentially provide evidence for joint working arrangements that are currently in place across the HMA including the Multi Area Agreement (MAA) and recently announced Local Enterprise Partnership - as roles and responsibilities become clear. The Leicester and Leicestershire Local Enterprise Partnership will have a role in providing strategic planning support for local planning and delivery of growth. Partners have recently agreed the principle of preparing sub-regional planning policy through the Leicester and Leicestershire Leadership Board.

## **3.0 POLICY CONTEXT**

### Planning Policy Statement 3

- 3.1 Planning Policy Statement 3 (PPS3) (paragraphs 32 and 33) set out the type of evidence that should be used in determining the local, sub-regional and regional level of housing provision. It advises that Local Planning Authorities, working together, should take into account (amongst other things), evidence of current and future levels of need and demand for housing and affordability levels based upon
- local and sub-regional evidence of need and demand, set out in Strategic Housing Market Assessments and other relevant market information such as long term house prices on the impact of the proposals for affordability in the region, and

- the Government's latest published household projections and the needs of the regional economy having regard to economic growth forecasts on the impact of the proposals for affordability in the region.

### Commitment to Revoke the Regional Plan

- 3.2 The Regional Spatial Strategy (RSS) for the East Midlands sets out (amongst other things) the housing requirements for Leicester and Leicestershire. Notwithstanding a successful high court challenge in November 2010, The Secretary of State for Communities and Local Government has indicated that it is the Government's commitment to revoke RSSs through the Localism and Decentralisation Bill. Notwithstanding the new emphasis on using local information to inform housing requirements, it has been recognised that much of the evidence base which informed the RSS is still applicable. However, it is recognised that there have been significant changes in the economic and political climate since the data was gathered.

### Strategic Housing Market Assessment (SHMA) (March 2008) – key findings

- 3.3 The SHMA found that the core area surrounding the City of Leicester is a typical city centred housing market, which has developed historically and spatially in the same way as many other mature cities. The SHMA confirmed that the larger market towns in Leicestershire including Loughborough, Coalville, Market Harborough, Melton Mowbray and Hinckley, have their own identities and distinct housing market drivers which do not relate strongly to the city of Leicester. There are also significant and varied rural areas throughout Leicestershire.

## **4.0 PROJECT REQUIREMENTS AND METHODOLOGY**

- 4.1 The study will provide the potential for a common and transparent approach to the elements of PPS3 highlighted in paragraph 3.1 above that could be used to inform future housing provision within the HMA for the preparation of emerging or future housing and planning policy. The Local Authority partners who are seeking to commission this work are at different stages in the preparation of their respective planning policy documents. Any evidence provided through this study could help to inform the preparation (in the case of those who have not yet adopted Core Strategies) or the future review of Local Development Framework (and other) documents.

4.2 The Partners in Leicester and Leicestershire (comprising the local authorities listed above), wish to jointly commission consultants to undertake a project:

A. To review and to demonstrate an understanding of the discussions, evidence and assumptions that were used to prepare the overall housing requirements for the HMA in the East Midlands Regional Plan (RSS) and how this translated into the apportionments for each district at each stage in the process of producing it including any further policy decisions that were made. This will involve:

- A synopsis of the RSS evidence base in particular assumptions relating to migration
- A synopsis of emra / GOEM / Section 4(4) Authority documentation
- Recapture detailed input (from local planning authorities and partners)
- An appreciation of what evidence and assumptions informed district figures
- A synopsis of the approach taken by Section 4(4) authorities in considering and providing advice on the level and distribution of housing in Leicester and Leicestershire including the drivers and constraints that influenced and informed this advice.

A significant amount of evidence including that referred to above and below is held by the partners that can be provided to the consultants.

B. To identify and understand the evidence (as referred to in paragraphs 32-33 of PPS3) that will provide the basis to formulate future judgements on housing requirements, and taking into account evidence of

Population trends including

- population growth across all age ranges
- migration

Household structure and housing occupation including

- Changes in household structure
- concealed households
- vacancy rates
- houses in multiple occupation
- demolitions
- student housing

Local housing market and economic circumstances

- economic assumptions
- housing market changes (e.g. mortgage availability in 2010 etc)
- affordable housing needs as identified in the SHMA

- new government policy
- housing delivery to date

Any other evidence deemed relevant by the appointed consultants.

Sources will include, but are not limited to:

- East Midlands RSS evidence base  
<http://www.emregionalstrategy.co.uk/RSS-Evidence>
- Office for National Statistics
- ONS 2008 based population projections
- ONS/CLG 2008 based household projections. Household projections are scheduled for publication 26th November.2010
- ONS revised and updated population and migration evidence (for 2002 onwards).
- LSR Online especially reports under categories Population and Housing
- Leicester and Leicestershire Strategic Housing Market Assessment (Dec 2008) [http://www.lsr-online.org/reports/leicester\\_and\\_leicestershire\\_strategic\\_housing\\_market\\_assessment\\*](http://www.lsr-online.org/reports/leicester_and_leicestershire_strategic_housing_market_assessment*)
- SHMA Managing and Updating of Data (currently ongoing)\*\*
- Housing Intelligence for the East Midlands ([www.hi4em.org.uk](http://www.hi4em.org.uk))
- Leicester and Leicestershire Growth Infrastructure Assessment (April 2009) (and Local GIAs where they exist)
- Affordable Housing Viability Assessment (Leicester and Leicestershire authorities undertaken in two tranches in 2009 and 2010)
- Older Peoples' Housing Needs and Aspirations (June 2010) (delete as included on LSR-online Housing reports?)
- The Leicester and Leicestershire Economic Assessment (especially housing chapter) [http://www.lsr-online.org/reports/leicester\\_and\\_leicestershire\\_economic\\_assessment](http://www.lsr-online.org/reports/leicester_and_leicestershire_economic_assessment) (Refresh is ongoing until Spring 2011)

\*The Strategic Housing Market Assessment for Leicester and Leicestershire is largely silent on predicting independent 'overall housing requirements' (and focuses primarily on affordable housing needs). However, it will need consideration at the outset in the development of this project along with the evidence used to inform the RSS.

\*\* The principal purpose of this project is to help develop a set of procedures for managing and updating strategic housing and planning information in Leicester and Leicestershire.

C. In order to inform the housing requirements in Leicester and Leicestershire the project will:

- Consider and set out housing requirements at the geographical scales of: Housing Market Area; District; Leicester City and, the Urban Area surrounding Leicester (the Principal Urban Area (PUA) as referred to in the Regional Plan and some Local Development Framework documents.
- Consider and set out housing requirements at the above geographical scales in 5 year tranches from 2006 up to 2026 and 2031
- Consider and set out the dwellings, households, population and labour force projections for the following different scenarios:
  - (a) A 'Natural Change only' scenario which would examine the housing requirements of the existing population only. This approach assumes that no one moves in to or out of the area. Whilst not realistic, this scenario identifies the housing needs of the 'existing' population, and would show the additional housing required due to factors such as: more births, people living longer, and the decline in average household size, due to divorce and more people living alone.
  - (b) A 'Net Nil Migration' scenario, showing the housing levels required if in-migration and out-migration were in balance. This varies from the 'Natural Change' scenario in that it allows for both in and out migration, but the two balance each other out. Because the ages of those migrating from the area can be different from those migrating in, the resulting housing needs can be quite different. For example, the Leicester City Core experiences significant in migration from younger people studying at the Universities with net out migration of older people to the County area.
  - (c) A scenario reflecting the ONS 2008-based sub-national projection assumptions, and the most recent (we hope forthcoming 2008-based) ONS/CLG household projection assumptions.
  - (d) A variant 'Long Term Migration Trends' scenario, taking account of in and out-migration over a suitably long time period to reduce the effects of short term trends, such as the high levels of international in-migration experienced between 2004 and 2008.

- (e) A 'Past Rates of House Building' scenario, which would project forward past long term (10 years or longer) housing completion rates in the area, and look at the implications of this on the population structure in the future. It will show whether carrying on as we have in the past will lead to out-migration or allow for in-migration.
- (f) A 'Jobs Led' scenario, which would consider the housing demand implications arising from the anticipated level of jobs and labour market change in Leicester and Leicestershire's economy. It may be useful to look at the implications for housing numbers of holding job numbers at the present rate.

The Project Steering Group will give further advice on the detailed requirements for the above scenarios. The Project Steering Group also seek advice on providing output by housing type.

A common methodology will ensure a fair assessment of housing requirements across the HMA, particularly in cases where there are cross boundary implications. This can allow local authorities (jointly where necessary) to determine the most sustainable distribution of housing development (based on evidence) in their preparation and review of planning and housing policy documents.

Taking account of the sources of evidence above the intention is for consultants to provide a truly local assessment of housing requirements. It is anticipated that the appointed consultant will make recommendations regarding further work necessary to inform future distribution taking into account social, economic and environmental factors.

In addition, the consultant will be expected to detail a methodology that could be used to inform housing requirement assessments at smaller sub-areas (such as sub-regional centres, towns and villages, neighbourhoods and parishes).

- D. To disseminate the information to local authorities and other partners and stakeholders. The information will need to be disseminated widely, particularly amongst local authorities and their elected members, who will need to be convinced that the housing figures have been derived in a logical, fair and policy-neutral fashion. This will enable local authorities to apply their own local knowledge about constraints, the aspirations of local communities and other policy-derived factors. Submissions by consultants should include a proposal for effective dissemination and set out an appropriate level of training to fully utilise the evidence provided.

## 5.0 OUTPUTS AND DELIVERABLES

- 5.1 A detailed methodology statement jointly agreed with consultants and the Project Steering Group at an Inception Meeting.
- 5.2 The consultants appointed will be required to produce:
- A Synopsis of the RSS Housing Figures Process (paragraph 4.2A of the brief) by Monday 17<sup>th</sup> January 2011.
  - Identification and understanding of evidence to consider (paragraph 4.2B of the brief) by Friday 21<sup>st</sup> January 2011.
  - An interim report by Wednesday 16<sup>th</sup> March on CD-Rom which should be MS Word compatible and download compatible with local authority infrastructure; tables should be in Excel, and easily read. This should include an appendix setting out for each geographical area, timescale and scenario (as described in paragraph 4.2C) elements of change in dwellings, households, population and labour force;
  - A draft final report by Wednesday 11<sup>th</sup> May containing the draft housing evidence and methodology and policy-neutral housing requirement figures for the L&L HMA ( 2 bound copies, and a copy on CD-Rom which should be MS Word compatible and should include an Executive Summary), tables should be in Excel, and easily read if printed on A4 paper. This should include an appendix setting out for each geographical area, timescale and scenario (as described in paragraph 4.2C) elements of change in dwellings, households, population and labour force;
  - A final report (12 bound copies, one unbound and a copy on CD-Rom which should be MS Word compatible, and should include an Executive Summary) tables should be in Excel, and easily read if printed on A4 paper;
  - Maps if printed on A4 paper should be easily read; and
  - A non-technical summary (in addition to the executive summary) for individual districts that is no longer than 2 sides of A4 paper that clearly sets out how local demographics translate into long term local housing requirements.
  - Details of 'input and output' figures and their sources, assumptions and methodology should be made available.
- 5.3 A presentation on the findings of the final report will be required to the Project Steering Group.

## 6.0 PROJECT MANAGEMENT

- 6.1 A Project Steering Group, comprising the City, County and District Councils and the HCA, will meet as necessary and will oversee the management of the project.

- 6.2 A meeting with each local authority at the outset of the project to determine their specific needs and requirements for the housing project (this could be a joint meeting).
- 6.3 Day to day management and coordination will be conducted by County Council officers with reference to the Project Steering Group. The selected consultant will be expected to attend regular Project Steering Group meetings to update and discuss the progress of the study.
- 6.4 In addition, wider reference groups will be informed of progress of the studies and their views sought at key stages. The groups to be kept informed include:
- Chief Housing Officers Group (A group comprising Heads of Housing Departments in Leicester and Leicestershire)
  - Planning Officers Forum (A group comprising Heads of Planning Departments in Leicester and Leicestershire)

## **7.0 APPOINTMENT OF CONSULTANTS**

- 7.1 Consultants should include in their tender:
- Details of the general approach to be used (including a methodology flowchart for carrying out the project);
  - The projection methodology to be used to produce the scenarios in 4.2C. A presentation at interview will be required.
  - An outline of the work programme including identification of key stages and a timetable of work based on meeting the deadlines set for the project;
  - Details of how and when the Project Steering Group will be consulted and kept informed of progress;
  - Confirmation of their ability to start and complete the work at the appointed dates and to undertake to continually liaise and consult with the Project Steering Group and all persons necessary for the completion of the study.
  - An anticipated outline of the final report;
  - Details of the Project Team and individual responsibilities for the work including overall supervision, the total number of individuals to be employed on the project, an estimate of each individual's time/cost contribution to the project and brief curriculum vitae of staff who will work on the project.
  - Details of relevant previous experience of similar work undertaken, knowledge of evidence and methodology of housing requirements, including any Web site addresses that demonstrate previous work;
  - The nature of the organisation submitting the tender including the number of employees, and any other details you feel to be relevant.

- The price for the work including detailed costings, broken down into staffing and other envisaged costs, such as expenses. The price should be exclusive of VAT. Tenders should include a breakdown of how the price has been calculated, broken down to show costs associated with the different key parts and phases of the work, a schedule of daily rates for individual staff and the extent of their involvement. The tender should also state when they expect payments to be made
- Indemnity Insurance required.

## SELECTION CRITERIA

7.2 Consultants are invited to submit a full tender / competitive quotation that will be assessed in accordance with the processes of the procuring authority. Submissions will be subject to the same evaluation, and the final assessment will also include:

- Understanding of the project requirements and background.
- Technical merit – methodology, procedures, facilities, robustness and relevance of the approach to the project.
- Skills and experience of the project team, including local knowledge.
- Capacity within the proposed team to deliver a study of this complexity within the timescales specified
- Innovation and clarity in delivering the project.
- Value for money (not necessarily the cheapest)
- Performance at an interview of prospective consultants
- Examination of references from successfully completed projects

## TIMETABLE

	Action	Meeting
Mon 15 <sup>th</sup> Nov 2010	Issue tender	
Mon 6 <sup>th</sup> Dec 2010	Noon - Deadline for submissions.  PM – Docs scanned and circulated to Project Steering Group for consideration.	
Thurs 9 <sup>th</sup> Dec 2010	PM - Candidates notified of shortlist	AM – Project Steering Group to discuss submissions.  AM/PM – Selection Panel Meeting to shortlist / prep for interviews
Wed 15 <sup>th</sup> Dec 2010	Interviews	PM - Follow on meeting to choose consultants
Thurs 16 <sup>th</sup> Dec 2010	AM - Appoint consultants	

Fri 17 <sup>th</sup> Dec 2010	Project start	9 – 11 AM - Inception meeting
Thurs 6 <sup>th</sup> Jan 2011		Project Steering Group Meeting
Mon 17 <sup>th</sup> Jan 2011	Deliver 4.2A of brief – Synopsis of RSS Housing Figures Process	
Friday 21 <sup>st</sup> January 2011	Deliver 4.2B of brief - Identification and understanding of evidence to consider	
Thurs 27 <sup>th</sup> Jan 2011		Project Steering Group Meeting
Wed 16 <sup>th</sup> Mar 2011	Interim Report	
tbc	Take Report to POF and CHOG	
Wed 16 <sup>th</sup> – 30 <sup>th</sup> March 2011	2 week Project Steering Group consultation on Interim Report	
Mon 23 <sup>rd</sup> Mar 2011		Project Steering Group Meeting
Wed 11 <sup>th</sup> May 2011	Draft Final report available	
Wed 11 <sup>th</sup> – 25 <sup>th</sup> May 2011	2 week Project Steering Group consultation	
Wed 18 <sup>th</sup> May 2011		Project Steering Group Meeting
Wed 8 <sup>th</sup> Jun 2011	Final report	
Thurs 9 <sup>th</sup> Jun 2011	Sign off	Project Steering Group Meeting
Week of 20 <sup>th</sup> June 2011	Internal Member Briefings	
Week of 4 <sup>th</sup> July 2011	Dissemination Event	

\*Phasing of initial findings to be discussed with the appointed consultants.

Meetings as appropriate will be expected at key stages in the project development

## 8.0 TENDERING PROCESS

- 8.1 The tender must be submitted in a plain, sealed envelope so that the firm submitting them cannot be identified. The envelope should be clearly marked as containing a tender and with the name of the contract to which it relates. The tender should include one bound, one unbound and one CD-ROM copy of the tender in Word format. Tenders must not be submitted by fax or any other electronic

transmission of data. Any submissions not conforming to this specification will not be considered.

- 8.2 Any requests for additional information regarding this application should be made through the lead officers noted below.

Sharon Wiggins and Andrew Simmonds  
Policy and Partnerships Team  
Chief Executive's Department  
Leicestershire County Council  
County Hall, Glenfield  
Leicestershire LE3 8RA  
[sharon.wiggins@leics.gov.uk](mailto:sharon.wiggins@leics.gov.uk);  
[andrew.simmonds@leics.gov.uk](mailto:andrew.simmonds@leics.gov.uk)  
0116 305 8234 / 0116 305 7027

- 8.3 No tender received after this closing date and time will be considered or accepted unless there is clear evidence of it having been posted:

1. by first class post at least the day before the closing date, or
2. by second class post at least two days before the closing date.

- 8.4 Copyright will rest with the partner authorities

## 9.0 COST AND PAYMENT

- 9.1 A fixed budget of £25,000 (excluding VAT) has been identified for the project (including travel expenses). Payment will be made upon satisfactory completion of the work.

- 9.2 Cost for each stage likely to be:

- A-----£2,500 (7 - 10%)
- B-----£5,000 (20%)
- C-----£14,500 (58%)
- D-----£3,000 (12 - 15%)

- 9.3 Payment will be made in 3 instalments; 20% on initiation of the work, 40% on completion of interim report and 40% following completion of the project.