Strategic Housing Market Assessment

October 2013
Updated April 2014

Contents

1 Executive summary

1.1 East Staffordshire sits between strategic housing markets centred on Derby and Birmingham. It is affected by both but does not belong to either one or the other. Whilst geographically nearer to Derby, the Borough has strong economic links with Birmingham and is part of the Greater Birmingham and Solihull Local Enterprise Partnership (LEP). The main housing market relationship between East Staffordshire and neighbouring authority areas is the relationship between Burton and Swadlincote.

1.2 Residents of East Staffordshire tend to earn less than those in neighbouring districts, but the earnings of workers in East Staffordshire tend to be higher than neighbouring districts. This implies the opportunity to house more of the Borough's higher earning workforce.

1.3 The Borough contains a wide range of housing, but in Burton there continues to be a disproportionate number of terraced dwellings and a corresponding lack of larger homes. A disproportionately high number of homes in Inner Burton are privately rented.

1.4 House prices in the Borough have remained relatively strong despite the housing market being relatively suppressed in line with national housing markets.

1.5 Between 2001 and 2011 the population of East Staffordshire increased by approximately 10,000 people and the number of households by approximately 450 per year.

1.6 Four household growth scenarios have been modelled. The evidence suggests that East Staffordshire should plan to meet its demographically driven housing demand and also look to meet economically driven housing demand. A reasonable housing requirement for the period 2012 – 2031, given the latest Government produced household projections, is 11,648 dwellings, amounting to an average 613 per annum.

1.7 Over 90% of the projected growth in household numbers to 2031 will be of single person and couple households – households without children or other adults. Specialised housing will be needed for older people including Extra-care housing and Retirement housing. However most older people will remain living in their current homes so that new housing will also be needed for families and other households.

1.8 The annual need for affordable housing is 112 dwellings, which is around 25%[1] of market housing led dwelling permissions.

1.9 The mix of mainstream market housing needed is as follows:

Figure 1.1: Mix of mainstream market housing needed by location[1]

	Burton	Uttoxeter	Tier 1	Other
1-bedroom flats or houses	3%	3%	2%	2%
2-bedroom for older people	12%	10%	35%	50%
2-bedroom - other flats or houses	2%	20%	20%	17%
2-bedroom houses	14%	8%	6%	5%
3-bedroom houses	32%	30%	23%	20%
4-bedroom houses	26%	20%	10%	6%
5-bedroom houses	11%	9%	4%	0%

Source: Figure 9.22

1.10 The suggested mix of affordable housing needed is as follows:

Figure 1.2: Mix of affordable housing needed by location[1]

	Burton	Uttoxeter	Other areas (Indicative)
1-bedroom rented flats or houses	30%	20%	10%
2-bedroom rented houses	50%	35%	20%
4-bedroom rented houses	20%	10%	10%
1 or 2-bedroom intermediate flats		25%	45%
2-bedroom intermediate houses		10%	15%

Source: Figure 9.25

[1] Updated April 2014

2 Introduction

National requirements

2.1 The requirements for a Strategic Housing Market Assessment (SHMA) are set out in the National Planning Policy Framework (the framework) which states that a Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:

- meets household and population projections, taking account of migration and demographic change;
- addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and
- caters for housing demand and the scale of housing supply necessary to meet this demand.

2.2 At the time of writing, requirements are also set out in the document Strategic Housing Market Assessments Practice Guidance (the guidance) published by the Department for Communities and Local Government in March 2007. This states:

> *a strategic housing market assessment should be considered robust and credible if, as a minimum, it provides all of the core outputs and meets the requirements of all of the process criteria [as follows]*

Figure 2.1: SHMA Core outputs

	Requirement	Paragraphs
1	Estimates of current dwellings in terms of size, type, condition, tenure	4.14 – 4.42
2	Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market	4.47 – 4.146 5.1 – 5.47
3	Estimate of total future number of households, broken down by age and type where possible	7.2 – 7.4
4	Estimate of current number of households in housing need	8.3 – 8.14
5	Estimate of future households that will require affordable housing	8.15 – 8.21
6	Estimate of future households requiring market housing	9.5 – 9.10
7	Estimate of the size of affordable housing required	9.11 – 9.14
8	Estimate of household groups who have particular housing requirements eg families, older people, key workers, black and minority ethnic groups, disabled people, young people etc	7.5 – 7.48

Figure 2.2: SHMA process checklist

	Requirement	Paragraphs
1	Approach to identifying housing market areas is consistent with other approaches to identifying housing market areas within the region	2.5 – 2.10 3.1 – 3.66
2	Housing market conditions are assessed within the context of the housing market area	4.1 – 4.66
3	Involves key stakeholders, including house builders	2.12 – 2.13 Appendix 1 Appendix 2
4	Contains a full technical explanation of the methods employed, with any limitations noted	Appendix 3 Appendix 5
5	Assumptions, judgements and findings are fully justified and presented in an open and transparent manner	Through-out
6	Uses and reports upon effective quality control mechanisms	Through-out
7	Explains how the assessment findings have been monitored and updated (where appropriate) since it was originally undertaken	2.15

2.3 The guidance also sets out an assessment framework which it says *can be used.* This document broadly follows the assessment framework, but selects the key pieces of information needed to deliver the core outputs.

2.4 In September 2013 the Government published a draft (Beta) version of proposed new National Planning Practice Guidance for comment. However at the time of writing this was still not finalised and adopted and could not therefore be followed instead of the 2007.

Local implementation

2.5 The framework states that where housing market areas cross administrative boundaries local planning authorities should work with neighbouring authorities to prepare a SHMA. The 2007 guidance encourages local authorities to undertake strategic housing market assessment together, within a housing market partnership.

2.6 Under now defunct regional arrangements East Staffordshire was deemed to be situated in the ‘North Housing Market Area’ of the West Midlands region together with Stoke-on-Trent, Newcastle-under-Lyme, Stafford and Staffordshire Moorlands districts. However housing market analysis of that area concluded:

> *East Staffordshire does not have a strong relationship with either of the urban centres of Stoke-on-Trent or Stafford with Local Housing Market Areas which look towards Derby and South Derbyshire*

2.7 Hence the North Housing Market Area did not reflect real housing market geography. Accordingly previous SHMA carried out for the North Housing Market Area did not properly assess the real housing market geography of East Staffordshire.

2.8 It was already known that East Staffordshire’s strongest housing market relationship is with South Derbyshire, this being the relationship between Burton and Swadlincote. However South Derbyshire is part of a long-standing East Midlands partnership with Derby and Amber Valley which has prepared a joint SHMA, and it was therefore not possible for South Derbyshire and East Staffordshire to prepare a joint SHMA.

2.9 East Staffordshire is also bordered by the districts of Stafford, Lichfield, Derbyshire Dales and Staffordshire Moorlands. As indicated above, East Staffordshire has very little housing market relationship with Stafford. Lichfield has worked in partnership with Tamworth and Cannock Chase, and it did not prove possible to work in partnership with Derbyshire Dales and Staffordshire Moorlands.

2.10 It has therefore not been possible for East Staffordshire to form a housing market partnership with other authorities and it has therefore had to carry out its own SHMA. However this fact is the consequence of the decisions taken by other authorities in both the West and East Midlands.

2.11 The Council commissioned consultants GVA to carry out some elements of the SHMA but has carried out other elements itself. This document combines all the evidence into one document and it therefore supersedes the separate reports produced by GVA. GVA-produced content appears in this colour.

Consultation

2.12 Original GVA–produced content was published for consultation in the summer of 2012 along with the Local Plan Preferred Option. Four stakeholders responded in respect of SHMA evidence and details are provided in Appendix 1. An updated report was published in June 2013.

2.13 The Council consulted stakeholders about the key sources of evidence and methodologies for the remainder of the SHMA in the summer of 2013. Four responses were received and details are provided in Appendix 2.

Application

2.14 This document replaces the following documents which made up the Council's previous SHMA:

- *Strategic Housing Market Assessment Conclusions,* East Staffordshire Borough Council, December 2010;
- *Housing Market Analysis North Housing Market Area 2009/10*, Stoke on Trent City Council, March 2010;
- *Developing a Sub regional Housing Strategy in the North Housing Market Area: Evidence, Issues and Common Policy Areas*, Nevin Leather Associates, December 2009;
- *West Midlands North Housing Market Area Strategic Housing Market Assessment 2007 Final Report*, Outside Consultants, April 2008.

Monitoring

2.15 This SHMA will be kept under review and may need to be updated over time.

April 2014 update

2.16 The April 2014 update comprises Addenda to Chapters 3, 4, 7, 8 and 9, a new Chapter 10 and a new Appendix 6.

3 The Housing Market Area

3.1 Paragraph 47 of the National Planning Policy Framework (NPPF) highlights the importance of understanding market geographies:

> *"Local planning authorities should use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period" (Para. 47, NPPF)*

3.2 Previous sub-regional housing market analysis for East Staffordshire has explored the relationships between both different authorities at a strategic level and the operation of smaller sub-authority housing market areas. This section extends this analysis using the latest data to reinforce the understanding of strategic housing market areas as well as filling 'gaps' in the existing evidence concerning the extent to which local housing market areas around Uttoxeter and Burton-upon-Trent stretch into surrounding areas to the west and south. These gaps have resulted historically due to the regional boundaries which divide East and West Midlands, with East Staffordshire located on the periphery of the historic West Midlands regional geography

3.3 The section therefore presents the analysis of market geographies under two distinct geographical levels:

- Strategic housing markets – This considers the flows of people, commuting and migration between authorities as well as the high level variations in house price in order to understand strategic linkages affecting East Staffordshire. This forms an important context when considering the setting of an appropriate dwelling requirement figure in section 5 of this report; and

- Local housing markets – The analysis uses a number of datasets, similar to those used in previous analysis[2] to explore the local market geographies across the Borough including their spread into neighbouring authorities. This is in recognition of the fact that housing markets do not, in reality, adhere to administrative boundaries but are driven by a range of factors including market perception as well as the relationship between home and work.

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[2] Housing Market Analysis, North Housing Market Area (January 2010), Stoke City Council (Draft)

Strategic housing markets

3.4 The 2010 housing market analysis for North and East Staffordshire[3] included analysis of the strategic market linkages using the most up-to-date data available at the time. This included the following conclusions in relation to East Staffordshire:

> *"East Staffordshire does not have a strong relationship with either of the urban centres of Stoke-on-Trent or Stafford with Local Housing Market Areas which look towards Derby and South Derbyshire"*

3.5 The 'Local housing markets' section examines the geography of local markets to the east and south but this section looks to further test the market linkages suggested in the above using the latest data. This is undertaken under the following areas of analysis at a local authority level:

- Migration;
- Travel to work; and
- House Prices.

Migration

3.6 The movement of people represents an important indicator in assessing the scale of housing market areas and the relative strength of relationships between different authorities. The ONS mid-year estimate datasets analysed in section 2 include detailed analysis of the origin and destination of internal migration flows.

3.7 Figure 3.1 shows the origin of the top ten average inflows into East Staffordshire over the period 2001/02 – 2010/11.

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[3] Housing Market Analysis, North Housing Market Area (January 2010), Stoke City Council (Draft)

Figure 3.1: Top ten authority inflows of UK migrants into East Staffordshire (Average 2001/2 – 2010/11)

Top Ten Inflows	Average 2001/02-2010/11
South Derbyshire	702
Lichfield	296
Derby	261
Birmingham	188
Staffordshire Moorlands	156
Derbyshire Dales	154
Stafford	132
Stoke-on-Trent	105
North West Leicestershire	82
Cannock Chase	74

Source: ONS (2012), Edge Analytics (2013)

3.8 This clearly shows that East Staffordshire has seen a strong average flow of people from South Derbyshire choosing to move into and live in the Borough. Examining the data annually this showed a peak flow in 2007/08 of 780 people with this falling over the next couple of years of data to 670 in 2009/10. The next strongest inflows into East Staffordshire originate in Lichfield and Derby, however, there is a significant gap between the scale of movement when set against the flows recorded from South Derbyshire.

3.9 There is a significant flow into East Staffordshire from Birmingham with other high flows recorded from Staffordshire Moorlands and Derbyshire Dales.

3.10 Figure 3.2 shows the contrasting top ten outflows of people moving out of East Staffordshire to other authorities within the UK.

Figure 3.2: Top ten authority outflows of migrants from East Staffordshire to other authorities in the UK (Average 2001/02 – 2010/11)

Top Ten Outflows	Average 2001/02-2009/10
South Derbyshire	766
Derby	219
Lichfield	183
Derbyshire Dales	146
Staffordshire Moorlands	143
Birmingham	131
Stafford	110
Stoke-on-Trent	103
Nottingham	77
North West Leicestershire	76

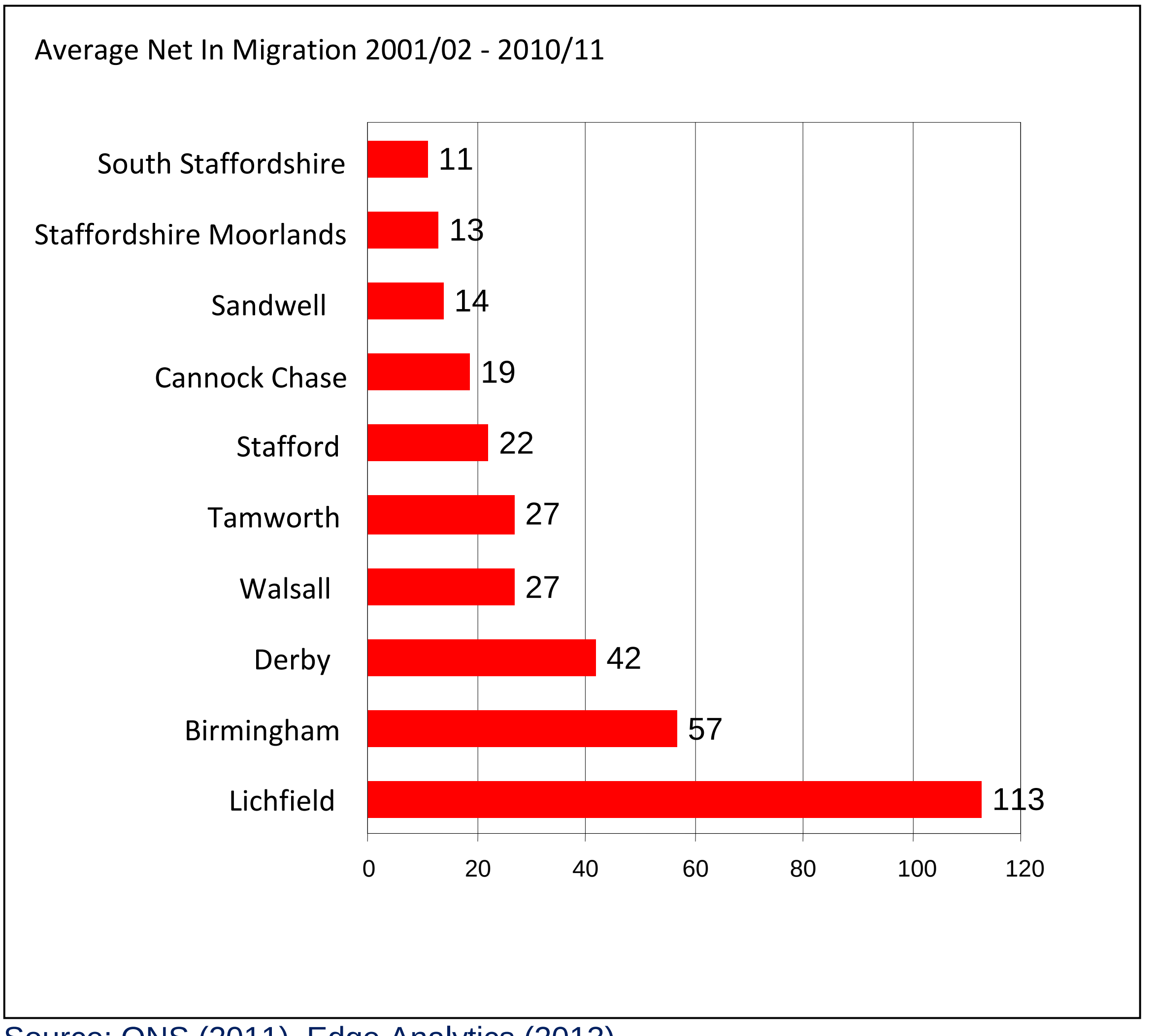
Source: ONS (2012), Edge Analytics (2013)

3.11 Again South Derbyshire shows the strongest relationship of flow with East Staffordshire with, on average, almost 770 people from East Staffordshire to South Derbyshire over this period. Examination of the annual data shows that this flow reached a peak in 2007/08 with a flow of 880 people recorded, with this dropping to approximately 770 people for the following two years.

3.12 Derby and Lichfield also again show the next strongest flows with East Staffordshire, followed by Derbyshire Dales and Staffordshire Moorlands.

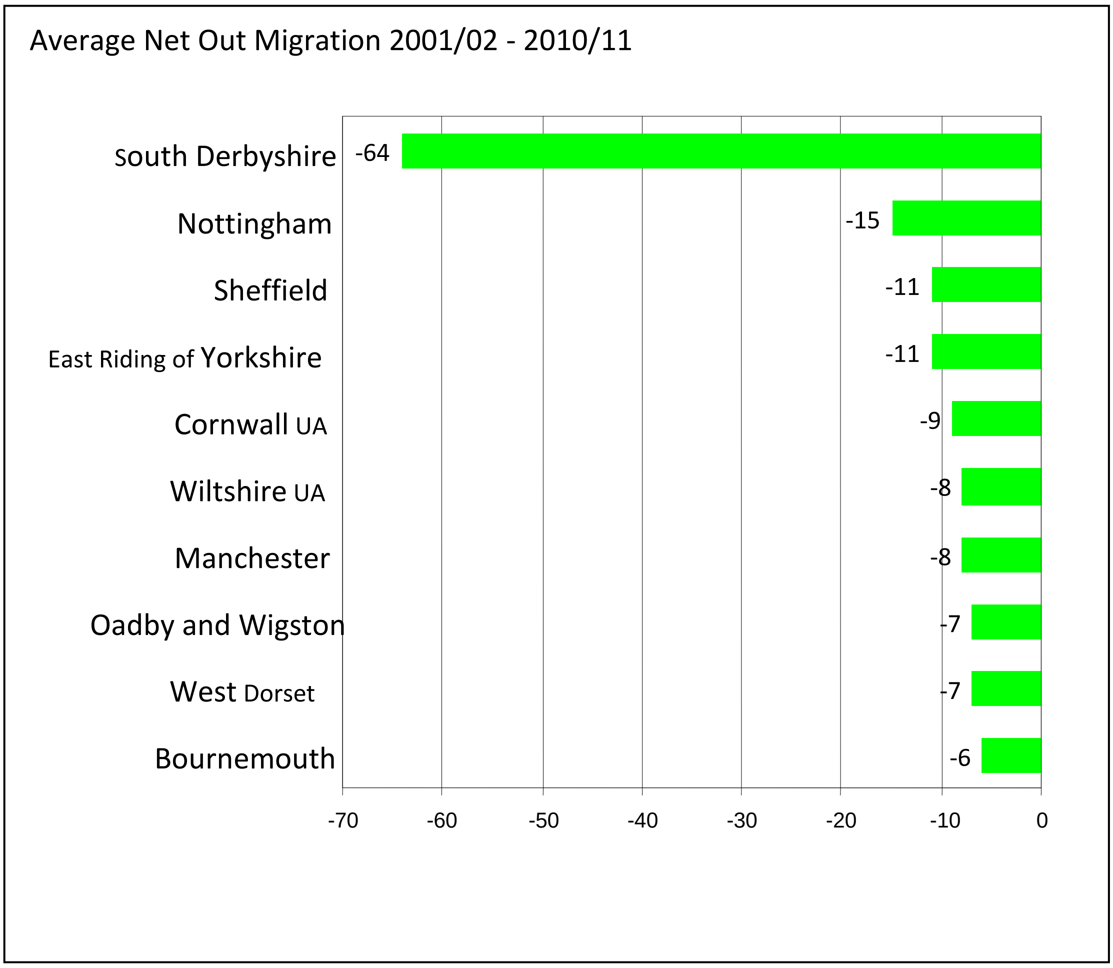
3.13 Contrasting the two flows, in and out, provides a net picture. This has been undertaken considering all authorities within the UK, not just the top ten flows shown in the tables above, with the top ten net inflows and outflows shown in Figures 3.3 and 3.4.

Figure 3.3: Top 10 net migration inflows



Source: ONS (2011), Edge Analytics (2013)

Figure 3.4: Top 10 net migration outflows



Source: ONS (2011), Edge Analytics (2012)

3.14 The strongest net inflow into East Staffordshire is from Lichfield, with an average gain of 113 people per annum. The next largest net inflows are from Birmingham and Derby. South Derbyshire shows the largest net outflow from East Staffordshire with, on average, a net loss of 64 persons moving across the local authority border. All other net outflows are relatively small with these including a wide range of authorities across the UK.

3.15 The gross flows for the local authorities with the strongest links with East Staffordshire are shown in the following table.

Figure 3.5: Gross migration flows – Average net migration 2001/02 – 2010/11

Local Authority	Inflow	Outflow	Gross Flow
South Derbyshire	702	766	1,468
Derby	261	219	480
Lichfield	296	183	479
Birmingham	188	131	319
Derbyshire Dales	154	146	300
Staffordshire Moorlands	156	143	299
Stafford	132	110	242
Stoke-on-Trent	105	103	208
North West Leicestershire	82	76	158

Source: ONS (2012), Edge Analytics (2013)

3.16 In summary, from Figure 3.5 above, it is clear that historical migration, including the latest datasets up to 2011, confirm that the housing market for East Staffordshire looks to the east with a particularly strong housing market area relationship between South Derbyshire and East Staffordshire. There are also significant relationships with Lichfield and Derby.

Travel to work

3.17 The analysis in section 2 highlighted the relationship between living and working. This has a spatial dimension and the analysis in this sub-section examines the strength of commuting flows between authorities and at a ward level using the 2001 Census dataset[4].

3.18 The table below shows where people who live in East Staffordshire work and therefore illustrates out-commuting flows.

[4] Note: This represents the latest comprehensive dataset in advance of the 2011 Census dataset which is due to be published in October 2013

Figure 3.6: Where do people who live in East Staffordshire work?

Live	Work	Flow	%
East Staffordshire	East Staffordshire	33,163	67.4
East Staffordshire	South Derbyshire	3,096	6.3
East Staffordshire	Derby	2,119	4.3
East Staffordshire	Lichfield	1,523	3.1
East Staffordshire	Birmingham	1,076	2.2
East Staffordshire	Stafford	999	2.0
East Staffordshire	North West Leicestershire	901	1.8
East Staffordshire	Derbyshire Dales	863	1.8
East Staffordshire	Staffordshire Moorlands	641	1.3
East Staffordshire	Stoke-on-Trent	521	1.1
East Staffordshire	Tamworth	387	0.8
East Staffordshire	Cannock Chase	357	0.7
East Staffordshire	Walsall	294	0.6
East Staffordshire	Nottingham	219	0.4
East Staffordshire	Solihull	150	0.3
East Staffordshire	North Warwickshire	138	0.3
East Staffordshire	Amber Valley	123	0.2
East Staffordshire	Wolverhampton	117	0.2
East Staffordshire	Sandwell	114	0.2
East Staffordshire	Others	2,430	4.9

Source: Census 2001

3.19 This shows a strong flow of commuters from East Staffordshire to South Derbyshire, almost 3,100 people daily. The next largest flow is to Derby with Lichfield and Birmingham the only other authorities to which more than 1,000 people commute from East Staffordshire.

3.20 Interestingly looking at containment levels it is clear that East Staffordshire has a high proportion of people who live and work in the Borough, 67.4%. In contrast the analysis of similar data for South Derbyshire shows that the Borough has a very low level of containment, with only 38% of people living and working in the Borough.

Figure 3.7: Where do people who work in East Staffordshire live?

Live	Work	Flow	%
East Staffordshire	East Staffordshire	33,163	63.9
South Derbyshire	East Staffordshire	6,403	12.3
Derby	East Staffordshire	1,881	3.6
Lichfield	East Staffordshire	1,341	2.6
Staffordshire Moorlands	East Staffordshire	1,329	2.6
North West Leicestershire	East Staffordshire	753	1.5
Cannock Chase	East Staffordshire	724	1.4
Derbyshire Dales	East Staffordshire	717	1.4
Stoke-on-Trent	East Staffordshire	701	1.4
Stafford	East Staffordshire	582	1.1
Birmingham	East Staffordshire	312	0.6
Amber Valley	East Staffordshire	289	0.6
Tamworth	East Staffordshire	256	0.5
Walsall	East Staffordshire	207	0.4
Newcastle-under-Lyme	East Staffordshire	201	0.4
Erewash	East Staffordshire	183	0.4
South Staffordshire	East Staffordshire	171	0.3
Broxtowe	East Staffordshire	132	0.3
Others	East Staffordshire	2,557	4.9

Source: Census 2001

3.21 The strongest flow of commuters into East Staffordshire is again with South Derbyshire with more than 6,400 people commuting into the Borough on a daily basis in 2001. This shows a considerable net inflow into East Staffordshire from South Derbyshire. Other authorities showing strong commuting flows into East Staffordshire include Derby, Lichfield and Staffordshire Moorlands.

House Prices

3.22 The last part of this section considers the dynamics illustrated through the prices of properties achieved. For a housing market to operate successfully an area needs a mix of housing attractive to different parts of the housing market. House prices are driven by a complex range of factors including, but not limited to, the type of stock on offer as well as the surrounding environment or quality of place as well as transport links. Over recent years house prices have also been driven down as a direct result of the limited availability of mortgage finance, with this impacting in particular on the operation of the first time buyer market.

3.23 This section is not intended to represent a full update of the active market section of the SHMA but complements the spatial analysis of migration and commuting data to explore further spatial dynamics in the area. Further consideration is given to the local performance of housing markets in the second part of this section and throughout sections 5 and 7.

3.24 Figure 3.8 shows the average mean house price recorded through the DCLG live tables (sourced from Land Registry data) as of Quarter 3 2012. This shows that in the context of surrounding areas that on average housing is less expensive in East Staffordshire. Derbyshire Dales to the east and Lichfield to the south west in particular stand out in terms of the comparatively high average house prices recorded compared to East Staffordshire.

Figure 3.8: Comparing House Price Performance Q3 2012

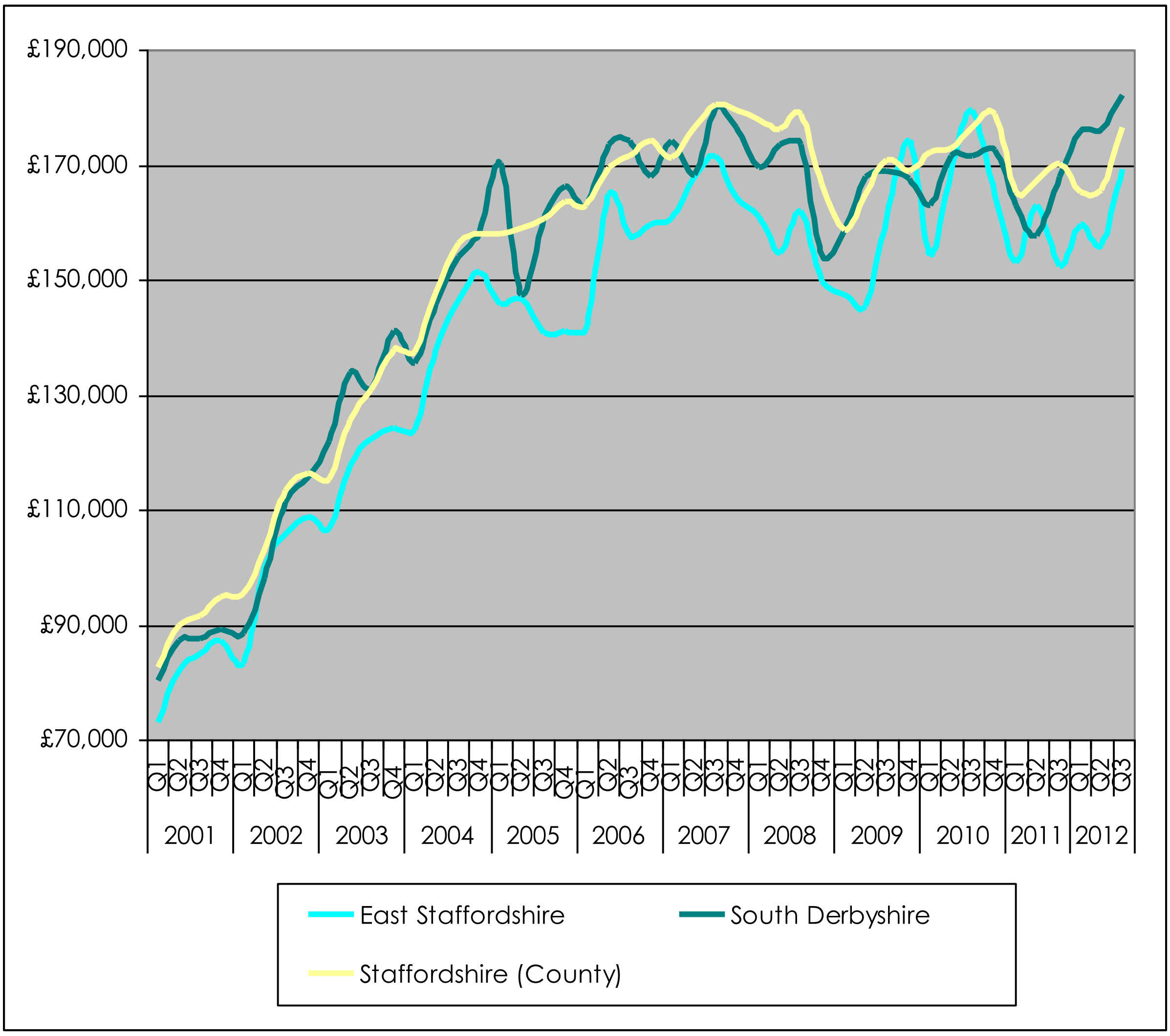
Average (Mean) House Price 2012 Q3		Rank (1 = Highest £)
ENGLAND	£253,816	
Derbyshire Dales	£251,606	1
Lichfield	£231,131	2
South Staffordshire	£209,043	3
Staffordshire (County)	£176,489	5
South Derbyshire	£182,136	4
East Staffordshire	£169,087	6
Staffordshire Moorlands	£157,451	7
Tamworth	£155,047	8
Cannock Chase	£146,655	9
Newcastle-under-Lyme	£142,527	10
Stoke-on-Trent UA	£100,345	11

Source: DCLG live tables, 2012

3.25 These market dynamics provide further explanation behind the direction of moves evidenced within the analysis of migration statistics in this section as well as the age of migrants moving into East Staffordshire considered in section 2. Households looking to gain a foot on the housing market ladder are likely to look to East Staffordshire from authorities such as Lichfield and Derbyshire Dales where housing is considerably more expensive on average. Again house prices are likely to play a factor in the relationship between East Staffordshire and South Derbyshire although the dynamics are more likely to be based on the types of property available and the context in which the housing is positioned. Again this is considered in more detail within section 5 based on the views of local estate agents and house builders.

3.26 Figure 3.9 shows the change in house prices experienced for East Staffordshire, South Derbyshire and Staffordshire as a whole over the period 2001 to 2012. This shows the national trend of a rapid escalation in price to a peak in mid-2007, with house prices then fluctuating whilst showing a slight downwards trend to 2011. During 2012 (for the three quarterly results available at the time of research) there has been an upward trend in average prices. Over this period East Staffordshire's prices appear to have been relatively volatile with evidence of a recovery and growth in prices over emerging in 2012.

Figure 3.9: House Price Trends 2001 – 2012



Source: DCLG live tables, 2013

Defining the Strategic Market Area for East Staffordshire

3.27 The analysis has clearly reinforced the importance of linkages between East Staffordshire and authorities neighbouring it to the north, east and south.

3.28 The links to the east are particularly strong with the flows of migrants and commuters particularly strong in and out of South Derbyshire. A secondary tier of linkages can be evidenced to Lichfield, Derbyshire Dales and Staffordshire Moorlands in terms of the authorities who share boundaries.

3.29 Beyond neighbouring authorities there are clear linkages between East Staffordshire, in terms of the movement of people, and Derby which plays a more strategic economic role in the area. East Staffordshire appears to form part of a wider functional hinterland of Derby which reflects the employment opportunities within Derby city and easy transport links. There is also a relationship with the conurbation of Birmingham, which is not particularly surprising given its scale and economic pre-eminence, but the linkages are weaker than the linkages to Derby.

3.30 As noted in the 2010 study the relationships and housing market linkages with the urban centres of both Stoke-on-Trent and Stafford are relatively weak.

Local housing markets

3.31 The 2010 housing market analysis for North and East Staffordshire[5] included a section identifying local housing market areas across the sub-region, including East Staffordshire.

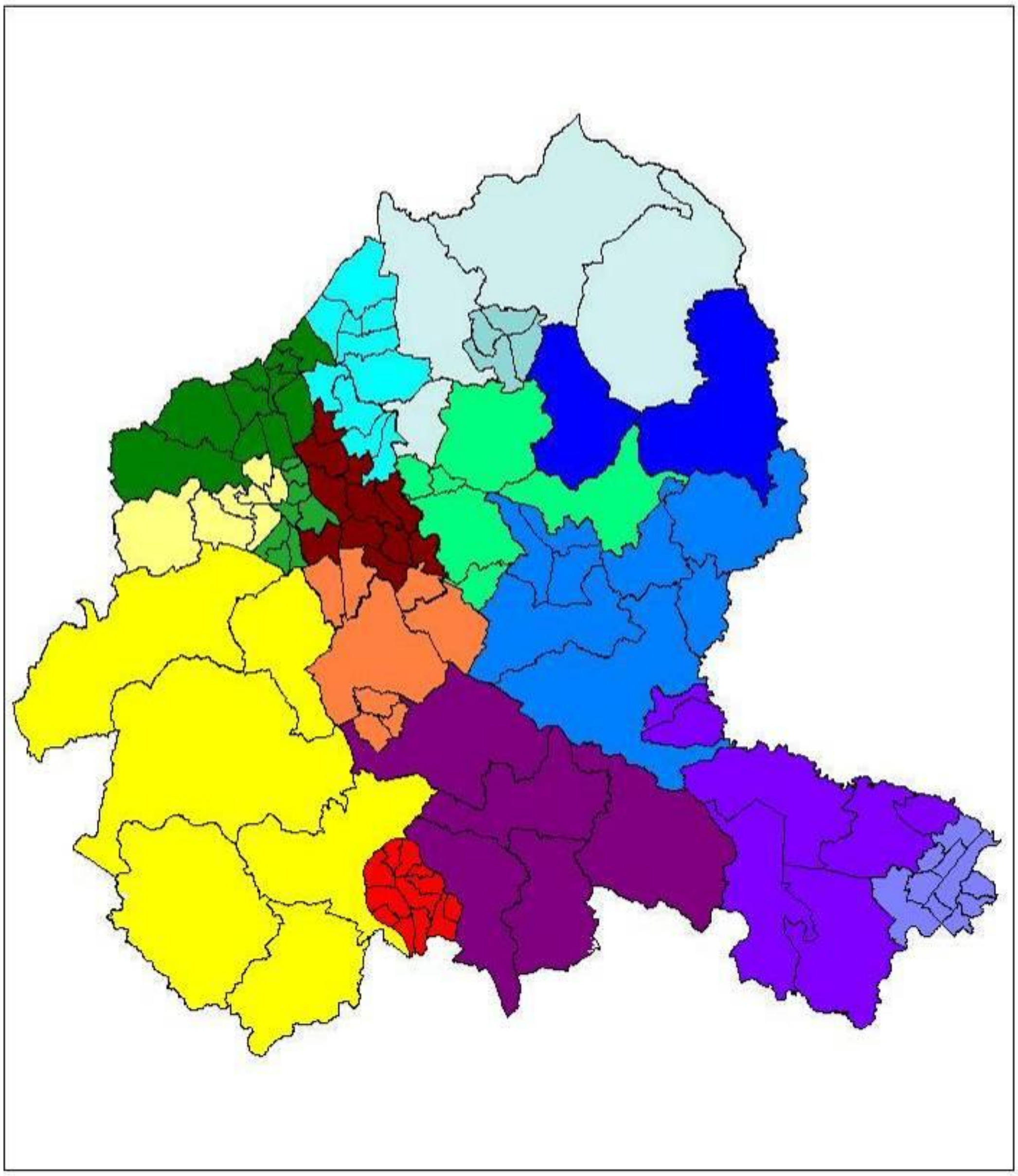
3.32 Housing market areas were identified based on analysis of travel to work flows, house price, income, and a range of socio-economic Census 2001 indicators. These geographies were constructed from electoral wards with wards grouped where they exhibited similar characteristics and functional commuting relationships.

3.33 The following plan shows the market geographies identified.

[5] Housing Market Analysis, North Housing Market Area (January 2010), Stoke City Council (Draft)

Figure 3.10: North Housing Market Area – Local Housing Markets

North Housing Market Area - Local Housing Markets



Source: SHMA North Housing Market Area Update, 2009

3.34 Within East Staffordshire the following local housing market geographies were identified[6]:

- Burton and Surrounds – the market geography was not mapped beyond East Staffordshire due to the regional boundary to the east and south.

- Rural North – the majority of the market area falls in East Staffordshire and circles Uttoxeter. The northern extent of the market geography stretches into Staffordshire Moorlands but due to regional boundaries the degree of extension into Derbyshire Dales was not established.

- Rural East – the whole of the identified local market falls within East Staffordshire and essentially forms a hinterland to Burton-upon-Trent. Uttoxeter was identified as falling within this market area, but because it is separate from and different to the rest of the area. Uttoxeter can be treated as a separate local market albeit with similar characteristics.

- Rural West – the majority of this local market falls in Stafford Borough but the East Staffordshire ward of Bagots is included.

3.35 As noted in the descriptions above as a result of regional and sub-regional administrative boundaries the analysis did not include the identification of the scope of boundaries to the north, east and south, with this being particularly important for Burton-upon-Trent. A series of maps are presented to explore the extent of boundaries to the east. Following discussions with Stoke-on-Trent Council the following indicators were considered key in defining the market geographies historically and are therefore used in this analysis:

- Travel to Work (Census 2001);

- House Prices (2009 – 2011 Land Registry data); and

- Income (2009 CACI data)

3.36 In addition building on the analysis of socio-economic indicators the decision was taken to examine household characteristics using the MOSAIC dataset produced by Experian.

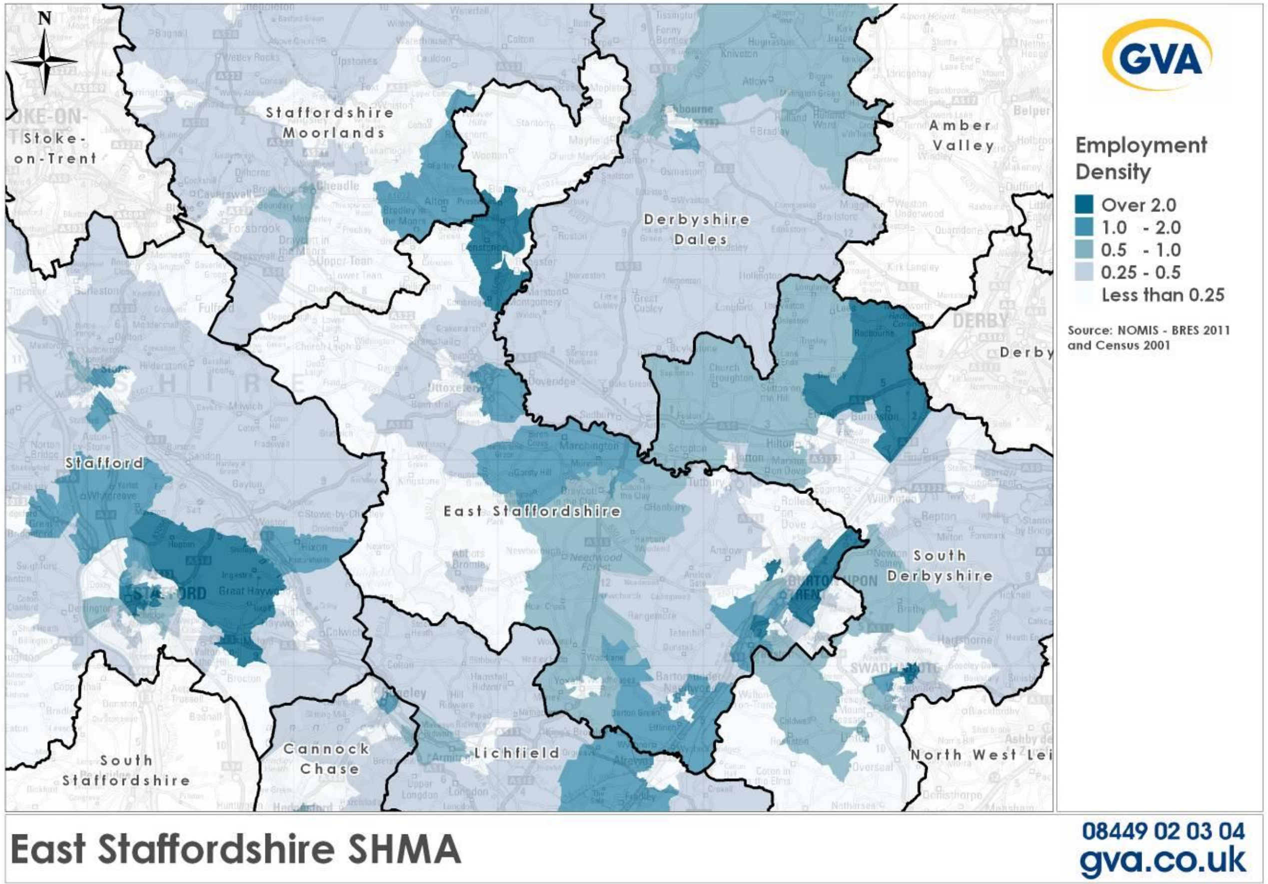
[6] The names are those used by East Staffordshire Borough Council. The report uses different names for the local housing market areas as follows: Rural East = Rural Suburbs East Staffordshire; Rural North = Rural East Staffordshire; Rural West – Rural Stafford West.

Travel to Work

3.37 The following plan shows employment densities at a small geographical level. This serves to illustrate the geographical location of hotspots of employment, this has a bearing on understanding the more localised flows implied through the Borough wide commuting flows analysed above. The map reinforces the fact that Burton-upon-Trent in particular stands out as an important employment hub in a wider geography with the surrounding areas into South Derbyshire showing considerably lower densities of employment apart from Toyota at Burnaston. JCB at Rocester also stands out as a concentration of employment.

3.38 Further north in the Borough Uttoxeter stands out in terms of a smaller concentration of jobs with the prison at Dovegate and Barton Business Park representing other localised employment focuses.

Figure 3.11: Job Densities



Source: Census 2001

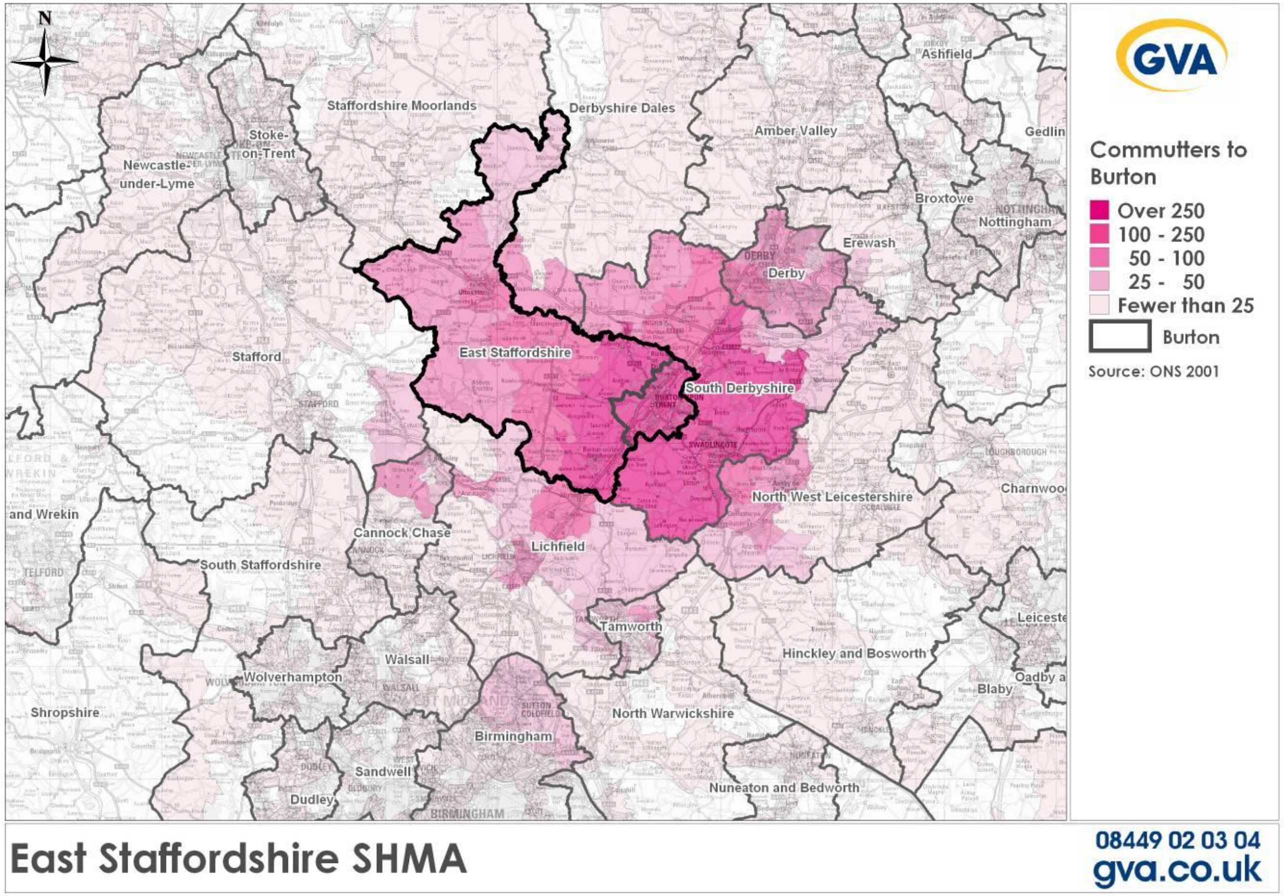
3.39 The plans over the following pages show more localised travel to work flows using Burton-upon-Trent and Uttoxeter as the commuting destination. These again draw from the 2001 Census dataset.

3.40 Looking first at Burton-upon-Trent it is evident that there exists a strong core area within which people who work in Burton live. This core area straddles the authority boundary into South Derbyshire, stretching across Swadlincote. The spatial extent of this market relationship expands out as far as Derby in the north east and Lichfield and the edge of Tamworth in the south west.

3.41 The travel to work geography for Uttoxeter shows again a concentrated commuting hinterland covering a large part of East Staffordshire but stretching across into Derbyshire Dales to the east and Staffordshire Moorlands to the north west.

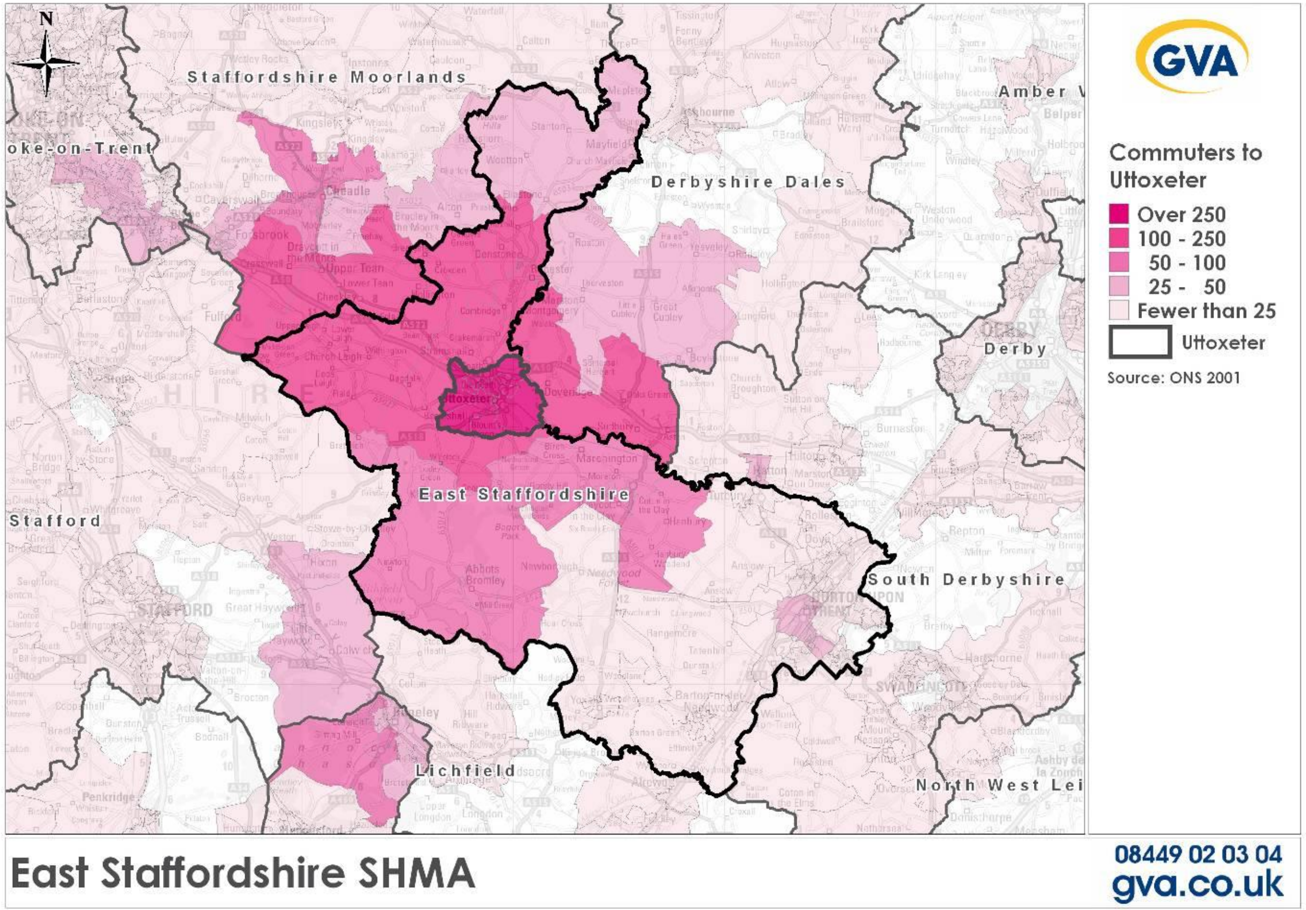
3.42 These two plans serve to reinforce the importance of considering housing market geographies in a wider spatial sense than simply following administrative boundaries.

Figure 3.12: Local Travel to Work Dynamics – Burton-upon-Trent



Source: Census 2001

Figure 3.13: Local Travel to Work Dynamics – Uttoxeter



Source: Census 2001

House Prices

3.43 House price data covering the period January 2009 – January 2012 was purchased from the Land Registry. The focus in this section is to consider geographical and spatial trends with a series of plans produced to illustrate areas of house price commonality and difference.

3.44 The purpose of this analysis is to explore the definition of local market areas to the north, east and south. The mapping has therefore also included the mapping of house price data for; Lichfield[7], South Derbyshire, Derby, Erewash, Amber Valley, North East Derbyshire, Chesterfield, Derbyshire Dales and High Peak[8].

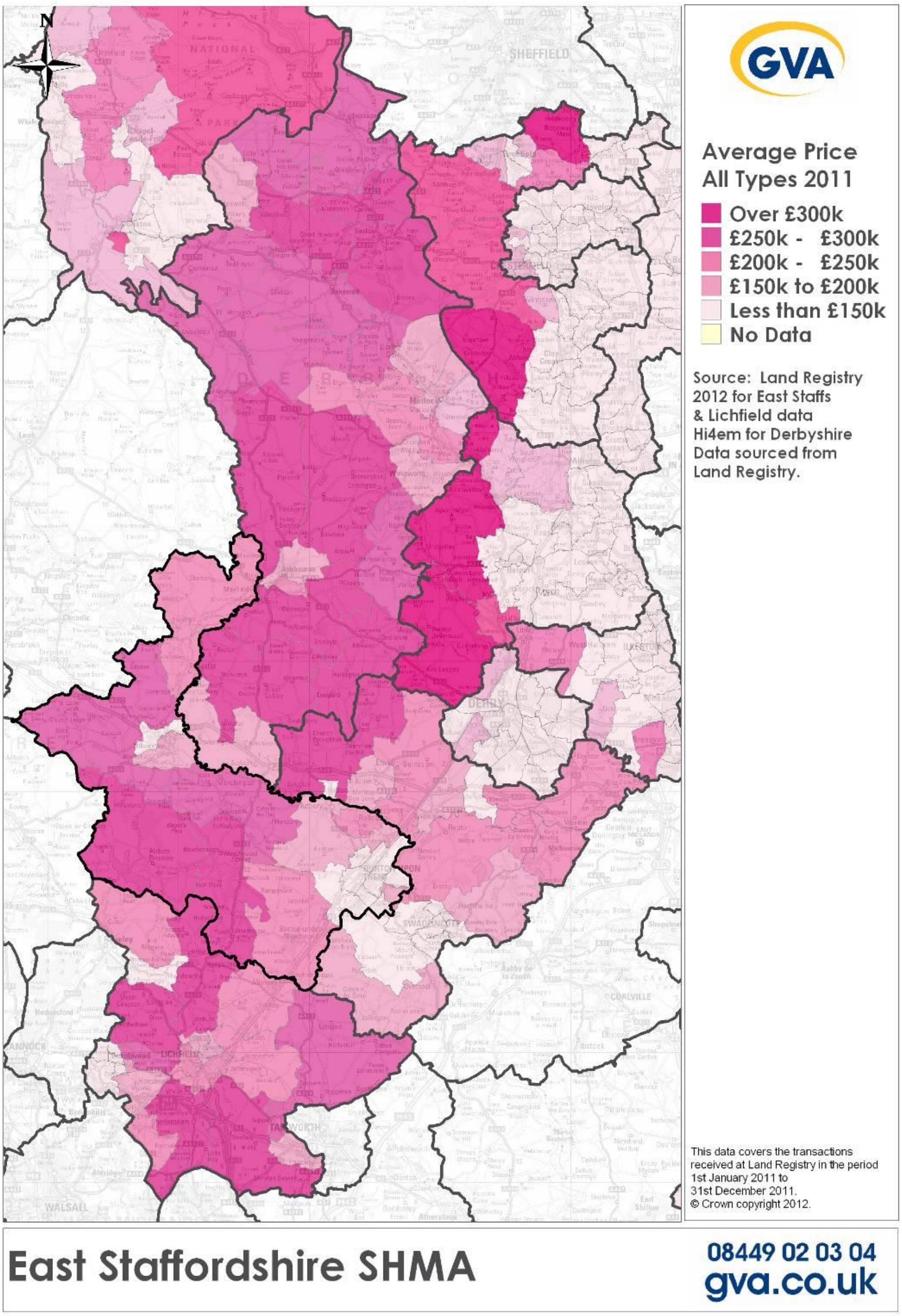
3.45 The map over the following page shows average house prices for each ward across this spatial area based on 2011 transactions. This highlights the different market strengths of various settlements in the area. The following conclusions can be drawn from this mapping:

- House prices in Uttoxeter fall within a lower bracket than surrounding areas;
- The areas surrounding Uttoxeter show higher average house prices which are comparable with those recorded over the boundary into Derbyshire Dales. Further into Derbyshire Dales there is a notable rise in house prices with strong markets evidenced surrounding Ashbourne;
- There is a strong belt of higher house prices through Derbyshire Dales and into Amber Valley and North East Derbyshire;
- There is a strong concentration of lower house price values recorded within Burton-upon-Trent. These lower prices stretch to the south east of Burton-upon-Trent and across Swadlincote in South Derbyshire; and
- House prices achieved in the more rural southern parts of the Borough are closely aligned with those neighbouring parts of Lichfield.

[7] East Staffordshire Council purchased Land Registry data for both East Staffordshire and Lichfield. This data is used in the mapping of house prices across Lichfield.

[8] Data has been sourced from www.hi4em.org.uk. The house price data used is sourced from the Land Registry and covers 2011.

Figure 3.14: Average House Prices - 2011



Source: Land Registry, 2012 (This data covers the transactions received at land Registry in 2011 © Crown copyright 2012.), www.hi4em.org.uk

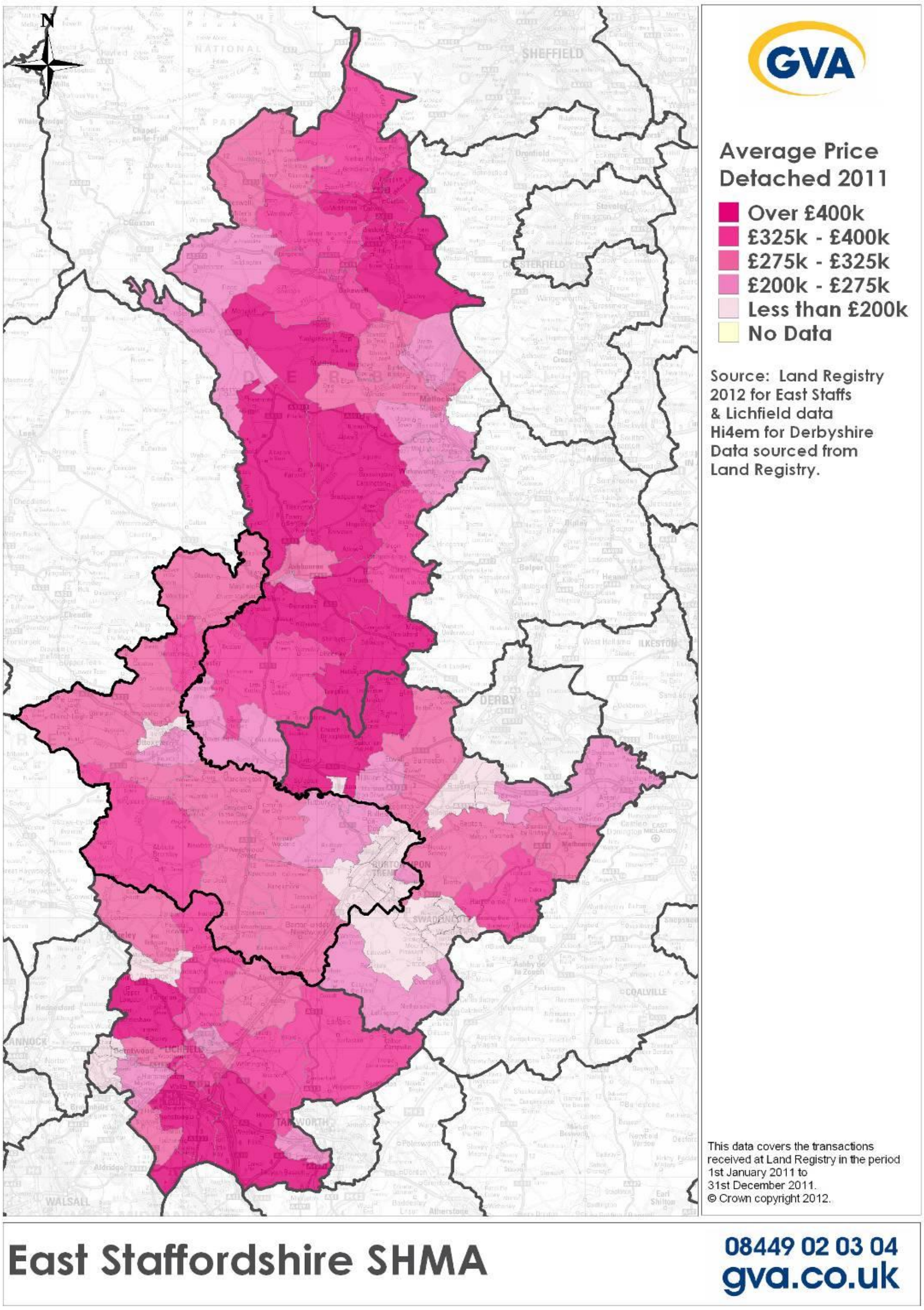
3.46 The following pages show a series of maps which show the average prices achieved for the four different property types classified within the Land Registry dataset:

- Detached;
- Semi-detached;
- Terraced; and
- Flats

3.47 Data is again shown for the latest full year, 2011. The following observations can be made from an analysis of the mapping:

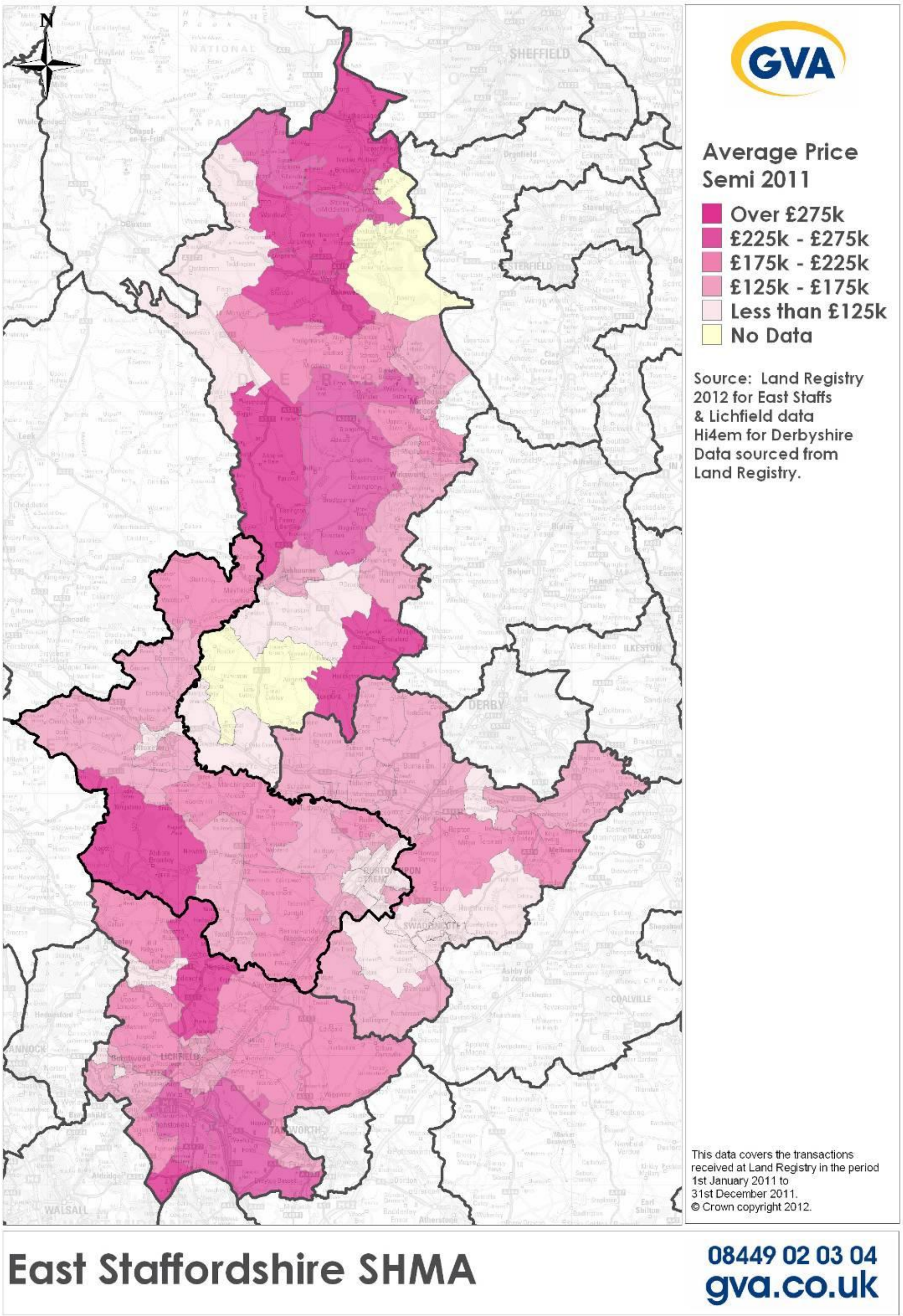
- The strong markets running through Derbyshire Dales are evidenced in terms of detached sales. A further strong belt of high detached house prices surrounds Lichfield, particularly to the south and west. Within East Staffordshire detached sale prices are comparable with the northern areas of Lichfield and a middle belt of South Derbyshire running to the north of Swadlincote;
- Looking at the semi-detached property sales prices there is a clear difference between the urban areas of Uttoxeter and Burton-upon-Trent and the more rural areas. The rural areas achieve notably higher achieved sales prices. These are comparable with prices achieved across much of Lichfield;
- Terraced sales are skewed significantly by the availability of stock. Uttoxeter shows slightly higher house prices than Burton-upon-Trent on average. Prices in Burton are comparable with those achieved in Swadlincote. The surrounding belt to the west of Burton shows higher average prices for terraced properties, with comparable prices extending down into Lichfield; and
- Again sales of flatted properties are largely limited to the urban areas where this stock type is more prevalent. Uttoxeter appears to achieve slightly higher prices for this property type than Burton-upon-Trent. Swadlincote records sales values in the same bracket as those covering much of Burton-upon-Trent. The urban area of Lichfield records higher average prices than both Burton-upon-Trent and Swadlincote.

Figure 3.15: Average prices Detached Properties 2011;



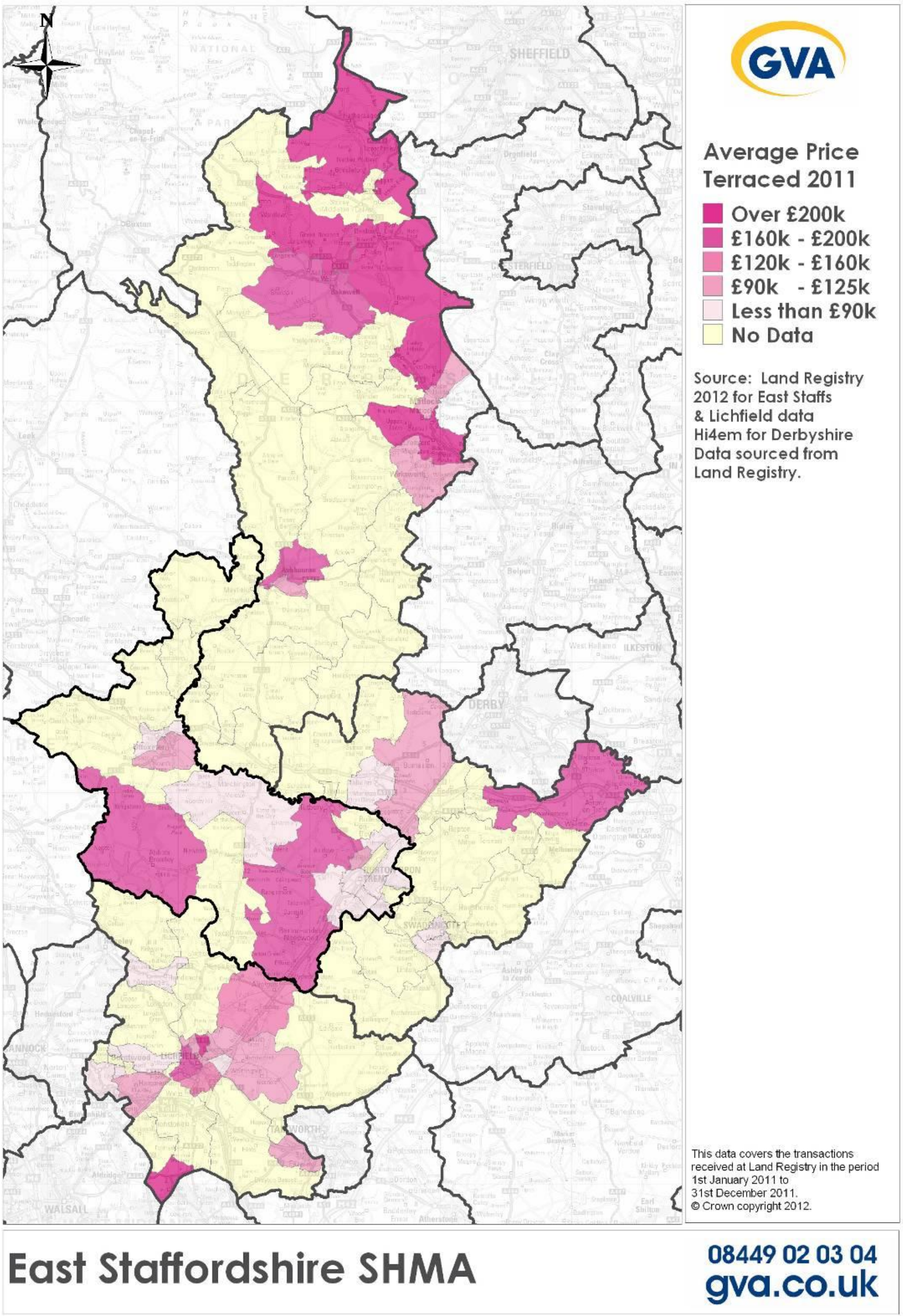
Source: Land Registry, 2012 (This data covers the transactions received at land Registry in 2011 © Crown copyright 2012.), www.hi4em.org.uk

Figure 3.16: Average prices Semi-detached 2011



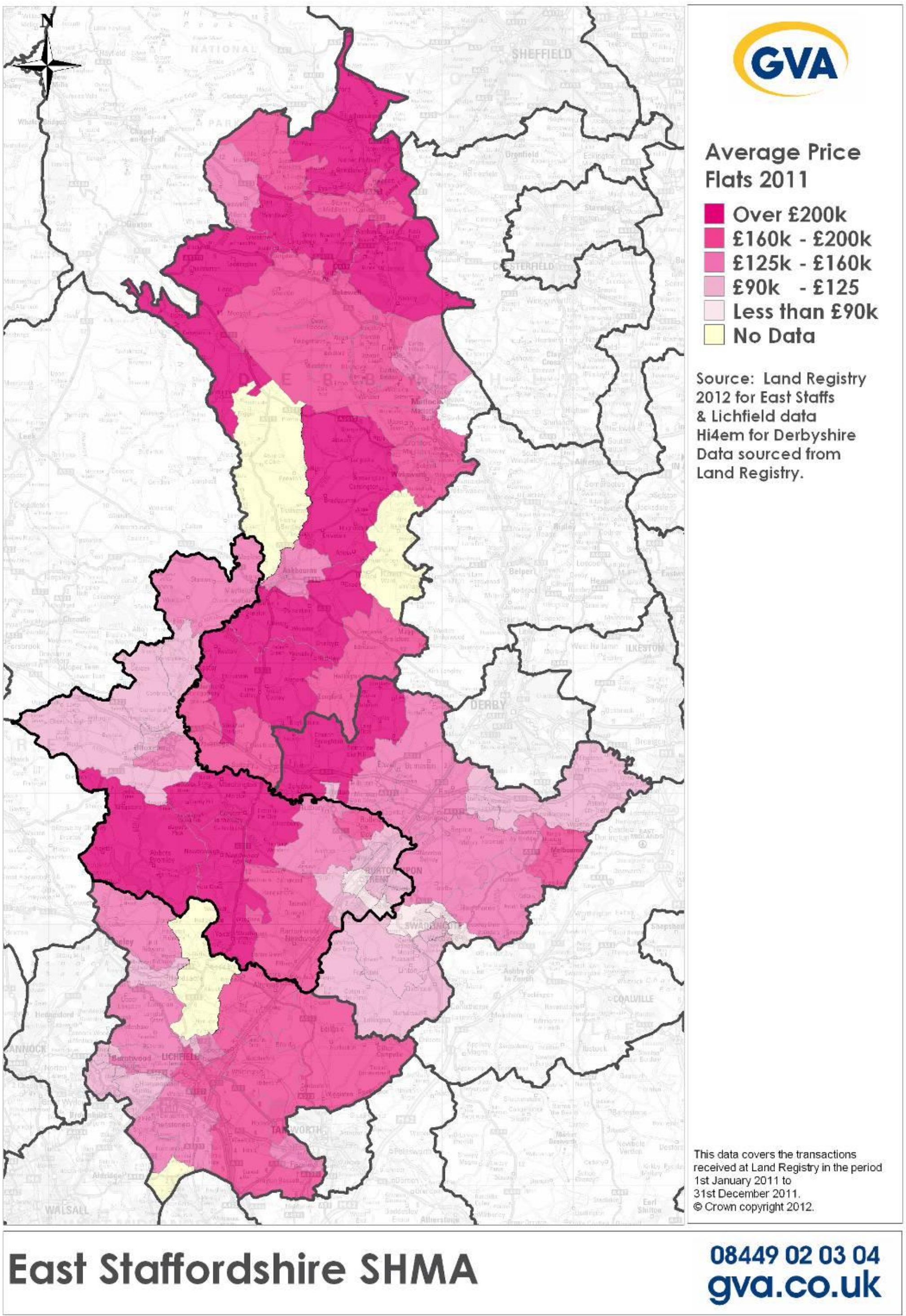
Source: Land Registry, 2012 (This data covers the transactions received at land Registry in 2011 © Crown copyright 2012.), www.hi4em.org.uk

Figure 3.17: Average Prices Terraced 2011



Source: Land Registry, 2012 (This data covers the transactions received at land Registry in 2011 © Crown copyright 2012.), www.hi4em.org.uk

Figure 3.18: Average Prices Flats 2011

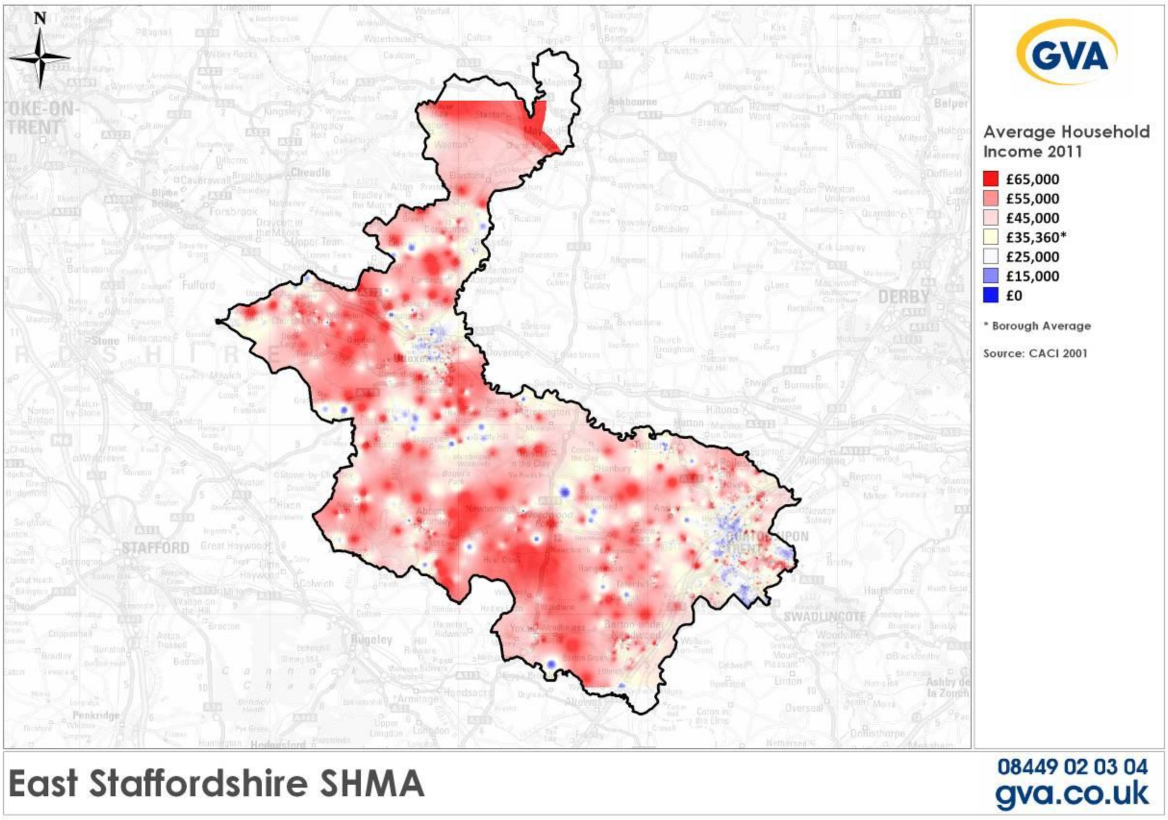


Source: Land Registry, 2012 (This data covers the transactions received at land Registry in 2011 © Crown copyright 2012.), www.hi4em.org.uk

Income

3.48 The following map shows average incomes at a postcode level across East Staffordshire. These incomes are sourced from the 2011 Acxiom income dataset and therefore represent gross household income. Comparable data for the surrounding authorities was not available but this provides an indication of the spatial differences regarding household income within East Staffordshire.

Figure 3.19: Average Household Incomes East Staffordshire



Source: Acxiom Income 2011

3.49 The map shows a clear distinction between the rural and urban areas. Concentrations of lower incomes are evidenced within both Burton-upon-Trent and Uttoxeter. Importantly though the local spatial geographies are more complex.

3.50 Within Burton there are areas with comparable average incomes to those areas in the suburban areas and more rural areas, with the same also true of Uttoxeter.

3.51 Within the rural areas there are also small concentrations of lower income households. Due to the inclusion of all households some of these could reflect concentrations of older person households whose incomes are comparatively low but their capital wealth (property assets / savings etc…) considerably higher.

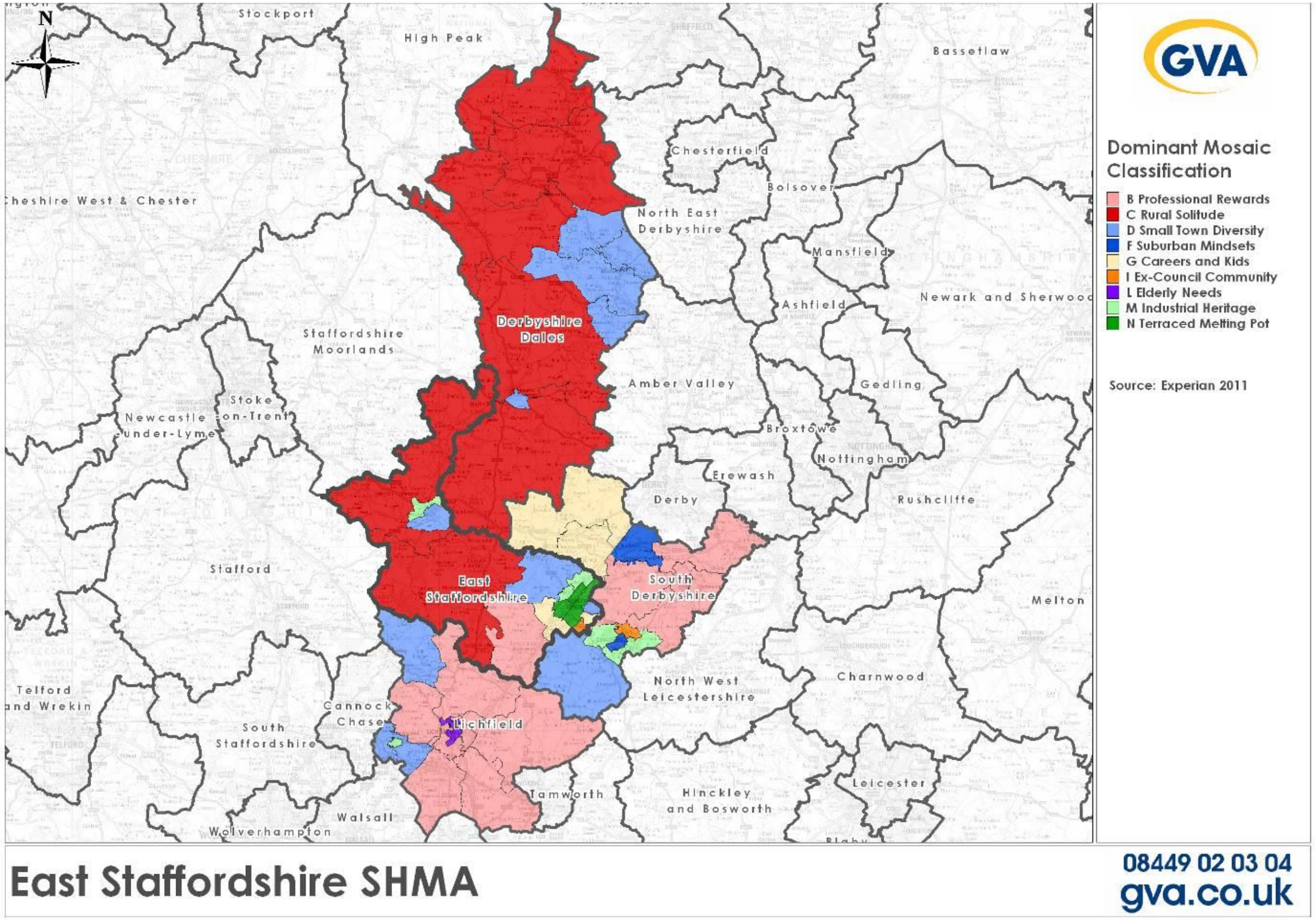
Household Characteristics

3.52 The final analysis in this section considers household characteristics. This uses the Experian Mosaic dataset which uses a range of demographic, lifestyle and behaviour indicators and datasets to classify consumers across the UK. A total of fifteen classifications are used to distinguish different household typologies[9].

3.53 The following plan shows the dominant mosaic classification using small area geographies across East Staffordshire, Lichfield and South Derbyshire.

[9] Note: Full definitions of each of the classifications can be found within the Experian Mosaic Brochure - http://www.experian.co.uk/assets/business-strategies/brochures/mosaic-uk-2009-brochure-jun10.pdf

Figure 3.20: Experian mosaic household classifications



Source: Experian, 2012

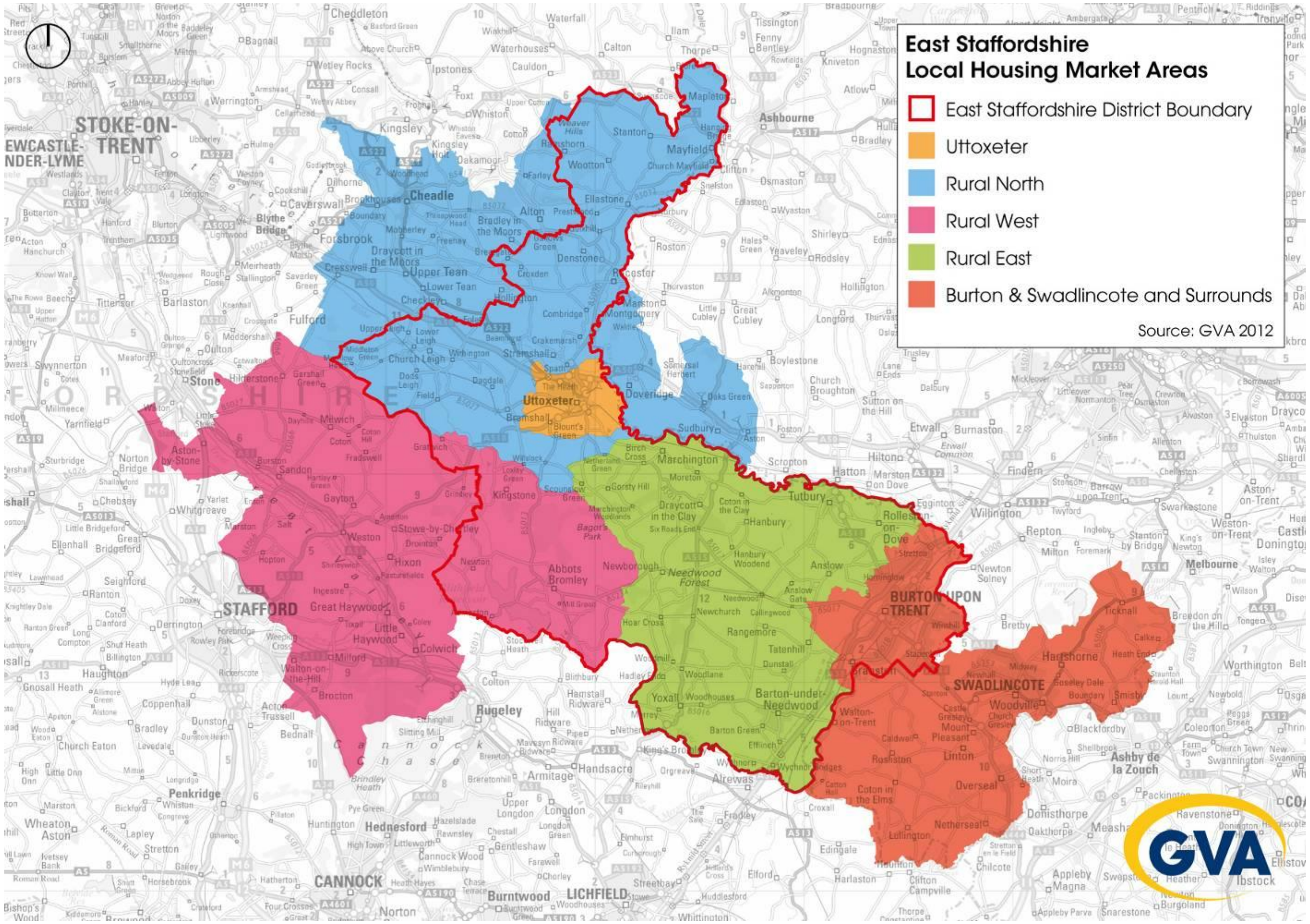
3.54 This shows a concentration of ‘rural solitude’ groupings across the north parts of East Staffordshire, with the exception of Uttoxeter. Burton-upon-Trent shows a much more varied profile of household types which can be considered as developing out concentrically from the centre representing, at least in part, the evolution of the housing stock. This shows a movement out into South Derbyshire again reinforcing the market linkages between the two areas and the relationships between Burton and Swadlincote in terms of the types of households living within the two settlements.

Local market geographies conclusion

3.55 The analysis has reconfirmed the existence of separate local housing market geographies across East Staffordshire, with these geographies extending into surrounding areas.

3.56 The following plan builds on the work undertaken in 2010 to show the extent of local housing market boundaries extending to the east and south. Whilst different geographies could be presented the analysis has sought to build on the previous definitions rather than significantly re-define them. Ward geographies are again used to define the local market areas to enable future housing market monitoring of data indicators.

Figure 3.21: Local market geographies – East Staffordshire



Source: GVA, 2012

3.57 The map shows 5 sub-areas which collectively cover all of East Staffordshire. These are listed below:

- Burton and Swadlincote and Surrounds: This local market area includes two major settlements, Burton-upon-Trent and Swadlincote. Whilst the two settlements clearly represent their own distinct markets they share very similar price characteristics which expand out in the immediately surrounding areas of each as well. In functional terms there are clearly strong flows of commuters from Swadlinocte and surrounds into Burton-upon-Trent. The influence of Derby on this market area suggests a boundary to the north;

- Rural East: The market area demonstrates price commonalty and is distinct from the more rural areas to the north in terms of price and the types of households prevalent within it. Much of the area has strong functional relationships in terms of commuting flows with Burton-upon-Trent. There are some similarities with areas to the south into Lichfield with these areas also forming suburban market areas to Lichfield;

- Uttoxeter: the settlement has been identified as occupying its own housing market area. It demonstrates different price characteristics than the large rural areas surrounding it. Whilst there flows of commuters into the settlement from surrounding areas the level of jobs directly in Uttoxeter are lower than Burton and its functional sphere of influence is less obvious;

- Rural North: this local market area displays similar price characteristics reflecting the stock and rural appeal of the areas. This market extends into the surrounding authorities of Derbyshire Dales and Staffordshire Moorlands; and

- Rural West: the housing market area is unchanged from the 2010 SHMA study (Stoke City Council). Only the eastern part of the area encroaches into East Staffordshire with this area demonstrating comparable house prices with the area generally recording higher house prices than the Rural East Staffordshire area where the two border one another.

Bringing the Evidence Together

3.58 The analysis in this section has arrived at two key conclusions:

- Strategic Market Geographies – the analysis suggests a strong strategic market connection between East Staffordshire and South Derbyshire. This is heavily influenced by the location of Burton-upon-Trent on the border of the two authorities, with this being further illustrated through the analysis of the local market geographies. A secondary tier of linkages is evident between East Staffordshire and Lichfield, Derbyshire Dales and Staffordshire Moorlands. This reflects the fluidity of the housing market between these areas with households choosing to move up and down the housing ladder within and between parts of these authorities which are proximate to the major settlements of East Staffordshire. Functional linkages are also evident with the larger urban conurbations in the wider area, namely Derby and Birmingham. These large centres clearly represent a concentration of employment opportunities with an economic geography which extends out over a large spatial area, incorporating East Staffordshire.

- Local Market Geographies – the analysis shows the extension of local market areas into the authorities to the east and south. These local markets demonstrate locally driven functional relationships i.e. travel to work flows to major areas of employment and shared characteristics i.e. house prices / household characteristics. Five local housing market areas are identified as covering East Staffordshire:
    - Burton and Swadlincote and Surrounds;
    - Rural East;
    - Uttoxeter;
    - Rural North; and
    - Rural West

Other evidence

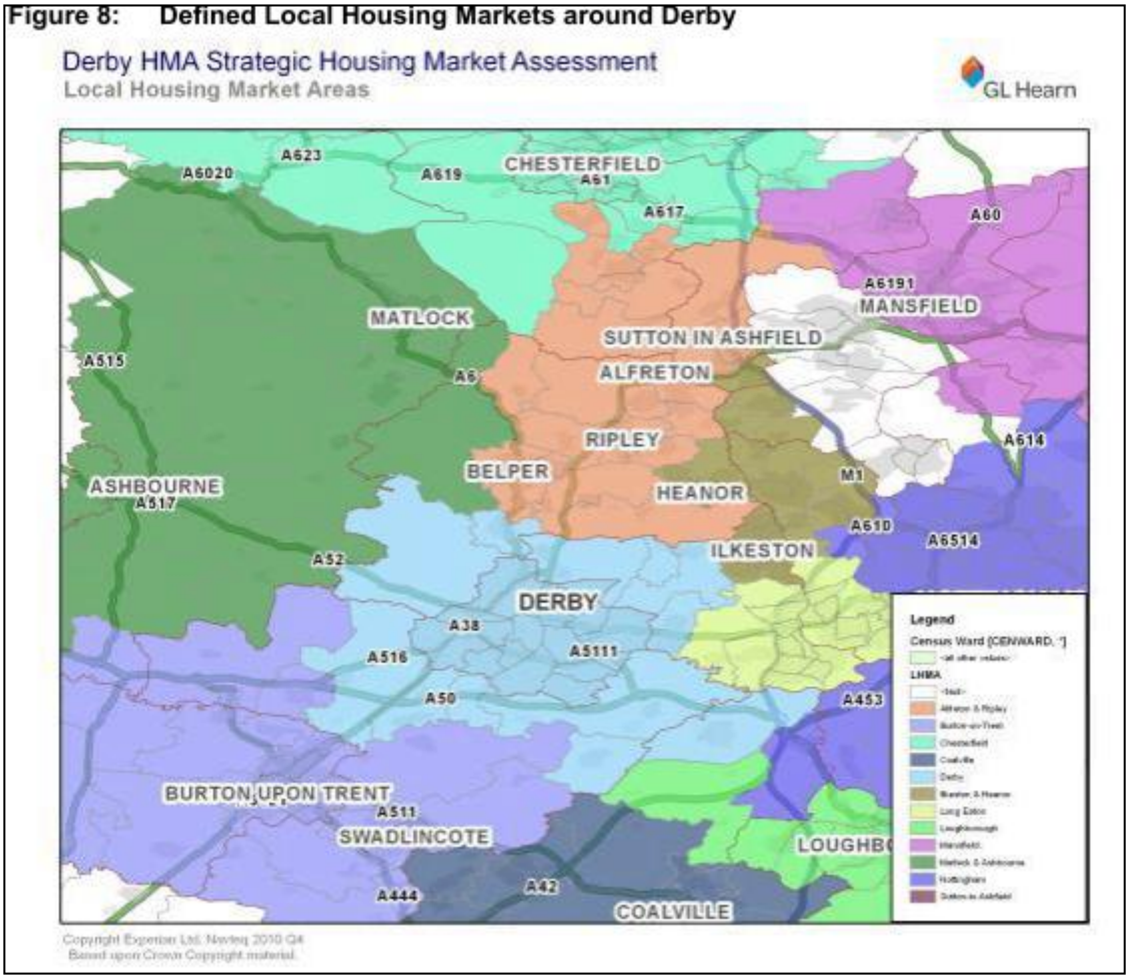
3.59 Research commissioned by CLG was published in 2010 and this identified several different strategic housing market area options derived from different levels of commuting and migration self-containment. It recommended that the Government identify a national framework of strategic housing market areas, but the Government has not done this.

3.60 The Derby Housing Market Area SHMA refers to that research and maps the local housing markets in and around Derby derived from the option preferred by the researchers. This mapping is shown below at Figure 3.22. The documents states that according to this research:

> *The west and south of South Derbyshire District fall within a local housing market focussed on Burton-on-Trent.*

3.61 This statement recognises that the local housing market in question is focussed on Burton which is of course in East Staffordshire. The Derby HMA SHMA goes on to define a sub-market area within South Derbyshire which appears to correspond to the South Derbyshire part of that local housing market ; it calls this Swadlincote & South. It then provides analysis of that sub-market area, but it does not consider the East Staffordshire part of the local housing market.

Figure 3.22: Derby HMA Local Housing Markets



Source: Derby HMA Strategic Housing Market Assessment Update Final Report July 2013, GL Hearn Limited

Conclusion

3.62 East Staffordshire sits between strategic housing markets centred on Derby and Birmingham. It is affected by both but does not belong to either one or the other. Whilst geographically nearer to Derby, the Borough has strong economic links with Birmingham and is part of the Greater Birmingham and Solihull Local Enterprise Partnership (LEP).

3.63 The main housing market relationship between East Staffordshire and neighbouring authority areas is the relationship between Burton and Swadlincote.

3.64 Certain respondents to the Council's consultation argued that this SHMA should assess needs within neighbouring districts, especially South Derbyshire. However the counter arguments to this are:

- It is the responsibility of each local authority to assess needs within its own area, and hence it would not be appropriate for East Staffordshire to assess needs within South Derbyshire.
- Needs within South Derbyshire have been assessed in the Derby HMA study.
- It is likewise the responsibility of each local authority to plan to meet the assessed needs, either within its own boundaries or through negotiation with other authorities. Whether those needs have been assessed in a joint SHMA or separate SHMAs does not alter this fact.
- Much of the data available for the assessment of needs is only available at district level. Hence it cannot be used to assess needs within a particular local housing market area.
- The fact that Swadlincote and Burton are in the same local housing market area means that analysis of the market in Burton will hold true for the whole local housing market area.
- There is no presumption that needs can or should be met within a particular local housing market area. Each local authority must justify its own spatial strategy.

3.65 Hence it would be inappropriate and unnecessary for this SHMA to assess needs outside the Borough boundary.

3.66 However the findings of this SHMA clearly need to be considered alongside those of neighbouring SHMAs, particularly that for the Derby HMA. Accordingly there is further reference in this document to the Derby HMA assessment where relevant.

Addendum April 2014

The Strategic Housing Market Area – further consideration

3.67 At some recent Examinations Inspectors appear to have been critical of local authorities that have not joined with neighbouring authorities within the same strategic housing market area to undertake the Strategic Housing Market Assessment (SHMA).

3.68 Paragraphs 2.7 to 2.10 explain that the Council had to carry out its own SHMA because it was not part of surrounding partnerships. However it is appropriate to consider two questions:

- Whether a SHMA with other authorities would have made sense, and
- What is the impact of having a separate SHMA for East Staffordshire?

3.69 The answer to the first question depends on identifying the strategic housing market geography affecting East Staffordshire.

3.70 Chapter 3 was prepared before the Government published its Beta version of proposed new National Planning Practice Guidance in September 2013 which included draft guidance on defining housing market areas. At the time this chapter is being written that draft guidance has not been finalised and adopted. Hence it has not been possible for this SHMA to follow and comply with any national definitions.

3.71 Chapter 3 considers housing market geography and identifies a primary relationship with South Derbyshire and secondary linkages with Lichfield, Derbyshire Dales and Staffordshire Moorlands. At a higher level it identifies functional linkages with Derby and Birmingham. However it does not seek to define strategic housing market areas.

3.72 Paragraph 3.59 refers to Government commissioned research on housing market area boundaries which would appear to be consistent with the Beta guidance. The Government chose not to follow the recommendations of that research but it remains the most recent national assessment of housing market areas.

3.73 The research identified 3 different framework housing market area geographies based on 3 different levels of commuting self-containment - 72.5%, 75% and 77.5%, although in the case of East Staffordshire the 75% and 77.5% produce the same geography.

3.74 Figure 3.23 shows the boundaries of East Staffordshire so that the Borough can be located on Figures 3.24 and 3.25. Figure 3.24 shows strategic housing market areas under 72.5% self-containment and Figure 3.25 shows strategic housing market areas under 75% and 77.5% self-containment.

Figure 3.23: Location of East Staffordshire

Figure 3.24: 72.5% geography

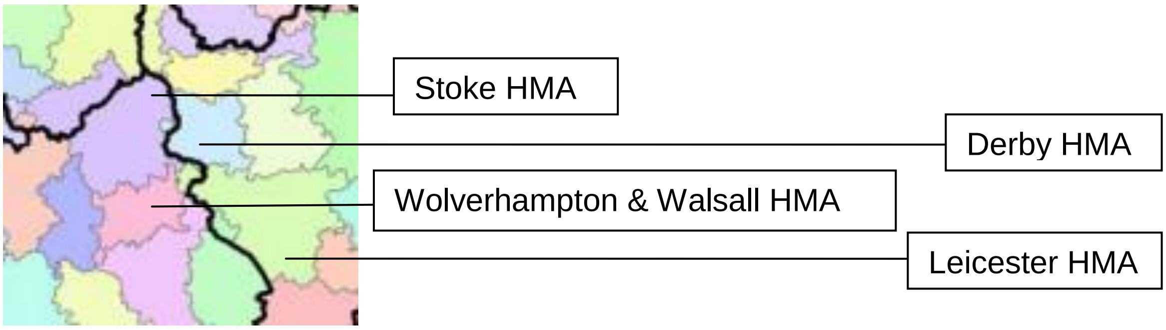
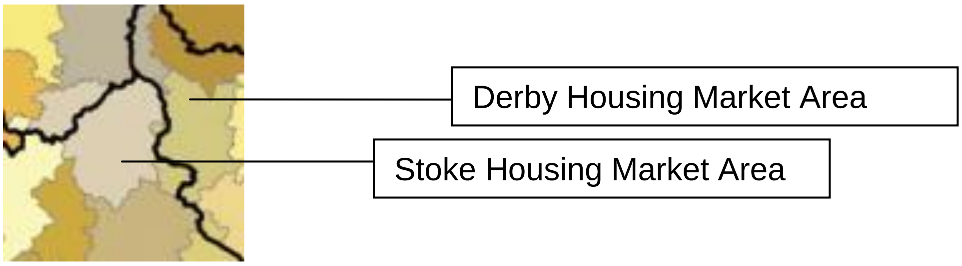


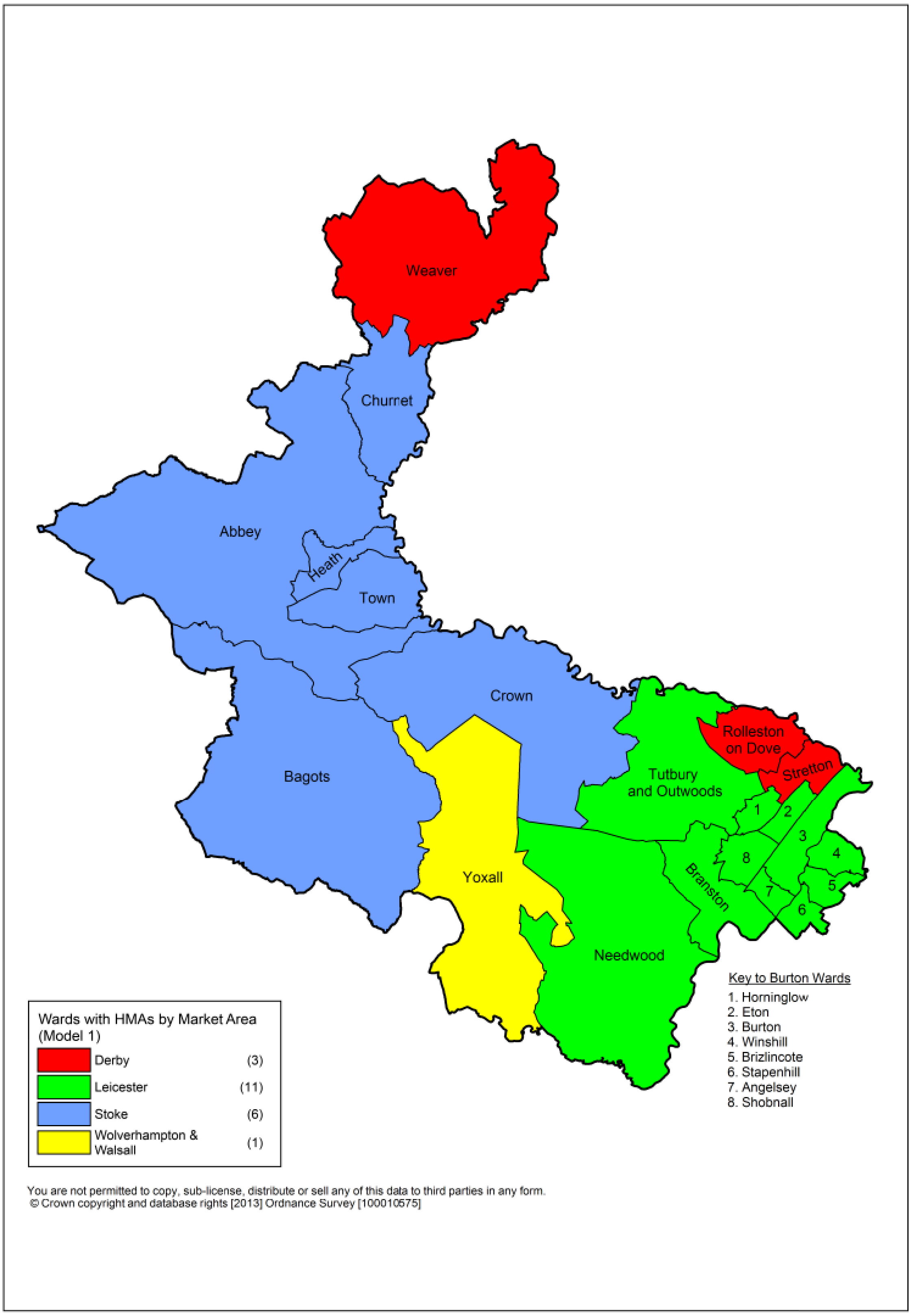
Figure 3.25: 75% and 77.5% geography



Source: *Recommended housing market area boundaries: implications for spatial planning, Geography of housing market areas in England – paper C*, DCLG, November 2010

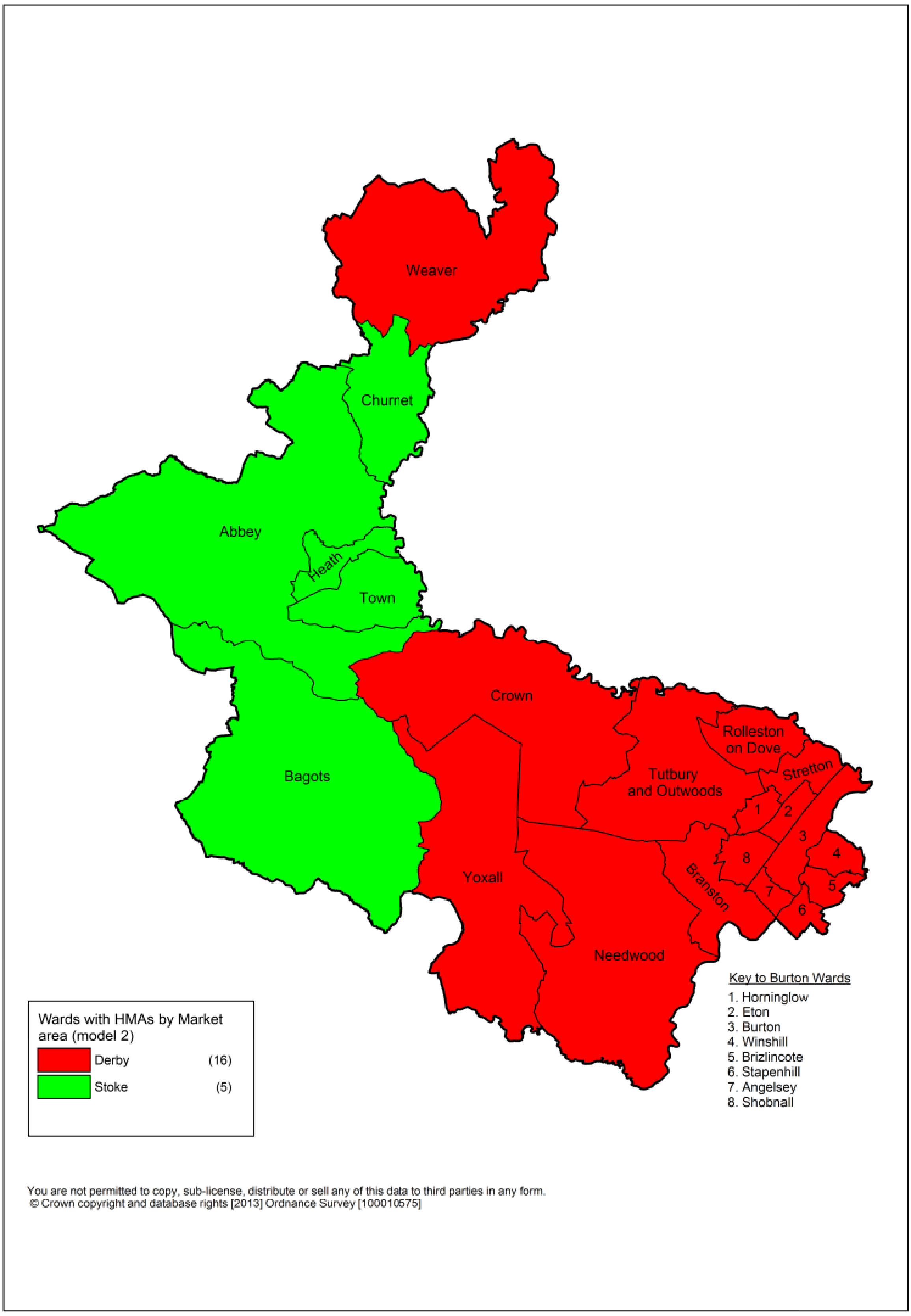
3.75 Figures 3.26 and 3.27 show the geographies within East Staffordshire. Note that these geographies are based on wards.

Figure 3.26: 72.5% Geography within East Staffordshire



Source: Newcastle University Centre for Urban & Regional Development Studies (CURDS)

Figure 3.27: 75%/77.5% Geography within East Staffordshire



Source: Newcastle University Centre for Urban & Regional Development Studies (CURDS)

3.76 Therefore, under the 72.5% geography, East Staffordshire is divided between Leicester, Wolverhampton & Walsall, Derby and Stoke strategic housing market areas. Under the 75% and 77.5% geography, the Borough is divided between a Derby strategic housing market area and a Stoke strategic housing market area.

3.77 It is noteworthy that neither geography fits with the local market geography shown in Figure 3.21, which was defined with reference to house prices, illustrating the difficulties inherent in defining boundaries and hence the degree of uncertainty about any of these geographies.

3.78 Analysis of gross migration and commuting flows makes the same point. Figure 3.28 takes the migration data from Figure 3.5 and analyses it by direction. Figure 3.29 does the same for the commuting data from Figures 3.6 and 3.7.

Figure 3.28: Average gross migration – main flows 2001-2011

Local Authority	**Direction**	**Gross Flow**	**% of Flow**	**Direction %**
South Derbyshire	East	1,468	37%	41%
North West Leicestershire		158	4%	
Derby	North	480	12%	20%
Derbyshire Dales		300	8%	
Lichfield	South	479	12%	20%
Birmingham		319	8%	
Staffordshire Moorlands	West	299	8%	19%
Stafford		242	6%	
Stoke-on-Trent		208	5%	

Source: Figure 3.5

Figure 3.29: Commuting – inter-district flows

Local Authority	Direction	Out	In	Gross	%	Direction %
South Derbyshire	East	3,096	6,403	9,499	27%	32%
North West Leicestershire		901	753	1,654	5%	
Derby	North	2,119	1,881	4,000	11%	19%
Derbyshire Dales		863	717	1,580	5%	
Amber Valley		123	289	412	1%	
Other		219	315	534	2%	
Lichfield	South	1,523	1,341	2,864	8%	21%
Birmingham		1,076	312	1,388	4%	
Tamworth		387	256	643	2%	
Cannock Chase		357	724	1,081	3%	
Walsall		294	207	501	1%	
Other		519	171	690	2%	
Stafford	West	999	582	1,581	5%	14%
Staffordshire Moorlands		641	1,329	1,970	6%	
Stoke-on-Trent		521	701	1,222	4%	
Newcastle			201	201	1%	
Other	All	2,430	2,557	5,188	15%	15%

Source: Figures 3.6 and 3.7

3.79 This evidence therefore demonstrates that East Staffordshire does not fit neatly into any one strategic housing market area, and this suggests that for East Staffordshire to undertake a SHMA with any one partnership of other local authorities would not have made sense. Since much of the data, including data to inform calculation of the housing requirement, is not available at sub-district level, a separate SHMA for East Staffordshire makes the most sense.

3.80 The second question asks about the impact of this SHMA being a separate assessment for East Staffordshire, in particular the impact on calculation of housing requirements.

3.81 It is important to recognise that according to the Government guidance and the Framework a SHMA is an assessment of needs. A SHMA does not have to consider capacity and deliverability; those matters are considered by the Strategic Housing Land Availability Assessment (SHLAA). Neither does a SHMA have to consider the spatial distribution of new development; that is a separate part of the process of plan development, as recognised in paragraph 179 of the Framework.

3.82 As already noted, the population and household projections which are the foundation of calculating the housing requirement are available at district level. This means that housing requirements can be calculated at district level, and this is what typically happens within SHMAs covering several districts. Hence it is normal and appropriate to calculate the housing requirement at district level.

3.83 The same applies to the calculation of "housing need" in the technical sense of need for affordable housing.

3.84 It is therefore clear that a SHMA covering one district can properly assess needs within that district. Hence, provided the SHMA for every district properly assesses needs within that district, all needs across all districts will be properly assessed and it makes no difference how many separate SHMAs are carried out.

3.85 There is therefore no negative impact from having a separate SHMA for East Staffordshire.

4 The Current Housing Market

4.1 This chapter examines the nature of the current housing market, looking at the demographic and economic context, the current stock of housing, and indicators of housing market activity.

Demographic context

4.2 Figure 4.1 below shows how the types of household within East Staffordshire changed between 2001 and 2011.

Figure 4.1: Historic change in household type

	East Staffordshire				West Midlands	England
Household Type	**2001**		**2011**			
Single pensioner	14%	5,961	5,862	12%	13%	12%
Other pensioner	10%	4,102	4,264	9%	9%	8%
Single other	14%	5,863	7,961	17%	17%	18%
Non pensioner couples	20%	8,680	9,175	19%	17%	18%
Family with dependent children	31%	13,228	13,974	30%	30%	29%
Family with all non-dependents	9%	3,878	4,513	10%	10%	10%
Other	2%	1,005	1,502	3%	4%	5%
		42,717	47,251			

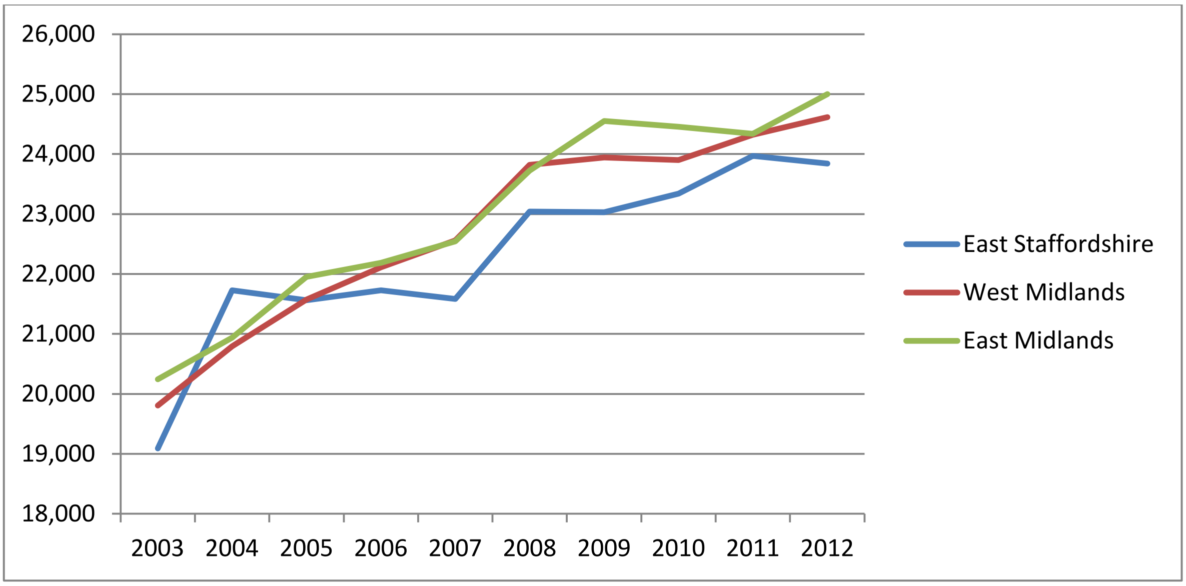
Source: Office for National Statistics Census 2001 and Census 2011

4.3 Hence the mix of household types in East Staffordshire is in line with the West Midlands and with England. It is notable that the number of single pensioner households has fallen over the last 10 years, although this is compensated for by an increase in other pensioner households (ie couples). There has been a substantial increase in the number of non pensioner single households. There has also been a significant increase in the number of families with all non-dependents, reflecting the current tendency for young people to remain longer in the family home before forming independent households.

Economic context

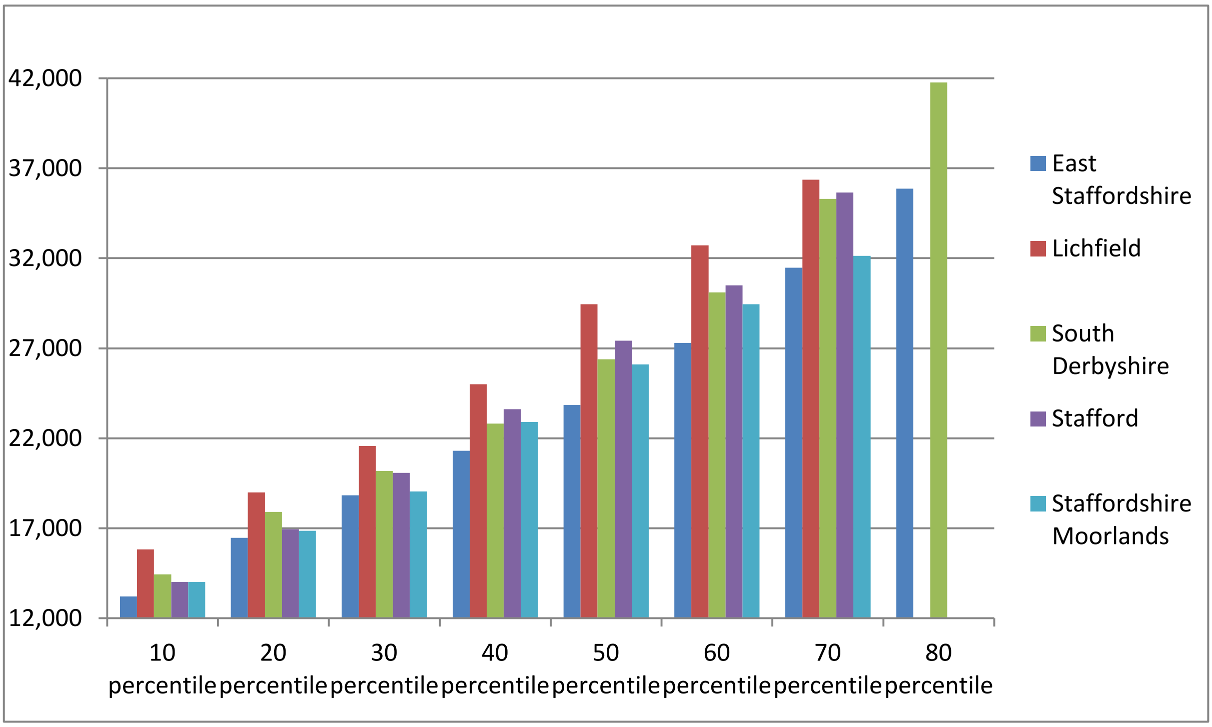
4.4 Figures 4.2 and 4.3 below show the earnings of people living in East Staffordshire compared to regional averages and neighbouring districts.

Figure 4.2: Median earnings of residents over time



Source: Office for National Statistics NOMIS Annual Survey of Hours and Earnings

Figure 4.3: Earnings by district of residence

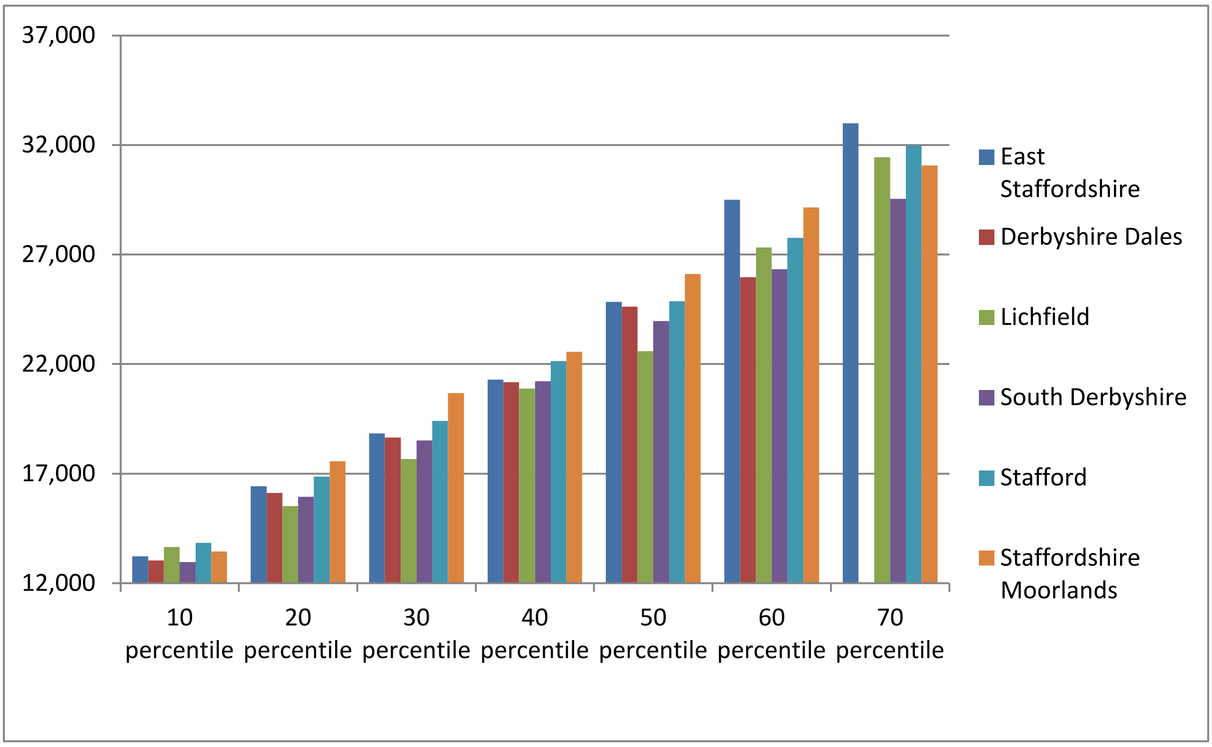


Source: ONS Annual Survey of Hours and Earnings (no data for Derbyshire Dales)

4.5 The above graphs show that the earnings of East Staffordshire residents have been consistently lower than regional earnings, and are lower across the board than the earnings of residents in neighbouring districts.

4.6 However figure 4.4 below tells a different story about the earnings of people *working* in East Staffordshire.

Figure 4.4: Earnings by workplace district



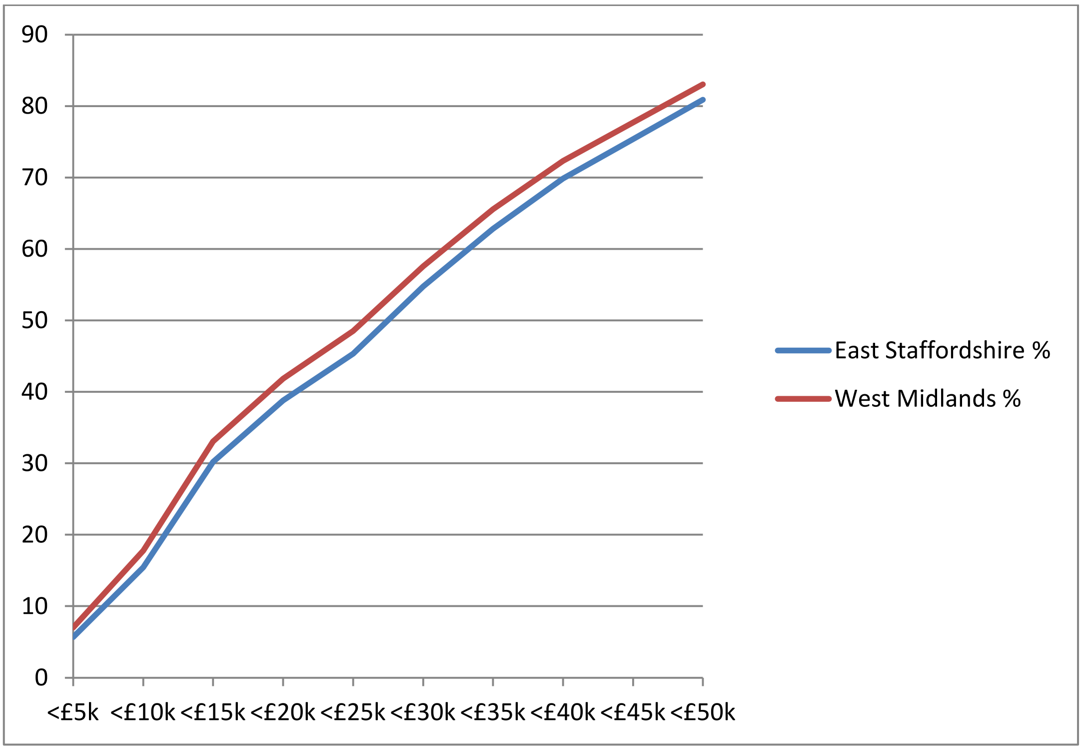
Source: Office for National Statistics NOMIS Annual Survey of Hours and Earnings

4.7 Hence people *working in* East Staffordshire earn more or about the same as those working in most neighbouring districts, in contrast to the fact that the earnings of *residents* are relatively low. This is noticeably opposite to Lichfield district where the earnings of workers are lower but the earnings of residents are higher.

4.8 This implies that there are higher paid jobs in East Staffordshire but these tend to be held by people living outside the Borough. This suggests that the right housing offer might persuade more of these workers to live within East Staffordshire where they would contribute to the economic well-being of the Borough.

4.9 Figure 4.5 below shows the profile of household incomes in East Staffordshire and the West Midlands.

Figure 4.5: Household income profiles



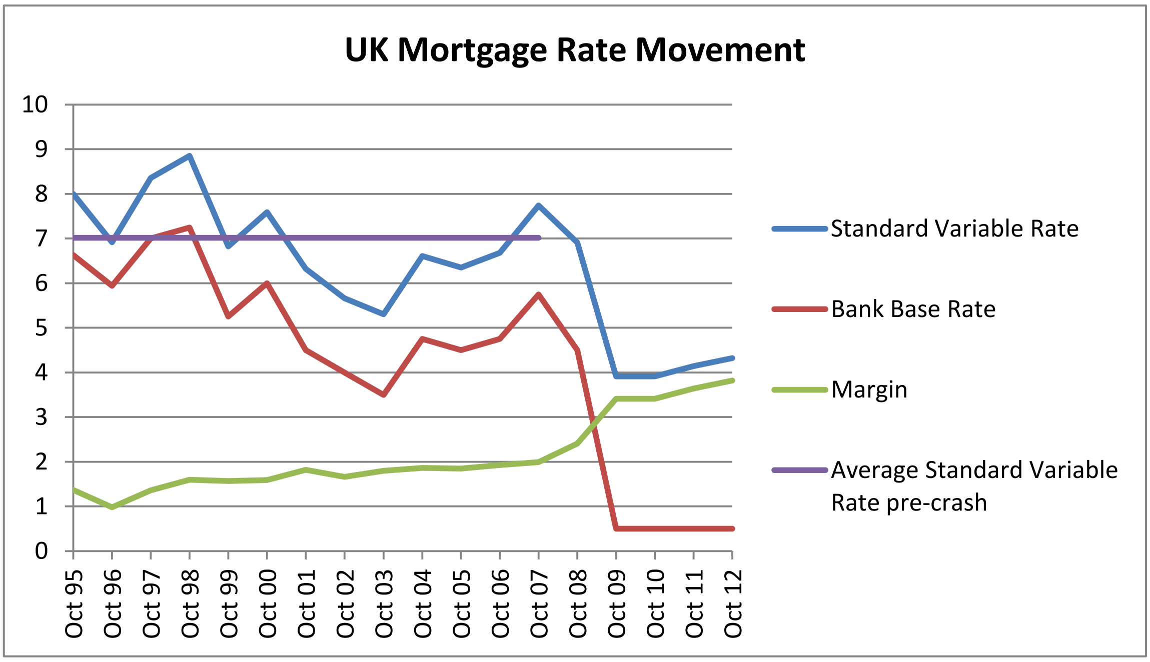
Source: Acxiom IncomeX 2011

4.10 The above graph shows that the profile of household incomes in East Staffordshire is very similar to that in the West Midlands, but that around 3% fewer households have each given level of income.

4.11 Certain respondents to the Council's consultation argued that the SHMA should use East Midlands data rather than West Midlands data. However the correlation in the above graph supports the use of West Midlands data. Moreover East Staffordshire is officially part of the West Midlands, so that East Staffordshire data contributes towards West Midlands data, whereas East Midlands data does not include data for East Staffordshire.

4.12 Interest rates are a key influence on the housing market. Figure 4.6 below shows mortgage rate movements over the last few years.

Figure 4.6: Movement in UK mortgage rates



Source: Bank of England Statistical Interactive Database

4.13 At the time of writing interest rates remain at an all time low following the economic crash in 2008-9, although most mortgage rates are considerably higher than the bank base rate, with higher margins for lenders. Interest rates are a key component of affordability over the longer term. It is therefore necessary to consider what long term interest rate should be assumed in calculating affordability. The above graph supports use of an interest rate of 7%.

The Housing Stock

4.14 The existing stock of housing is a key influence on the current housing market. Figure 4.7 compares the sizes of dwellings in East Staffordshire and neighbouring districts.

Figure 4.7: Dwelling sizes – districts compared

	1 & 2 rooms	3 & 4 rooms	5 & 6 rooms	7 + rooms
East Staffordshire	2.2%	23%	47%	28%
Derbyshire Dales	1.5%	22%	43%	34%
Lichfield	1.1%	21%	44%	35%
South Derbyshire	1.4%	21%	47%	30%
Stafford	1.9%	22%	43%	34%
Staffordshire Moorlands	1.1%	21%	50%	28%
England	3.7%	30%	44%	23%

Source: Office for National Statistics Census 2011

4.15 East Staffordshire has slightly more very small and small dwellings than surrounding districts. This may mean that households requiring smaller and cheaper homes move from neighbouring districts into East Staffordshire.

4.16 However East Staffordshire has a relatively high proportion of 5 & 6 bedroom homes, beaten only by Staffordshire Moorlands. Most surrounding districts have a slightly higher proportion of larger homes.

4.17 Figure 4.8 below shows change in the type of dwelling in the Borough from 2001 to 2011.

Figure 4.8: Dwelling types in East Staffordshire

	Detached	Semi-detached	Terraced	Flat	Caravan
2001	13,736	14,249	10,720	3,843	171
2011	15,263	15,464	12,229	5,982	190
2001	32%	33%	25%	9%	0.4%
2011	31%	31%	25%	12%	0.4%
Change	1,527	1,215	1,509	2,139	19
	11%	9%	14%	56%	11%
% of change	24%	19%	24%	33%	0.3%

Source: Office for National Statistics Census 2001 and Census 2011

4.18 A big increase in the number of flats is notable, together with the relatively large number of new terraced dwellings, and the fact that the proportions of detached and semi-detached dwellings have fallen as a result.

4.19 In Figure 4.9 below the 2011 mix of dwelling types is compared to neighbouring districts.

Figure 4.9: Dwelling types – districts compared

	Detached	Semi-detached	Terraced	Flat	Caravan
East Staffordshire	31%	31%	25%	12%	0.4%
Derbyshire Dales	40%	30%	20%	10%	0.2%
Lichfield	38%	35%	15%	12%	0.6%
South Derbyshire	40%	35%	18%	7%	0.7%
Stafford	37%	33%	17%	13%	0.6%
Staffordshire Moorlands	40%	37%	17%	6%	0.2%
England	22%	31%	24%	22%	0.4%

Source: Office for National Statistics Census 2011

4.20 Hence East Staffordshire has a higher percentage of terraced dwellings and a lower percentage of detached dwellings than neighbouring districts. It is particularly noticeable that South Derbyshire has a far higher proportion of detached houses and a far smaller proportion of terraced housing and flats which tend to be more affordable.

4.21 Figure 4.10 below shows the mix of housing types in the local housing market areas covering East Staffordshire. For the North and West local housing market areas this includes housing in neighbouring districts. The mix in the Derby HMA Swadlincote & South sub-market area is also shown.

Figure 4.10: Dwelling types – local housing market areas

	Detached	Semi-detached	Terraced	Flat	Caravan
Burton	23%	30%	31%	16%	0.3%
Swadlincote & S	*32%*	*41%*	*20%*	*7%*	
East	50%	33%	11%	5%	1.1%
North	44%	37%	14%	4%	0.3%
Uttoxeter	30%	41%	19%	10%	0%
West	60%	25%	10%	4%	1.0%

Source: Office for National Statistics Census 2011 and Derby HMA SHMA Update July 2013

4.22 Hence Burton has a relative lack of detached housing and the West housing market area a relative lack of non-detached properties.

4.23 The Swadlincote & South part of the wider Burton local housing market area has more detached and semi-detached homes than Burton itself, and fewer terraced houses and flats.

4.24 Alternative analysis is possible which looks at number of bedrooms in homes. Figure 4.11 shows private sector housing within the Borough by local housing market area.

Figure 4.11: Number of bedrooms – Private Sector housing within East Staffordshire

	0/1-bedroom	2-bedroom	3-bedroom	4-bedroom	5+ bedrooms
Burton	5%	29%	47%	16%	3%
East	3%	19%	43%	35%	9%
North	1%	18%	45%	26%	9%
Uttoxeter	4%	25%	48%	19%	4%
West	5%	15%	36%	33%	11%

Source: Office for National Statistics Census 2011

4.25 Hence there is a relative lack of 4 and 5+ bedroom private sector housing in Burton and Uttoxeter, and a relative lack of 2-bedroom housing in the East, North and West local housing market areas.

4.26 Housing tenure is another important aspect of the housing market. Figure 4.13 shows change between 2001 and 2011.

Figure 4.13: Change in housing tenure in East Staffordshire

	Owner-occupied	Social rented	Private rented & rent free
2001	32,363	5,989	4,365
2011	33,139	6,367	7,745
2001	76%	14%	10%
2011	70%	13%	16%
Change	776	378	3,380
	2%	6%	77%
% of change	17%	8%	75%

Source: Office for National Statistics Census 2001 and Census 2011

4.27 The amount of private rented housing increased between 2001 and 2011 by a massive 77% so that 16% of households rented privately in 2011, more than the 13% who rented social housing. An only modest 2% increase in the amount of owner-occupied housing meant that the proportion of housing that was owner-occupied fell from 76% to 70%. 75% of all household growth consisted of growth in private rented sector housing.

4.28 Figure 4.14 compares East Staffordshire to neighbouring districts.

Figure 4.14: Housing tenure – districts compared

	Owner-occupied	Social rented	Private rented	Rent free	All rented & rent free
East Staffordshire	70%	13%	15%	1.3%	30%
Derbyshire Dales	73%	12%	13%	2.1%	27%
Lichfield	76%	13%	10%	1.1%	24%
South Derbyshire	76%	10%	13%	1.2%	24%
Stafford	72%	14%	13%	1.3%	28%
Staffordshire Moorlands	80%	9%	10%	1.3%	20%
England	64%	18%	17%	1.3%	36%

Source: Office for National Statistics Census 2011

4.29 Hence East Staffordshire has the lowest level of owner-occupation of surrounding districts and therefore the highest level of renting. It specifically has the highest amount of private renting. The level of social renting is lower than Stafford, similar to Lichfield and higher than Derbyshire Dales, South Derbyshire and Staffordshire Moorlands. However compared to England as a whole East Staffordshire has a high level of owner-occupation and low levels of social rented and private rented housing.

4.30 Figure 4.15 shows how the growth in the private rented (and rent free) sector in East Staffordshire compares to other areas.

Figure 4.15: Changes in private renting/rent-free – districts compared

	2001	2011	Increase	Change
East Staffordshire	10.2%	16.4%	6.2%	60%
Derbyshire Dales	11.8%	14.7%	2.8%	24%
Lichfield	7.2%	10.6%	3.4%	47%
South Derbyshire	8.6%	14.3%	5.7%	66%
Stafford	9.8%	14.2%	4.5%	46%
Staffordshire Moorlands	7.6%	11.2%	3.6%	47%
England	12.0%	18.2%	6.2%	51%

Source: Office for National Statistics Census 2001 and Census 2011

4.31 Hence there was an increase in private renting nationally and locally. The increase in East Staffordshire has been the same as in England as a whole but from a lower base so that the percentage change has been higher. South Derbyshire has seen an even greater change but from a lower base so that the increase has been smaller.

4.32 At the time of writing, Census 2011 data combining these different housing characteristics is not yet available. However the Council has records from housing associations of social rented and shared ownership housing and has used Valuation Office and internet evidence to estimate the size of private rented housing. Hence the mix of housing by size and tenure is estimated to be as follows[10].

[10] Census and housing association data differ slightly, and the housing association data has been preferred as more reliable.

Figure 4.16: Mix of dwellings in East Staffordshire by size and tenure

	Owner-occupied	Shared ownership	Social rented	Private rented - landlord or agent	Other private rented and rent-free
1-bedroom	690	3	2,004	995	150
	18%	0.1%	52%	26%	4%
2-bedroom	6,912	149	2,128	2,792	412
	56%	1%	17%	23%	3%
3-bedroom	16,128	23	2,049	2,187	485
	77%	0.1%	10%	10%	2%
4-bedroom	7,432	0	91	423	130
	92%	0%	1%	5%	2%
5+bedroom	1,802	0	7	122	49
	91%	0%	0.4%	6%	2%
Total	32,964	175	6,280	6,520	1,226
	70%	0.4%	13%	14%	3%

Source: Census 2011 and housing association stock data

4.33 What this shows is that a large majority of 1-bedroom housing and a large proportion of 2-bedroom housing is rented, reflecting the fact that the rented social housing stock in East Staffordshire includes a large number of one and two bedroom homes (compared to the situation in many other districts where rented social housing is mainly 3-bedroom family housing).

4.34 The tenure of housing across the different housing market areas within the Borough, together with the Swadlincote & South sub-market area, is shown in figure 4.17. Burton has been sub-divided into Inner Burton and Outer Burton to show how tenure varies between the two.

Figure 4.17: Tenure by housing market area

	Owner-occupied	Shared ownership	Social rented	Private rented & rent free
Burton	64%	0.5%	16%	19%
Inner Burton	51%	0.8%	15%	33%
Outer Burton	71%	0.4%	16%	12%
Swadlincote & S	72%	-	14%	15%
East	82%	0.2%	7%	10%
North	76%	0.9%	9%	14%
Uttoxeter	72%	1.1%	14%	12%
West	80%	0.5%	7%	12%

Source: Office for National Statistics Census 2011 and Derby HMA SHMA Update July 2013

4.35 A significant proportion of the housing in all parts of the Borough is privately rented (including rent free), including in rural areas where large estates own and let considerable numbers of properties. However, the proportion of housing in Inner Burton that is privately rented is 33%, with only 51% owner-occupied. 42% of all private rented property in the Borough is found in the Inner Burton wards of Anglesey, Burton, Eton Park and Shobnall. In Burton ward the percentage of homes that are privately rented or rent free is 39%, with only 40% owner-occupied. Swadlincote & South has a similar tenure profile to Outer Burton.

4.36 According to the 2011 Census the amount of shared housing in East Staffordshire is as follows:

Figure 4.18: Shared housing in East Staffordshire from the Census 2011

	Shared dwelling: Two household spaces	Shared dwelling: Three or more household spaces	Total
Dwellings	3	6	9
Implied households	6	18	24

Source: Office for National Statistics Census 2011

4.37 However there is good reason to believe that this greatly under-reports the amount of sharing. It is estimated from Valuation Office records and internet evidence that there are 381 rooms in shared accommodation.

4.38 According to the 2011 Census the number of people living in communal establishments in the Borough is as follows.

Figure 4.19 Communal living in East Staffordshire

Number of communal establishments	90
Residents living in all communal establishments	2,095
Residents living in hospitals	12
Residents living in care homes	519
Residents living in nursing homes	433
Residents living in prison	1,115
Residents living in other establishments	16

Source: Office for National Statistics Census 2011

4.39 Hence over half of the people living in communal establishments are in prison and hence resident against their will.

Housing stock condition

4.40 Up to date data on the condition of the housing stock is not readily available. The Council's last private sector house condition survey was carried out in 2007 (a new survey is being planned at the time of writing). The key finding was that 19% of private sector dwellings contained Category 1 hazards. Figure 4.20 reports the most prevalent hazards.

Figure 4.20: Properties with Category 1 hazards

Any Category 1 hazard	8,137
Excess cold	2,976
Falls on stairs/steps	2,522
Damp/Mould	1,671
Crowding	1,396
Electrical	983

Source: East Staffordshire Private Sector House Condition Survey 2008, David Adamson & Partners

4.41 Figure 4.21 reveals that Category 1 hazards were particularly present in pre 1919 housing, the private rented sector, and in Inner Burton. As the data in this section shows, these categories have a large degree of over-lap, and the hence the evidence points to the need for substantial improvement of the housing in Inner Burton.

Figure 4.21: Incidence of Category 1 hazards

Pre 1919 housing	44%
Private rented housing	34%
Housing in Inner Burton & Horninglow	30%

Source: East Staffordshire Private Sector House Condition Survey 2008, David Adamson & Partners

4.42 The only data now recorded by the Census is the number of households without central heating – not itself a very meaningful measure of condition since it is possible to have adequate heating which is not central heating. However figure 4.22 below shows a dramatic reduction in the number of households without central heating.

Figure 4.22: Households in East Staffordshire without central heating

2001	6,545
2011	1,860

Source: Office for National Statistics Census 2001 and Census 2011

Overcrowding

4.43 According to the 2011 Census the number of overcrowded households in East Staffordshire was 2,425 overcrowded by rooms and 1,543 overcrowded by bedrooms. Overcrowding by rooms had increased from 1,675 in 2001 and increase of 45%. Figure 4.23 shows the 1,543 overcrowded by bedroom households by tenure.

Figure 4.23: Overcrowding by tenure

Owner-occupied & shared ownership	674	44%
Social rented	435	28%
Private rented & rent free	434	28%
Total	1,543	

Source: Office for National Statistics Census 2011

4.44 Figure 4.24 shows the wards in the Borough with the highest rates of overcrowding. The four Inner Burton wards come top, followed by wards with significant amounts of social rented housing.

Figure 4.24: Overcrowding by ward

Anglesey	8.7%
Shobnall	7.1%
Eton Park	5.8%
Burton	5.7%
Stapenhill	4.2%
Winshill	3.8%
Horninglow	3.8%
Heath	3.2%
Town	2.2%

Source: Office for National Statistics Census 2011

4.45 The English Housing Survey[11] has been used to estimate the number of households which need larger accommodation – *Households of choice* – and those which are overcrowded because they contain concealed households which need independent accommodation.

Figure 4.25: Overcrowded households by reason

Total over-crowded households by bedrooms		1,543
Households of choice		909
Households over-crowded because they contain concealed households	Concealed Single person	426
	Concealed Multiple person	208
	Total Concealed households	634

Source: Office for National Statistics Census 2011 and the English Housing Survey

4.46 The English Housing Survey has also been used to estimate the size of home needed by overcrowded *Households of choice*.

[11] Overcrowded households in the West Midlands over the 3 years 2008-9 to 2010-11

Figure 4.26: Housing needed for overcrowded households by current tenure

	2-bedroom	3-bedroom	4-bedroom	All
Social rented	16	99	169	283
Private rented	14	86	146	246
Owner-occupied	21	132	226	380
Total	51	317	541	909

Source: Census 2011 and the English Housing Survey

Housing market activity

4.47 Figure 4.27 shows how average and lower quartile house purchase prices in East Staffordshire have changed over the long term.

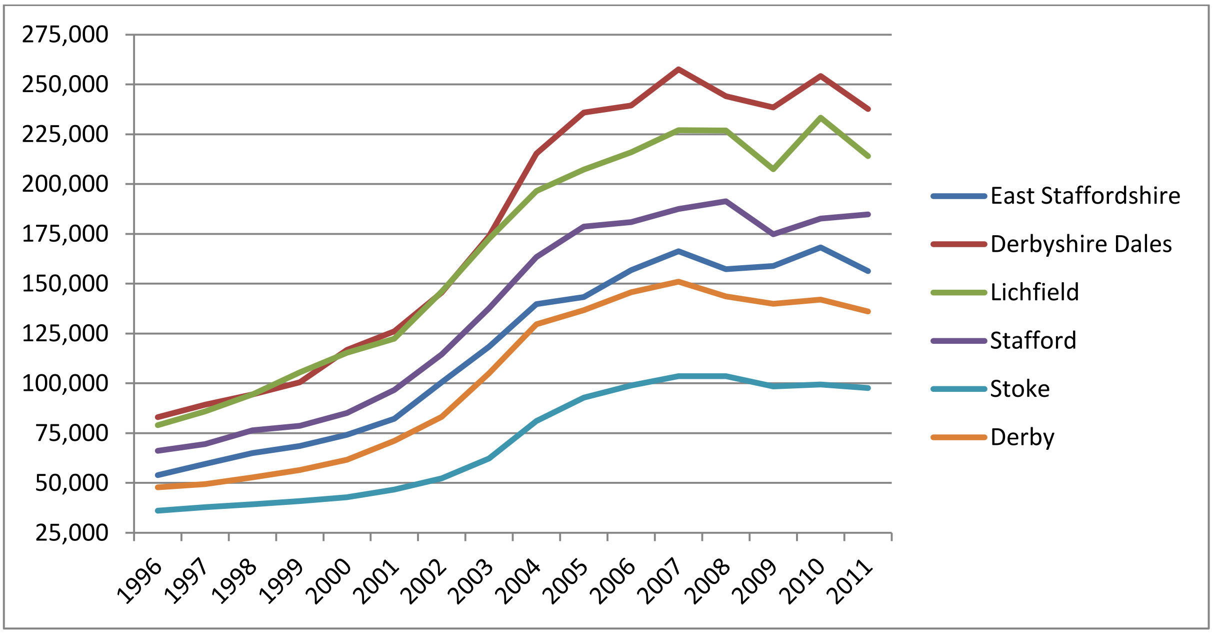
Figure 4.27: Long term house price changes in East Staffordshire

Source: Communities and Local Government Tables 585 and 587

4.48 Hence house prices remain historically high. From 2001 to 2011 the average price increased by 90% and the lower quartile price by an even higher 117%. Hence lower quartile priced housing became relatively more expensive, increasing from 55% of the average price in 2001 to 62% of the average price in 2011.

4.49 Figure 4.28 compares house prices changes in surrounding districts. Prices in South Derbyshire, Staffordshire Moorlands and Birmingham were virtually the same as in East Staffordshire and so are omitted for clarity. It shows that each area has retained its original position, but the price differentials have widened.

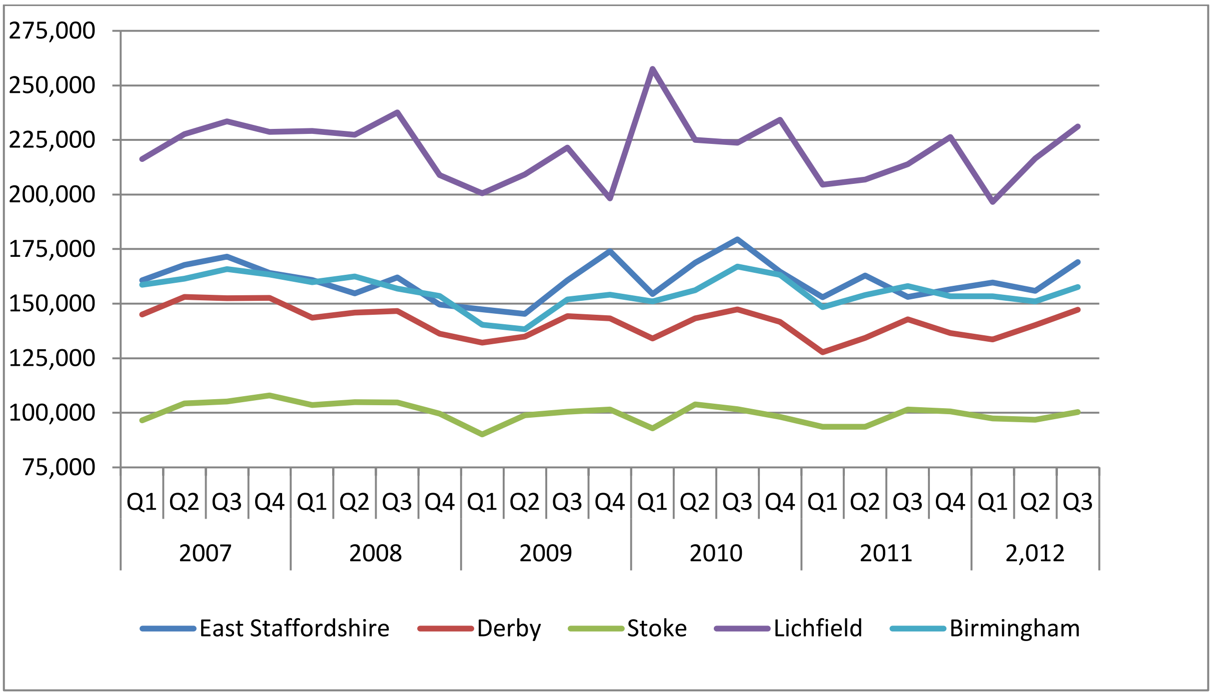
Figure 4.28: Long term average house prices – districts compared



Source: Communities and Local Government Tables 585

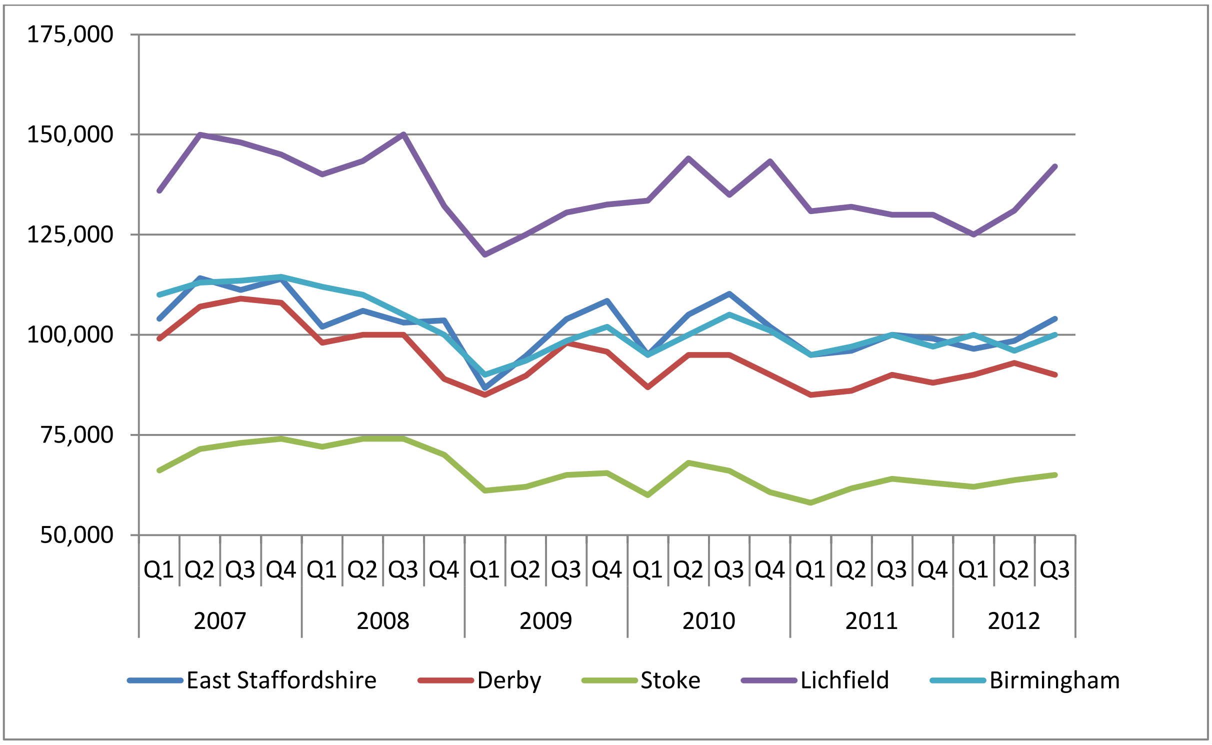
4.50 Figures 4.29 and 4.30 show price changes over the short term. They reveal that prices have not greatly changed over the last 5 years with relative differences in average prices being maintained. East Staffordshire prices are most similar to Birmingham prices, higher than Derby and lower than Lichfield.

Figure 4.29: Short term average house prices – districts compared



Source: Communities and Local Government Table 581

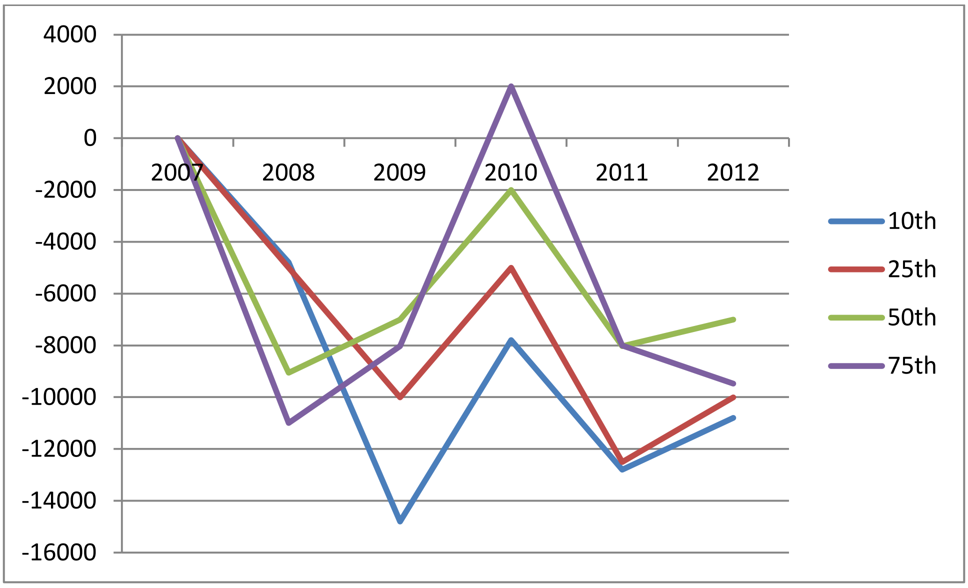
Figure 4.30: Short term lower quartile house prices – districts compared



Source: Communities and Local Government Table 583

4.51 Figure 4.31 reveals that prices have fallen since the economic downturn and that the greatest reduction has been at the lower value end of the market. This probably reflects reduction in demand from first time buyers.

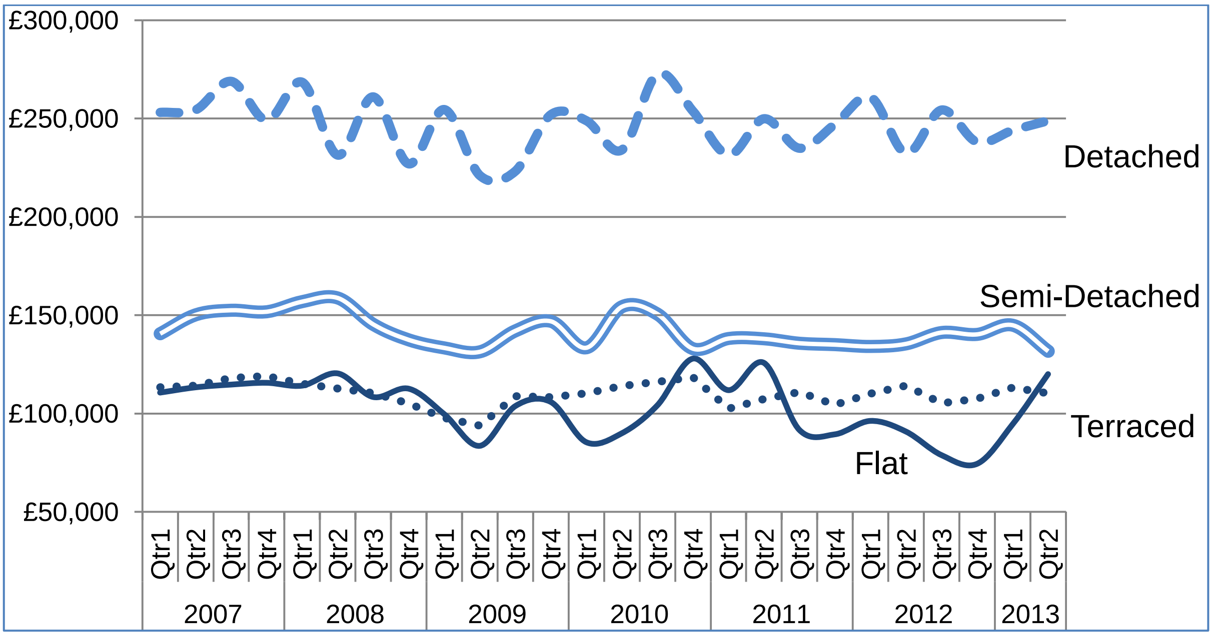
Figure 4.31: East Staffordshire percentile house price changes



Source: Land Registry data

4.52 The data does not reveal a consistent trend over the last 4 years, meaning that average prices over the years 2009-2011 are an appropriate predictor of prices into the future.

Figure 4.32: Average house prices in East Staffordshire by type



Source: Land Registry Sales Data

4.53 The above graph shows that prices of different types of housing have not taken markedly different trends, with the exception of flats. However the number of flats sold is very small, making those prices particularly sensitive to changes in the mix – for instance the completion of a new retirement housing scheme – so that the graph is unlikely to reflect changing prices for the same product.

4.54 The guidance states that house prices can be converted into housing costs through assumptions about mortgage repayments using “current” interest rates, and that entry-level prices should be approximated by lower-quartile house prices. As shown above, an interest rate of 7% needs to be allowed for long-term affordability, and this is consistent with the guidance advice that a household is considered able to afford to buy a home that costs 3.5 times its gross annual income (for a single earner household).

4.55 Since different households need different sizes of property, the lower quartile price of different types of house is shown below.

Figure 4.33: Purchase prices of entry level housing in East Staffordshire by type

	Detached	Flats	Semi-detached	Terraced
25th Percentile house price	£170,000	£69,995	£110,000	£76,000
Annual income required to buy	£48,571	£19,999	£31,429	£21,714

Source: Land Registry Sales data

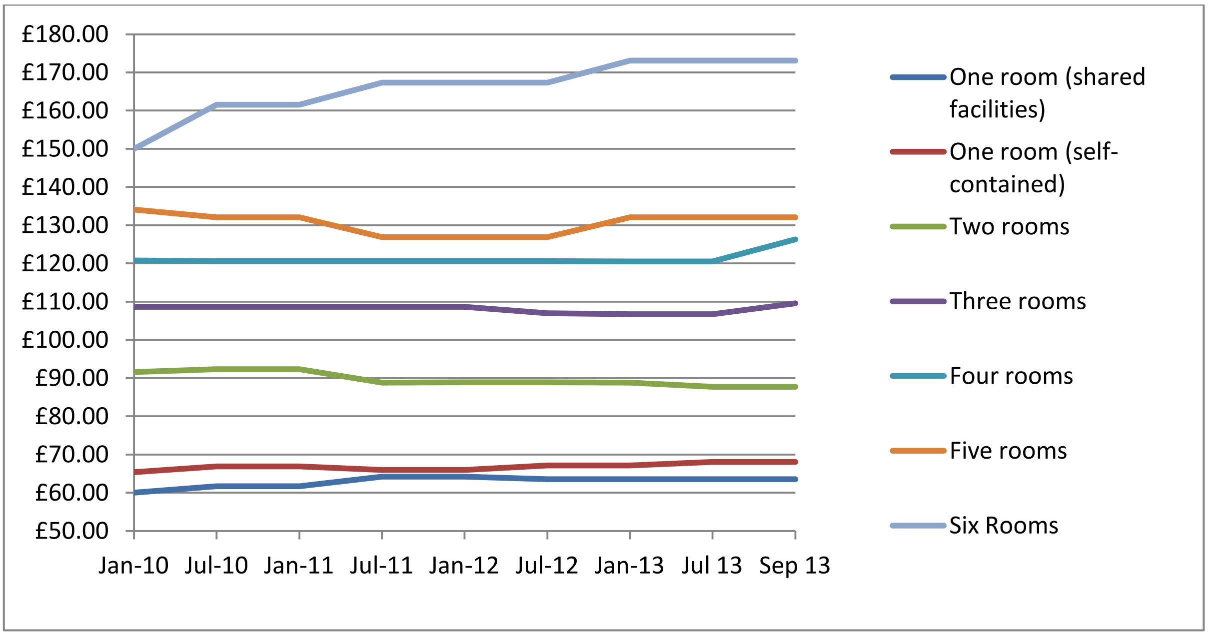
4.56 To arrive at entry level prices for buying housing of different sizes, flats are assumed to typically provide 1 bedroom, terraced housing to provide 2 or 3 bedrooms, and the entry-level price of 4-bedroom housing has been researched.

Figure 4.34: Purchase prices of entry level housing in East Staffordshire by size

	1-bedroom	2-bedroom	3-bedroom	4-bedroom
Entry level price	£69,995	£76,000	£76,000	£100,000
Annual income required to buy	£19,999	£21,714	£21,714	£28,571

Source: ESBC 2013

Figure 4.35: Median weekly market rents in East Staffordshire



Source: Valuation Office Agency Local Reference Rents for Eastern Staffordshire

4.57 Hence rents have been fairly static over the last 2 years but with a slight increase in the cost of a single room in shared housing, a big increase in the cost of a 6-room home, and a small reduction in the costs of 2-bedroom homes.

4.58 The Guidance states that a household should be deemed able to afford to rent a home for which the rent is no more than 25% of its gross income. Lower quartile rents are used.

Figure 4.36: The cost of private renting in East Staffordshire

	Room	1-bedroom	2-bedroom	3-bedroom	4-bedroom
Lower quartile monthly rent	£304	£343	£425	£500	£650
Annual income required to rent	£14,592	£16,475	£20,400	£24,000	£31,200

Source: Valuation Office Private Rented Market Statistics

Affordability

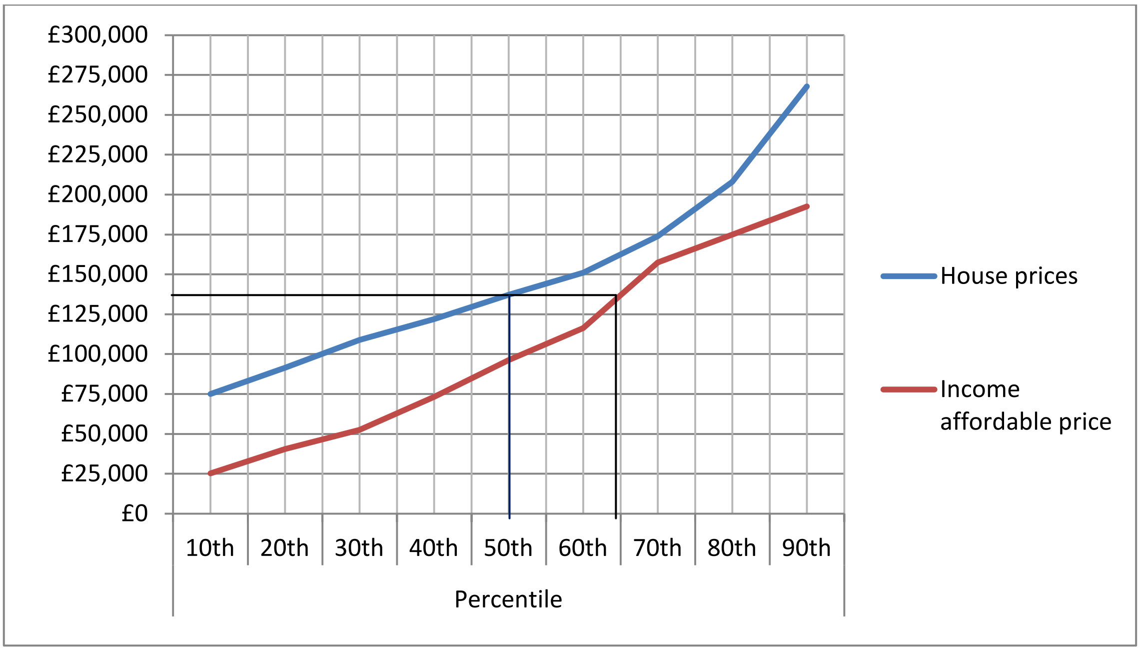
4.59 A high level definition of affordability is as follows:

> *"A common measure of community-wide affordability is the number of homes that a household with a certain percentage of median income can afford. For example, in a perfectly balanced housing market, the median household (and the half of the households which are wealthier) could officially afford the median housing option, while those poorer than the median home could not afford the median home. 50% affordability for the median home indicates a balanced market"*[12]

4.60 In East Staffordshire the median household income is around £27,500, with which the median household could afford to buy a home costing £96,000 (at 3.5 times annual income). However the median house price is around £137,000, which is 5 times the median annual income. Figure 4.37 shows that around 35% of East Staffordshire households can afford the median housing option in the Borough. It can be inferred that the housing offer in the Borough does not align with the incomes of Borough residents. However it needs to be recognised that the Borough is not a single housing market area.

[12] Bhatta, Basudeb (15 April 2010). *Analysis of Urban Growth and Sprawl from Remote Sensing Data*. Advances in Geographic Information Science. Springer. p. 23. ISBN ISBN 978-3-642-05298-9. Sourced from http://en.wikipedia.org/wiki/Affordable_housing 03 Dec 12

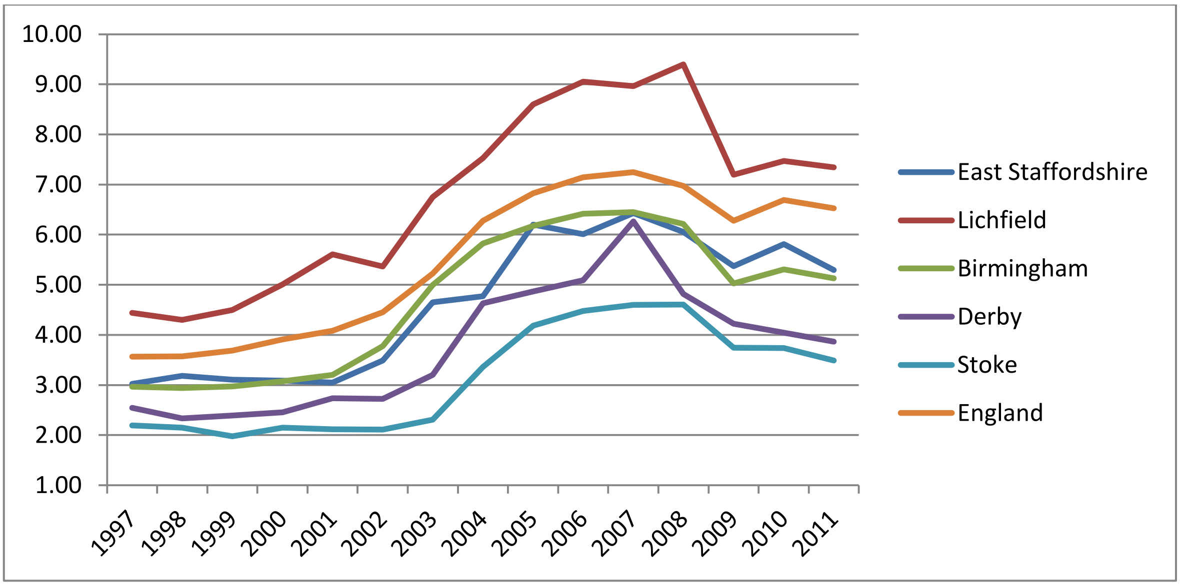
Figure 4.37: House prices versus incomes in East Staffordshire



Source: Acxiom IncomeX 2011 and Land Registry sales 2009-2011

4.61 Figure 4.38 shows how affordability as measured by the Government has changed in East Staffordshire and surrounding areas over recent years.

Figure 4.38: Ratio of lower quartile incomes and lower quartile house prices



Source: Communities and Local Government Table 576

4.62 Affordability in East Staffordshire using the above measure has improved since 2007 but the price of lower quartile housing remains over 5 times lower quartile income and therefore remains unaffordable at that income level. The ratios in Stoke and Derby indicate far more affordability for residents, whereas Lichfield is far less affordable for residents although it has improved since the economic downturn.

4.63 The above information can be combined to indicate the income required for entry level market housing as follows:

Figure 4.39: Income required for entry level market housing in East Staffordshire

Size of housing	To buy	To rent	Minimum
Room	n/a	£14,592	£14,592
1-bedroom	£19,999	£16,475	£16,475
2-bedroom	£21,714	£20,400	£20,400
3-bedroom	£21,714	£24,000	£21,714
4-bedroom	£28,571	£31,200	£28,571

Source: ESBC 2013

4.64 Hence renting is the only option for one room and is cheapest for 1 and 2-bedroom homes, with buying cheapest for 3 and 4-bedroom homes.

4.65 Affordability of purchase for older people requires separate consideration because older people overwhelmingly buy using the equity in their current home rather than on the basis of income and borrowing. According to achieved sale prices (mix adjusted), property values in East Staffordshire at the time of writing are as follows:

Figure 4.40 Current property values in East Staffordshire

Percentile	Price
10th	£85,000
20th	£105,000
25th	£115,000
30th	£121,000
40th	£135,000
50th	£154,000
60th	£175,000
75th	£222,500
80th	£242,500
90th	£320,000

Source: Land Registry sales data Jan 2009 – Oct 2012[13]

4.66 If it is assumed that older people own the same range of property as does the population as a whole, the information in Figure 4.37 indicates what proceeds older people will achieve from selling their current homes and hence what they will be able to pay for new housing.

4.67 At the time of writing newly built Extra-care housing is currently being offered for sale in the local area from around £135,000, suggesting that this is the current base market price for new properties. According to the information above, 40% of owner-occupier older person households own a home which is worth less than this and will therefore not be able to afford this price.

4.68 Newly built Retirement housing is currently being offered for sale from around £115,000 suggesting that this is the current base market price. If this is assumed to be the base price for suitable mainstream housing as well, this implies that around 25% of owner-occupier older person households are unable to afford Retirement housing or suitable mainstream housing designed for older people.

[13] Excluding new properties. Mix adjusted to reflect the mix of owner-occupied property types as identified by the 2001 Census

Burton and Uttoxeter Market Analysis

4.69 The analysis in this section is intended to assist in informing the development of housing policies suggesting the distribution of new housing across the Borough. Historically development has been delivered primarily in the two largest settlements, Burton-upon-Trent and Uttoxeter. A range of data as well as a process of consultation with local agents is used to understand the continuing role both settlements will play in terms of meeting the wider housing needs of residents across the Borough. This includes a consideration of the likely market 'demand' to deliver new housing in both settlements and an understanding around how new housing will contribute to continuing to create a balanced housing market across the Borough.

4.70 In order to do this the section builds an understanding of the current housing profile within each settlement considering the following:

- The current population profile;
- The current stock profile;
- Recent development history; and
- The health of the market.

4.71 In considering the above the two settlements are considered separately with the data and analysis presented first for Burton-upon-Trent and then for Uttoxeter.

4.72 The analysis for each settlement is then considered against the demand pressures likely to be faced linked to the analysis in sections 5 and 6 and the capacity of each settlement to respond. This is intended to provide information to understand the following important questions for policy:

- How could the housing markets of each settlement change?
- Will there be a balance between supply and demand in order to ensure that the market operates strongly and is sufficiently resilient to wider market factors?
- If housing is developed who is likely to occupy it?
- Will delivering the majority of housing in these settlements meet the wider needs of the population?

Burton-upon-Trent

Current Population Profile

4.73 The Census releases population counts every ten years. The following table shows the population of Burton-upon-Trent using this dataset, with data displayed for 2001 and 2011.

Figure 4.41: Population Burton-upon-Trent 2001 and 2011

Burton-upon-Trent	Population		Change in Population
	2001	2011	2001 - 2011
Population	63,203	69,252	6,049 (9.6%)

Source: ONS, 2001 and 2011

4.74 This shows that Burton-upon-Trent's population has grown by over 6,000 people between 2001 and 2011, a growth of just under 10%.

4.75 The data also includes a breakdown of total population by age. The table below shows a count of those aged 16 – 64 included as well as a proportional breakdown of wider age groups.

Figure 4.42: Age profile Burton-upon-Trent Population – 2011

2011 Population	2011 Population aged	Proportion (%) aged				
	16 – 64	20 – 29	30-44	45 - 64	65 - 84	85+
Burton-upon-Trent	44,990	14%	21%	25%	13%	2%
East Staffordshire	72,690	12%	20%	27%	15%	2%

Source: ONS, 2011

4.76 This shows the strong concentration of working age people within Burton-upon-Trent with over 44,000 people aged 16 – 64 living within the town, over 60% of the total East Staffordshire population within this age group. This includes 14% of the population being aged 20 - 29, compared to 12% in the Borough as a whole. It can therefore be concluded that the population of Burton is comparatively young. The town only has 15% of its population aged over 65 compared to 17% of the Borough.

Stock Profile

4.77 Council tax data suggests that as at 30th March 2012 there were 29,959 properties within Burton-upon-Trent[14].

4.78 The Census 2011 provides the last comprehensive count of properties at a local level broken down by type. The tables below use ward geographies[15] to build a stock profile for Burton-upon-Trent, with benchmarks provided at the local authority, East Staffordshire, and County level.

Figure 4.43: Census 2011 stock profiles – Type of dwelling

Dwelling Type	Burton-upon-Trent	East Staffordshire	Staffordshire
Detached	22.6%	31.1%	33.2%
Semi-detached	29.7%	31.5%	37.9%
Terraced	31.4%	24.9%	17.4%
Apartment	16.0%	12.2%	11.0%
Caravan or other mobile or temporary structure	0.3%	0.4%	0.5%

Source: Census 2011

[14] Total has been calculated from Parish Council Tax data. Burton defined as including the Parishes of: Burton, Anglesey, Horninglow and Eton, Shobnall, Stapenhill, Winshilll, Branston, Stretton and Brizlincote
[15] Note: The following wards are classified as representing Burton-upon Trent: Anglesey, Branston, Brizlincote, Burton, Eton Park, Horninglow, Shobnall, Stapenhill, Stretton, Winshill.

Figure 4.44: Census 2011 stock profiles – Tenure of dwelling

Tenure	Burton-upon-Trent	East Staffordshire	Staffordshire
Owned	64.4%	69.6%	72.3%
Social Rented	15.9%	13.5%	14.7%
Private Rented	18.2%	15.1%	11.3%

Source: Census 2011

4.79 The following observations can be drawn out of this data:

- In 2011 Burton-upon-Trent included a relatively high proportion of terraced properties compared to the County average. In contrast it had a relatively low proportion of detached properties; and
- Whilst East Staffordshire as a whole had a lower proportion of social rented stock in 2011 than the County, Burton-upon-Trent included a slightly higher proportion than the Borough and the County, reflecting a not unexpected degree of concentration.

Recent Development History

4.80 As parts of its monitoring role the Council records the levels of net completions by ward. The following tables illustrate the number of completions attributed to Burton-upon-Trent and the proportion this represents of the total completions recorded across the Borough[16].

[16] Note: Due to the way the data is recorded the Borough totals do not directly align with the Annual Monitoring Report data presented in section 6. Annual Borough wide totals should be taken from the AMR although to ensure consistency with the locally derived data these are not used in this table.

Figure 4.45: Annual net completions Burton-upon-Trent 2001/02 – 2011/12

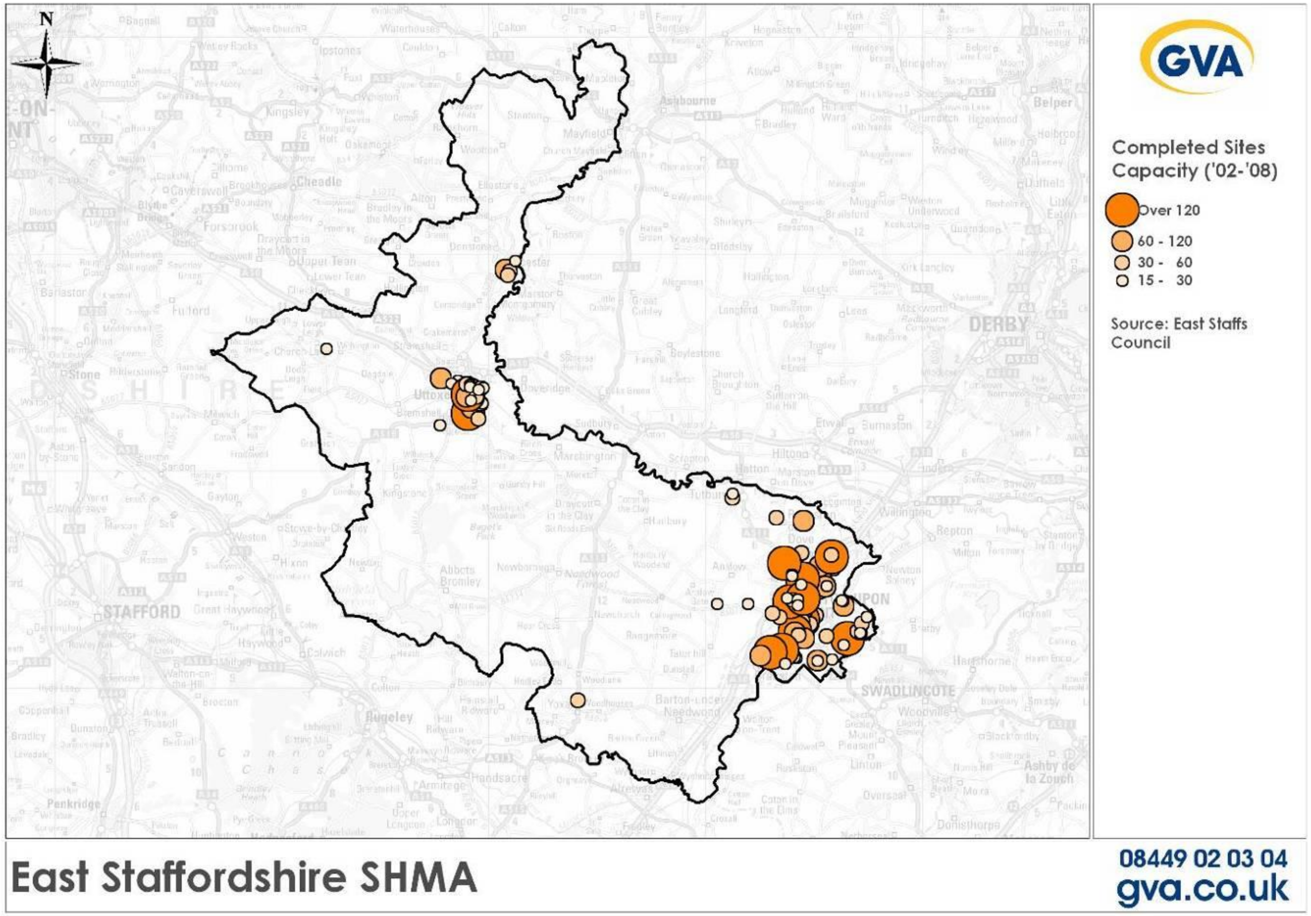
Burton-upon-Trent	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	Total	Average
Annual Net Completions	223	126	120	164	236	245	220	291	182	233	338	2378	216
Proportion of Borough Total	69 %	58 %	48 %	60 %	38 %	81 %	42 %	72 %	88 %	83 %	65 %	61 %	65 %

Source: East Staffordshire BC housing completions monitoring data, 2013

4.81 This clearly illustrates that Burton-upon-Trent has consistently represented a substantial share, around 65%, of all residential development in the Borough over the period. This was most pronounced between 2009 and 2011 when almost 90% of residential development occurred within the settlement.

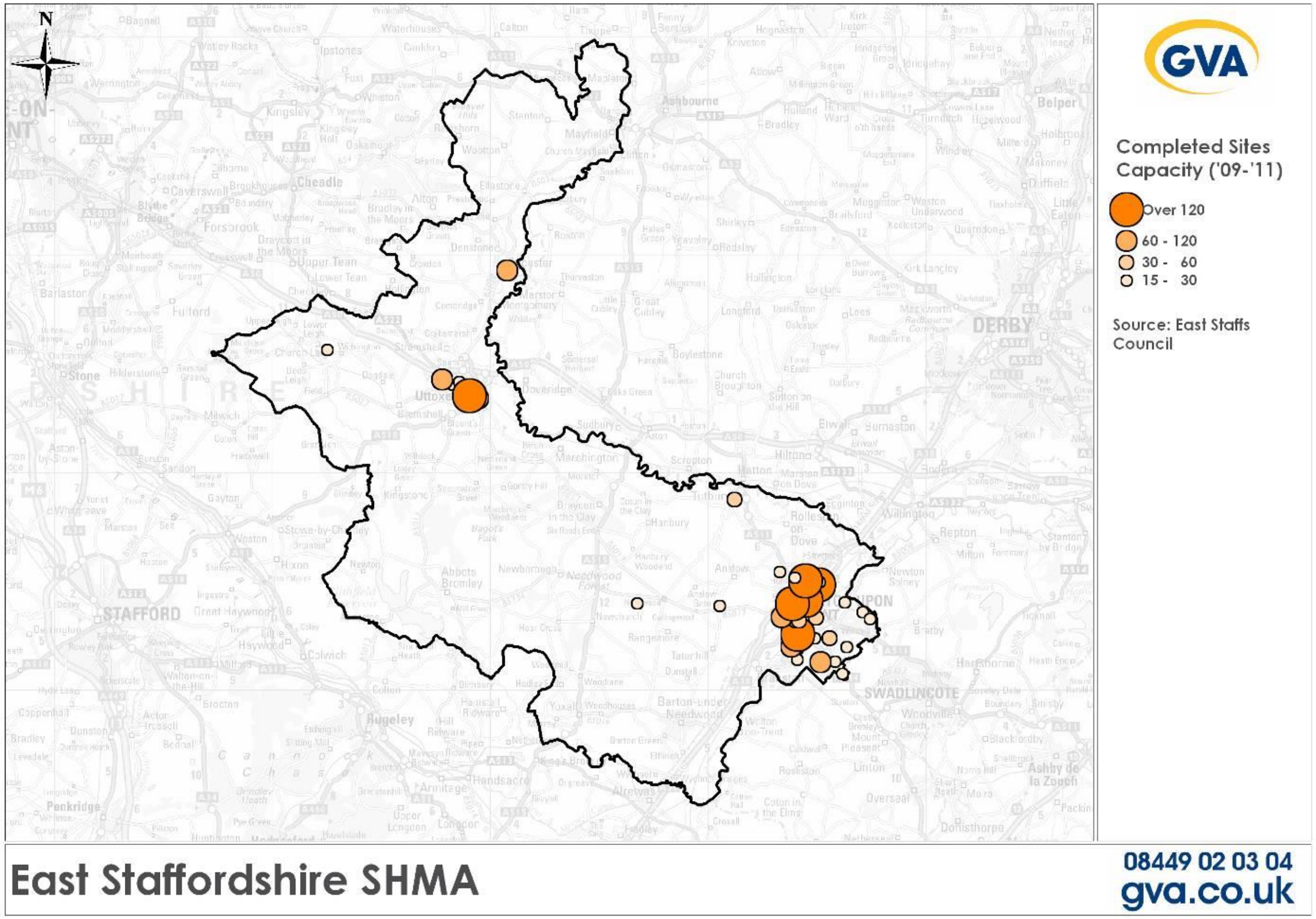
4.82 The following plans show completed sites of 15 or more units over the period 2002 – 2008 and 2008 – 2011. These clearly show the significant focus on the two settlements of Burton-upon-Trent and Uttoxeter.

Figure 4.46: Completions East Staffordshire 2002 – 2008



Source: East Staffordshire BC, 2011

Figure 4.47: Completions East Staffordshire 2008 – 2011



Source: East Staffordshire BC, 2011

Health of the market

4.83 Land Registry transactions recorded between January 2009 and December 2012 have been analysed at a ward level to build a picture of the operation of the housing market in Burton-upon-Trent over this time period.

4.84 The table below shows the average price by property type for each of the wards defined as making up Burton-upon-Trent (within East Staffordshire).

Figure 4.48: Average house prices by property type – wards of Burton-upon-Trent January 2009 – December 2012

Burton-upon-Trent Wards	Detached	Semi-detached	Terraced	Flats	All properties average
Brizlincote Ward	£216,633	£134,835	£107,489	£86,222	£170,427
Stretton Ward	£206,279	£136,691	£117,007	£77,585	£166,803
Branston Ward	£206,620	£139,534	£116,857	£95,668	£157,526
Winshill Ward	£205,996	£129,010	£102,515	£82,453	£143,708
Horninglow Ward	£199,631	£132,524	£111,683	£99,578	£135,922
Eton Park Ward	£163,842	£125,954	£97,272	£83,278	£110,504
Stapenhill Ward	£165,885	£115,059	£92,309	£71,872	£105,975
Burton Ward	£185,520	£117,074	£99,160	£94,985	£105,289
Shobnall Ward	£187,039	£135,175	£92,353	£93,081	£105,401
Anglesey Ward	£97,350	£120,931	£87,742	£109,405	£94,415
East Staffordshire	**£267,314**	**£149,686**	**£117,441**	**£113,954**	**£175,361**

Source: Land Registry (2012)

4.85 It is evident from the above table that all of the wards that make up Burton-upon-Trent have an all properties average price which is lower than the Borough average. The following observations can also be made:

- Anglesey has an all property average prices below £100,000. This is driven by comparatively high numbers of low value terraced sales and significantly below average sales values of detached properties. It is notable that within this ward the sales value achieved for flats are close to the Borough average and the highest across all of the other Burton-upon-Trent wards;

- The average price for detached properties varies considerably between the wards. On average a detached property in Brizlincote ward sold for £216,633 compared to only £97,350 in Anglesey ward. This reflects both the strength of demand in these areas and the quality / perception of the stock;

- There is considerably less variance in the prices achieved for semi-detached properties across the wards although all of the wards recorded average prices for semi-detached properties which were below the Borough average;

- Terraced housing appears to represent the cheapest housing stock within the town. Five wards; Eton Park, Stapenhill, Burton, Shobnall and Anglesey all record average prices for terraced properties below £100,000; and

- The price of flats across all of the wards is relatively low, especially compared to the East Staffordshire average. However as noted previously, Anglesey has the highest average value for this property type; this is due to several new build, higher value flats in the ward.

4.86 The following table shows a similar analysis for only new build properties. This highlights the relative strength of the new build market within the town over recent years, albeit most of the wards continue to post 'all properties' average house values below the Borough average.

Figure 4.49: New Build Average house prices by property type – wards of Burton-upon-Trent January 2009 – December 2012

Burton-upon-Trent Wards	Detached	Semi-detached	Terraced	Flats	All properties average
Anglesey Ward	-	£156,845	£157,866	£114,190	£131,644
Branston Ward	£261,109	£218,975	-	£110,136	£221,762
Brizlincote Ward	£234,919	£107,333	£151,533	-	£198,364
Burton Ward	-	-	£144,686	£97,184	£105,497
Eton Park Ward	£155,089	£162,747	£144,118	£97,770	£145,395
Horninglow Ward	£201,423	£140,291	£137,322	£124,662	£154,490
Shobnall Ward	£168,333	£150,954	£279,559	£98,998	£114,114
Stapenhill Ward	£188,983	-	-	£72,648	£79,491
Stretton	£242,983	£248,000	£164,242	-	£196,240
Winshill Ward	£170,000	£105,000	£120,487	£106,686	£117,825
East Staffordshire	**£269,883**	**£161,006**	**£153,167**	**£116,728**	**£164,283**

Source: Land Registry (2012)

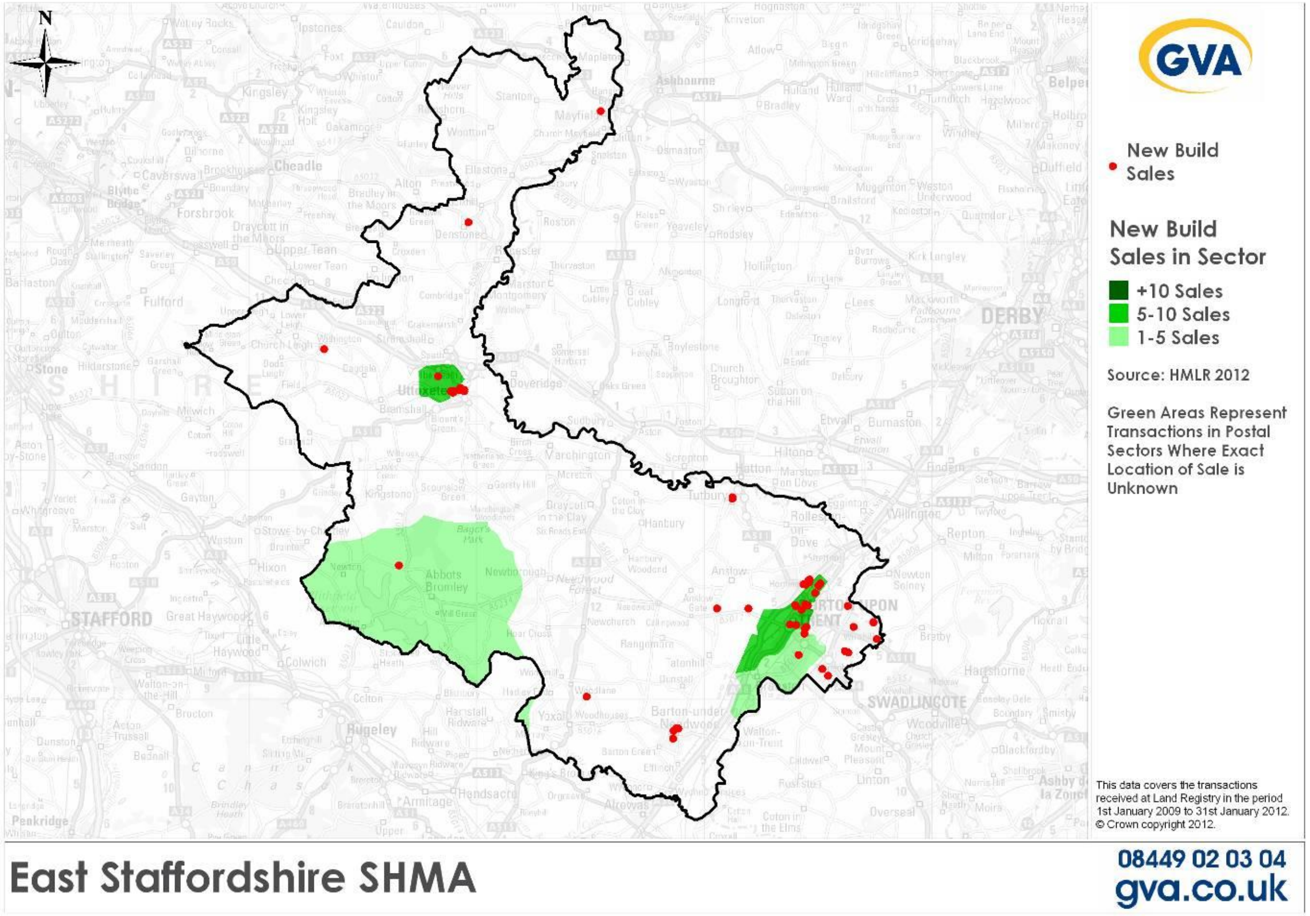
4.87 When analysing the data above it is important to note that whilst the data covers a four year time period there have been comparatively few completions / transactions compared to the height of the market in 2007/08.

4.88 Terraced stock stands out as attracting a relative premium for new-build stock compared to the all sales averages. Achieved prices for detached properties vary more widely with an average of over £261,000 recorded in Branston down to averages of around £155,000 for detached properties in Eton Park and £168,000 in Shobnall wards.

4.89 New build flats in Eton Park, Burton, Shobnall and Stapenhill show a relatively low average market price, considerably below the East Staffordshire Borough average. It is important to note that sales included a range of different sizes of property including studio flats which obviously command a lower price.

4.90 The following map highlights the geographical concentration of new-build sales within Burton-upon-Trent. This shows that the majority of new properties have sold within the town, with a considerably smaller concentration apparent in Uttoxeter alongside a scattering of individual developments in the rural parts of the Borough.

Figure 4.50: Mapping of New Build Transactions January 2009 – January 2012



Market View

4.91 In 2012 a process of soft-market testing was undertaken with local agents and builders with a particular focus on those active in Burton-upon-Trent and Uttoxeter, this included:

- Crew Partnership, Burton
- Amos Richards and Jones, Burton
- John German, Burton
- Burchell Edwards, Burton
- Frank Innes, Burton
- Scargill Mann and Co, Uttoxeter
- Bagshaws, Uttoxeter
- Chamberlain Place, Herron Homes
- Regency Square, Taylor Wimpey
- Laurel Grove, Peveril Homes
- Orton Place, Barratt Homes

4.92 A summary of the views expressed through this exercise relating to Burton-upon-Trent in particular is included below.

4.93 The market view was strongly expressed that Burton-upon-Trent's market is driven by local demand.

4.94 It was said that in Burton purchasers have strong opinions as to the location of their search area which is often defined as either east or west of the River Trent. Agents said that Swadlincote is viewed as a separate settlement in terms of search areas, with this likely in large part to be driven by local perceptions.

4.95 Agents attribute this localised market to strong local identity, rather than any significant differences in amenities or services. Agents suggested that historically the local population has experienced rivalry and that this continues through to the present day with local people reticent to move towns. This suggests a much narrower perceived market geography than the analysis in section 3 suggests. This highlights the difference between strategic market geographies and more localised price and perception driven geographies.

4.96 It was reported that there was a general desire for those households who could afford it to move out to the more rural villages. This was particularly true of growing families looking for larger properties and retired individuals who are looking for a lifestyle change.

4.97 The poor availability of mortgage finance has resulted in a shift in purchasers of town centre properties (particularly terraced properties and smaller semi detached properties) in Burton-upon-Trent from first time owner-occupiers to buy-to-let investors. First time buyers are increasingly unable to purchase properties due to the lack of adequate deposit and are forced to rent. Investors are taking advantage of this buoyant rental market and are very active in the sales market.

4.98 Overall agents have noted that buyers within the town are diverse and are looking for a range of different properties. This appears to reflect the analysis of house prices above with Burton-upon-Trent representing a broad mix of, generally cheaper, properties.

Empty Homes

4.99 Council Tax data provides an indication of the levels of unoccupied properties in the town. The following table indicates that there were 1,125 unoccupied properties within Burton-upon-Trent as at 30th March 2012. This equates to approximately 3.8% of all stock. This is marginally higher than the generally assumed health level of vacancy of around 3% to enable turnover and churn within the market.

Figure 4.51: Unoccupied Properties in Burton-upon-Trent

Properties	Council Tax as at 30/03/2012		
	Number of Properties	Unoccupied Properties	% Unoccupied
Burton-upon-Trent	29,959	1,125	3.8%
East Staffordshire	48,872	1,853	3.8%

Source: Council Tax data, 2012

4.100 It would appear, based on the data above that there is certainly not an oversupply position within the town in terms of the numbers of unoccupied properties. The re-use of some of these properties could form an important part of addressing an element of future demand. It is important to note however that the data does not indicate the size of the stock or its quality which could represent a significant obstacle to re-occupancy.

Uttoxeter

Current Population Profile

4.101 The Census releases population counts every ten years. The following table shows the population of Uttoxeter using this dataset, with data displayed for 2001 and 2011.

Figure 4.52: Population Uttoxeter 2001 - 2011

Uttoxeter	Population		Change in Population (%)
	2001	2011	2001 – 2011
Population	12,023	13,089	1,066 (8.8%)

Source: ONS, 2001 and 2011

4.102 This shows that Uttoxeter's population has grown by over 1,000 people between 2001 and 2011, an increase of almost 9%.

4.103 The data also includes an breakdown of total population by age, including a count of those aged 16 – 64 as well as a proportional breakdown of wider age groups.

Figure 4.53: Age profile Uttoxeter Population – 2011

Population	2011 Population Age	Proportion (%) aged				
	16 - 64	20 - 29	30 - 44	45 - 64	65- 84	85+
Uttoxeter	8,346	12%	20%	27%	14%	2.5%
East Staffordshire	72,690	12%	20%	27%	15%	2%

Source: ONS, 2011

4.104 This shows that there are over 8,000 people of working age, as defined through the 2011 Census, within Uttoxeter. Compared to Burton-upon-Trent the proportional breakdown suggests a slightly older population with a lower proportion of the population aged 20 – 29 and higher proportions aged 65 – 84 and 85+. The profile is more closely aligned to the Borough as a whole, varying at its greatest point from the Borough proportion by only 1% (65-84 years).

Stock Profile

4.105 Council tax data suggests that as at 30th March 2012 there were 5,677 properties within Uttoxeter[17].

4.106 The Census 2001 provides the last comprehensive count of properties at a local level broken down by type. The tables below use ward geographies[18] to build a stock profile for Uttoxeter, with benchmarks provided at the local authority and County level.

[17] Uttoxeter is defined as being made up of the Parish of Uttoxeter Town

[18] Note: Uttoxeter has been defined as being made up of Town and Heath wards.

Figure 4.54: Census 2011 stock profiles – Type of dwelling

Dwelling Type	Uttoxeter	East Staffordshire	Staffordshire
Detached	29.8%	31.1%	33.2%
Semi-detached	41.2%	31.5%	37.9%
Terraced	19.1%	24.9%	17.4%
Apartment	9.9%	12.2%	11.0%
Caravan or other mobile or temporary structure	0.0%	0.4%	0.5%

Source: Census 2011

Figure 4.55: Census 2011 stock profiles – Tenure of dwelling

Tenure	Uttoxeter	East Staffordshire	Staffordshire
Owned	72.2%	69.6%	72.3%
Social Rented	14.3%	13.5%	14.7%
Private Rented	11.5%	15.1%	11.3%

Source: Census 2011

4.107 The following observations can be drawn out of this data:

- Uttoxeter has a profile by type which is similar to the County average, although the settlement does have a slightly higher proportion of semi-detached properties; and

- In terms of tenure Uttoxeter has a higher proportion of owned properties than the authority average, and is in line with the average for Staffordshire. As with Burton-upon-Trent, the settlement includes a higher average of social rented stock than the authority average. This reflects the inevitable concentration of social rented stock in the urban areas and lower proportions in the more rural settlements.

Recent Development History

4.108 The table below shows the numbers of completions over recent years which are attributed to Uttoxeter.

Figure 4.56: Annual net completions Burton-upon-Trent 2001/02 – 2011/12

Uttoxeter	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	Total	Average
Annual Net Completions	33	39	38	43	69	48	57	31	10	27	111	506	46
Proportion of Borough Total	10%	18%	15%	16%	11%	16%	11%	8%	5%	10%	21%	13%	13%

Source: East Staffordshire BC housing completions monitoring data, 2012

4.109 Residential development in Uttoxeter has delivered a fairly consistent proportion of the Borough's total housing, approximately 13%, although with this varying more over recent years, falling to as low as 5% in 2010. However, the last year (2011/12) shows a sharp increase in the proportion of the Borough's housing which is delivered in Uttoxeter, rising by 11% from the previous year.

Health of the Market

4.110 Land Registry transactions recorded between January 2009 and December 2012 have been analysed at a ward level to build a picture of the operation of the housing market in Uttoxeter over this time period.

4.111 The table below shows the average price by property type for each of the wards defined as making up Uttoxeter.

Figure 4.57: Average house prices by property type – wards of Uttoxeter January 2009 – December 2012

Uttoxeter - Wards	Detached	Semi-detached	Terraced	Flats	All properties average
Town Ward	£232,076	£140,547	£122,387	£121,281	£162,669
Heath Ward	£208,236	£130,531	£113,893	£79,182	£143, 266
East Staffordshire	£267,314	£149,686	£117,441	£113,954	£175,361

Source: Land Registry (2012)

4.112 The two wards in Uttoxeter, as with Burton-upon-Trent record mostly below average prices compared to the Borough average. This serves to highlight the comparative market strength of the more rural parts of the authority.

4.113 The terraced stock in Uttoxeter shows relatively strong prices, notably higher than large parts of Burton-upon-Trent with the Town ward recording an average considerably above the Borough average. The achieved sales values for flats show a greater variance although this is built from relatively few transactions and the Heath Ward average is heavily affected by shared ownership sales. Again, the Town ward records an average which is significantly greater than the Borough average.

4.114 The following table shows a similar analysis for just new build properties. This highlights the relative strength of the new build market within the town over recent years.

Figure 4.58: New Build Average house prices by property type – wards of Uttoxeter January 2009 – December 2012

Uttoxeter - Wards	Detached	Semi-detached	Terraced	Flats	All properties average
Town Ward	£202,200	£143,351	£135,809	£128,440	£135,038
Heath Ward	£265,536	£164,138	£136,815	£99,017	£161,072
East Staffordshire	£269,883	£161,006	£153,167	£116,728	£164,283

Source: Land Registry (2012)

4.115 When analysing the data above it is important to note that whilst there are four years worth of data there have been comparatively few completions / transactions compared to the height of the market in 2007/08.

4.116 Terraced stock stands out as attracting a relative premium for new-build stock compared to the re-sale averages.

4.117 Notably, the average value for new semi-detached properties in Heath ward is above the Borough average. In addition, the average value of new-build flatted properties in the Town ward is significantly higher than the average for the Borough. Aside from these instances, the average values for other types of new-build property, including the all property average, fall below the Borough averages.

Market View

4.118 The outputs of the agent consultation exercise identified that in Uttoxeter the majority of moves are predominately local; however the JCB factory was identified as having an impact on the local market and serving to attract buyers from outside the local area. This source of local employment attracts buyers at all levels including graduates who are looking to buy their first time home and have taken advantage of First Buy.

4.119 As with Burton, Agents suggested that there was a strong connection with local villages with these seen as representing an aspirational move up the housing market offering a better quality of life and larger housing stock.

4.120 Again Agents also suggested that the market for starter homes has been affected significantly by the issues around obtaining affordable mortgage deals. This has led to increased activity from buy-to-let landlords reflecting the high demand for rental properties.

Empty Homes

4.121 Council Tax data provides an indication of the levels of unoccupied properties in the town. The following table indicates that there were only 199 unoccupied properties within Uttoxeter, as at 30th March 2012. This equates to approximately 3.5% of all stock. This is marginally higher than the generally assumed health level of vacancy of around 3% to enable turnover and churn within the market.

Figure 4.59: Unoccupied Properties in Uttoxeter

	Council Tax as at 30/03/2012		
Properties	Number of Properties	Unoccupied Properties	% Unoccupied
Uttoxeter	5,677	199	3.5%
East Staffordshire	48,872	1,853	3.8%

Source: Council Tax data, 2012

4.122 It would appear, based on the data above that there is, as with Burton-upon-Trent, no evidence of an oversupply position within the town in terms of the numbers of unoccupied properties. The re-use of some of these properties could form an important part of addressing an element of future demand. It is important to note however that the data does not indicate the size of the stock or its quality which could represent a significant obstacle to re-occupancy.

A changing market – Responding to drivers of change

4.123 The analysis of the future demand for housing illustrated that the projected growth in households will continue to place demand pressure on the existing stock across the authority, a significant proportion of which is within the two settlements of Burton-upon-Trent and Uttoxeter, as well as creating additional demand which can only be satisfied through the development of new housing.

4.124 The population and household projections show a large growth in single person and couple households in the future. This is driven by a mix of age groups including younger person households as well as a considerable growth in older person households.

4.125 This demand will be driven both locally as well as through the continued migration of households into the Borough from surrounding areas and wider international migration.

4.126 The largest component of household growth is natural change: housing is needed for newly forming households. The relative concentration of people aged 20-39 in the two towns indicates that this demand for housing will disproportionately arise in the towns.

4.127 It is evident from the review of market evidence and the current stock profile of both towns that they will be well placed to continue to absorb this demand. In terms of the existing stock both settlements include large proportions of smaller more affordable stock which is likely to appeal in particular to younger smaller households looking to move within the wider strategic market area which includes large of areas of more expensive rural markets.

4.128 International migrants re-locating to East Staffordshire as a result of employment opportunities are likely to require private rented and or / small affordable housing. Strong transport connections and a concentration of communities are also likely to represent important factors in their choice of location. This suggests that the two towns are likely to represent the primary destination for new migrants to the Borough.

4.129 The concentration of services and comparatively strong public transport infrastructure within the two towns, particularly within Burton-upon-Trent, also represents an important consideration in the location of smaller housing stock suitable for older person households in the future.

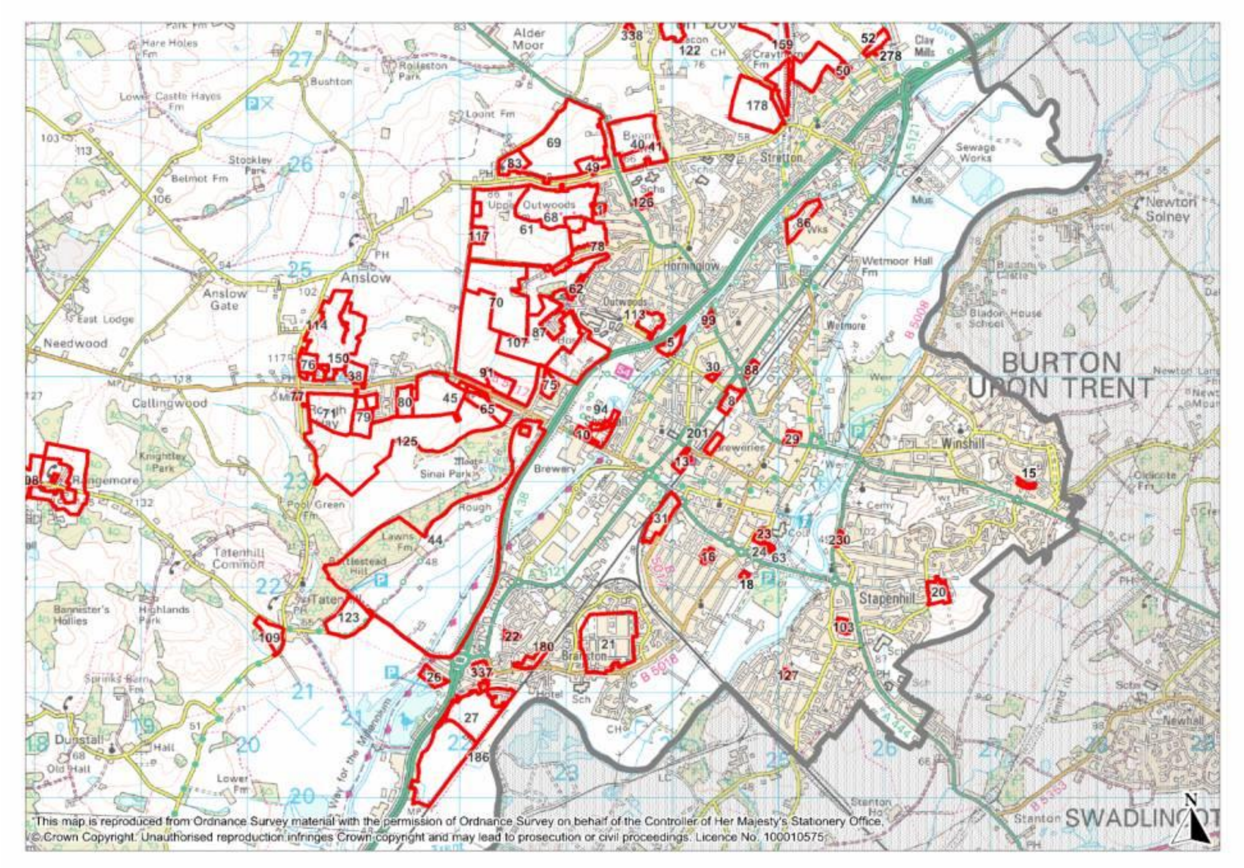
4.130 The evidence therefore suggests that with the correct planning there will be a strong future demand for existing and new properties in both settlements. This suggests that they can together play the primary role in absorbing future housing development to meet the needs of the growing household population of the authority.

Future Supply Capacity – SHLAA

4.131 The 2012 SHLAA provides a detailed assessment of the available land for residential development in the Borough. This includes a breakdown by settlement with the content of the SHLAA analysed for both Burton-upon-Trent and Uttoxeter below.

4.132 The 2012 SHLAA identified 64 sites within Burton upon Trent. These are shown on the map below:

Figure 4.60: SHLAA sites Burton-upon-Trent



Source: SHLAA 2012

4.133 The SHLAA breaks these down into five year anticipated delivery phases. The following table shows the potential yield from these sites over these periods.

Figure 4.61: Potential phased yield from sites within Burton-upon-Trent

SHLAA 2012	Total Yield				
	0 - 15 years	0 – 5 years	6 - 10 years	10 - 15 years	15 + years
Burton-upon-Trent	11,072	2,056	6,462	2,554	2,958

Source: SHLAA, 2012

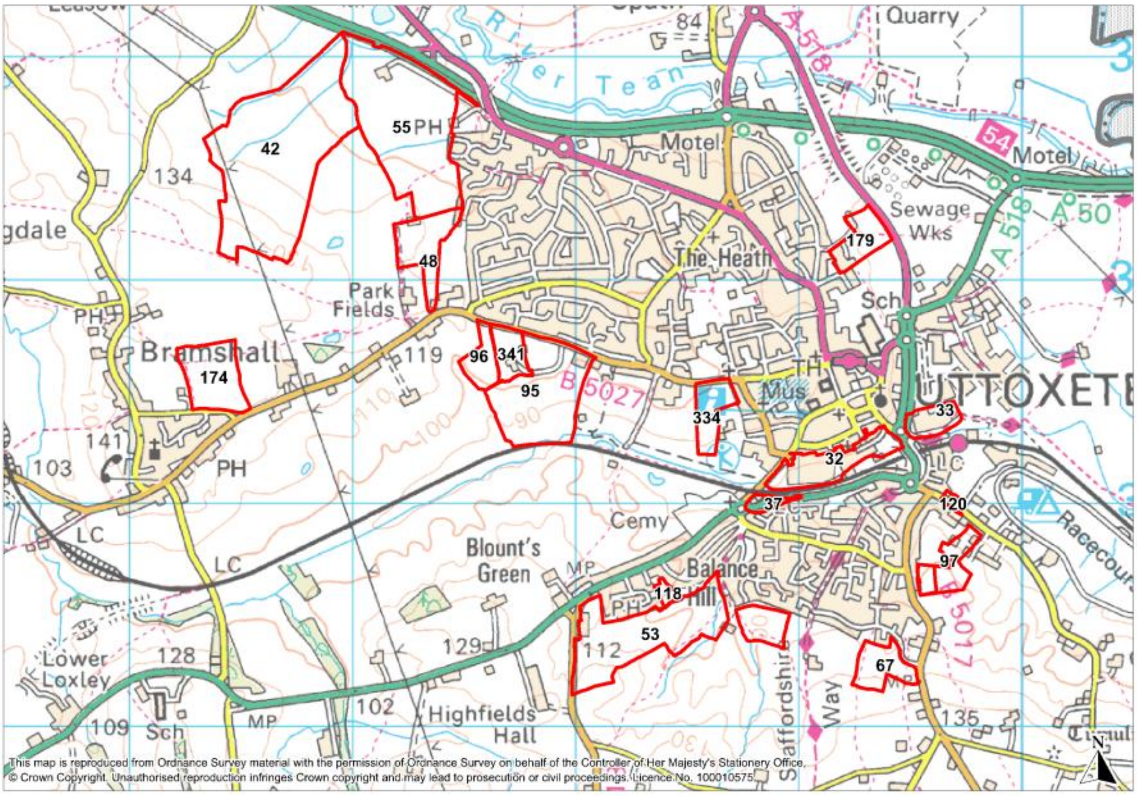
4.134 This indicates that the sites within and around Burton-upon-Trent could, according to the SHLAA, potentially yield over 11,000 units in the next 15 years. This would more than absorb all of the projected household growth over this period as set out in sections 5 and 6.

4.135 A large proportion of this supply is projected as being deliverable after the next five years, however, there is still capacity to deliver over 2,000 houses in the next five years. This would absorb the majority of Borough wide demand over the next five years.

4.136 Whilst the overview of the long-term projected drivers above shows a strong level of demand for housing within Burton-upon-Trent it is also evident that all of the housing needs of the Borough will not be met in the town alone. This suggests that there is a strong supply of land to enable the town to grow to meet longer-term housing requirements.

4.137 The following map shows the sites identified within and around Uttoxeter. In total 16 sites were identified through the SHLAA in Uttoxeter.

Figure 4.62: SHLAA sites Uttoxeter



Source: SHLAA, 2012

4.138 The anticipated potential phasing of these sites delivery is shown in the following table.

Figure 4.63: Potential phased yield from sites within Uttoxeter

SHLAA 2012	Total Yield				
	0 - 15 years	0 - 5 years	6 - 10 years	10 - 15 years	15 + years
Uttoxeter	3,413	556	2,293	564	10

Source: SHLAA, 2012

4.139 A potential capacity of over 3,400 dwellings is identified within the SHLAA in Uttoxeter as being deliverable in the next 15 years. Of these only just under 560 are suggested as deliverable in the next five years.

4.140 Overall the SHLAA suggests that Uttoxeter can play an important role in accommodating the future levels of household growth projected through this research over the next fifteen years.

Bringing the Evidence Together

4.141 In concluding this section it is important to return to some of the questions posed in the introduction.

4.142 It is evident that there is a significant amount of potential future capacity to deliver further residential development within both of the settlements, as evidenced through the 2012 SHLAA.

4.143 The current stock profile of each settlement shows a relatively diverse mix, albeit with a greater concentration of smaller stock, including houses and flats, than that shown at a Borough level. This reflects the historical growth of both settlements including the development of large amounts of terraced housing in the early part of the 20th Century.

4.144 The analysis of house prices and vacancy, as well as the consultation with agents, suggests that the markets of both settlements have been relatively suppressed, in line with national housing markets, over the last few years. Despite this house prices have remained relatively strong and there is evidence of a sustained picture of development through this period, particularly in Burton-upon-Trent. The relatively low levels of vacancy suggest a sustained demand for property where it is of sufficient quality in both areas.

4.145 Overall this provides relative confidence that the direction of a significant proportion of housing to the two settlements will contribute positively to balancing the supply and demand factors operating in the housing market as evidenced through this SHMA and other linked evidence base documents.

4.146 Key conclusions:

- One strength of the housing market in East Staffordshire is the range of housing available.
- There has been consistent demand for all types and tenures of housing, evidenced by fairly static prices over the last few years.
- The amount of private rented housing has increased significantly, as it has elsewhere but to an even greater extent.
- Hence a significant number of homes have clearly been sold or retained (instead of being sold) to be let.
- Sales to let have not driven values up.
- Increasing supply of rented housing has not led to lower rents.
- Hence the rental market appears to be have been fairly in balance.
- This has however required increasing amounts of housing benefit (section below).

Addendum April 2014

The housing stock - addendum

4.147 Figure 4.8 shows how the mix of dwelling types in the Borough changed between 2001 and 2011. Figure 4.64 shows the same analysis by size of home.

Figure 4.64: Change in the size of dwellings in East Staffordshire

	1 & 2 rooms	3 & 4 rooms	5 & 6 rooms	7+ rooms
2001	759	9,429	22,230	10,298
2011	1,082	10,693	22,278	13,198
Change	323	1,264	48	2,900
% change	43%	13%	0%	28%
% of change	7%	28%	1%	64%

Source: Office for National Statistics Census 2001 and Census 2011

4.148 Hence there was a significant increase in the number of smaller dwellings with up to 4 rooms, corresponding to the increase in the number of flats shown in Figure 4.8. However the majority (64%) of new dwellings were larger homes with 7+ rooms, equating to 4+ bedrooms.

4.149 According to the Census there was virtually no net increase in the number of dwellings with 5 & 6 rooms, equating to 3-bedroom houses. Substantial numbers of new 3-bedroom homes were built during the period. The most probable explanation for why this did not lead to a net increase in 5 & 6 room dwellings is that a similar number of those dwellings were enlarged to provide more rooms.

4.150 This implies the importance of 3-bedroom houses in providing housing which families can afford and which they can then enlarge as their needs change.

4.151 However, looking at a lower spatial level, the numbers of smaller homes in rural areas of the Borough fell between 2001 and 2011 as shown in Figure 4.65 below, particularly in wards without a Tier 1 settlement. Hence the housing options for households needing smaller housing reduced.

Figure 4.65: Change in smaller dwellings in rural wards

		1 & 2 rooms	3 & 4 rooms	5 & 6 rooms	1 - 6 rooms
Tier 1 settlement wards	2001	56	1,310	3,426	4,792
	2011	90	1,307	3,359	4,756
	Change	34	-3	-67	-36
	Change %	60.7%	-0.2%	-2.0%	-0.8%
Other rural wards	2001	48	645	1,938	2,631
	2011	18	620	1,823	2,461
	Change	-30	-25	-115	-170
	Change %	-62.5%	-3.9%	-5.9%	-6.5%

Source: Office for National Statistics Census 2001 and Census 2011

5 Housing Market Trends and Drivers

5.1 An appreciation of the way in which the drivers of the housing market have varied historically forms an important context for establishing a projection of future change. This section therefore considers two key drivers of housing need, population change and the economy presenting the latest available data in the context of historical trends.

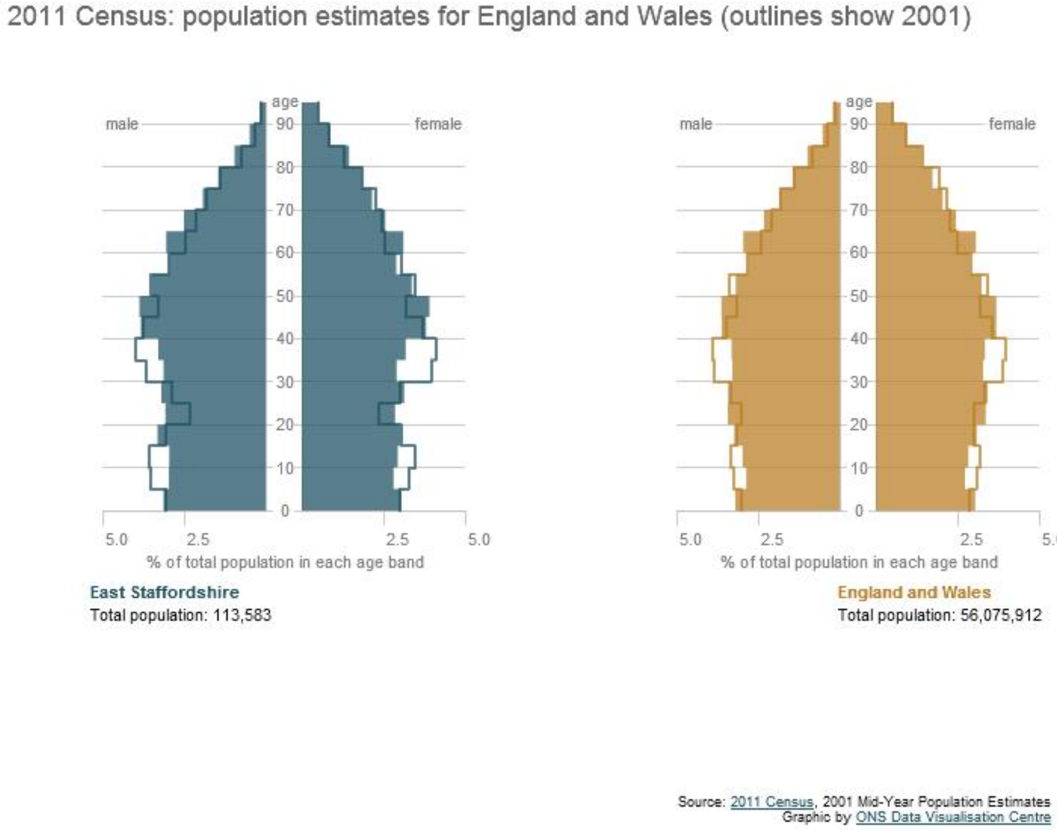
5.2 In considering this analysis it is important to recognise that historical trends will in themselves have been influenced by policy decisions. For example, the levels of migration into an authority are, at least in part, constrained by the levels of housing that have been built which are in themselves linked to planning policy directions as well as the market. This has an important implication for future projections which will also be impacted by the shape of policy and market forces highlighting the fact that separating supply and demand factors represents a challenge in developing an evidence base of future housing requirements.

Population

5.3 According to the Office of National Statistics (ONS) the population of East Staffordshire has grown from approximately 103,900 people in 2001 (ONS Mid Year Estimate) to 113,900 in 2011 (ONS Mid Year Estimate), an increase of approximately 10,000 people over the ten years. This translates into approximately 1,000 people per year on average over this period.

5.4 The growth in population seen between 2001 and 2011 has resulted in changes to the age profile of the population. This is illustrated in the following chart produced by the ONS.

Figure 5.1: 2011 Census Population estimates for England & Wales and East Staffordshire (outlines show 2001 Census data)



Source: 2011 Census, 2001 Mid-Year Population Estimates, Graphic by ONS Data Visualisation Centre

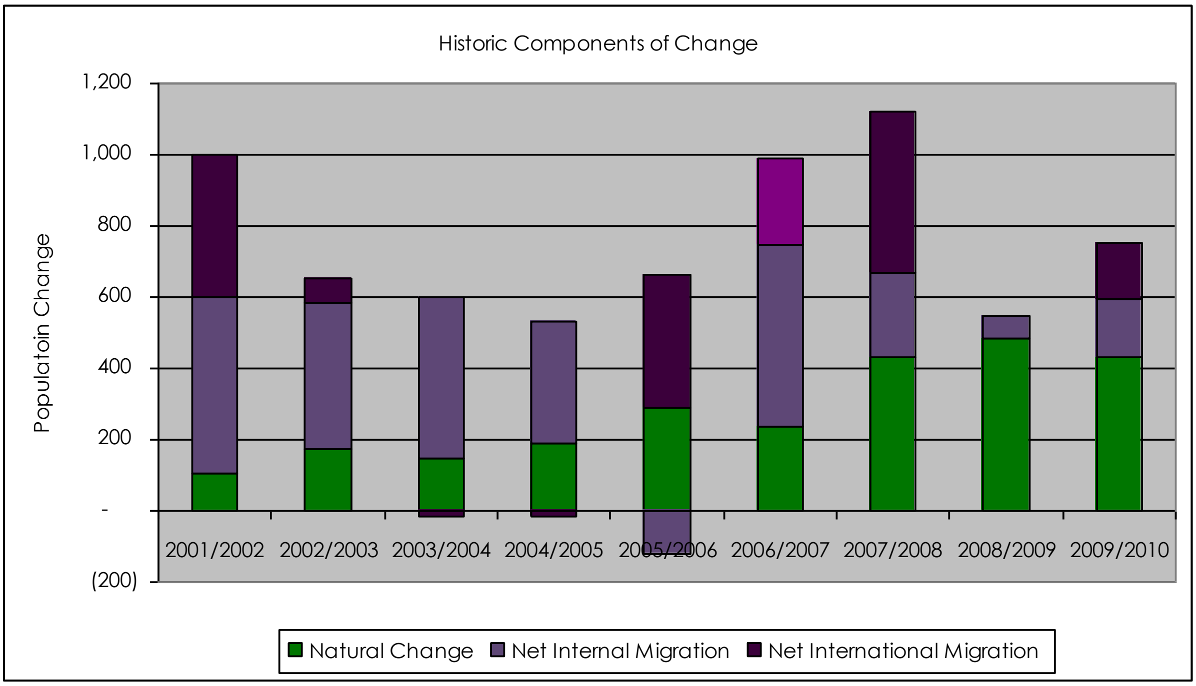
5.5 Over the 10 years between to two census points the population of East Staffordshire has increased proportionately in the 60 years + age groups and the group aged 20 to 30 years. The proportions of population aged5 to 15 years and 30 to 40 years has declined over the period 2001-2010.

5.6 Compared to England and Wales as a whole, East Staffordshire has a population age profile which is skewed towards younger and older age groups. The England and Wales profile contains greater proportions of working age people.

5.7 When considering population change the ONS considers two principal factors, natural change, which is the net residual left when the number of deaths is detracted from the number of births and migration, which considers the difference between the movement of people in and out of the Borough. In terms of migration the ONS makes a distinction between internal migration, that is the movement of people into and out of East Staffordshire from other parts of the UK, and international migration - immigration and emigration flows.

5.8 Figure 5.2 illustrates the annual net impact of each of these factors on the changing population of East Staffordshire.

Figure 5.2: Components of population change – East Staffordshire 2001 – 2010[19]



Source: ONS mid-year estimates (2011), Edge Analytics

5.9 The chart illustrates that natural change has continued, year on year, to result in a positive increase to the population. The scale of the net level of population change associated with this component has increased to represent over 400 extra people per year since 2007/08[20].

5.10 Taken collectively migration has also played a positive role in increasing the Borough's population every year. Particularly high levels of migration were evidenced in 2006/07 and 2007/08 as well as the first year of the projection period 2001/02. In terms of the more recent spike this represent a period of strong national economic performance, comparatively strong levels of completions as well as the peak of the housing market nationally. With East Staffordshire representing a comparatively affordable housing market, an issue explored in greater detail in section 5, these factors are likely to have combined to drive high in-migration into the Borough.

5.11 Interestingly the level of migration seen over the last two years shown represents a considerably subdued component of population change. Uncertainties in the economy and the housing market are likely to have combined to have reduced the motivation for such strong levels of migration into the Borough. These uncertainties importantly include the ability of households to obtain finance to purchase housing with the legacy of the 'credit crunch' continuing to be evidenced in the low availability of mortgage products which don't require at least a 10% deposit. The economic

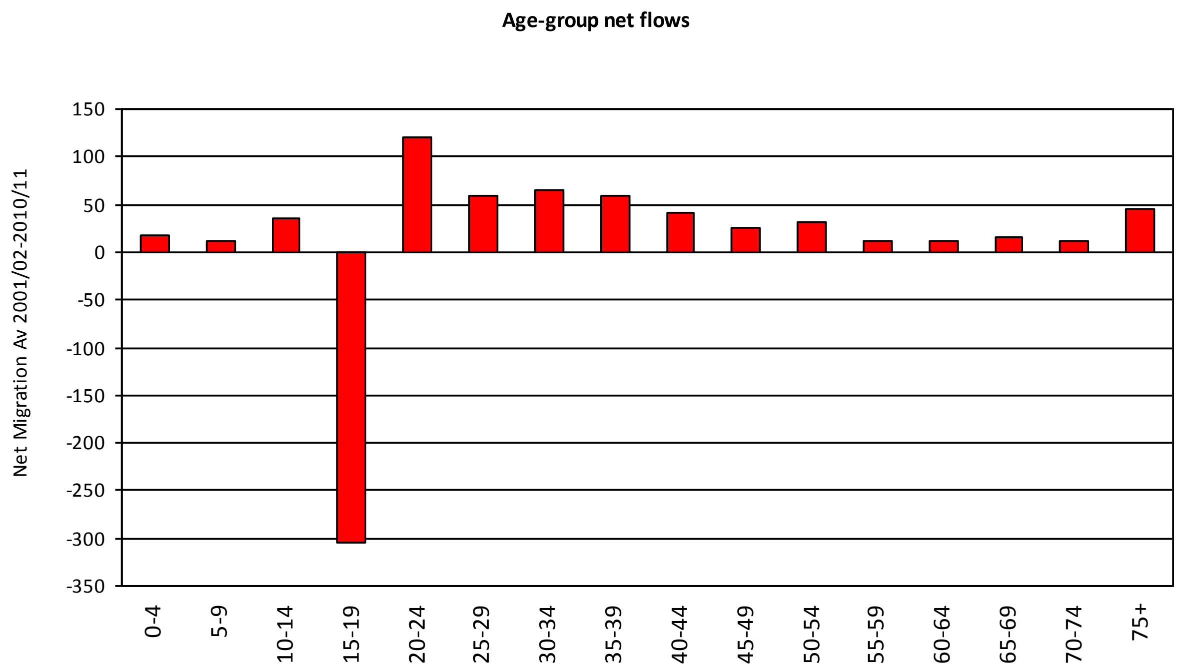
[19] Note: the data displayed is modelled through POPGROUP and may include some slight variation from officially released datasets by the ONS
[20] Note: This net level was driven by 1,433 births and 1,004 deaths recorded in the authority in 2010. The levels of births are estimated to have increased over the last nine years although the number of deaths has remained relatively constant at between 1,002 in 2007/08 and 1,126 in 2001/02.

climate has led to a dramatic slow down in the levels of completions seen at a national level, reflected in East Staffordshire as well. These issues are also explored in more detail in section 5.

5.12 Looking first at internal migration. Figure 2.1 clearly shows that with the exception of one year (2005/06) East Staffordshire has consistently gained population as a result of more people moving into the Borough from other parts of the UK than moving out. When considering migration it is important to recognise that the net picture is driven by considerably higher gross flows in both directions. The data suggests that flows in and out of the Borough consistently average over 4,000 people annually. This highlights the dynamic nature of the housing market and the importance of understanding flows of people, an issue explored in greater detail in section 3.

5.13 The age of UK (internal) migrants provides an interesting picture of the changing nature of the population in East Staffordshire. Figure 4.3 shows the average net flows of UK migrants in East Staffordshire taken over the period 2001 to 2011.

Figure 5.3: Average age of migrants 2001 – 2011



Source: ONS Mid-Year Estimates (2011

5.14 With the exception of the age group 15 – 19, on average East Staffordshire gains more people of every age group than it loses through out-migration. The outflow of people aged 15 – 19 will be driven by a movement of young people to Universities, where they stay for at least three years.

5.15 A strong flow of people in their early to mid-20s is illustrated within East Staffordshire. Indeed the four age groups covering ages 20 – 39 collectively represent a significant proportion of the overall net migration into the Borough from other parts of the UK. This is likely to reflect the availability of employment opportunities as well as the comparatively affordable housing stock available within Burton-upon-Trent in particular (an issue explored in greater detail in section 7).

5.16 The notable net increase of working-age people through migration also has a wider impact on the growth of the population in the Borough. Persons in these age groups are more likely to have children (higher fertility rates) therefore serving to further swell the population over the longer-term assuming they remain within the Borough. All of these factors have an impact on the demand for housing and services within the Borough.

5.17 Alongside flows of UK migrants the population of East Staffordshire has also been changed through the immigration and emigration of peoples from and to other parts of the world.

5.18 Examining the historical data shows that the net impact of this component has varied considerably over the last nine years. Strong net flows into East Staffordshire are suggested between 2005/06 and 2007/08. Again this reflects a strong period of economic growth nationally with the UK overall seeing high levels of immigration linked to the health of the economy as well as the effect of the accession of the A8 countries into the EU in 2004 being fully realised.

5.19 Post 2007/08 there is a notable drop-off in the level of immigration into East Staffordshire and the net impact on the population is markedly reduced.

5.20 It is important when analysing the international migration component of the population to recognise that this represents the least reliable factor in the population estimation methodology. Whilst natural change and internal migration flows can be derived from comparatively robust data sources, namely medical records and GP registration datasets, monitoring flows of international migrants, particularly into the country and then their distribution is more challenging. The ONS provides an indication of the datasets used within the latest methodology note accompanying the release of the 2010 sub-national population projections (analysed in section 4):

> *"Registrations of births and deaths collected by the civil registration system at the General Register Office are used to calculate fertility and mortality rates. Internal migration estimates and cross-border migration estimates are based on administrative data. International migration estimates are based on data from the International Passenger Survey, together with asylum seeker data from the Home Office and National Asylum Support Service." (ONS, SNPP 2010 –*

Frequently Asked Questions[21])

5.21 The ONS has updated its methodology for estimating international migration, releasing a new set of Mid-Year Estimates for each local authority in November 2011. These included a correction of data back mid 2006 and incorporated analysis of a number of other datasets alongside the International Passenger Survey which has traditionally formed the basis for extrapolating immigration and emigration and the location of new migrants into different parts of the country[22]. Whilst representing an improvement to the estimation the validity of local data still remains questionable given the transient nature of new migrant populations and the data sources available to track movement. This is reflected in the acknowledgment by the ONS that the robustness of the ‘improved methodology’ would need to be evaluated once new Census data was available:

> *“A definitive statement about the accuracy of these estimates can only be made with reference to a gold standard measure, such as a recent Census. The validation of the improved methodology against the 2011 Census results will be a key test of how well the methodology performs.” (ONS, Improved Immigration Estimates to Local Authorities in England and Wales: Overview of Methodology, 2011)*

5.22 The ONS concludes that the new methodology is an improvement, however, estimating and projecting migration flows represents a difficult process given the data available. The ONS has released updates to the Mid-Year Estimates datasets over the period 2002 – 2010 taking account of the Census 2011 results albeit these are only interim figures and only run to 2021. A full dataset will be released in 2014 which will run to 2028.

Analysis of International Migration Data

5.23 Consideration has been given to published ONS data entitled “indicative immigration estimates by broad stream”. The data covers the period mid 2006 to mid 2010 and provides estimates at a local authority level. The relevant data for East Staffordshire is presented at Figure 4.4 and is analysed thereafter.

[21] ONS, (2012) Frequently Asked Questions: 2010-based Sub-National Population Projections, 21st March 2012 http://www.ons.gov.uk/ons/rel/snpp/sub-national-population-projections/2010-based-projections/rpt-snpp-2010-based-faq.html

[22] http://www.ons.gov.uk/ons/guide-method/method-quality/imps/improvements-to-local-authority-immigration-estimates/index.html

Figure 5.4: Indicative Immigration Estimate for East Staffordshire (Mid 2006 to mid 2010)

Local Authority estimates in England and Wales by broad stream					
Local Authority	**Workers**	**Students**	**Returning migrants (UK born)**	**Asylum Seekers**	**Others**
East Staffordshire	1,712	92	252	58	519
Percentage composition of Local Authority estimates by broad stream (and relative importance with other local authorities)					
Local authority	**Workers**	**Students**	**Returning migrants (UK born)**	**Asylum Seekers**	**Others**
East Staffordshire	65%	3%	10%	2%	20%

Source: ONS (2013)

5.24 The ONS data on immigration illustrates that the majority of people migrating to East Staffordshire from outside the UK do so for work related reasons. This stream of immigration accounts for 65% of all international migrants and this places East Staffordshire within the 1st quintile (ie. the top 20%) of local authorities nationally.

5.25 The second most significant flow of immigration into East Staffordshire relates to "others" and this category is noted by ONS to include those aged over 60 years, children and other non-working dependents. This flow comprises 20% of all international migrants, placing East Staffordshire in the 1st quintile of local authorities nationally. There is likely to be a link between working age people migrating to East Staffordshire for work related reasons and dependents also accompanying these people, helping to explain the relatively high representations of both these groups in the international migration figures.

5.26 The ONS data also highlights the relatively limited proportions of student flows from outside the UK, registering just 3% of all international migrants and placing East Staffordshire in the 5th quintile of local authorities nationally. In absolute terms, the number of international migrants classified as Asylum Seekers is low in East Staffordshire for the years 2006 to 2010.

Country of Birth

5.27 Evidence drawn from the Census 2001 and Census 2011 illustrates the changing composition of the population by country of birth over the last decade. Summary data is presented at Figure 4.5 and is analysed below.

Figure 5.5: Country of Birth – Comparative Analysis

Country of Birth	Measure	2011	2001	Change 2001-2011
All Usual Residents	Count	113,583	103,770	**9813**
England	Count	100,996	96,211	**4785**
England	Percentage	88.9	92.7	**-3.82**
Northern Ireland	Count	398	396	**2**
Northern Ireland	Percentage	0.4	0.4	**0.02**
Scotland	Count	1,361	1,410	**-49**
Scotland	Percentage	1.2	1.4	**-0.16**
Wales	Count	973	1,041	**-68**
Wales	Percentage	0.9	1.0	**-0.1**
Ireland	Count	404	465	**-61**
Ireland	Percentage	0.4	0.5	**-0.05**
Other EU Member Countries in March 2001	Count	768	721	**47**
Other EU Member Countries in March 2001	Percentage	0.7	0.7	**0.01**
Total Other EU (2001 Member Countries + Accession Countries)	Count	8,675	3,526	**5149**
Total Other EU (2001 Member Countries + Accession Countries)	Percentage	7.6	3.4	**4.24**

Source: ONS (2003 and 2013, GVA analysis)

5.28 The analysis of country of birth data expresses change in proportionate terms, or in other words the change in the proportion of the total population that each group makes up comparing 2001 and 2011. The main groups which have increased in proportionate terms over the period include:

- Other EU Member Countries in March 2001 – a marginal increase of 0.01% over the 10 year period
- Total Other EU Countries (including EU Accession Countries 2001-2011) – this composite group increased by 4.24% as a proportion of the total population. This equates to an additional 5,149 people over the 10 years between the two census points.

5.29 In light of the above trends, more detailed country of origin data from the Census 2011 has been examined, focusing on migration from EU Accession Countries[23] and countries outside the EU. This reveals the following trends:

- The largest population by Country of Birth was Poland (accounting for 2,034 people in 2011 and 1.8% of total population). Compared to 2001, this population had increased from 51 people to 2,034 people in 2011.
- The combined Census category “Other EU Accession States” accounted for a population of 1,094 people in 2011, comprising 2.9% of the total East Staffordshire population.
- The population from Lithuania comprised 141 people at the time of the Census 2011.
- The population from Romania comprised 35 people at the time of the Census 2011.

Households

5.30 An increase in population has also been reflected in an increase in the number of households within East Staffordshire. Contrasting the 2001 and 2011 Census counts shows that the number of households has increased from 42,717 households in 2001 to 47,251 in 2011. This represents an increase of approximately 4,500 over the ten years or on average an increase of around 450 households per annum.

[23] Accession Countries to the EU in the period post 2002 included: Malta; Cyprus; Estonia; Latvia; Lithuania; Poland; Czech Republic; Slovakia; Hungary; Bulgaria; Romania; Akrotiri and Dhekelia

5.31 The numbers of ‘occupied’ dwellings recorded through Council Tax data represents an alternative approach for estimating the number of households within an authority, providing a more locally sourced estimate. This also has the advantage of showing a more up-to-date picture with Council tax data available on an annual basis for East Staffordshire up to 31st March 2012, with a final count also available for January 2013. The following table shows the levels of unoccupied and occupied properties across East Staffordshire over the last five years.

Figure 5.6: Unoccupied / Occupied properties

Date	31/03/07	31/03/08	31/03/09	31/03/10	31/03/11	31/03/12	31/03/13
Properties	46,551	47,338	47,787	48,161	48,535	48,872	49,105
Unoccupied properties	1,688	1,845	2,076	1,990	1,914	1,853	1,585
Occupied properties	44,863	45,493	45,711	46,171	46,621	47,019	47,520

Source: East Staffordshire Council Tax data (2013)

5.32 This suggests that households have increased year on year within East Staffordshire, with an additional 2,156 households recorded in 2012 compared with 2007. This equates to an average increase of approximately 430 households per year. The data for January 2013, whilst not representing a full 12 months from the 2012 base figure, does show that the number of households has continued to increase over the last year with an increase of 460 based on the occupied properties count over this ten month period.

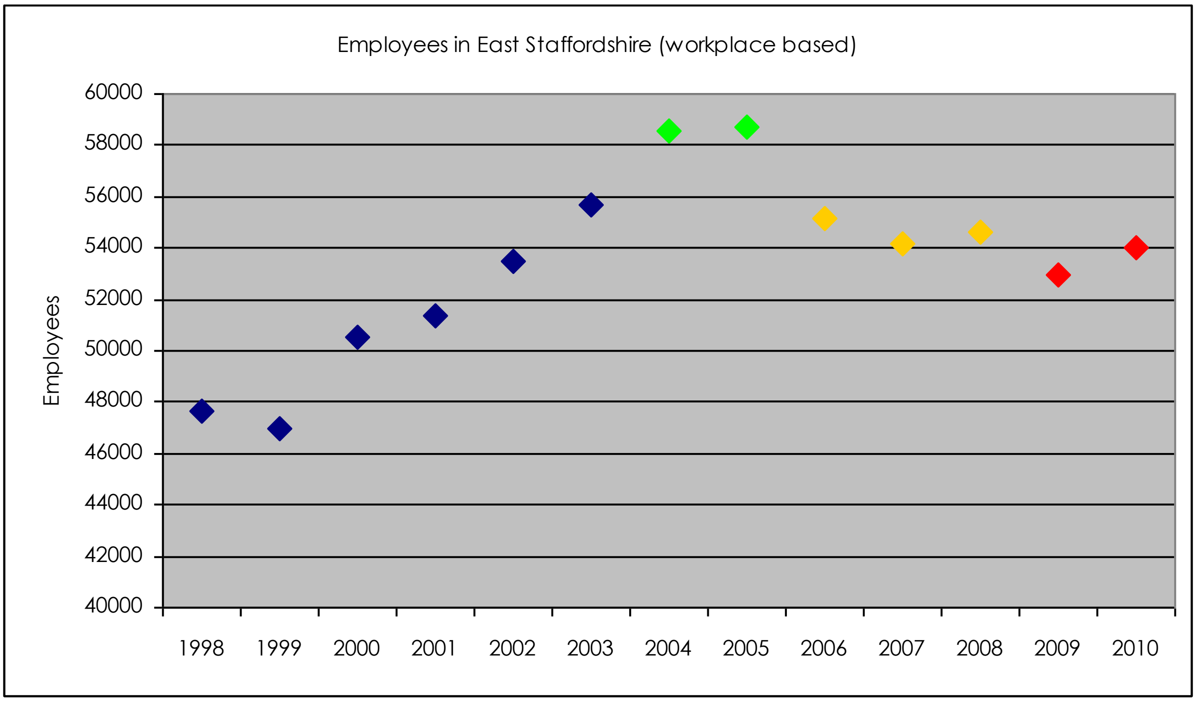
5.33 The Census 2011 count is used within the population and household modelling as it represents a consistent base. Importantly, however, it is evident from the Council Tax datasets that the number of households in East Staffordshire has continued to since 2011.

Economy and Employment

5.34 The relative health of the economy has an important relationship with population and housing market dynamics. Firstly, as noted above the availability of employment opportunities can serve as an important motivating factor for people choosing to migrate between different areas. Secondly, since employment status is linked to a households available income to spend on housing costs, this has an important bearing again on choices exercised by households around moving house and the location, type and tenure of housing they select.

5.35 Figure 5.7 shows the assessed number of employees within East Staffordshire between 1998 and 2010. However the different colouration of dots reflects changes in the survey reference date and/or sampling approaches which means that direct comparison is not recommended[24].

Figure 5.7: Number of employees in East Staffordshire (workplace based)



Source: 1998 – 2008 employee data from the Annual Business Inquiry (ABI), 2009 & 2010 data from the Business Register and Employment Survey (BRES), nomisweb.co.uk.

5.36 Whilst it is difficult to compare the different estimates of the numbers of employees based on differences in the surveying approach and classification of employment over the time period the overall picture suggests that the Borough has seen a growth in employees between 2001 and 2010.

[24] Note: The NOMIS download notes that care should be taken when comparing BRES data from 2008 with later periods, as methodological differences may lead to discontinuities in figures, particularly at the lower level aggregates. The ABI notes a discontinuity in 2006. Estimates for 2005 and earlier are on a different basis to those from 2006 onwards, mainly due to a change in the survey reference date. A discontinuity is also noted in 2003. The 2003 ABI data is based on the Standard Industrial Classification (SIC) 2003 which differs from previous years ABI data

5.37 The Council's business data indicates that over recent years the Borough has seen the introduction of a number of large warehousing and distribution employers including the following:

- Waterstones;
- Boots;
- Healthcare@home;
- DHL Services Ltd; and
- Holland and Barrett

5.38 It is understood that these businesses have recruited using agencies with substantial anecdotal evidence suggested that they have drawn upon a large number of foreign workers. This is likely to have served to impact on the comparatively high net levels of international migration in the Borough between 2006 and 2008. The current supply of employment land does not suggest that this growth in distribution businesses will be replicated in the plan period[25], suggesting that the conditions for substantial in-migration of international workers may not be replicated.

5.39 The count of employees shown above does not include working proprietors (Directors etc…), just people working for a company or individual. A more complete assessment of the number of jobs in an area can be represented through 'Total employment' (jobs + working proprietors). In East Staffordshire in 2010 the total employment figure was estimated at 56,705 in 2010 (workplace based). Unemployment in the Borough, taken over the period January 2010 to December 2010, was estimated at 5.5%, with the latest data suggesting that this has fallen.

5.40 Whilst there is often a strong spatial relationship between work and home many people commute to and from work. The table below contrasts the number of employed residents with the number of jobs in an authority. In order to provide context East Staffordshire is presented alongside surrounding authorities.

[25] It is expected that these issues will be considered as part of the Employment Land Review

Figure 5.8: Labour Force Ratio / Commuting Ratio 2010

Authority	Employed (employment rate 16 - 64, Oct 09 - Sep 2010)	Jobs (Employment 2010)	Labour Force Ratio (commuting ratio)
Derbyshire Dales	30,800	37,118	0.83
North West Leicestershire	46,500	51,198	0.91
South Derbyshire	48,100	29,844	1.61
East Staffordshire	51,600	56,705	0.91
Lichfield	47,200	40,682	1.16

Source: Annual Population Survey (APS), BRES

5.41 This illustrates that in 2010 that East Staffordshire had more jobs (employment) within the Borough than residents in employment, the result being that East Staffordshire is a net importer of labour. This is also true for a number of surrounding authorities including Derbyshire Dales and North West Leicestershire. By contrast South Derbyshire and Lichfield are both exporters of labour with more residents in employment than jobs in 2010. This highlights the inter-relationships between areas driven by housing and the economy, an issue considered in more detail when considering the housing market linkages within the area in the following section.

Future Economic Performance

5.42 Evidence of future economic change has been directly informed by the East Staffordshire Employment Land Review Update (ELR) 2013. The ELR considered a range of independent econometric forecasts for the local authority area as well as other economic and business evidence. The range of econometric forecasts included those sourced from Cambridge Econometrics (Local Economic Forecasting Model) and Experian Business Strategies, as well as scenarios constructed after consideration of employment and sectoral trends over a 15 and 25 year time horizon. Full methodological details are provided in the ELR report. The following table of employment results by industrial sector is replicated from Table 5.1 of the ELR report:

Figure 5.9: Range of Employment Scenarios

	2010 Actuall	2031				
		Labour Demand	Additional Forecast Scenario	Past Trends 15 Years	Past Trends 25 Years	Labour Supply Scenario
01 Agriculture / hunting etc	41	27	19	47	25	24
02 Forestry	2	1	1	2	1	1
08 Mining & quarrying	59	46	12	42	43	40
10 Manuf - food products	2002	3076	1618	1370	1425	2683
11 Manuf – beverages	1579	2426	1276	1080	1124	2116
13 Manuf – textiles	99	86	8	69	66	75
14 Manuf - wearing apparel	41	36	3	28	27	31
15 Manuf - leather & related products	13	11	1	9	9	10
16 Manuf - wood & wood products	217	161	33	150	224	140
17 Manuf - paper & paper products	47	35	7	33	49	30
18 Printing & reproduction of recorded media	148	271	121	91	86	237
20 Manuf – chemicals & chemical products	51	47	11	22	43	41
22 Manuf - rubber & plastic products	180	151	132	65	104	132
23 Manuf - other non-metallic mineral products	556	459	408	854	330	401
24 Manuf - basic metals	53	18	23	29	31	16
25 Manuf – fabricated metal products	750	772	323	517	524	673
26 Manuf - computer, electronic & optical products	174	113	96	143	229	99
27 Manuf - electrical equipment	28	14	15	17	34	12
28 Manuf - other machinery & equipment	2238	2005	1283	1688	2588	1748
29 Manuf - motor vehicles, trailers	420	369	394	823	977	322
30 Manuf - other transport equipment	129	126	121	397	126	110
31 Manuf - furniture	56	69	39	52	92	60
32 Manuf - other manufacturing	25	31	18	23	41	27
33 Repair & installation of machinery &	428	383	300	323	495	334

	2010 Actuall	2031				
		Labour Demand	Additional Forecast Scenario	Past Trends 15 Years	Past Trends 25 Years	Labour Supply Scenario
equipment						
35 Electricity, gas, steam & air conditioning supply	57	57	86	0	0	50
36 Water collection, treatment & supply	22	17	33	9	13	15
37 Sewerage	58	70	87	64	80	61
38 Waste collection, treatment & disposal	178	216	267	197	245	189
39 Other waste management services	73	89	110	81	100	77
41 Construction of buildings	417	424	379	474	433	370
42 Civil engineering	225	229	270	256	233	200
43 Specialisaed construction activities	1965	1998	2417	2232	2039	1743
45 Wholesale, retail & repair of motor vehicles	1553	1895	1853	1158	1489	1653
46 Wholesale trade	2373	2896	2832	1769	2275	2526
47 Retail trade	5388	5476	5270	5668	5658	4776
49 Land transport	1128	2009	1710	1546	1498	1752
52 Warehousing & transportation support activities	1413	2517	2142	1937	1877	2195
53 Postal & courier activities	874	730	1325	1613	1198	636
55 Accommodation	351	343	324	441	224	299
56 Food & beverage services	2884	2820	2665	3619	1840	2460
58 Publishing	65	119	57	40	38	104
59 Film, video and TV production & music publishing	73	89	60	81	100	77
61 Telecommunications	1131	944	1081	2087	1550	824
62 Computer & related activities	1022	883	1241	2558	1625	770
63 Information service activities	57	49	69	143	91	43
64 Financial services	575	668	637	601	513	583
65 Insurance & pension funding	9	12	9	4	4	11

	2010 Actuall	2031				
		Labour Demand	Additional Forecast Scenario	Past Trends 15 Years	Past Trends 25 Years	Labour Supply Scenario
66 Auxiliary financial services	228	265	253	238	203	231
68 Real estate activities	472	724	571	884	637	632
69 Legal & accounting activities	477	732	625	893	644	638
70 Head office & m'gmt consultancy activities	2425	3722	3180	4539	3274	3246
71 Architecture & engineering	706	1083	926	1322	953	945
72 Scientific research & development	64	98	84	120	86	86
73 Advertising & market research	45	69	59	84	61	60
74 Other professional, scientific & technical activities	85	130	111	159	115	114
75 Vetinary activities	87	98	109	120	111	86
77 Rental & leasing activities	349	655	396	640	457	571
78 Employment activities	2535	4759	2873	4649	3316	4151
79 Travel agencies & tour operators	97	182	110	178	127	159
80 Security & investigation activities	224	420	254	411	293	367
81 Building & landscape services	688	1292	780	1262	900	1126
82 Office administrative & other business support	495	929	561	908	648	810
84 Public administration & defence	1581	1845	1024	2075	1589	1609
85 Education	4579	4983	5382	6099	6872	4346
86 Human health activities	5876	6639	7363	8082	7498	5791
87 Residential care activities	1191	1346	1470	1638	1520	1174
88 Social work activities without accommodation	950	1073	1172	1307	1212	936
90 Creative, arts & entertainment activities	35	43	35	39	48	37
91 Libraries, archives, museums & other cultural activities	66	80	66	73	91	70
92 Gambling & betting activities	145	176	145	160	200	154

	2010 Actuall	2031				
		Labour Demand	Additional Forecast Scenario	Past Trends 15 Years	Past Trends 25 Years	Labour Supply Scenario
93 Sports activities & amusement & recreation activities	952	1156	952	1052	1310	1008
94 Activities of membership organisations	189	230	243	209	260	200
95 Repair of computers & personal/household goods	7	9	9	8	10	7
96 Other personal service activities	925	1123	1191	1022	1273	980
Total (FTE jobs)	**56700**	**69144**	**61130**	**72623**	**65524**	**60310**

Source: GVA (2013)

5.43 The ELR establishes the greatest level of confidence in the Additional Forecast Scenario Experian Business Strategies forecast, although notes that concerns remain regarding the treatment of manufacturing sectors across all of the models.

5.44 In each case there is a suggestion that the manufacturing sector will decline, but this appears to ignore sub-sector strengths in East Staffordshire and the nature of the local economy including a localised strong market and key local employers with supply chain / market spin off potential. This primarily relates to the forecast contraction in the Experian model associated with the following sub-sectors:

- Manufacture of coke and refined petroleum products;
- Manufacture of chemicals and chemical products, basic pharmaceutical products; and pharmaceutical preparation – it is noted that since Clinigen has moved to East Staffordshire there has been a growth within the supply chain with a number of pharmaceutical suppliers around Centrum and warehouses on Stretton business park;
- Manufacture of computer, electronic and optical products;
- Manufacture of electrical equipment, machinery and equipment not elsewhere classified; and
- Manufacture of motor vehicles, trailers and semi trailers, and other transport equipment – it is noted that whilst employment at Toyota fluctuates, suppliers including Futaba continue to recruit locally, alongside smaller companies benefitting from LEP funding for business growth.

5.45 If forecast decline within these sectors is removed from the Experian projection, i.e. a ‘held’ position is forecast from the 2012 base, without applying any additional growth in these sectors, an additional 1,298 jobs are identified in the economy, changing associated land requirements generated from this model as a result, relating primarily to the B1c/B2 market.

5.46 In summary then, the ELR concludes that the most appropriate model for East Staffordshire is the Additional Labour Demand model by Experian Business Strategies with some modifications to forecast employment change to ensure maximum confidence in the numbers generated. The modifications specifically relate to the need to reflect local strengths within the economy within manufacturing sub-sectors as summarised above. This economic evidence provides an important input to the development and testing of housing requirement scenarios in a subsequent section of the SHMA.

Bringing the Evidence Together

5.47 This section has set out analysis of historic population and economic data. This provides a solid basis for understanding the relationship between the two and the implications for future demand for housing within the Borough over the plan period. The analysis has indicated:

- East Staffordshire has seen its population grow by approximately 10,000 people between 2001 and 2011;

- Natural change, births minus deaths, has played an important role in driving this growth, contributing over 400 additional people in 2009/10.

- Migration has also been an important factor in the population of East Staffordshire increasing. This has included both migration from other parts of the UK as well as international migration. The latter has been considerably more volatile over the last nine years with high net levels recorded between 2005 and 2008 but a notable reduction in the net flow over the last two years;

- The ability of people to access employment opportunities represents an important contributor to their decision to move to an area. The analysis of employee data shows that East Staffordshire has increased its employment base between 2001 and 2010. The creation of new employment opportunities is likely to have impacted on the migration trends noted above, particularly on International migration;

- A modified employment projection sourced from Experian has been identified as being the most robust and locally applicable source of economic intelligence

- Contrasting the 2001 and 2011 Census counts shows that the number of households has increased from 42,717 households in 2001 to 47,251 in 2011. This represents an increase of approximately 4,500 over the ten years or on average an increase of around 450 households per annum.

6 The Future Housing Market

This chapter considers the future housing requirement for the Borough.

Policy Context

6.1 Planning to meet housing need and demand is currently high on the national agenda as a result of significant market changes over recent years and a national mis-match between supply and demand. As a result of this there has been a significant amount of policy debate emerging related to increasingly detailed analysis of evidence.

6.2 This section provides an important policy context to the research outputs firstly considering the historic approaches and evidence including the RSS policy position regarding housing requirements in East Staffordshire and then examining the impact of the NPPF. The section concludes with a short review of the representations received on the Preferred Option Core Strategy.

Historic Housing Requirement Evidence - A national ambition to 'boost significantly the supply of housing[26]*'*

6.3 The last ten years has seen different Government's grapple with the problem of stimulating an appropriate supply response to growing demand and need for housing across the country. Back in 2003 the Labour Government launched the **Sustainable Communities Plan** which represented an integral part of their own reform of the planning system. This set out the then Government's priorities with regard to regeneration and planning with its primary concerns being; sustainable development, housing and urban design issues. Importantly, the Plan contained a package of measures to address the undersupply of housing in the south east and low demand in many other areas, predominantly the north.

[26] Paragraph 47 'National Planning Policy Framework', DCLG, 2012

6.4 The importance of stimulating an increase in the supply of housing was widely recognised through the publication of the 2004 Barker Review[27]. The outcomes of this study were an important informing component of the 2007 Housing Green Paper[28]. The Green Paper set a clear target for the country of delivering 240,000 homes a year by 2016, therefore delivering a total of 2 million new homes by 2016 and 3 million new homes by 2020. The failure to build sufficient levels of housing across the country represented a core issue to overcome with a clear policy steer provided for the regions and local authorities to be more ambitious in the setting of annual housing requirements given the changing demographics of the population.

6.5 This ambition was captured in the launch of the Growth Point programme, which was originally focussed on those areas where the pressure on housing was the greatest, namely London and the South East but was subsequently extended out to other parts of the country.

6.6 Whilst the onset of the Credit Crunch and subsequent recessionary economic climate altered the emphasis of the Growth Point Programme to focus on maintaining delivery rather than necessarily accelerating supply the fundamental issues regarding the importance of achieving a greater balance between supply and demand were well evidenced. Concluding research outputs of the National Housing Policy Advisory Unit (NHPAU), set up as part of the delivery of the Green Paper but abolished by the Coalition Government in 2010, clearly highlighted the increasing issues arising from a failure to address supply challenges:

> *"We currently find ourselves in the situation where levels of building are dropping to historically low levels, whilst projections of future housing requirements are rising. Clearly the scale of the challenge in terms of deliverability is significant, but this is where the focus now firmly needs to be. Pressure in the future, given projections for levels of delivery in the next couple of years, may well be for higher levels of annual delivery. Neither global recession nor a global credit crunch are candidates for improving affordability in terms of households' ability to pay or their access to housing. If chronic housing pressures are to be relieved and long term market volatility addressed, what's not delivered now will need to be delivered at a later date."* [29]

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[27] 'Barker Review of Housing Supply' (March 2004), Kate Barker
[28] 'Homes for the future: more affordable, more sustainable' (July 2007), DCLG
[29] The National Housing and Planning Advice Unit 'Housing requirements and the impact of recent economic and demographic change' – May 2009

6.7 Whilst the emerging policy response to this issue by the Coalition Government represents a different approach the recognition of the importance of addressing the need to stimulate an increase in housing supply was set out prior to the 2010 election in the Conservative Party's Open Source Green Paper[30], and subsequently confirmed in the publication of the Localism Bill, the National Planning Policy Framework and the national housing strategy 'Laying the Foundations, a Housing Strategy for England' between 2010 and November 2011.

6.8 In considering the continued emphasis on addressing the housing supply challenge by the current Government it is impossible to separate it from the importance of their focus on the economic recovery of the UK.

6.9 To this aim the Government issued 'The Plan for Growth' in March 2011 which set out the economic plan for the UK to recover its position as a globally recognised resilient and growing economy. The importance of retaining and encouraging the investment of businesses within the UK is also highlighted. The Plan includes the promotion of *"labour mobility by boosting the supply of housing through support for the house building industry"* and stresses the concern that *"Low levels of housing completions and limits on land supply also create barriers to mobility and high costs of entry for firms coming to the country"*. These general principles signify the intention of the Government to enable a supply of new housing which meets current and future needs to support the economic growth of the country.

6.10 In November 2011 'Laying the Foundations: A Housing Strategy for England' was published. This reinforced the above messages around ensuring that the housing market supported rather than constrained the economic recovery. In addition the Strategy acknowledged the evidence, in the form of the latest official government household projections, released in 2010, that demand for housing driven by household growth was set to continue (these forecasts anticipate average household formation running at an average of 232,000 a year in England from 2008 to 2033[31]). The foreword of the Strategy clearly set out the Prime Minister and Deputy Prime Minister's acknowledgement of the long-term failure to build enough housing to meet growing need:

30 'Open Source Planning Green Paper – Policy Green Paper No. 14' (2010), Conservative Party
31 Cited in 'The Numbers Game: Increased housing supply and funding in hard times', PWC & L&Q, 2012

"One of the most important things each generation can do for the next is to build high quality homes that will stand the test of time. But for decades in Britain we have under-built. By the time we came to office, house building rates had reached lows not seen in peace-time since the 1920s. The economic and social consequences of this failure have affected millions: costing jobs; forcing growing families to live in cramped conditions; leaving young people without much hope that they will ever own a home of their own." (Laying the Foundations, November 2011)

6.11 The policy and funding levers included within the Strategy encapsulated a range of measures including funding support through the 'Get Britain Building' programme and incentives to encourage development such as the 'New Homes Bonus' all aimed at reviving rates of development to match demand.

6.12 The overall ambition to boost the supply of housing continues to remain a strong focal point for government policy and statements, and there is increasing emphasis on doing this now. For example in September 2012 the Secretary of State for Communities and Local Government reaffirmed through the 'Housing and Growth' ministerial statement[32] the Coalition Government's number one priority as being the need to grow the economy, and the need for a responsive and pro-growth approach to planning.

6.13 Most recently the publication of the Mid-term Review of the Coalition Government on the 7th January 2013 contained reference to future planned measures to *"boost the rate of house building"* including *"reducing planning delays in order to accelerate major housing projects"*[33].

6.14 The reform of the planning system, a key part of the Coalition Government's approach to increasing the supply of housing is considered later in this section, with focus first placed on the Regional Spatial Strategy and the Growth Point Programme as it affected East Staffordshire.

[32] DCLG 'Oral Statement Housing and Growth', The Rt Hon Eric Pickles MP, 6th September 2012
[33] HM Government 'The Coalition: together in the national interest – Mid-Term Review', 7th January 2013

The Regional Spatial Strategy / Growth Point

6.15 The revocation of Regional Strategies was announced in July 2010 under Section 79 (6) of the Local Democracy, Economic Development and Construction Act 2009. The Regional Strategy for the West Midlands Region was formally revoked on the 20th May 2013 following the outcomes of a Strategic Environmental Assessment (SEA) and associated consultation. A written Ministerial Statement by Baroness Hanham issued on the 27th March 2013 clearly stated that revocation of the Regional Strategy,

> *"… reinforces the importance of councils' Local Plans produced with the involvement of local communities, as the keystone of the planning system."*

6.16 While the Regional Strategy has now been formally revoked, its housing supply related policy content is presented here for contextual purposes only. Consideration is given to the RSS Phase 2 Review Preferred Option (dated December 2007). This identified a housing requirement for East Staffordshire of 12,900 (net) homes between 2006 and 2026. This housing requirement equated to an average annual requirement of 645 homes per year.

6.17 The RSS Phase 2 Review Preferred Option was informed by the 2004 Household Projections, which were published by the ONS in March 2007. The 2004 Household projections took into account past trends associated with household formation and headship rates. 10,000 households were projected to form in East Staffordshire over the period 2006 to 2026. Factoring in a 3% allowance for vacancy would produce a housing requirement of 10,300. Therefore the Preferred Option housing figure was in excess of purely demographic demand and took account of other factors.

6.18 Following Examination in Public (EiP) the housing figure recommended to the Secretary of State was subsequently revised to 13,000, or 650 dwellings per year.

Reforming the Planning System - The National Planning Policy Framework

6.19 An important implication of the revocation of Regional Spatial Strategies is that the responsibility for establishing housing requirement figures for Local Plans now falls to individual Local Authorities.

6.20 The National Planning Policy Framework (the Framework), published in March 2012, sets out the Government's statutory planning policies for England. A Written Statement in the House of Lords on the 25th July 2012 set out the status of the regional evidence base in regard to plan making:

> *"Local authorities can…. bring forward proposals (for example on housing targets) which have a local interpretation to them in their plans, based on their own sound evidence base where that is justified by the local circumstances. That evidence base is likely to be more up to date than that included in the Regional Strategies. Each case will depend on its particular facts."*[34]

6.21 Looking specifically at the Framework in relation to the guidance it sets for preparing this evidence firstly it is important to recognise that the Framework is built around a policy commitment to the achievement of sustainable development. At the heart of the Framework is a "*presumption in favour of sustainable development"* which requires local authorities in the development of their Local Plans to adopt a positive approach in order to "*seek opportunities to meet the development needs of an area"* (Paragraph 14 first bullet).

6.22 Further clarification is provided through the core planning principles set out at Paragraph 17 of the Framework, importantly this includes the following requirement that planning should:

> *"Proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities" (NPPF, Para 17, 3rd bullet).*

6.23 With regards housing the Framework states that in order to boost significantly the supply of housing, local planning authorities should:

> *"use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework" (NPPF, para 47 bullet point 1).*

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[34] HL Deb 25 July 2012 cc66-9WS (cited in House of Commons Library, Planning Reform Proposals, 14 January 2013)

6.24 Further guidance as to the informing data and drivers which should be considered in establishing this estimate of the objectively assessed need facing the authority for housing is set out within paragraph 159 of the Framework:

> *"Local planning authorities should have a clear understanding of housing needs in their area. They should:*
>
> *prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:*

- *meets household and population projections, taking account of migration and demographic change[35];*
- *addresses the need for all types of housing, including affordable housing and the needs of different groups…; and*
- *caters for housing demand and the scale of housing supply necessary to meet this demand."*

6.25 In October 2012 the Government requested a Review of the 7,000 plus pages of Government Planning guidance which supports the implementation of national planning policy. This review was led by Lord Taylor and reported on the 21st December 2012[36]. The review concluded that the system of guidance was 'no longer fit for purpose' and provided and classified documents for retention, cancellation and updating as well as identifying current gaps in guidance.

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[35] Note: In response to a question asked by Lord Hodgson of Astley Abbots on the 25th October 2011 in the House of Lords around the source of total population to be used in assessing housing requirements as set out in the draft National Planning Policy Framework Baroness Hanham replied: "When assessing their housing requirements in future years as part of a strategic housing market assessment, authorities should use the most recently released sub-national population projections (published by the Office for National Statistics) and household projections (published by the Department for Communities and Local Government).
(http://www.publications.parliament.uk/pa/ld201011/ldhansrd/text/111025w0001.htm#11102553000508)

[36] DCLG, External Review of Government Planning Practice Guidance – Report submitted by Lord Matthew Taylor of Goss Moor, December 2012

6.26 Significantly, the report identified the Strategic Housing Market Assessment (SHMA) guidance[37] as well as the Strategic Housing Land Availability Assessment (SHLAA) guidance as urgently in need of updating. The following additional advice was provided regarding the updating of the SHMA Guidance:

> *"Current guidance is out-of-date. Important to have a standardised approach. Closer linkages between the SHMA and Employment Land Reviews / Economic Assessments. Priority to be updated. Consider whether SHLAA and SHMA guidance can be combined"* (Lord Taylor Review, Annex C)

6.27 At the time of writing replacement guidance has been published in draft for consultation (Beta version) but has not yet been finalised and adopted.

6.28 The above synopsis of the latest policy guidance provides an important context against which to consider the preparation of housing requirement evidence under the new planning policy framework.

Inspector's Interpretation

6.29 It is now approaching a year since the publication of the Framework and the establishment of housing requirements through Local Plans has received an increasing amount of attention as they are submitted for Examination under the new framework. The following provides a summary of the key points which have emerged from a number of Local Plan / Core Strategy Examination hearings, drawing in particular from the Local Inspector reports. This provides further clarification as to how the new planning framework is being interpreted and the areas against which policy and evidence is being found unsound.

6.30 The relative weight or importance of the application of Regional Policy forms an important starting point as it reinforces the need for and potential application of an authority's own independently prepared evidence base.

6.31 Following the Examination of the Rother Local Plan in November 2012 the Inspector noted: 'Until the Regional Strategy (SEP) is abolished there is a legal requirement for the Plan to be in general conformity with it[38]'. The Inspector concluded that the Council's assembled evidence to support a departure from the SEP was not of sufficient robustness noting 'In the circumstances, the only robust figure available at this time is the SEP requirement'[39].

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[37] The latest guidance is the DCLG published 'Strategic Housing Market Assessments Practice Guidance Version 2 (2007)

[38] Paragraph 2 Inspector's Report 'Rother District Council Local Plan (2011 – 2028) Strategy Examination

[39] Penultimate paragraph ibid

6.32 In terms of moving beyond the weight given to Regional Strategy requirements it is evident that Inspectors are placing a significant emphasis on the responsibility of authorities to evidence the *"full, objectively assessed needs for market and affordable housing"*. This was highlighted with regards the East Hampshire Joint Core Strategy Examination in October / November 2012 where the Inspector stated:

> *"The Framework requires local planning authorities to ensure that their plans are based on adequate and up to date evidence and that they should have a clear understanding of housing needs in their area"*[40].

6.33 The Inspector considering the Rother Local Plan reinforced this position linking it to other important national policies: "The Framework (paragraph 47) requires local planning authorities to boost significantly the supply of housing by using their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the Framework"[41].

6.34 The informing information for assessing this need is another area of focus for Inspectors. In the case of the examination of the Ryedale Plan the Inspector used reference to the latest (2008 based) household projections as a basis for testing the housing requirement proposed, noting that the Core Strategy

> *"does not clearly demonstrate how the Council has undertaken an objective assessment of housing needs, including meeting the full objectively assessed needs for market and affordable housing"*[42].

[40] Paragraph 6 Inspector's Report 'Examination of the East Hampshire District Local Plan: Joint Core Strategy, 23rd November 2012

[41] Page 2, final paragraph Inspector's Report 'Rother District Council Local Plan (2011 – 2028) Strategy Examination

[42] Paragraph d. i (1st bullet) 'Ryedale District Council Examination of the Ryedale Plan – Local Plan Strategy Inspector's Interim Conclusion', 14th December 2012

6.35 The Inspector considering the Dacorum Core Strategy in October 2012 provided preliminary findings in relation to matters relating to housing provision. This also referenced the importance of official datasets noting in reference to his concern that the proposed dwelling requirement did not meet objectively assessed need:

> *"I consider the starting point should be the identification of full, objectively assessed needs (paragraph 47 of NPPF). The most recent CLG household projections [CLG 2008 based] indicate a need for 13,500 new households in the Borough (about 540 dwellings per year) over the plan period and there is also a significant need for affordable housing. The population projections also identify a significant growth [ONS Interim 2011 based projections]. Whilst I understand the Council's concerns regarding the robustness of the figures, I am mindful of the advice in paragraph 159 of the NPPF regarding meeting household and population projections"*[43].
>
> The Inspector noted in his advice that further "substantive evidence" was required for him to confidently conclude that the proposed requirement was justified in the context of these official datasets.

6.36 The importance of the official datasets as a starting point for assessing need was also further reinforced through the examination of the Eastbourne Core Strategy Local Plan in May 2013. The Inspector noted that the Plan retained the Regional Strategy requirement for the authority but also referenced the draft Eastbourne Strategic Housing Market Assessment (2012), noting that this: *"analyses up-to-date evidence of housing need based on government household projections"*. The following recommendation was made by the Inspector based on his review of the evidence:

> *"The draft 2012 SHMA indicates that the 2010 household projections are expected to show a lower rate of increase than previously anticipated. However based on past trends and 2010 population data it still predicts that the rate of household growth from 2010 to 2035 is likely to be 400 units each year. This suggests that the housing target would need to be increased to comply with paragraph 47 of the NPPF, which requires Local Plans to meet the full, objectively assessed needs for market and affordable housing in the area."* (Paragraph 25. Eastbourne Core Strategy Local Plan – Inspector's Report, November 2012)

[43] Paragraph 3. 'Examination of the Dacorum Core Strategy Inspector's Preliminary Findings on Matters Relating to Housing Provision and the Green Belt', 19th November 2012

6.37 Whilst the above was noted the Inspector did conclude that whilst the Plan would fall short of meeting the full need for housing in the area that the approach was justified in relation to the assessment of physical and environmental constraints. The balance between other factors i.e. policy or physical constraints and addressing needs in full is another area where recent decisions provide important points of clarification.

6.38 As referenced above the Rother Local Plan proposed a reduction in the housing requirement of "*between 77% and 85% of the SEP requirement*"[44]. The Inspector concluded that the reasons for this proposed reduction were unsound, importantly one of the areas argued by the authority as having an impact on future demand was the health of the economy and in particular the economic downturn within which the plan was being prepared. This demonstrates the importance of the link between the economy and housing demand with the Inspector concluding:

> *"Although the economic recovery may be taking longer than originally hoped, it is still a reasonable assumption that the economy will return to more normal levels of growth over the 17 year plan period. Accordingly, this is another factor which may affect the trajectory for delivery of housing and jobs, but is not a credible reason for reducing the overall target"*[45].

6.39 Overall the Inspector concluded on the point that:

> *"There is no suggestion within the Framework that the level of 'need' should be reduced having regard to identified constraints or policy assumptions, which appears to be the methodology underpinning the 'Assessment of Housing Need' May 2012"*[46].

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[44] Paragraph 3 Inspector's Report 'Rother District Council Local Plan (2011 – 2028) Strategy Examination', 13th December 2012

[45] Page 2, 1st paragraph ibid

[46] Page 3, 3rd paragraph ibid

6.40 The importance of aligning policies built around an objective assessment of need and economic growth was also stressed by the Inspector considering the East Hampshire Core Strategy in October / November 2012. The Inspector's report stated:

> *"The plan period runs to 2028 and it is hoped that we will achieve pre recession projected levels of economic growth well before then. The JCS [Joint Core Strategy] at paragraph 3.4 states that the 'District's economy will meet the employment needs of both residents and businesses'. I am concerned that the level of housing proposed in the JCS (added to an ageing population) would limit the supply of local workers, prejudicing existing businesses and making the District less attractive to new employers. It could also lead to increased levels of in-commuting"*[47].

6.41 This assessment of the link between these two important factors highlights the importance of considering both demographic and business / employment drivers in the shaping of aligned policies. The reference to the ageing of the population also highlights an issue which often arises in the balancing of the two with the general ageing of the UK's population requiring a considered policy response if other ambitions to encourage investment and employment growth are to be realised.

6.42 Finally, one of the other areas considered by Inspectors as having a bearing on their assessment of the setting of alternative locally evidenced housing requirements relates to 'market signals' and in particular the need for 'affordable housing'. This was an issue again referenced within the Inspector's report on the East Hampshire Local Plan. In considering the evidence presented within the Council's 'Housing Needs Assessment Update 2012', which identified a shortfall of affordable housing at around 439 dpa each year, he concluded:

> *"in my view, the undisputed and urgent need for affordable housing in the district weights heavily in favour of increased levels of housing provision"*[48].

6.43 The summation of the key points raised by Inspectors through their assessment of submitted Local Plans / Core Strategies highlights a relatively rigid interpretation of the Framework being applied and the importance of the assembled evidence base being relied on to justify any departure from regionally established housing targets. The implications of this for East Staffordshire's evidence base are considered in the next section which also looks at the representations which were received in response to the previous iteration of the Local Plan which used the July 2012 'Housing Requirements and SHMA Update report' (GVA, 2012).

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[47] Paragraph 9 Inspector's Report 'Examination of the East Hampshire District Local Plan: Joint Core Strategy', 23rd November 2012

[48] Paragraph 10 ibid

Reviewing the Representations to the Preferred Option Core Strategy

6.44 A thematic review of written representations received on the Preferred Option Core Strategy with specific regard to the housing requirements methodology and results is appended at Appendix 2. This is consistent with an independent review of the representations which was undertaken by GL Hearn (consultants) working alongside GVA and East Staffordshire Council during the process of preparing the SHMA.

The Housing Requirement

6.45 This section presents a number of scenarios of projected population change in East Staffordshire over the plan period. These scenarios are built using the POPGROUP suite of software with the input assumptions derived from official datasets and updated where relevant to reflect the analysis of the strategic drivers. Additional information on the POPGROUP suite of software is included within Appendix 3. Population change is then translated into household projections in order to understand the resultant level of projected growth in households within the district over the plan period. A final step in the process is conversion from households into dwellings.

6.46 Four scenarios are developed as follows to comply with Paragraph 159 of the NPPF:

- **Scenario 1a: Rebased SNPP 2010 (2008-based changes in Headship)-** this scenario analyses the latest official sub-national population projection dataset released by the ONS (2010 based). This dataset is 'updated' to take account of the latest available data from the 2011 Census at the time the modelling was undertaken. It assumes that headship rates change in line with the 2008-based Sub-National Household Projections.

- **Scenario 1b: Rebased SNPP 2010 (Fixed Headship) –** this scenario builds upon the population analysis underpinning Scenario 1, however fixes headship rates for household formation at 2011 levels in order to test the sensitivity of the projections to changes in headship rates as included in the 2008-based Sub-National Household Projections.

- **Scenario 2a: Employment Led (ELR) (2008-based changes in Headship)–** this scenario projects future population change based on forecast future economic performance of East Staffordshire. This scenario is aligned to the economic forecasts which underpin the 2013 East Staffordshire Employment Land Review (ELR). It assumes that headship rates change in line with the 2008-based Sub-National Household Projections.

- **Scenario 2b: Employment Led (Fixed Headship) –** this scenario builds upon the population analysis underpinning Scenario 2a, and continues to take account of population changes arising from the future performance of the economy, in line with the ELR. However, this scenario fixes headship rates for household formation at 2011 levels (as with Scenario 1b).

6.47 The evidence is brought together at the end of the section, including consideration of evidence published subsequent to preparation of the scenarios and the implications for developing a housing requirement for East Staffordshire.

Demographic Projections: Sub-national Population Projection (2010 base)

6.48 On the 21st March 2012 the Office of National Statistics (ONS) released the latest full set of official Sub National Population Projections (SNPP) data[49]. These have a 2010 base and replace the 2008-based Sub-National Population Projections.

6.49 The ONS notes within an accompanying 'methodology document'[50] the detailed data sources and methodology used to generate the population projections. These are however, summarised based on the accompanying 'frequently asked questions'[51] note:

> *"Registrations of births and deaths collected by the civil registration system at the General Register Office are used to calculate fertility and mortality rates. Internal migration estimates and cross-border migration estimates are based on administrative data. International migration estimates are based on data from the International Passenger Survey, together with asylum seeker data from the Home Office and National Asylum Support Service." (ONS, SNPP 2010 – Frequently Asked Questions)*

6.50 A number of methodological changes have been integrated in the latest projections which have an impact both at a national and a sub-national level. These changes are primarily related to the treatment of projections of international migration flows and changes to fertility rates reflecting recent national trends. These are explored in more detail below.

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[49] Note: In September 2012 the ONS published an Interim 2011-based SNPP dataset. This does not represent a full official SNPP with the projections only running to 2021. This dataset is considered in more detail throughout this section but does not form a separate considered scenario.

[50] ONS, (2012) Methodology: 2010 Sub-National Population Projections, 21st March 2012 http://www.ons.gov.uk/ons/rel/snpp/sub-national-population-projections/2010-based-projections/rpt-snpp-2010-based-methodogy-report.html

[51] ONS, (2012) Frequently Asked Questions: 2010-based Sub-National Population Projections, 21st March 2012 http://www.ons.gov.uk/ons/rel/snpp/sub-national-population-projections/2010-based-projections/rpt-snpp-2010-based-faq.html

Projecting International Migration

6.51 ONS has an ongoing programme of 'improvement' to its estimation methodologies to ensure the most accurate data on immigration and emigration is used in its estimation of the population. In 2010, ONS released a set of 'revised' Mid Year Estimates (MYE) for 2001-2009 and a revised 2008-based population projection, which took account of a number of such improvements; specifically, the improved handling of onward student moves and the integration of administrative data sources to better estimate the local impact of international migration.

6.52 In November 2011, ONS released further revisions to MYE for 2006-2010, using a revised methodology for international migration estimates based upon an approach developed by Dr Peter Boden and Professor Phil Rees working at the University of Leeds[52].

6.53 These latest MYE revisions, although yet to be made 'official statistics', have been used as the basis for ONS' latest 2010-based SNPP, released in March 2012. The 2010 -based SNPP include a substantial increase in net international migration flows at a national UK level.

6.54 The new projections also include updated assumptions around fertility rates. Nationally recent evidence suggests a rise in fertility rates, this again impacts on local level projections,[53], this is explained by the ONS below:

> *"Compared to the 2008-based projections, the long-term fertility assumption has remained the same. However higher fertility rates are assumed in the short-term, with the assumed UK fertility rates set to increase from current levels to a high of 2.02 (children per women) in 2013 before decreasing to the long-term assumption of 1.84 by 2027. These short-term assumptions are very different to those used in the 2008-based projections which assumed a decreasing fertility rate and reached the long-term within five years. The 2010-based assumptions are higher and stay higher for longer reflecting the current relatively high trends in fertility." (ONS, SNPP 2010 – Frequently Asked Questions)*

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[52] Boden P and Rees P (2010) Using administrative data to improve the estimation of immigration to local areas in England, Statistics in Society – Series A, Volume 173 Issue 4m, p707-731, October 2010
http://onlinelibrary.wiley.com/doi/10.1111/j.1467-985X.2009.00637.x/abstract
ONS (2011) Improved Immigration Estimates to Local Authorities in England and Wales: Overview of Methodology
http://www.ons.gov.uk/ons/guide-method/method-quality/imps/improvements-to-local-authority-immigration-estimates/index.html

[53] Note: Further information on the national assumptions can be found at the following link:
http://www.ons.gov.uk/ons/rel/npp/national-population-projections/2010-based-projections/rep-2010-based-npp-fertility-assumptions.html#tab-Principal-assumptions

Taking account of the 2011 Census data

6.55 In July 2012 the ONS published the first phase release of data from the 2011 Census. This included estimates of the population and the number of households for each authority in England and Wales as well as a breakdown by age. In order to ensure the analysis takes account of this data release all of the modelled scenarios have been rebased to reflect the 2011 Census population count.

6.56 This exercise is very similar to that undertaken by the ONS in the publication of the 2011-based Interim sub-national population projections. This is described in the text box below.

> **Interim 2011-based Sub-National Population Projections**
>
> The ONS published a 2011-based Interim set of Sub-National Population Projections (SNPP) on the 28th September 2012. These projections were produced ahead of the usual schedule of releases in order to provide an indication of the impact of the integration of available data from the 2011 Census. They have only been published to 2021 and hence do not cover the whole period of the new East Staffordshire Local Plan.
>
> It is important to recognise that these projections do not take into account all of the data usually required to update trends in the ONS projection model. Assumptions around future fertility, mortality and migration levels are based on the trends calculated for the 2010-based SNPP. This is because a revised back series for the rolled forward mid-2002 to mid-2010 population estimates taking account of the 2011 Census is not yet available to update the assumptions. The projections do however, give an indication of the possible size and structure of the future population based upon an updated base position regarding the structure of the population in terms of age and sex as of the 2011 Census date.

6.57 Significantly, the 2011 Census data indicates that previous and historic ONS datasets under-estimated the level of population growth to 2011. It is more than likely that this under-estimation has been influenced by the international migration components of the projection. This historical undercount could have an impact on the production of future demographic trend based projections by the ONS. If the higher level of net international migration is confirmed over recent years a trend based projection is likely to extrapolate this higher net annual flow forwards[54].

---

[54] The ONS states in the published 'Information Paper – Quality and Methodology Information Sub-National Population Projections' (25th September 2012): "SNPPs are demographic, trend-based projections indicating likely size and age structure of the future population if the underlying trends and assumptions about future levels of components of change were realised. They are based on levels of births, deaths and migration observed over a five year reference

6.58 The GVA modelled **"Scenario 1: Rebased SNPP 2010"** presented below therefore takes the 2011 Census population data as a start point and as with the Interim 2011-based SNPP dataset applies the projected rate of change assumed through the 2010- based dataset (ONS long-term assumptions on fertility and mortality change) but projects this forward through to the end of the plan period.

6.59 The 'corrections' applied through the various datasets highlight the impact of varying assumptions and the importance of considering a range of scenarios recognising that projecting forward data over the long-term is always associated with a level of uncertainty.

Scenario 1: Rebased SNPP 2010 (population-led projection)

6.60 The projected impact of the rebasing of the 2010-based SNPP to include the 2011 Census outputs is illustrated in figure 5.2.

Figure 6.1: Projected Population Rebased SNPP 2010

Scenario	Population 2011	Population 2031	Projected Change in Population 2011 - 2031	Annual Average Change (20 years)
Re-based SNPP 2010	113,858	133,978	20,120	1,006

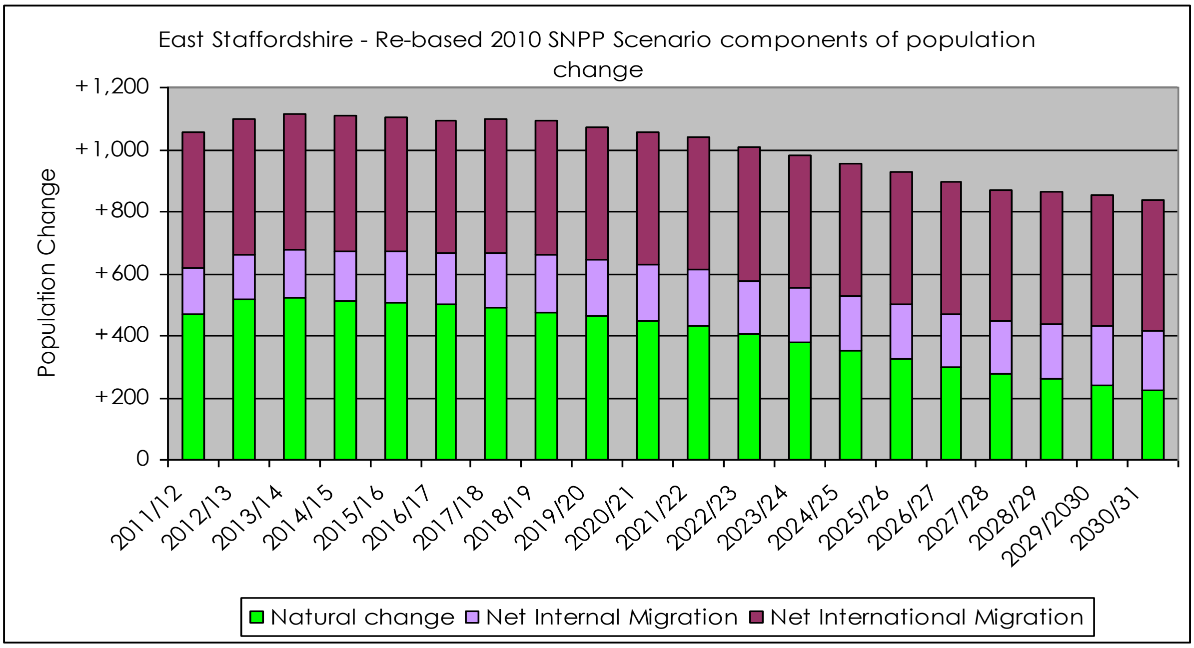
Source: Edge Analytics, GVA, 2013

6.61 Under this scenario the population of East Staffordshire is projected to increase by just over 20,100 people between 2011 and 2031.

6.62 The following chart illustrates the assumed net impact of the three components of change on annual population change in East Staffordshire under this scenario.

period leading up to the base year. However, as a result of inherent uncertainty of demographic behaviour, any set of projections will inevitably be proved wrong, to a greater or lesser extent, as a forecast of future demographic events or population structure. The SNPPs use the latest available population estimates and are inevitably dependent on the accuracy of these estimates. The methods used do not enable statements of probability nor confidence intervals to be directly calculated'. In addition to the above in the past the ONS produced a 'Sub National Population Projections Accuracy Report' in August 2008. This considered a range of projections but not the latest series of projections considered in this research.

Figure 6.2: Components of Change Rebased 2010 SNPP



Source: Edge Analytics, 2012

6.63 The chart serves to illustrate the trend-based nature of this projection approach, with future change projected by a continued extrapolation of historical trends. Under this scenario internal migration continues to represent a small positive factor on population change with Natural Change continuing to represent a significant driver of population growth alongside the important assumed continuation of a strong international migration net inflow.

Scenario 2: Employment Led (ELR)

6.64 This scenario projects the population of East Staffordshire based on an economic forecast. The methodology and assumptions used in constructing the scenario are presented below.

Methodology / Assumptions

6.65 The population projected under the Rebased SNPP 2010 scenario (Scenario 1) has been aligned with the economic forecasts utilised in the 2013 East Staffordshire Employment Land Review.

Employment Assumptions

6.66 The East Staffordshire Employment Land Review (ELR) utilises an economic evidence base derived from Experian Business Strategies and modified to reflect the performance of key business sectors within the local economy. The employment scenario included within the ELR was entitled the Alternative Labour Demand scenario. This is based on modifications to an Experian-produced forecast which specifically relate to the need to reflect local strengths within the economy within manufacturing sub-sectors and their capacity to sustain employment levels. The Alternative Labour Demand scenario forecasts employment growth of 5,728 full time equivalent (FTE) jobs over the plan period.

Other Assumptions

6.67 The construction of this scenario is achieved by applying parameters which measure the relationship between the population and the labour-force (economic activity rate) and between the labour force and the number of jobs in an area (labour force: jobs conversion factor). This takes into account the level of unemployment but also the degree to which residents live and work within the area in question. In an employment based scenario, net in-migration will occur if the size of the resident labour-force is insufficient to match the number of jobs that are forecast to be created.

6.68 The scenario assumes that current levels of in commuting, in absolute terms, remain the same and hence that in proportional terms in-commuting reduces over time (because the workforce grows). Unemployment rates remain constant over the projection period[55]. The same approach is applied to economic activity rates[56], the only variation on these assumptions is a varying of older person activity rates to reflect likely changes to pension ages over the long-term, with the following assumption applied:

- 50 – 64 and 65 – 74 year age groups: Economic activity rates incrementally increased by 10% between 2011 and 2030. An incremental approach is applied to reflect the gradual impact of this factor on economic activity.

[55] Note: Unemployment rates are held constant at 4.4% based on a 5 year average of the last five years.
[56] Note: Economic activity rates are held constant based on average figures developed from those presented within figure 3.8 and attributed to individual age groups by sex.

6.69 Importantly the assumed economic activity rates and unemployment levels are based on historic averages over a 5 year period. This is important both in terms of smoothing out estimation errors in the published datasets, which are based on sampling analysis, but also in terms of the relative health of the economy which is projected forward. Projecting current rates forward over a twenty year period would compound any current issues linked to the economic recession and present a particularly negative outlook in employment terms. The averaging out of rates incorporates the current economic climate as well as more positive economic periods therefore achieving a more balanced perspective for projecting forward.

6.70 The following table illustrates the impact of the employment forecast on population levels. This shows population growth over the period of just under 21,900 persons, compared to 20,120 under Scenario 1.

Figure 6.3: Employment-Led (ELR) – population projection

Scenario	Population 2011	Population 2031	Projected Change in Population 2011 - 2031	Annual Average Change (20 years)
Employment-led (ELR)	113,858	135,746	21,888	1,094

Source: Edge Analytics, GVA, 2013

Implications of different levels of population change

6.71 The size of the population, as modelled under each of the scenarios above will have linked implications for the size of the resident labour force. A summary of the change in labour force under each of the scenarios is provided below:

- Scenario 1 – Under Scenario 1 the resident labour force would increase by 4,826 persons over the period 2011-2031.
- Scenario 2 – Under Scenario 2, the resident labour force would increase by 5,594 over the period 2011-2031.

6.72 When assessed in the context of the likely changes in East Staffordshire's economy over the next 20 years, as set out in the Employment Land Review 2013 and comprising 5,636 FTE jobs, it is apparent that Scenario 2 achieves a "better" alignment between jobs that are likely to be created and labour force requirements. This would suggest that the demographically derived scenarios could potentially lead to increasing levels of in commuting to fill job opportunities due to constraints to the size of the resident labour force.

Translating Projected Population Growth into Household Growth

Methodology

6.73 Edge Analytics have converted the two population projections presented in the preceding analysis into numbers of households utilising two different headship rate assumptions.

6.74 The first assumption is to apply the rate of change in headship rates included within the 2008-based DCLG sub-national household projections (household headship rates by household type, age and sex). This assumption sees an overall increase in the headship rate which contributes to a fall in average household size over the projection period.

6.75 The second and alternative assumption is to fix headship rates at 2011 levels. This is more consistent with evidence that headship rates in 2011 were lower than projected within the 2008-based sub-national household projections, a fact which can be partially explained by affordability challenges and a constrained mortgage market leading to lower household formation. These factors could in principle continue to exert an influence, leading to suppressed headship rates. Average household size still falls under this assumption because of the general ageing of the population and the fact that older person households typically contain only 1 or 2 persons.

6.76 Application of both alternative assumptions to the population projections results in four scenarios in total.

Scenario 1a: Household Projection

6.77 The following table illustrates the projected level of household change resulting from the Scenario 1 population projection presented earlier in this section together with the 2008-based changes in headship rates. In addition the 2008-based DCLG Household projections (SNHP)[57] are included for reference as these represent the latest nationally published (official) household projection dataset for the period.

[57] The un-rounded detailed dataset released by the DCLG for modelling purposes are used within the table. These are available at: http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/householdestimates/detaileddatadownloads/ (June 2012)

Figure 6.4: Projected Household Change

Scenario	Households 2011	Households 2031	Projected Change in Households 2011 - 2031	Annual Average Change (20 years)
Scenario 1a: Re-based SNPP 2010 – 2008-based changes in Headship Rates	47,546[58]	59,190	11,644	582
Comparator: DCLG 2008-based SNHP	46,815	56,401	9,586	479

Source: Edge Analytics, GVA, 2013

6.78 The Scenario 1a household projection highlights the potential for a total change of 11,644 households over the period 2011 to 3031. This compares to 9,586 households as projected by the DCLG 2008-based SNHP.

Scenario 1b: Household Projection

6.79 Scenario 1b applies the fixed headship rate assumption to the Scenario 1 population projection. The results are presented at Figure 6.5 below.

Figure 6.5: Household Projection

Scenario	Households 2011	Households 2031	Projected Change in Households 2011 - 2031	Annual Average Change (20 years)
Scenario 1b: Re-based SNPP 2010 - Fixed Headship Rates	47,546	58,638	11,092	555
Comparator: DCLG 2008-based SNHP	46,815	56,401	9,586	479

Source: Edge Analytics, 2013

6.80 The projection illustrates that with household headship rates fixed at 2011 levels, there could be a change of 11,092 households over the period 2011 to 2031. This compares to 9,586 households over the same period (using the DCLG 2008-based SNHP comparator) and 11,644 households (under Scenario 1a) for the same period.

[58] The number of households in 2011 derived from Scenario 1 does not exactly align with the household total from the 2011 Census because it is a projection from 2010 given rebasing of the *population* in 2011 rather than rebasing of the number of households. In contrast the household projections derived from Scenario 2 are based on the household total from the 2011 Census. Hence the household projections do not have the same 2011 base number. The key factor when considering the household projections, however, is the projected change over the plan period as opposed the exact starting base.

Scenario 2a: Household Projection

6.81 The employment led household projection (see Figure 5.10) with 2008-based changes in headship rates illustrates that there could be a total change of 12,195 households over the 20 year period 2011 to 2031. As previously stated this scenario is aligned with the Employment Land Review (ELR) for East Staffordshire and the employment forecasting that underpins this work.

Figure 6.6: Household Projection

Scenario	Households 2011	Households 2031	Projected Change in Households 2011 - 2031	Annual Average Change (20 years)
Scenario 2a: Employment-led (ELR) – 2008-based changes in Headship Rates	47,251	59,446	12,195	609
Comparator: DCLG 2008-based SNHP	46,815	56,401	9,586	479

Source: Edge Analytics, GVA, 2013

Scenario 2b: Household Projection

6.82 Scenario 2b applies the fixed headship rates assumption to the Employment Led population projection). The results are presented at Figure 6.7 below.

Figure 6.7: Household Projection

Scenario	Households 2011	Households 2031	Projected Change in Households 2011 - 2031	Annual Average Change (20 years)
Scenario 2b: Employment-led (ELR) - Fixed Headship Rate	47,251	58,806	11,555	578
Comparator: DCLG 2008-based SNHP	46,815	56,401	9,586	479

Source: Edge Analytics, 2013

6.83 Under this scenario, there could be a total household change amounting to 11,555 over the 20 year period 2011 to 2031. Fixing headship rates would therefore serve to moderate household formation compared to Scenario 2a (which projects household change of 12,195 over the same period).

Translating household growth into projected dwelling requirements

6.84 The levels of household growth projected under the various scenarios have been translated into projected dwelling requirements within this section.

6.85 In calculating dwelling requirements from household projections a standard margin of 2.5% has been applied to the household projections to allow for ‘churn’ or turnover within the housing market.

6.86 The following table presents the range of dwelling requirements derived from each scenario.

Figure 6.8: Projected dwelling requirements (2011 – 2031)

Scenario	Projected Change in Households 2011 - 2031	Projected Change in Dwellings 2011 - 2031 (Vacancy rate of 2.5% assumed)	Annual Average Change (20 years)
Scenario 1a: Re-based SNPP 2010 – 2008-based changes in Headship	11,644	11,935	597
Scenario 1b: Rebased SNPP 2010 -Fixed Headship	11,092	11,369	568
Scenario 2a: Employment-led (ELR) – 2008-based changes in Headship	12,195	12,500	625
Scenario 2b: Employment-led (ELR)- Fixed Headship	11,555	11,844	592

Source: GVA, Edge Analytics, 2013

6.87 It is important to note that these projections have a base date of 2011. The Local Plan period will cover the years 2012 to 2031. The net delivery rates for 2011/12 therefore needs to be subtracted from the overall level of dwellings required in order to arrive at an updated per annum figure taking account of the backlog built up over this year.

Housing Delivery 2011/2012

6.88 Housing completions data for the year 2011/2012 and supplied by East Staffordshire Borough Council demonstrates that 524 homes were delivered during the year. The completions figure has been subtracted from the projected change in dwellings and an annual average change figure produced by dividing the result by the full 19 years of the plan period. The results are summarised at Figure 6.9.

Figure 6.9: Net projected dwelling requirements (2012-2031)

Scenario	Projected Change in Dwellings 2011 - 2031	Net Projected Dwelling Requirement (2012-2031)	Annual Average Change (19 years)
Scenario 1a: Re-based SNPP 2010 – 2008-based changes in Headship	11,935	11,411	601
Scenario 1b: Rebased SNPP 2010 -Fixed Headship	11,369	10,845	571
Scenario 2a: Employment-led (ELR)- 2008-based changes in Headship	12,500	11,976	630
Scenario 2b: Employment-led (ELR)-Fixed Headship	11,844	11,320	596

Source: GVA, Edge Analytics, 2013

Bringing the Evidence Together

6.89 Four scenarios have been developed in order to examine the latest demographic evidence, as well as alignment with the economic ambitions of the Council and the implications for considering a range of dwelling requirements. The scenarios also consider and highlight the sensitivity of the housing requirements calculations to household headship rate assumptions. The range of dwelling requirements comprises:

- Scenario 1a: Re-based SNPP 2010 (2008-based changes in Headship) 601 dwellings per annum (2012-2031)
- Scenario 1b: Rebased SNPP 2010 (Fixed Headship) 571 dwellings per annum (2012-2031)
- Scenario 2a: Employment-led (ELR) (2008-based changes in Headship) 630 dwellings per annum (2013-2031)
- Scenario 2b: Employment Led (ELR) (Fixed Headship) 596 dwellings per annum (2021-2031)

6.90 Planning for purely demographically driven demand, Scenarios 1a and 1b do not take any account of economic changes in East Staffordshire over the plan period, nor the resultant requirements for labour to fill potential job opportunities. East Staffordshire's Employment Land Review of 2013 provides an agreed economic forecast and this has been used as an input to the modelling process to generate housing requirements that are reflective of the economic growth potential of East Staffordshire to 2031 as well as being aligned with the Employment Land Review evidence base.

Consideration of New Evidence

6.91 Subsequent to the scenarios being constructed the Department for Communities and Local Government (DCLG) published the 2011-based Interim Sub National Household Projections (SNHP) in April 2013. This dataset has been issued with an "interim" status reflecting limitations in terms of alignment with Census 2011 results, and a limited projection period covering 2011 to 2021. The newly published 2011-based projection is a base projection and does not take account of the performance of the economy, nor the potential changes in requirements for labour within East Staffordshire as a result of employment changes.

6.92 While the 2011-based Interim SNHP has not been used to remodel the scenarios presented above, its findings are compared at Figure 5.14[59] below to Scenario 1a. It should be noted that the 2011-based interim SNHP only cover a part of the Local Plan Period (2012-2031) and therefore direct comparison with the scenarios in this report is not possible over the whole Local Plan period.

6.93 The 2011-based interim SNHP projects a change of 4,852 households over the period 2011-2021 compared to 6,094 households under Scenario 1a: Rebased SNPP 2010 (2008-based changes in Headship). This represents a difference of 1,242 households over the period 2011-2021, suggesting that household formation under the 2011-based Interim SNHP is projected at a slower rate than that assumed under Scenario 1a.

Figure 6.10: Comparison of household projections (2011-2021)

Household Projection	2011-based interim SNHP	Scenario 1a: Rebased SNPP 2010 – 2008-based changes in Headship	*Difference*
2011	47,355[60]	47,546	
2012	47,869	48,123	
2013	48,377	48,719	
2014	48,871	49,342	
2015	49,384	49,985	
2016	49,882	50,623	
2017	50,371	51,241	
2018	50,844	51,864	
2019	51,303	52,459	
2020	51,758	53,062	
2021	52,207	53,640	
Change 2011-2021	4,852	6,094	*1,242*

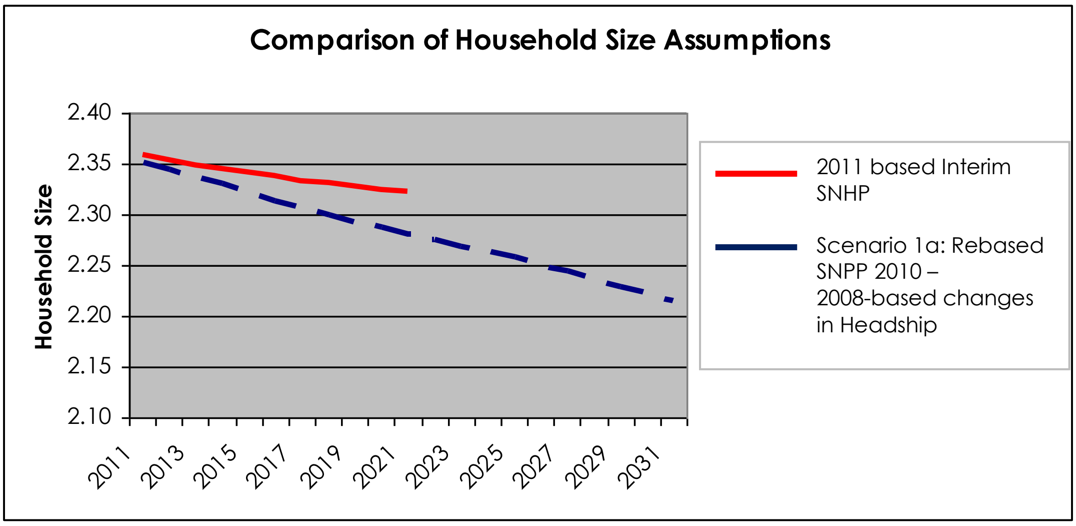
Source: DCLG/ GVA analysis

[59] As previously stated, due to the population forecast being 2010-based, the 2011 household total under Scenario 1a is not directly constrained to the 2011 Census count. The key factor when considering the household projections, however, is the projected total change over the plan period as opposed the exact starting base.

[60] The 2011-based interim SNHP provides household projections at mid-year which is why the 2011 start point differs from the Census 2011 household total in February 2011.

6.94 A comparative analysis of household size is presented at Figure 6.11 highlighting the differences over the 2011-2021 period and the Scenario 1a projection to the end of the Local Plan period (2021-2031).

Figure 6.11: Comparison of household size trends



Source: DCLG/ GVA analysis

6.95 The comparison of average household size trends over the period 2011-2021[61] reveals a divergent trend between Scenario 1a (which is informed by the 2008-based SNHP) and the household size trend projected by the 2011-based Interim SNHP. The 2011-based projection highlights a trend of household sizes decreasing more slowly over 2011-2021 when compared to Scenario 1a. If the slower rate of change in household size were to be perpetuated post 2021, this would lead to continuing differences in average household size assumptions between the 2011-based interim SNHP and Scenario 1a up to 2031. However the official 2011-based SNHP covering the period to 2031 will not be released by the ONS until 2014. Based on the differences to 2021, however, it would be prudent to make some allowance for a slowing in household formation from the 2008 based projection.

6.96 In advance of the official 2011-based projections being available, any household projections with a time horizon of post-2021 will be based on user assumptions with regard to changes in headship rates and household formation. Such assumptions could potentially include a perpetuation of the 2011-2021 (2011-based) trend, however the validity of such assumptions will not be revealed until publication of the full dataset in 2014. The analysis undertaken herein has suggested that headship rate change to 2031 is likely to sit somewhere between the 2008-based SNHP Increasing Headship rate assumption and the Fixed Headship rate assumption.

[61] Note: Average Household Size = Household Population/ Total Households

Conclusions

6.97 Based upon the evidence presented in this report, East Staffordshire should plan to meet its demographically driven housing demand and should also look to meet economically derived housing demand resulting from consideration of the aligned economic evidence base in the Employment Land Review. This suggests planning for a housing requirement that is aligned to population Scenario 2, which in turn takes account of both demographic and economic evidence, and the increasing labour force requirement associated with the delivery of new jobs.

6.98 The new 2011-based Interim SNHP was published subsequent to the scenario work contained in this report. The interim 2011-based projection does indicate a potential reduction in household formation from the rates projected by the 2008-based SNHP. It would therefore be prudent to take account of the implications of a reduced propensity for household formation over the plan period.

6.99 Figure 6.12 shows that a mid point between Scenario 2a and Scenario 2b is a reasonable projection of the number of households given the lower level of household formation in the new 2011-based Interim SNHP[62]. The mid point calculation is shown at Figure 5.16. This gives a total of 11,875 households by 2031. Translating this into an annual requirement means a mid point requirement of 613 dwellings per annum (2012-2031).

Figure 6.12: Mid Point Calculation

Scenario	Projected Change in Households 2011 - 2031	Projected Change in Dwellings 2011 - 2031	Net Projected Dwelling Requirement (2012-2031)	Annual Average Change (19 years)
Scenario 2a: Employment-led (ELR)- 2008-based changes in Headship (a)	12,195	12,500	11,976	630
Scenario 2b: Employment-led (ELR) - Fixed Headship (b)	11,555	11,844	11,320	596
Mid Point (=average of a+b)	**11,875**	**12,172**	**11,648**	**613**

Source: GVA

[62] It is important to note that the mid-point has been calculated between the household outputs of these two scenarios, and has not been retrospectively applied to the modelling process that informs derivation of the original scenarios or their results.

6.100 Planning for this housing requirement figure will enable East Staffordshire to fully meet its demographically derived housing requirements (since it is higher than Scenario 1a) as well as supporting the projected growth of its economy and net employment gains. It will also deliver housing to accommodate a higher number of households by 2021 (53,612) than projected under the 2011-based Interim SNHP (52,207).

Backlog need

6.101 The Council specifically asked GVA whether backlog need was an additional number of dwellings which needed to be calculated and added to projected household growth to produce the housing requirement. GVA's answer was that the projections produced by the POPGROUP model include backlog need. Hence households which have been unable to form are included in the household projections, and the housing they need is included within the housing requirement.

6.102 This is in line with Government household projections, which are similarly based on the actual number of households at a given point in time without estimating backlog need. Since the Government household projections are the reference point for deriving the housing requirement, this methodology appears to be fully in accordance with the framework.

Relationship to other areas

6.103 Although this SHMA is for East Staffordshire, it has not been developed in isolation from surrounding areas. In line with the duty to cooperate there has been ongoing communication with neighbouring authorities.

6.104 As has been previously identified, the strongest housing market relationship with another district is that between Burton and Swadlincote in South Derbyshire. The SHMA for the Derby Housing Market Area was published in July 2013. It offers three housing requirement scenarios for South Derbyshire as follows:

Figure 6.14: South Derbyshire annual housing requirement

SHMA trend-based projection	539
Economic-led projection	388
SNPP-based projection	551

Source: Derby HMA SHMA Update July 2013, GL Hearn

6.105 The Derby HMA SHMA concludes that the economic-led scenario is overly pessimistic and SNPP is overly optimistic, and it therefore uses the SHMA trend-based projection to derive the housing requirement for South Derbyshire and the rest of the housing market area.

6.106 Hence the Derby HMA SHMA identifies a housing requirement that is substantially higher than required by the economic-led projection but slightly less than the SNPP-based projection. In contrast, this SHMA identifies a housing requirement for East Staffordshire based on the economic-led projection and which is higher than the SNPP-based projection. Hence the two SHMAs complement each other, with no serious risk that the housing requirement for the Burton-Swadlincote local housing market area has been under-estimated.

6.107 No other authority has asked East Staffordshire to help meet its housing requirement. However the housing requirement identified by this SHMA is significantly higher than that based on SNPP, since it allows for housing growth to be driven by economic growth. Hence it already accommodates growth which might otherwise need to be accommodated elsewhere.

6.108 Some comments in response to consultation suggested that East Staffordshire may need to accommodate housing growth from elsewhere within the Greater Birmingham and Solihull LEP. As above, the housing requirement already allows for additional housing growth which might otherwise need to be accommodated elsewhere, including within the LEP area.

6.109 East Staffordshire is at the far extremes of the LEP area, and so simply trying to meet demand for housing elsewhere within the LEP area in East Staffordshire may not be feasible. However by allowing for economic growth the housing requirement supports the LEP economic strategy and provides for demand to occur in East Staffordshire instead of in other areas which may not be able to accommodate it. Hence the housing requirement identified by this SHMA is expected to reduce growth pressures in the rest of the LEP area and is therefore already playing its part in enabling the LEP to accommodate housing growth.

7 Household housing needs

7.1 The previous chapter has identified the housing requirement over the plan period to 2031. This chapter assesses what type of housing will be needed.

The needs of different household groups

7.2 Underlying the housing requirement is projected population and household growth and this provides the basis for assessment of specific housing requirements. The projected increase in households by type is as follows:

Figure 7.1: Number of households by type

Household type	**2012**		**2031**	
Single and couple households aged 65+	12,393	26%	19,987	34%
Single and couple households aged < 65	18,190	38%	20,901	35%
Families & multi-adult households	17,135	36%	18,238	31%
	47,718	100%	59,126	100%

Source: Edge Analytics, GVA, 2013

7.3 Hence by 2031 it is projected that a larger proportion of households will be single and couple households aged over 65, and a smaller proportion will be family and multi-adult households.

Figure 7.2: Household growth by type

Household type	**Increase 2012 - 2031**		**% of total increase**
Single and couple households aged 65+	7,795	+61%	66.6%
Single and couple households aged < 65	2,711	+15%	23.8%
Families & multi-adult households	1,103	+6%	9.7%
	11,408	+24%	100%

Source: Edge Analytics, GVA, 2013

7.4 Hence over 90% of the growth in household numbers will be of single person and couple households – households without children or other adults.

Older People

7.5 The projections show that the largest component of household growth will be older person households, with a 63% increase in the number of older single person and couple households.

7.6 The increase in older person households correlates with increase in the population of older people and hence is primarily due to people living longer rather than to breakdown of older person households.

7.7 As people get older they do not normally lose their existing housing[63]. However housing needs can change as people get older so that their existing housing no longer meets their needs. There are several drivers of change:

- Health, particularly when people can no longer move around our home or easily travel, when they need to receive high levels of care, or they need a home in which they are less likely to fall or which does not contribute to their ill health
- Finance, when a household's existing housing becomes unaffordable to rent, maintain or heat, or they want to realise some of the value of their home for other purposes
- Well-being, when people no longer feel safe in their home, they want a home that is easier to manage, or they feel isolated and want to be closer to family, to people in the same stage of life or to relevant services and opportunities

7.8 Whilst many older people will want to remain in their existing accommodation, for many a move to more suitable housing becomes the best option at some point. This can typically occur at a point of crisis, when health suddenly gets worse, requiring a hasty and unplanned move which is particularly stressful and inevitably means restricted choice. However a suitable range of housing options has the potential to attract older people to move before the point of crisis, as well as to meet needs at the point of crisis. In addition to the benefit for older people themselves, this also frees up existing housing for younger people and families.

Care homes

7.9 Care homes (including nursing homes) provide accommodation for significant numbers of older people who choose or need to live in a communal setting providing high levels of support, care and nursing as necessary.

7.10 Staffordshire County Council is projecting a 70% increase in the need for care home places by 2031. However it expects to divert 44% of the need for publically funded places into *Extra-care housing*. This equates to a 15% reduction in the need for communal accommodation places and a resulting need for 58% more places in care homes, which means 548 additional places in East Staffordshire by 2031. However care home places are not part of the housing requirement because people living in care homes are not counted as households.

[63] One important exception is people living in tied accommodation who have to move home when they retire from work. However the number of older people who approach the Council because of impending homelessness is fairly low – only 2.1% of Housing Options customers are aged 65+ (compared to 17% of the population).

Extra-care housing

7.11 Extra-care housing seeks to provide an alternative to care homes to enable people to retain their independence as their care needs increase. Extra-care or very sheltered housing is self-contained accommodation within a complex which is designed to enable care to be received and increased as needs increase. Extra-care Housing is not always specifically for older people since some younger people have care needs as well, but it is typically planned for older people because care needs tend to develop with age.

7.12 Staffordshire County Council has calculated the need for Extra-care housing using the Oxford Brookes University model. In summary it has calculated that this type of housing will be needed for 6.7% of the population aged 75+. This means the need for a total 1,099 dwellings by 2031, and increase of 965 dwellings.

7.13 The County Council's methodology determined the tenure split of Extra-care housing based on the tenure of households aged 75+ with long term limiting illness in 2001 (from the 2001 Census). In the absence of 2011 Census information showing tenure by age-group and health the Council considers that the more relevant 2001 data is the tenure of households with long term limiting illness aged 55-74 since those are the households likely to require Extra-care housing over the next few years. 76% of such households were owner-occupiers and hence 76% of total provision should be for sale (leasehold) and 24% should be for rent[64].

7.14 The analysis in paragraph x above indicates that 40% of leasehold Extra-care housing dwellings will need to be available on a shared ownership basis to be affordable to all older person households and hence to meet need.

Figure 7.3: Need for Extra-care housing

	Total	Rented @ 24%	Leasehold @ 76%	
Population 75+ 2031	16,406		Shared Ownership	Outright sale
Required *Extra-care housing@ 6.7%*	1,099	264	334	501
Existing supply	134	90	15	29
Additional dwellings needed	965	174	319	472
Mix of additional dwellings	100%	18%	33%	49%

Source: Edge Analytics, GVA, 2013, Staffordshire County Council

[64] This may be changed when the 2011 Census tenure by age and health information is published.

Other housing for older people

7.15 According to the calculations above Extra-care housing will accommodate 5.5% of households aged 65+ (1,099/19,987 by 2031).

7.16 The remaining question is how much other new housing should be provided for older people. There is a range of evidence about the propensity of older people to move home as follows.

7.17 The *Staffordshire Flexi-care Strategy* quotes a 2004 MORI survey *The Aspirations of Older People* which found that 30% of over 65s would choose to move to different accommodation.

7.18 The 2012 Shelter report *A better fit? Creating housing choices for an ageing population* reports findings from a 2012 YouGov survey which found that 36% of people aged 55+ were interested in moving to housing specifically built for or marketed to older people. Of mortgage-free owner-occupiers the percentage was 38%, of private renters 54%, and of housing association tenants 32%.

7.19 The same survey also found that of people aged 55+

- Around 2% were already living in *older persons housing*
- 1% were already unable to manage their home and wanted to move
- 6% were finding it difficult to manage their home
- 27% anticipated that managing their home would become harder within 10 years

7.20 In 2013 the Council asked its Citizen's Panel about inclination to move in older age. Details are provided in Appendix 4. But in summary, 43% of respondents said they were inclined to move as they become older, whilst 12.5% had already moved in readiness for becoming older.

7.21 A reasonable and conservative deduction from the survey evidence is that in total around 30% of older person households will move if the right accommodation is available, allowing that 70% will remain in their existing housing.

7.22 As shown below the proportion of older person households needing to live in rented accommodation is likely to remain fairly constant at 21%.

Figure 7.4: Tenure of households by age-group

East Staffordshire households – Census 2011	Owners	Renters
Households aged 65+	79%	21%
Households aged 50-64	79%	21%

Source: Office for National Statistics Census 2011

7.23 However the housing register evidence below shows that a considerable proportion of current demand for rented older persons housing is from owner-occupiers, for whom housing for sale could be a more attractive and appropriate option if available.

Figure 7.5: Demand for rented social housing by applicants aged 65+

Current accommodation	**Number of applicants**	**% of older applicants**
Social rented	129	49%
Private rent/tied housing/lodging	75	28%
Owner-occupier	58	22%
Communal Establishment	2	1%
	264	100%

Source: The East Staffordshire Housing Register August 2012

7.24 Another factor which may affect the demand for moves to rent older persons housing is welfare benefit changes introduced in April 2013. Households of working age living in social housing and relying on housing benefit now have their benefit reduced if they are under-occupying. This may mean that a higher proportion of households living in social housing will down-size in future, but that they will down-size earlier rather than later, and hence will down-size into mainstream social rented housing rather than older persons housing and then be less inclined to move again.

7.25 Given these facts, calculation based on available household projections indicates that the current amount of social rented older persons housing will continue to be sufficient to meet the needs of older people living in rented housing and wanting to move to more suitable housing.

Retirement housing

7.26 Retirement housing, sometimes called private sector sheltered housing, is housing for older people with communal facilities and a range of services including on-site management eg a concierge and sometimes the option of different levels of support, for which service charges are payable by occupiers. The 2011 report *Housing markets and independence in old age: expanding the opportunities* includes forecasts that suggest substantial pent up demand for owner-occupied Retirement housing, and a potential increase in demand over a decade or so from (nationally) 2% of older person households to 5%.

7.27 To provide Retirement housing for 5% of owner-occupier older person households will require an additional 558 Retirement housing dwellings by 2031.

Figure 7.6: Need for Retirement housing

Single/Couple Households 65+ 2031	19,987
Owner-occupiers @ 79%	15,790
Retirement Housing @ 5%	790
Existing dwellings	232
New dwellings required	558

Source: Edge Analytics, GVA, 2013

Mainstream owner-occupied housing for older people

7.28 The paragraphs above identify the housing needed for 10.5% of households aged 65+.

7.29 Given the deduction that 30% of older person households will move given the right opportunity, this means that appropriate mainstream housing is needed for around 20% of older person owner-occupier households.

7.30 This conclusion is supported by survey evidence. For example according to the 2011 National Housing Federation report *Breaking the Mould* a YouGov survey commissioned by the National Housing Federation in 2010 found that of people questioned (aged 60-65) about their options if they could no longer cope with living on their own, the largest proportion, 80%, were positive about downsizing to a smaller more manageable home.

7.31 The Council's Citizen's Panel survey showed that the majority of older people inclined to move would move to smaller mainstream accommodation rather than Extra-care or Retirement housing. Mainstream housing is different from Retirement housing because it does not require the taking of age-related services for which service charges are payable.

7.32 There is a lack of evidence of the extent to which existing housing satisfies this desire by providing suitable housing. In other words has the existing housing stock enabled all those wanting to move to do so, or is there currently a shortage of suitable housing. In the absence of any evidence, this assessment makes the conservative assumption that existing mainstream market housing meets the needs of the current older person population for suitable owner-occupied mainstream housing.

7.33 The assessment therefore concludes that sufficient new mainstream housing will be needed to provide for around 20% of the projected additional number of owner-occupier older person households. This means housing for 1,183 households by 2031.

Figure 7.7: Need for mainstream housing for older people

Single/Couple Households 65+ 2012	12,393
Single/Couple Households 65+ 2031	19,987
Additional Single/Couple 65+ Households	7,595
Owner-occupiers @ 79%	6,000
Movers @ 30%	1,800
Extra-care housing (apportioned)	317
Retirement housing (apportioned)	300
Total specialised housing	617
Households requiring mainstream housing	1,183

Source: Edge Analytics, GVA, 2013

Single person and couple households

7.34 The second largest component of household growth will be in single person households aged under 65. This growth is fairly evenly spread across the age spectrum, and this indicates that there will be increased demand for housing from newly forming single person households typically seeking smaller suitably priced properties to buy.

7.35 In Burton there is a large amount of terraced housing, concentrated in Inner Burton. It is important to plan in a way that safeguards the viability and sustainability of this housing, to avoid the risk of decline. Owner-occupation is important to provide investment and stability. This means identifying what demand for owner-occupied housing can most plausibly be satisfied by this housing. Much of the housing is far from ideal for older people and families, but it can provide very suitable housing for single people and couples. The Council's vision is therefore that Inner Burton housing will be increasingly occupied by single people and couples who will enjoy living in modernised character housing in a vibrant, prosperous and sustainable community, bringing regeneration and stability to these areas. This means that there is limited *need* for new market housing for single person and couple households in Burton.

7.36 As shown in Figure 4.10 there is not the same supply of terraced housing in the remainder of the Borough and hence a need for smaller new housing for single person and couple households in those areas.

Families

7.37 There is projected to be a modest growth of 7% in the total number of family and multi-adult households in the Borough.

7.38 As shown below the overwhelming majority of this projected growth is in one-parent family households. This is probably significant because one-income households are likely to be able to afford smaller homes than two-income households. Whilst divorced households may not down-size, they are unlikely to up-size to the extent of two-parent families.

Figure 7.8: Family and multi adult households

	2012	2031	2012-2013	% of change
Couple with children	9,639	9,890	251	22.8%
One parent with children	3,548	4,581	1,033	93.6%
Multi adults no children	2,344	2,078	-266	-24.1%
Other households	1,604	1,689	85	7.7%
Total	17,135	18,238	1,103	

Source: Edge Analytics, GVA, 2013

Figure 7.9: Projected sizes of families with children in 2031

	Two parent	One parent	Total
1 child	28%	15%	43%
2 children	25%	11%	36%
3+ children	15%	5%	21%
	68%	32%	

Source: Edge Analytics, GVA, 2013

7.39 Hence the most popular family size will be one child.

7.40 However, a 7% increase in the number of family households does not mean that only 7% more housing for families will be needed. This is because the growth in the number of older person households and the fact that the majority of older people are expected to remain living in their current homes, mean that less existing housing will become available for families. New family housing will therefore be needed to replace some of the historic supply from existing stock.

Ethnic minority households

7.41 East Staffordshire has a fairly diverse population as follows:

Figure 7.10: Population of East Staffordshire by Ethnic Group

White British	97,854	86%
'Other White'	4,236	3.7%
White & Black Caribbean	800	0.7%
White & Asian	451	0.4%
Indian	916	0.8%
Pakistani	5,598	4.9%
Chinese	331	0.3%
Black African	333	0.3%
Black Caribbean	500	0.4%
All other BME	2,564	2.3%

Source: Office for National Statistics Census 2011

7.42 Census data on household size by ethnic group was not available at the time of writing. However Census 2011 data was available on overcrowding by ethnic group.

Figure 7.11: Overcrowding by ethnic group

	Rate	Number	% of Total
White British	2%	931	60%
Gypsy or Traveller	13%	3	0.2%
Other White	12%	192	12%
Pakistani	22%	287	19%
Bangladeshi	25%	9	0.6%
‘Other Asian’ (exc Indian and Chinese)	11%	34	2%
All other BME	5%	87	6%

Source: Office for National Statistics Census 2011

7.43 Hence the rate of overcrowding is particularly high amongst Bangladeshi and Pakistani households. There are also significant numbers of overcrowded “Other White” households.

7.44 Comparing this information with tenure:

Figure 7.12: Tenure by ethnic group

	Owned	Social rented	Private rented
White British	70%	13%	16%
Gypsy & Traveller	63%	17%	21%
'Other white'	26%	16%	58%
White & Black Caribbean	34%	38%	28%
‘Other mixed'	39%	25%	36%
Indian	63%	4%	33%
Pakistani	77%	4%	18%
'Other Asian'	34%	19%	47%
Black African	20%	30%	50%
Black Caribbean	60%	22%	18%

Source: Office for National Statistics Census 2011

7.45 Hence Pakistani households are more likely to be owner-occupiers than White British households, whereas “Other white” households live predominantly in the private rented sector.

7.46 It is estimated from this data that 58% of overcrowded owner-occupied *households of choice* are Pakistani and 45% of overcrowded *households of choice* in the private rented sector are “Other white”. Hence action to address overcrowding is particularly needed by these ethnic groups.

Gypsy and Traveller households

7.47 At the time of writing the Council’s current Gypsy and Traveller Accommodation Needs Assessment[65] has not identified any need for additional Traveller pitches.

7.48 However whilst this assessment utilised all the available evidence, it identified two possible sources of potentially unidentified need; need from households living in ‘bricks & mortar housing’ and need from households living outside the Borough of East Staffordshire. Further work has been commissioned in partnership with Derbyshire County Council to update and extend the evidence base. It is expected that this will be completed in 2014.

[65] Gypsy and Traveller Accommodation Needs Assessment February 2013 Update, East Staffordshire Borough Council

Addendum April 2014

Older People

Rented social housing

7.49 Paragraph 7.25 states that the current amount of rented social housing for older people will continue to be sufficient.

7.50 However, the existing housing may not be distributed according to need and some of it is expected to become obsolete. It is therefore likely that new rented social housing for older people will need to be built during the plan period.

7.51 Figure 7.13 shows where there is an assessed shortage and excess of social housing designated for older people given the number of households aged 50-84 living in other (not older person designated) rented accommodation (social and private). Extra-care housing is excluded from the analysis since it serves a wider area than the ward.

Figure 7.13: Older person's rented social housing

Ward	Indicative shortage (excess)
Eton Park	91
Anglesey	48
Stapenhill	40
Shobnall	23
Brizlincote	12
Weaver	12
Burton	10
Crown	8
Abbey	5
Yoxall	5
Rolleston on Dove	3
Horninglow	2
Needwood	-4
Bagots	-6
Heath	-7
Churnet	-11
Winshill	-11
Branston	-28
Stretton	-41
Tutbury and Outwoods	-55
Town (Uttoxeter)	-97

Source: ONS Census 2011 and ESBC

7.52 This analysis is helpful to the extent that older people are likely to downsize *if* they can stay living in their local area. To this extent, additional rented social housing for older people is justified in the areas with a shortage of such accommodation.

7.53 The data on areas with an apparent excess of rented social housing for older people needs to be treated with caution. The assessment assumes that 25% of older person households will want to downsize (aside from into Extra-care housing), but the percentage is potentially higher. This housing is also likely to serve need from a wider area, including adjacent wards, particularly housing in Town ward (which includes Uttoxeter town centre). Choice Based Lettings information indicates strong demand for older persons accommodation in Branston, Stretton and Tutbury as follows:

Figure 7.14: Demand for older persons rented social housing in selected localities 2011-2013

Ward	Average Expressions of Interest per letting
Branston	17
Stretton	18
Tutbury	15

Source: Trent & Dove Housing

7.54 Figure 7.15 groups areas of apparent excess with neighbouring areas of apparent shortage. It continues to indicate a need for further accommodation in inner Burton and in Stapenhill, and excess accommodation in Tutbury and Uttoxeter.

Figure 7.15: Older person's rented social housing – grouped wards

Ward	Indicative shortage (excess)	
Eton Park	91	75
Shobnall	23	
Horninglow	2	
Stretton	-41	
Stapenhill	40	41
Brizlincote	12	
Winshill	-11	
Anglesey	48	28
Burton	8	
Branston	-28	
Weaver	12	1
Churnet	-11	
Abbey	5	
Heath	-7	-1
Yoxall	5	-5
Needwood	-4	
Bagots	-6	
Crown	5	-47
Rolleston on Dove	3	
Tutbury and Outwoods	-55	
Town (Uttoxeter)	-97	-97

Source: ONS Census 2011 and ESBC

7.55 Hence this analysis indicates areas in which there may be scope to re-designate some older-person's accommodation for younger households, or to sell some of the stock.

People wishing to build their own homes

7.56 The Council endeavoured to assess the demand for self-build housing in 2012 by making available and publicising a survey on its website. The publicity advised that serviced self-build plots could potentially be made available on urban extensions to Burton and Uttoxeter and asked people if they might be interested in buying such a plot over the next 20 years.

7.57 A total of 12 responses were received, with answers as follows:

- 8 said they were interested in sites on the edge of Burton and 8 in sites on the edge of Uttoxeter (respondents were able to answer yes to both)
- 3 were interested in a notional plot costing £80,000 for a 2-3 bedroom home
- 9 were interested in a notional plot costing £115,000 for 4-5 bedroom home
- All 12 wanted to build within 5 years
- 6 respondents (half) lived in East Staffordshire, 5 in Lichfield district, and 1 in Birmingham

7.58 The Council has already granted planning permission for 12 self-build homes on a scheme in Tutbury.

7.59 The Council has taken account of guidance about assessing demand for self-build, including *Planning for Custom Build Housing – a Practice Guide* published by the National Self Build Association in November 2012, and the draft *National Planning Practice Guidance* published for consultation by the Government in September 2013. It has concluded that it would be difficult to secure more robust evidence of demand. The Tutbury scheme referred to above indicates a measure of market interest in providing self-build.

8 Need for affordable housing

8.1 Affordable housing is provided for households in "housing need" whom the guidance defines as "households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market".

8.2 The guidance sets out how housing need is to be calculated.

Current housing need

8.3 Current housing need is the backlog of households in housing need at a point in time. The beginning of August 2012 is used because housing register data is a key component of the calculation and this is the date nearest the start of the plan period when the housing register review had just been completed, making housing register data the most accurate.

Homeless households and those in temporary accommodation

8.4 The Council's homelessness database records that at the beginning of August 2012 there were 7 homeless households in the Borough and 5 households accommodated by the Council in temporary accommodation. These are households who had approached the Council for accommodation or assistance to find accommodation and whom the Council had reason to believe were homeless or threatened with homelessness.

8.5 Following consultation, households in temporary housing circumstances are counted later within Other households.

Overcrowding

8.6 As shown in Figure 4.26 there are estimated to be 909 overcrowded *households of choice* which need larger accommodation. Figure 8.10 shows how the percentage able to afford market housing has been derived from English Housing Survey income data[66].

[66] English Housing Survey (EHS) data for the 3 years 2009-2012 has been used because of small sample sizes – the period has changed since consultation following publication of 2012 data. A comment made in response to consultation was that East Midlands data should be used. However East Staffordshire is in the West Midlands, and West Midlands data has therefore been used in accordance with the guidance.

Figure 8.1: Overcrowded households in housing need

Size of accommodation needed	Number of households	% able to afford market housing	Housing need
Social Rented			
2-bedroom	16	49%	8
3-bedroom	99	40%	60
4-bedroom	169	30%	118
	283		186
Private Rented			
2-bedroom	14	49%	7
3-bedroom	86	45%	47
4-bedroom	146	29%	104
	246		157
Owner-occupied			
2-bedroom	21	86%	3
3-bedroom	132	83%	23
4-bedroom	226	57%	97
	380		123
Total	909	52%	467

Source: Office for National Statistics Census 2011, English Housing Survey

8.7 Hence the number of households thought to be in housing need because of overcrowding is 467.

Concealed households

8.8 As shown in Figure 4.25 there are estimated to be 634 concealed households living in overcrowded households. At the beginning of August 2012 there were an additional 124 resident households on the housing register who were lodging with parents and who were not also overcrowded.

8.9 The Council had proposed to count concealed households under newly forming households, but this was criticised in response to consultation. Concealed households are therefore counted here, with the number of newly forming households commensurately reduced to avoid double counting.

8.10 English Housing Survey income data has been used to assess what proportion of concealed households can afford market housing as follows.

Figure 8.2: Concealed households in housing need

Size of accommodation needed	Housing Register	Living in overcrowded households	Total concealed households	% able to afford	Housing need
Single room	65	190	255	65%	90
1-bedroom	28	235	263	54%	121
2-bedroom	29	180	209	46%	112
3-bedroom	2	28	30	45%	17
	124	634	758		341

Source: East Staffordshire Housing Register, English Housing Survey

Other households

8.11 The Council's housing register records that at the beginning of August 2012[67] there were 136 applicants for housing with no fixed abode and 60 in temporary housing circumstances. None of these was homeless or in temporary accommodation.

8.12 At the beginning of August 2012 the housing register records that there were 100 existing affordable housing tenants living in unsuitable accommodation and 99 other households living in unsuitable accommodation, as defined by reasonable preference, excluding households already counted.

8.13 According to the English Housing Survey, 30% of private rented properties in the West Midlands fail under the Housing Health and Safety Rating System. However households do not gain reasonable preference on the housing register because their rented housing contains Category 1 Hazards because landlords have responsibility for remedying such hazards, and hence such households have not been counted as households in current housing need.

[67] Only applicants who are current East Staffordshire residents are counted, since no other district has asked East Staffordshire to help meet its need.

Total current housing need

8.14 Total current housing need is therefore 1214:

Figure 8.3: Current housing need

Homeless households	7
Households in temporary accommodation	5
Overcrowded households	467
Concealed households	341
Existing affordable housing tenants in need	100
Other households in need	295
Total current unmet gross need for affordable housing	1,214

Source: ESBC 2013

Future housing need

New household formation

8.15 Consultants GVA have estimated new household formation from the modelling behind the derivation of the future housing requirement. They estimate an average 1,026 new households wanting to form pa over the plan period, which amounts to a total over the plan period of 19,494. 758 households have already been counted as concealed (Figure 8.11), and the remaining 18,736 amounts to an average 986 pa.

Proportion of new households unable to buy or rent in the market

8.16 The number of newly forming households needing housing of each size is estimated from housing register and homelessness data, and the proportion able to afford market housing is calculated using English Housing Survey income data as previously.

Figure 8.4: Newly forming households in housing need

Size of accommodation needed	Number of households	% able to afford	Housing need
Single room	245	65%	86
1-bedroom	302	54%	139
2-bedroom	380	46%	204
3-bedroom	52	45%	29
4-bedroom	8	28%	6
	986		464

Source: Edge Analytics, GVA, 2013, East Staffordshire Housing Register, English Housing Survey

8.17 Hence it is estimated that 464 newly forming households will be in housing need each year.

Existing households falling into need

8.18 The number of households likely to be become homeless each year has been derived from homelessness decisions taken by the Council over the three years 2010-2013 (See Appendix 5). An average 82 households per year were found to be homeless, of whom 70% were pre-existing households as opposed to newly forming households. Hence the average number of existing households becoming homeless pa is projected to be 57.

8.19 In addition, an estimated 171 local households join the Housing Register with a reasonable preference each year (excluding homeless households) (Appendix 5).

8.20 This gives a total of 228 existing households falling into need pa.

Total newly arising housing need

8.21 Hence total newly arising housing need is estimated to be 693 pa[68]:

Figure 8.5: Annual newly arising housing need

New household formation (gross per year)	986
Proportion of new households unable to buy or rent in the market	464
Existing households falling into need	228
Total newly arising housing need (gross per year)	693

Source: ESBC 2013

Affordable housing supply

Affordable dwellings occupied by households in need

8.22 As shown in Figures 8.10 and 8.12, the following households occupying affordable housing were identified as being in housing need, and their homes will be vacated and available for others when their need is met:

Figure 8.6: Affordable dwellings occupied by households in need

Overcrowded households	186
Households with Reasonable Preference	100
Total	286

Source: ESBC 2013

[68] The numbers presented are rounded which is why they do not always add up to the total.

Surplus stock

8.23 There is no surplus affordable housing stock in East Staffordshire which can be brought back into use. There is one scheme of 31 units which is currently surplus and which the landlord housing association plans to demolish.

Committed supply of new affordable housing

8.24 Committed supply is made up of:

- Units for which housing associations have secured HCA funding – including both firm sites and unallocated units
- Units secured as planning obligations (Section 106). Although this supply is not certain because planning permission does not mean a scheme necessarily gets built, these planning permissions are counted towards the housing requirement and hence it is consistent to include the affordable housing in this calculation. Includes the number of units in lieu of which commuted sums are payable.

Figure 8.7: Committed supply of new affordable units

HCA Programme	144
S106	74
Total	218

Source: ESBC 2013

Units to be taken out of management

8.25 As mentioned above there is one scheme of 31 units which it is expected will be demolished.

Annual supply of social re-lets (net)

8.26 The number of long-term social housing re-lets has been as follows; lets in short-term supported housing are not included because they are not a lasting solution to housing need.

Figure 8.8: Social housing re-lets

Year	Re-lets
2007-8	567
2008-9	579
2009-10[69]	557
2010-11	577
2011-12	552
3-year average	562

Source: CORE

8.27 Hence the number of re-lets has been remarkably consistent. The average for the last 3 years is taken to indicate likely future supply.

Annual supply of intermediate affordable housing

8.28 The annual supply of intermediate affordable housing arises when shared ownership homes are re-sold. Unfortunately the data source for this information (CORE) is incomplete. There are 175 shared ownership dwellings in East Staffordshire (according to Council records which are deemed more accurate than the 2011 Census), and available evidence suggests that around 5% of these may become available each year, providing average annual supply of 9 units.

[69] The Council has identified that the 2009-10 number of re-lets reported in its previous *Strategic Housing Market Assessment Conclusions* document was wrong.

Total affordable housing supply

8.29 Affordable housing supply is therefore as follows:

Figure 8.9: Affordable housing supply

Current supply	
Affordable dwellings occupied by households in need	286
Surplus stock	31
Committed supply of new affordable housing	218
Units to be taken out of management	31
Total affordable housing stock available = 286+31+218-31	504
Future supply	
Annual supply of social re-lets (net)	562
Annual supply of intermediate affordable housing	9
Total annual supply of affordable housing	571

Source: ESBC 2013

The housing requirements of households in need

Choices within the existing affordable housing stock

8.30 The overwhelming majority of rented social housing in East Staffordshire is made available through the East Staffordshire Housing Register using Choice Based Lettings. Hence all applicants who are eligible for an available property (given its size and any special characteristics) can express their interest in it, and they are then ranked by Band, reflecting their level of housing need, and within Bands by Effective Date. This process allows applicants free choice to move to the areas where housing becomes available.

8.31 For properties in rural areas there is (at the time of writing) a limited degree of prioritisation of applicants with an identified need to live in the parish by ranking them at the top of their Band. Need to live in the parish is defined as one of:

- A need to move to or remain living in the parish to be close to relatives or local facilities in order to give or receive appropriate support or care;
- A need to move to or remain living in the parish because of a specific need to live close to your place of employment;
- Continuously resident in the parish for the last year and a need to remain living in the parish so that resident children can remain at the primary school they attend.

8.32 For new affordable housing built on Exception Sites in rural areas, applicants local to the parish and on a low income would be prioritised, but at the time of writing no new homes have been build on Exception sites.

8.33 Intermediate affordable housing (shared ownership) is generally advertised for sale on the open market but potential purchasers are then subject to eligibility checks.

Requirement for affordable dwellings of different sizes

8.34 The evidence used to estimate current housing need indicates the following sizes of dwellings needed. Following the introduction of Housing Benefit Social Sector Size Criteria in April 2013 a number of households in rented social housing need to down-size. An adjustment is therefore made for affected under-occupiers on the Housing Register at the end of June 2013 because they want to move to smaller housing.

Figure 8.10: Size of dwellings needed to meet net current housing need

	1-bedroom	2-bedroom	3-bedroom	4-bedroom	Total
Current housing need	475	238	171	331	1,214
Affordable housing stock available	109	240	144	10	504
Adjustment for under-occupiers	70	-9	-51	-10	0
Net current housing need	435	-11	-24	311	710

Source: ESBC 2013

8.35 Figure 8.10 shows an apparent over-supply of 2 and 3-bedroom homes. This is because new affordable housing supply was previously planned on the basis that, in accordance with the Council's allocation scheme, families should be accommodated in houses, 2-bedroom flats could house single people and couples, and 3-bedroom houses would be suitable for families with 2 children. However the Housing Benefit Social Sector Size Criteria implemented by the Government from April 2013 mean that for the majority of households requiring rented affordable housing these conclusions are no longer valid. The size of home needed by households in housing need in these calculations has therefore been based on Housing Benefit entitlement rather than on entitlement under the Council's allocation scheme.

Figure 8.11: Size of dwellings needed to meet newly arising housing need

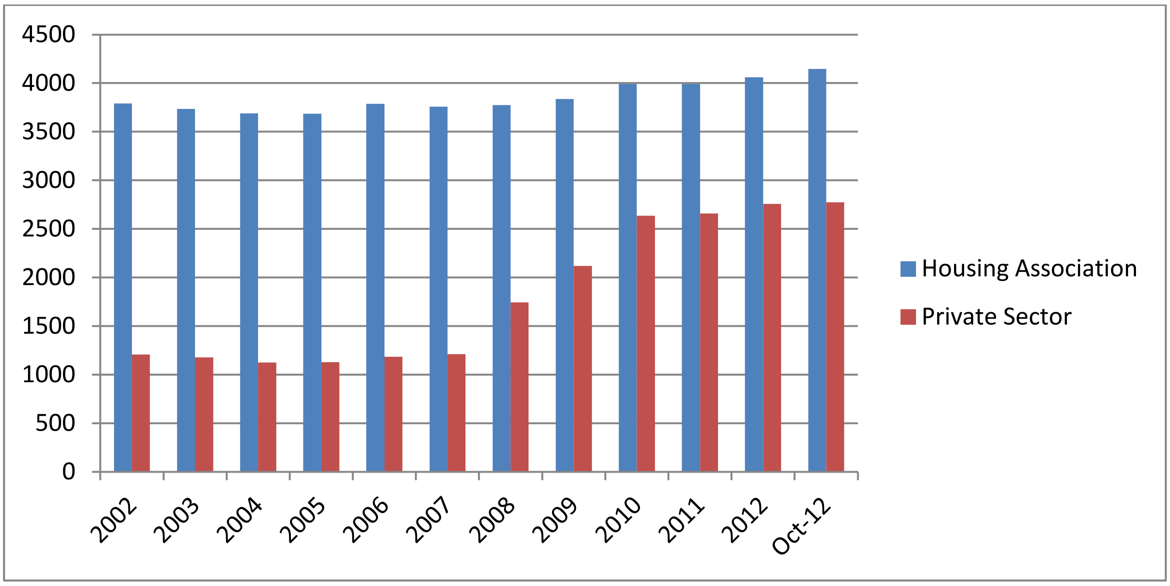
	1-bedroom	2-bedroom	3-bedroom	4-bedroom	Total
Annual newly arising housing need	322	281	77	13	693
Annual supply of affordable housing	267	200	99	5	571
Net newly arising housing need pa	55	81	-18	8	122

Source: ESBC 2013

The private rented sector

8.36 The private rented sector currently plays a large part in housing households in East Staffordshire who cannot afford market housing as demonstrated by the number of private tenants receiving housing benefit.

Figure 8.12: Housing Benefit recipients in East Staffordshire



Source: ESBC 2013

8.37 Numbers receiving housing benefit in the private rented sector have increased by 147% since 2007. The estimated proportion of private sector renters receiving housing benefit increased from around 28% in 2001 to around 39% in 2011.

8.38 However numbers have plateaued over the last four years suggesting that supply of accommodation accessible to people on housing benefit has ceased to grow.

8.39 In addition the following analysis indicates a current shortage of accommodation affordable to households claiming housing benefit. This is because the Local Housing Allowance rate of housing benefit for each size of property is fixed at the 30th percentile of rents for that size of property, so that in principle 30% of lets of each size of property are affordable to people relying on housing benefit. However the number of households receiving each rate of Local Housing Allowance does not correlate with supply of accommodation affordable at that Local Housing Allowance rate. In particular 30% of single room and 1-bedroom supply is insufficient for the numbers of households receiving the Shared Accommodation and 1-bedroom rates of Local Housing Allowance.

Figure 8.13: Private rented accommodation affordable at LHA rates

a	b	c	D	e
LHA Rate	Recipients (Need)	Private rented accommodation	Accommodation affordable on LHA	Shortage
Derivation→	LHA recipients	Figure 4.16	c x 30%	b-d
Single Room	322	381[70]	114	208
1-bedroom	548	995	299	250
2-bedroom	936	2,792	838	98
3-bedroom	420	2,187	656	none
4-bedroom	131	545	164	none
	2,357	6,900	2,070	556

Source: ESBC 2013

8.40 This analysis indicates that there are already insufficient single rooms, 1-bedroom homes and 2-bedroom homes affordable to households unable to afford market prices.

8.41 There is no record of the historic supply of private rented housing – how many new lets there have been over any given period. Much of the increase in the number of housing benefit claimants may have been due to existing tenants falling into housing need and claiming housing benefit in respect of their pre-existing accommodation.

Bringing the evidence together

Estimate of net annual housing need

8.42 The evidence is now brought together to identify the number of new affordable dwellings required pa.

[70] Estimated from Valuation Office Agency and home.co.uk data

8.43 A key decision is the number of years to be taken to address current housing need. The Council is preparing its new Local Plan to cover the period 2012 – 2031. In the interests of consistency and deliverability, the Council takes the view that current housing need should be addressed over this timescale (19 years).

Figure 8.14: Net annual housing need

Gross Current Housing Need	1,214
Total affordable housing stock available	504
Net Current Housing Need	710
Quota of Net Current Housing Need to be addressed pa	37
Newly arising Housing Need pa	693
Gross annual Housing Need	730
Future annual supply of Affordable Housing	571
Net annual Housing Need	159

Source: ESBC 2013

Key issues for future policy/strategy

8.44 Annual housing need is due to the following problems:

Figure 8.15: Reasons for current housing need

Homelessness	1%
Overcrowding	38%
Unsuitable housing	33%
Concealed households	28%

Source: ESBC 2013

8.45 Hence the biggest reason is overcrowding. As shown in Figure 4.23, 44% of overcrowded households are owner-occupiers and 28% live in the private rented sector.

8.46 Reasons for net annual housing need are as follows:

Figure 8.16: Reasons for gross annual housing need

Homelessness	8%
Overcrowding	3%
Unsuitable housing	25%
New households formation	63%

Source: ESBC 2013

8.47 Hence the biggest reason is new households forming and unable to afford market housing.

8.48 Bringing the above information on size of dwellings together implies the following need:

Figure 8.17: Net annual housing need by size of dwelling

	1-bedroom	2-bedroom	3-bedroom	4-bedroom	Total
Quota of Net Current Housing Need pa	23	-1	-1	16	37
Newly arising Housing Need pa	322	281	77	13	693
Gross annual housing need	345	280	75	29	730
Annual supply of affordable housing	267	200	99	5	571
Net annual housing need	78	80	-24	25	159

Source: ESBC 2013

8.49 Factors affecting the sizes of affordable housing needed are as follows:

- The size of home needed has been calculated in accordance with housing benefit entitlement.
- Size entitlement under the East Staffordshire Housing Allocations Policy has been and remains more generous than housing benefit entitlement.
- Historically housing benefit for social tenants has covered the whole of the rent whatever the size of home.
- From April 2013 this is no longer be the case with the introduction of size criteria for housing benefit in rented social housing – the so-called bedroom tax.
- It is impossible to know how many households affected by this change will want to down-size and how many will find the money to top up their housing benefit in order to stay put. The Government has estimated that 80% will stay put.
- Likewise it is impossible to know how many newly forming households and households falling into need who will need housing benefit will find the money to rent a larger home. It is expected that some of them will do so, eg in anticipation of starting a family.
- There is however likely to be increasing demand for smaller affordable homes.
- Households who do not rely on housing benefit are likely to seek larger housing given the opportunity.
- It is not therefore expected that any current affordable housing will become surplus.

Joining up across the assessment

8.50 Housing need has been calculated according to the ability of households to afford market housing based solely on annual income. Hence a household earning £20,000 is deemed able to buy a 1-bedroom flat costing around £70,000. In reality a household needs to have saved a substantial deposit to buy housing. Hence a household earning £20,000 may not actually be able to buy. At the time of writing the Government has announced extension of the Help to Buy scheme to purchase of existing housing and this may enable more households to buy entry level housing, but it is not certain how long the scheme will last. A household's income also needs to be secure, whereas many households have insecure income which is likely to prevent them obtaining a mortgage. These factors mean that the assessed level of housing need is probably conservative at the time of writing, since it does not specifically reflect the current economic situation. It is to be hoped that the economic situation will improve over time, and over this longer timescale the assessed level of housing need is less likely to be lower than true housing need.

8.51 As mentioned above there is no sure way of determining the historic supply of private rented housing, but this would not in any case be a reliable indicator of future supply because properties move into and out of the private rented sector without any control. Figure 7.22 indicates an existing shortage of private rented housing affordable to households relying on housing benefit despite the growth in private rented supply. It is likely that many private lets over the last few years have occurred because owners have not been able to sell properties at what they consider to be an acceptable price. If house prices increase these reluctant private sector landlords may well decide to sell, which could reduce the supply of private rented housing.

8.52 The Council meets regularly with private landlords and letting agents, and the consistent message is that private landlords would rather not let to housing benefit claimants. This correlates with the fact that the Council's Housing Options team are finding that clients needing to claim housing benefit are having increasing difficulty finding suitable private rented accommodation. Many landlords explicitly say that they will not consider housing benefit claimants. Those that will typically require someone earning a particular level of income to act as Guarantor of the rent. In any case renting in the private sector normally means finding a large sum of money to pay fees, a deposit and rent in advance.

8.53 For all these reasons, private rented housing is not readily available to households in housing need. This is expected to get even more difficult with the advent of Universal Credit and the fact that increases in housing benefit (and the housing component of Universal Credit) will in future be capped at the Consumer Prices Index rather than in line with actual rent rises.

8.54 These factors and those mentioned above mean that private rented supply cannot be relied upon to meet the needs of those in housing need.

Intermediate affordable housing

8.55 To assess the amount of housing need which can be met by Intermediate affordable housing it is firstly necessary to calculate the cost of such housing. The standard type of Intermediate housing for assessment purposes is shared ownership housing.

8.56 If shared ownership housing is built then clearly it is new, and it is therefore more valuable than older housing available at lower quartile prices. For this reason the costs of shared ownership housing are calculated using the researched entry level price for *new* homes (rather than all homes) and the median market rent (instead of the lower quartile rent). Purchase of a 25% share is modelled because this is most affordable, and in accordance with the guidance households are deemed able to afford to spend 30% of their gross income on shared ownership housing.

Figure 8.18: The cost of shared ownership in East Staffordshire

	1-bedroom (flat)	2-bedroom (terraced)	3-bedroom (terraced)	4-bedroom (terraced)
Value (outright sale price)	£85,000	£115,000	£135,000	£145,000
Annual mortgage cost for 25% purchase	£1,594	£2,156	£2,156	£2,719
Annual rent for 75% share	£2,779	£3,420	£4,140	£5,400
Total cost pa	£4,373	£5,576	£6,296	£8,119
Income required	£14,576	£18,588	£20,988	£27,063

Source: ESBC 2013

8.57 English Housing Survey incomes data is then used to identify what proportion of overcrowded and newly forming households can afford shared ownership housing.

Figure 8.19: Overcrowded households and shared ownership housing

Size of accommodation needed	Number of households	% able to afford market housing	Housing need	% able to afford shared ownership	Households whose need can be met by shared ownership	
Social Rented						
2-bedroom	16	49%	8	54%	5%	0.8
3-bedroom	99	40%	60	43%	3%	3.2
4-bedroom	169	30%	118	30%	0%	0
All	283		186			
Private Rented						
2-bedroom	14	49%	7	55%	6%	0.9
3-bedroom	86	45%	47	49%	3%	2.8
4-bedroom	146	29%	104	29%	0%	0
All	246		157			
Owner-occupied						
2-bedroom	21	86%	3	86%	0%	0
3-bedroom	132	83%	23	84%	1%	1.9
4-bedroom	226	57%	97	58%	1%	3.2
All	380		123			
Total						
2-bedroom			18			2
3-bedroom			129			8
4-bedroom			319			3
All	909		467			13

Source: ESBC 2013 and English Housing Survey income data

Figure 8.20: Newly forming households and shared ownership housing

Size of accommodation needed	Number of households	% able to afford market housing	Housing need	% able to afford shared ownership	Households whose need can be met by shared ownership	
Single room	245	64.7%	86	64.7%	0.0%	0
1-bedroom	302	53.9%	139	64.7%	10.8%	33
2-bedroom	380	46.2%	204	50.8%	4.6%	18
3-bedroom	52	44,7%	29	44.7%	0%	0
4-bedroom	8	27.8%	6	29.3%	1.5%	0
	986		464			50

Source: ESBC 2013 and English Housing Survey income data

8.58 Hence there is very little scope to address overcrowding with shared ownership housing, but the housing needs of an average 50 newly forming households pa could be addressed by shared ownership housing.

8.59 In addition, the analysis at Figure 7.3 identifies that a proportion of housing need requires shared ownership Extra-care housing. Figure 7.3 shows the total number of new Extra-care affordable housing dwellings needed over the plan period. The Council has calculated that this number of new dwellings will deliver a greater amount of affordable housing supply, and hence a need for this number of dwellings implies an annual need for a greater level of supply. This is because of turnover within new affordable housing – re-lets and re-sales, which over time provides additional supply.

8.60 The average turnover of rented social housing in the Borough is 6.88%pa. Although turnover of different sizes of dwellings has historically varied, introduction of Social Sector Size Criteria is expected to moderate this, making the historic differences unreliable for the future. This percentage is therefore applied to rented housing supply. The estimated average turnover of shared ownership housing is 5%pa.

8.61 Figure 8.21 shows the annual supply which will be generated by new Extra-care housing dwellings. Rented supply is calculated as well as Intermediate supply.

Figure 8.21: Extra-care housing supply

	Rented		Intermediate	
New dwellings over the plan period	173.8		319.1	
Average new dwellings pa	9.1		16.8	
Year	New	Re-lets @ 6.88%	New	Re-sales @ 5%
2013	9.1	0.6	16.8	0.8
2014	18.3	1.3	33.6	1.7
2015	27.4	1.9	50.4	2.5
2016	36.6	2.5	67.2	3.4
2017	45.7	3.1	84.0	4.2
2018	54.9	3.8	100.8	5.0
2019	64.0	4.4	117.6	5.9
2020	73.2	5.0	134.4	6.7
2021	82.3	5.7	151.2	7.6
2022	91.5	6.3	168.0	8.4
2023	100.6	6.9	184.8	9.2
2024	109.8	7.6	201.6	10.1
2025	118.9	8.2	218.4	10.9
2026	128.1	8.8	235.2	11.8
2027	137.2	9.4	252.0	12.6
2028	146.4	10.1	268.8	13.4
2029	155.5	10.7	285.6	14.3
2030	164.7	11.3	302.4	15.1
2031	173.8	12.0	319.1	16.0
Totals	173.8	119.6	319.1	158.7
Total supply over the plan period	293		478	
Average new supply pa	15.4		25.2	

Source: ESBC 2013

8.62 Drawing this information together identifies the following net annual need which can be met by shared ownership housing.

Figure 8.22: Annual need which can be addressed with shared ownership housing[71]

	1-bedroom	2-bedroom	3-bedroom	Total
Newly forming households	33	18	0	50
Extra-care housing supply	16	9	0	25
Gross need	49	27	0	76
Intermediate housing supply	0	8	2	9
Net need	49	19	-2	66
Net need for new supply	49	17	0	66

Source: ESBC 2013

8.63 Discounted Sale is another type of Intermediate affordable housing which could address need. Since the need is for 1 and 2-bedroom homes, the costs which households can afford to pay for such homes are calculated as follows:

Figure 8.23: Discounted Sale housing

	1-bedroom	2-bedroom
Income required for shared ownership	£14,576	£18,588
Affordable price @ 3.5 x annual income	£51,525	£65,056
Market price	£85,000	£115,000
% of market price affordable	60%	57%

Source: ESBC 2013

8.64 Hence Discounted Sale housing needs to be sold at 60% of market value to be affordable to households whose needs can be addressed by Intermediate affordable housing.

Rented affordable housing

8.65 The needs of the remaining households in housing need can be met by rented affordable housing as follows:

[71] The numbers presented are rounded which is why they do not always add up to the total.

Figure 8.24 Annual need which can be addressed with rented affordable housing[72]

	1-bedroom	2-bedroom	3-bedroom	4-bedroom	Total
Gross need	296	254	75	29	654
Rented affordable housing supply	267	192	97	5	561
Net need	30	61	-22	24	93
Net need for new supply	30	39	0	25	93

Source: ESBC 2013

Meeting housing need

8.66 Figures 8.22 and 8.24 identify how much of annual housing need can be met by Intermediate and Shared Ownership housing. However the Council has identified that some of the need can and ideally should be met off-site as follows.

- On Extra-care affordable housing. Extra-care housing is a specialised type of housing and Extra-care affordable housing will not therefore be provided on mainstream housing sites. As already noted, Figure 7.3 identifies that 51% of Extra-care housing needs to be affordable housing. However the Council's Plan Viability Study has identified that Extra-care affordable housing cannot be provided without subsidy.

- To enable households in housing need which could be addressed by shared ownership housing *in Burton* to buy existing housing in Inner Burton by helping them with the deposit. This should be achievable because housing in Inner Burton can be purchased relatively cheaply. This would address the housing need of the assisted households so that they would not need the affordable housing they would otherwise need, thereby off-setting some of the need for on-site affordable housing. It would also maintain or increase owner occupation in Inner Burton which would increase investment and stability and so contribute to community sustainability. It could also bring empty homes back into use. An alternative option would be to fund the purchase of Inner Burton housing as shared ownership housing. This proposal is only for households needing housing in Burton, not for households needing shared ownership housing elsewhere in the Borough.

- To enable overcrowded owner-occupier households to enlarge their homes or to move to larger homes, instead of them needing rented affordable housing. As above, this would also off-set some of the need for on-site affordable housing and it would therefore be directly related to housing developments which would otherwise need to provide this affordable housing onsite.

- Potentially to subsidize affordable housing on sites where this is not otherwise viable.

8.67 One response to consultation was that shared ownership housing should be provided in Burton instead of need being met off-site. The Council's response is provided in Appendix 1.

8.68 Taking these off-site needs into account leaves need for new affordable housing supply as follows:

Figure 8.25: Need for Intermediate housing supply

	1-bedroom	2-bedroom	3-bedroom	4-bedroom	Total
Net need for Intermediate housing	49	17	0	0	66
Extra-care Intermediate supply	16	9	0	0	25
Owner occupation in Inner Burton	24	6	0	0	30
Net need for General Needs Intermediate supply	9	2	0	0	11

Source: ESBC 2013

Figure 8.26: Need for rented affordable housing supply

	1-bedroom	2-bedroom	3-bedroom	4-bedroom	Total
Net need for rented affordable	30	39	0	24	93
Extra-care rented affordable supply	12	3	0	0	15
Larger owner-occupier homes	0	0	0	6	6
Net need for General Needs rented supply	17	36	0	18	71

Source: ESBC 2013

8.69 As shown in Figure 8.21, to deliver a given amount of affordable housing supply it is not necessary to secure the same amount of new affordable housing because of turnover. Figure 8.26 demonstrates that 50 new General needs dwellings pa will deliver the average annual supply required.

Figure 8.27: New on-site affordable housing needed

	General Needs Rented		General Needs Intermediate	
New supply needed pa	71.3		11.0	
Supply over the plan period	1355		209	
Year	New	Re-lets @ 6.88%	New	Re-sales @ 5%
2013	42.2	2.9	7.4	0.4
2014	84.5	5.8	14.7	0.7
2015	126.7	8.7	22.1	1.1
2016	169.0	11.6	29.4	1.5
2017	211.2	14.5	36.8	1.8
2018	253.5	17.4	44.1	2.2
2019	295.7	20.3	51.5	2.6
2020	337.9	23.3	58.8	2.9
2021	380.2	26.2	66.2	3.3
2022	422.4	29.1	73.5	3.7
2023	464.7	32.0	80.9	4.0
2024	506.9	34.9	88.2	4.4
2025	549.2	37.8	95.6	4.8
2026	591.4	40.7	102.9	5.1
2027	633.7	43.6	110.3	5.5
2028	675.9	46.5	117.6	5.9
2029	718.1	49.4	125.0	6.2
2030	760.4	52.3	132.3	6.6
2031	802.6	55.2	139.7	7.0
Total supply over the plan period	802.6	552.2	139.7	69.8
	1355		209	
Average new required pa	42.2		7.4	

Source: ESBC 2013

Need for affordable housing

8.70 All this information is then brought together to identify the need for affordable housing.

Figure 8.28: Need for new affordable housing

Extra-care Intermediate affordable housing dwellings	17
Extra-care rented affordable housing dwellings	9
Larger owner-occupier homes	6
Owner occupation in Inner Burton	30
New on-site General Needs Intermediate affordable housing	7
New on-site General Needs rented affordable housing	42
Total annual need for affordable housing	112
Need for affordable housing over the plan period	2,122

Source: ESBC 2013

8.71 This number is then compared to the housing requirement.

8.72 The Council has identified the number of extant permissions at the start of the plan period and has applied a standard 10% lapse rate to this. The affordable housing to be provided by these permissions has already been counted as affordable housing supply, and it is therefore necessary to discount these permissions from the total housing requirement.

8.73 Policies in the Local Plan will require an affordable housing contribution from mainstream housing sites of 4 or more dwellings. Hence sites providing fewer than 4 dwellings will not contribute towards the need for affordable housing. Since the majority of Extra-care housing needs to be affordable housing, and since that is not viable without grant, Extra-care housing development will not be market housing led development which can *financially* contribute towards the need for affordable housing. The average amount of affordable housing required from housing market led development is therefore calculated as follows.

Figure 8.29: Need for affordable housing versus housing delivery

Housing requirement	11,648
Less extant permissions prior to the plan period	1,364
New permissions during the plan period	10,284
Projected permissions on sites of fewer than 4 dwellings	1,273
Projected permissions on sites of 4+ dwellings	9,011
Less Extra-care permissions	965
Projected market housing led permissions	8,046
Need for affordable housing	2,122
Percentage affordable housing required	26%

Source: ESBC 2013

8.74 The Council has concluded on this basis that the average affordable housing contribution from market housing led developments needs to be 25%.

Addendum April 2014

8.75 Figure 8.29 identifies that affordable housing need during the plan period is 2,122 dwellings, which amounted to some 26% of projected market housing led permissions over the plan period.

8.76 Two additional sites have now been granted approval at appeal, increasing the projected number of permissions and thereby reducing affordable housing need to 24.7%.

8.77 A large number of affordable housing contributions have already been agreed during the plan period to date and these are shown in Figure 8.30 below. These contributions were agreed under old policy, but the number of affordable dwellings to which commuted sums are equivalent has been calculated in line with proposed new policy provisions to give the total equivalent number of dwellings already secured.

Figure 8.30: Affordable Housing contributions already secured

Scheme	Total Dwellings	On-site AH		Estimated Commuted sum	AH secured under old policy	AH expectation under old policy	Reason for variance	Equivalent AH Dwellings under new policy		
								Commuted	Total secured	
Pirelli	300	0%	0	£0	0%	10%	A	0	0	0%
JCB, Pinfold Road	257	5%	13	£0	5%	10%	B	0	13	5%
Branston Depot	483	10%	48	£0	10%	10%	n/a	0	48	10%
Model Dairy Farm	84	10%	8	£23,607	10%	10%	n/a	0.6	8.6	10%
Land South of Branston	660	15%	99	£0	15%	15%	n/a	0	99	15%
Beamhill/Outwoods	950	15%	143	£0	15%	15%	n/a	0	143	15%
Guinevere Avenue	100	15%	15	£857,949	26%	30%	B	21.4	36.4	36%
Dove Way	56	0%	0	£0	0%	30%	A	0	0	0%
Efflinch Lane	130	15%	20	£779,477	23%	30%	B	19.5	39.5	30%
Burton Road Tutbury	224	14%	31	£100,000	15%	28%[72]	B	2.5	33.5	15%
Red House Farm[73]	250	15%	38	£0	15%	30%	C	0	38	15%
Branston Locks[74]	1250	7.5%	94	£1,300,000	10%	15%	B	32.5	126.5	10%
Forest Road[2]	300	15%	45	£1,667,758	23%	30%	B	41.7	86.7	29%
Totals	5044	11%	554	£4,728,791				118.2	672.2	12.3%
Burton Road Tutbury AH already counted[75]			-31	-£100,000				-2.5	-33.5	
Total AH towards need	5044		523	£4,628,791				115.7	638.7	12.7%

Source: ESBC

Reason for variance key:
A = Scheme development appraisal showing no affordable housing viable
B = The cost of other obligations netted off in accordance with policy
C = Appeal decision

72 This scheme included 12 self-build plots from which it was decided not to require an affordable housing contribution

73 These schemes are additional to the 8,046 projected market housing led permissions in Figure 8.29, increasing projected permissions to 8,596.

74 The numbers shown relate to the first two phases of the scheme, for which the affordable housing contribution has been agreed.

75 The affordable housing on this scheme was counted within *Committed supply of new affordable housing* in Figure 8.9 because it had full planning permission, and for this reason it is deducted from the total supply towards need.

8.78 A total affordable housing contribution of 639 dwellings has been secured towards identified need out of 5.044 permitted dwellings. This amounts to around 13% affordable housing, substantially below the 25% needed.

8.79 Figure 8.31 shows that this leaves a need for 1,483 affordable dwellings over the plan period, which is around 42% of projected outstanding permissions for market housing led development above the threshold.

Figure 8.31: Affordable housing need versus agreed supply

	All	Affordable housing	
Agreed	5,044	639	12.7%
Projected/need	8,596	2,122	24.7%
Outstanding	3,552	1,483	41.8%

Source: ESBC

9 Housing Mix

9.1 The *National Planning Policy* Framework states that the Strategic Housing Market Assessment needs to identify the scale *and mix* of housing likely to be required in the Borough over the plan period.

9.2 The following housing requirements have already been identified:

Figure 9.1: Specialised and affordable housing

	1-bedroom	2-bedroom	4-bedroom	Total
Extra-care market housing		472		472
Extra-care Intermediate housing	213	106		319
Extra-care rented affordable	139	35		174
Total Extra-care housing	352	613		965
Market Retirement housing		558		558
General needs Intermediate housing	109	31		140
General needs rented affordable	197	403	203	803
Total	658	1,605	203	2,465

Source: ESBC 2013

9.3 This housing amounts to 21% of the housing requirement over the plan period and 24% of new permissions over the plan period.

9.4 The Local Plan will encourage the inclusion of an appropriate number of Self-build plots across the plan period. It is estimated that these may amount to 2% of new dwellings, a total of 233 dwellings over the plan period.

9.5 Remaining housing will be mainstream market housing. The mix of households requiring this housing is as follows:

Figure 9.2: Mix of households requiring new mainstream housing

Singles under 55[76]	29%
Couples under 55	11%
Two parents & 1 child	9%
One parent & 1 child	9%
Two parents & 2 children	6%
One parent & 2 children	7%
Two parents & 3+ children	7%
One parent & 3 children	4%
Other households	5%
Older person households	14%
	100%

Source: ESBC 2013

9.6 As mentioned above, in Burton the large amount of terraced housing provides supply which can meet a large proportion of the need for owner-occupied housing by single people and couples in Burton. Allowing for this means that the mix of households requiring newly built housing in Burton will be different as follows:

Figure 9.3: Mix of households requiring new mainstream housing in Burton

Singles under 55	4%
Couples under 55	1.3%
Two parents & 1 child	16%
One parent & 1 child	16%
Two parents & 2 children	10%
One parent & 2 children	13%
Two parents & 3+ children	11%
One parent & 3 children	6%
Multi-adult households under 65	9%
Older person households	14%
Total mainstream market housing	100%

Source: ESBC 2013

[76] Single people and couples aged 55-64 are likely to be households who have had children but the children have left home. Hence they are likely to remain living in family housing and not to need new housing.

9.7 Following the approach used in other Strategic Housing Market Assessments, it is anticipated, taking into account household size, aspiration, relative property prices and relative purchasing power, that households requiring new mainstream market housing in East Staffordshire will *typically* seek the following sizes of new home. This is of course just a model, and it is impossible for any model to take individual household circumstances into account; in reality many households may seek different sizes of home than those indicated. However the Council is required to plan for a mix of housing and therefore has to employ a methodology to estimate what mix will be needed.

Figure 9.10: Anticipated housing demand by household type and age of head of household

	15-24	*25-34*	*35-44*	*45+*
Singles	1-bedroom	2-bedroom	2-bedroom	3-bedroom
Couples no children	1-bedroom	2-bedroom	3-bedroom	3-bedroom
Two parents & 1 child	2-bedroom	3-bedroom	3-bedroom	4-bedroom
One parent & 1 child	2-bedroom	2-bedroom	2-bedroom	3-bedroom
Two parents & 2 children	2-bedroom	3-bedroom	4-bedroom	4-bedroom
One parent & 2 children	2-bedroom	2-bedroom	3-bedroom	3-bedroom
Two parents & 3+ children	3-bedroom	4-bedroom	5-bedroom	5-bedroom
One parent & 3+ children	3-bedroom	3-bedroom	3-bedroom	4-bedroom
Multi-adult	2-bedroom	2-bedroom	3-bedroom	4-bedroom

Source: ESBC 2013

9.8 Applying this matrix to the information above, and taking account of the different mixes of existing housing in Uttoxeter and the remainder of the Borough, identifies that the following mixes of new mainstream market housing will be needed:

Figure 9.11: Mix of mainstream market housing needed by location

	Burton	Uttoxeter	Other areas
1-bedroom or studio homes	3%	2%	5%
2-bedroom Housing for Older People	14%	14%	14%
2-bedroom homes for singles and couples	2%	17%	28%
2-bedroom houses for families	18%	8%	13%
3-bedroom houses	29%	37%	27%
4-bedroom houses	24%	15%	10%
5-bedroom houses	10%	7%	3%

Source: ESBC 2013

9.9 Hence a significant proportion of new housing outside of Burton is needed for single people and couples.

9.10 Overall this will mean the following mix of mainstream market housing, compared to the mix identified for South Derbyshire:

Figure 9.12: Market housing mixes compared

	East Staffordshire	South Derbyshire
1-bedroom	3.1%	3.1%
2-bedroom	36.8%	23.1%
3-bedroom	30.2%	52.3%
4-bedroom	30.0%	21.5%

Source: ESBC 2013 and Derby HMA SHMA Update July 2013, GL Hearn

9.11 Hence the mixes of market housing identified for East Staffordshire and South Derbyshire are slightly different but not incompatible. A key issue is that the Derby HMA SHMA does not clearly identify how much new market housing is needed to enable older people to downsize, whereas this SHMA has identified a need for 2-bedroom homes for older people which will free up 3-bedroom homes so that fewer new 3-bedroom homes will be needed.

9.12 The mix of on-site General Needs affordable housing required to meet need is as follows:

Figure 9.13: General needs affordable housing mix needed

1-bedroom rented	197	20.9%
2-bedroom rented	403	42.8%
4-bedroom rented	203	21.5%
1-bedroom Intermediate	109	11.5%
2-bedroom Intermediate	31	3.3%
Total	942	100%

Source: ESBC 2013

9.13 However, this mix is not needed evenly across the Borough because need in Burton which would otherwise be met by Intermediate affordable housing will be met instead by funding the purchase of existing housing in Inner Burton. Hence there is no need for Intermediate affordable housing in Burton. Conversely, more of the need for rented affordable housing can usefully be met in Burton.

9.14 The required mix of sizes within each tenure is as follows.

Figure 9.14: Affordable housing mix by tenure

	Rented	Intermediate
1-bedroom	24.5%	77.8%
2-bedroom	50.2%	22.2%
4-bedroom	25.3%	

Source: ESBC 2013

9.15 When affordable housing percentages are applied to an individual scheme the mix will need to be negotiated in the light of the number of whole affordable housing dwellings to be provided and how that can best be divided up between sizes and tenures. Hence small percentage differences have negligible impact. Given this fact, and given the spatial distribution of development in the Local Plan, it is appropriate to request the following mixes in Burton and outside Burton. A significant number of households buying Intermediate housing are likely to want a spare bedroom, hence the suggested increase in the proportion of 2-bedroom Intermediate homes.

Figure 9.15: Affordable housing mix by location

	Burton	Other areas
1-bedroom rented	25%	12.5%
2-bedroom rented	50%	25%
4-bedroom rented	25%	12.5%
1-bedroom Intermediate		20%
2-bedroom Intermediate		30%

Source: ESBC 2013

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9.16 Further analysis is shown in Figure 9.16 which identifies the mix in four areas, on the same basis but using a more robust methodology to distribute housing outside of Burton.

Figure 9.16: Mix of mainstream market housing for additional households

	Burton	Uttoxeter	Tier 1[77]	Other
1-bedroom or studio homes	3%	3%	3%	4%
2-bedroom Housing for Older People	14%	14%	14%	14%
2-bedroom homes for singles and couples	2%	20%	23%	25%
2-bedroom houses for families	18%	9%	10%	11%
3-bedroom houses	29%	32%	34%	35%
4-bedroom houses	24%	15%	12%	8%
5-bedroom houses	10%	7%	4%	3%

Source: ESBC

9.17 The above methodology retains the same 14% Housing for Older People in each part of the Borough. However, recent evidence indicates that older people tend not to move very far when downsizing. It is therefore important to ensure that Housing for Older People is built where older people live. According to the 2011 Census the distribution of households aged 50-84 is as follows: these age-groups have been considered because they are those most likely to demand housing for older people over the plan period:

Figure 9.17: Distribution of older person households

	Burton	Uttoxeter	Tier 1	Other
All households	61.5%	11.6%	15.8%	11.0%
Households aged 50-84	56.2%	11.5%	18.6%	13.8%
Owner-occupiers aged 50-84	53.9%	11.5%	19.8%	14.8%

Source: ONS Census 2011

9.18 Hence older owner-occupier households disproportionately live in Tier 1 settlements and rural areas. This accords with anecdotal evidence from rural parish councils about the need for downsizing opportunities. Distributing Housing for Older People in accordance with this evidence gives the results shown in Figure 9.18. It has a dramatic impact on the mix of housing required in Tier 1 settlements and other rural areas because of the smaller amounts of development planned in these areas.

[77] The Tier 1 settlements are Barton under Needwood, Rocester, Rolleston on Dove, and Tutbury.

Figure 9.18: Mainstream market housing for additional households with Housing for Older People distributed according to need

	Burton	Uttoxeter	Tier 1	Other
1-bedroom or studio homes	3%	3%	2%	1%
2-bedroom Housing for Older People	10%	9%	41%	79%
2-bedroom homes for singles and couples	2%	20%	16%	6%
2-bedroom houses for families	19%	9%	7%	3%
3-bedroom houses	31%	36%	23%	9%
4-bedroom houses	25%	16%	8%	2%
5-bedroom houses	10%	7%	3%	0%

Source: ESBC

9.19 The methodology used in Chapter 9 and above considered the new housing likely to be demanded by additional households. It did not consider how the housing demanded by the existing number of households aged under 65 might change during the plan period.

9.20 A model which does this is the *What Homes Where?* model. This model is based on the mix of housing occupied by existing households in 2001 (from the 2001 Census) and then projects this forward. Although it is based on different projections, it does provide an interesting comparison. Figure 9.19 presents results for East Staffordshire as a whole, for both dwelling size by rooms (from source) and by bedrooms (derived). Two scenarios are shown, the Base Case which is the 2001 position, and a scenario if 10% of households demand an extra bedroom. This modelling suggests a big need for 3-bedroom homes.

Figure 9.19: Mix of new homes required according to *What Homes Where?*

	Base Case	10% Extra rooms
1 room	1%	0%
2 rooms	3%	3%
3 rooms	13%	10%
4 rooms	26%	19%
5 rooms	25%	20%
6 rooms	21%	23%
7 rooms	11%	25%
1-bedroom	4%	3%
2-bedroom	26%	19%
3-bedroom	48%	41%
4+bedroom	22%	36%

Source: What Homes Where? based on ONS Census 2001 and CLG projections

9.21 The same type of approach has been taken using the projections in chapter 6, but based on the more current 2011 Census, to give an alternative assessment of the mix of housing needed based on demand from all private sector households. The results are shown in Figure 9.20. As in the Figure 9.19 Base Case this produces a large need for 3-bedroom homes and a smaller need for 4 and 5-bedroom homes.

Figure 9.20: Mainstream market housing need - alternative methodology

	Burton	Uttoxeter	Tier 1	Other
1-bedroom flats or houses	2%	3%	3%	2%
2-bedroom for older people	12%	10%	31%	46%
2-bedroom - other flats or houses	7%	32%	27%	22%
2-bedroom houses	14%	8%	7%	6%
3-bedroom houses	47%	32%	25%	21%
4-bedroom houses	15%	13%	7%	3%
5-bedroom houses	3%	2%	0%	0%

Source: ESBC

9.22 As with the *What Homes Where?* model, sensitivity analysis has been carried out assuming that 10% of households will demand an extra bedroom. The results are shown in Figure 9.21, showing a substantial increase in the number of 4 and 5-bedroom homes required.

Figure 9.21: Mainstream market housing need – alternative methodology + sensitivity

	Burton	Uttoxeter	Tier 1	Other
1-bedroom flats or houses	2%	3%	3%	3%
2-bedroom for older people	12%	10%	32%	46%
2-bedroom - other flats or houses	5%	21%	20%	19%
2-bedroom houses	8%	6%	5%	5%
3-bedroom houses	30%	21%	19%	18%
4-bedroom houses	29%	27%	16%	9%
5-bedroom houses	14%	12%	5%	0%

Source: ESBC

9.23 The three sets of results in Figures 9.18, 9.20 and 9.21 have been combined to provide the most accurate possible projection of the needed housing mix. The results are shown in Figure 9.22.

Figure 9.22: Mainstream market housing need

	Burton	Uttoxeter	Tier 1	Other
1-bedroom flats or houses	3%	3%	2%	2%
2-bedroom for older people	12%	10%	35%	50%
2-bedroom - other flats or houses	2%	20%	20%	17%
2-bedroom houses	14%	8%	6%	5%
3-bedroom houses	32%	30%	23%	20%
4-bedroom houses	26%	20%	10%	6%
5-bedroom houses	11%	9%	4%	0%

Source: ESBC

9.24 This mix delivers the following mix across the Borough as a whole, compared as in Figure 9.12 to South Derbyshire.

Figure 9.23: Market housing mixes compared

	East Staffordshire	South Derbyshire
1-bedroom	3.1%	3.1%
2-bedroom	33.2%	23.1%
3-bedroom	30.7%	52.3%
4-bedroom	33.0%	21.5%

Source: ESBC

9.25 It is possible to further analyse whereabouts in Burton mainstream market housing for older people is needed. This is appropriate because evidence suggests that most older person households will only downsize if they can do so local to where they already live, although some are likely to be willing to move further away. Hence downsizing older person households are typically less mobile than other households.

9.26 The need for such housing in Burton can therefore be distributed based on the current number of owner-occupying households aged 50-84.

9.27 Strategic allocation sites can provide housing for many older people living in the same and adjacent areas. However some parts of the town do not contain and are more distant from such developments implying need for a higher proportion of provision within the immediate area on unallocated (windfall) sites.

9.28 Figure 9.24 therefore assesses how much need will require provision within each Burton ward. It is assumed that 25% of older person households will be prepared to move away from the locality and that 33% will be prepared to move to a neighbouring strategic site in an adjacent ward where there is one. This produces a weighting of the amount of need to be met on sites within the ward, depending on the distance from main strategic sites. The need for provision on sites within each ward is then expressed as a percentage of projected completions on sites in the ward - strategic sites and windfall sites (total windfall completions apportioned equally between wards).

Figure 9.24: In-ward mainstream market Housing for older people needed in Burton

Ward	Apportioned locally arising need	In-ward sites weighting	Need for in-ward provision	% of in-ward housing completions
Anglesey	42	42%	18	17%
Branston	79	42%	33	2%
Brizlincote	73	75%	55	54%
Burton	20	42%	9	1%
Eton Park	41	32%	11	2%
Horninglow	78	42%	33	32%
Shobnall	48	42%	20	20%
Stapenhill	74	75%	56	55%
Stretton	110	42%	46	23%
Winshill	87	75%	65	64%
Total	653	(53%)	346	(39%)

Source: ESBC

9.29 Figure 9.24 shows housing for older people as particularly needed on sites east of the River Trent in Brizlincote, Stapenhill and Winshill – because these areas do not contain and are remote from the strategic sites within the Borough[78].

[78] Stapenhill is adjacent to the Drakelow development but that is in South Derbyshire and so the Council cannot be certain that it will provide housing suitable for older people.

9.30 Figure 9.15 shows affordable housing mix distinguishing between Burton and other areas. Further work has now been carried out to separately identify the mix needed in Uttoxeter. Work has also been carried out to identify the priority mix. This has indicated that in the short term the priority is for more 1-bedroom accommodation and less 4-bedroom accommodation, which will of course be cheaper for developers to provide, improving viability. A new distinction is made between the need for *intermediate Affordable* houses versus flats in line with Figure 9.14. The mix for *Other areas* is indicative since it is proposed to take local evidence into account.

Figure 9.25: Affordable housing mix by location

	Burton	Uttoxeter	Other areas (Indicative)
1-bedroom rented flats or houses	30%	20%	10%
2-bedroom rented houses	50%	35%	20%
4-bedroom rented houses	20%	10%	10%
1 or 2-bedroom intermediate flats		25%	45%
2-bedroom intermediate houses		10%	15%

Source: ESBC

10 Affordable housing viability

Addendum April 2014

10.1 New affordable housing expectations have to be informed by assessment of viability to ensure that they do not threaten the viable delivery of the Plan.

10.2 Proposed new policy differs from old policy as follows:

- The required rented affordable housing tenure is Affordable Rent, which is more valuable and hence earns more income for developers than Social Rent;
- The required mix of affordable housing includes more smaller properties, which are less expensive for developers to build;
- A lower amount for commuting off-site is required which means comparably lower financial contributions from developers;
- Most schemes will provide slightly less on-site and more off-site.

10.3 The Council has calculated that as a result of these differences, on-site affordable housing under new policy will be around 21% cheaper to provide than under old policy, whilst commuted sums will be up to 40% less costly to developers.

10.4 Figure 10.1 illustrates this by showing what the contributions expected from archetypal sites under the old policy would equate to given the proposed new policy. In other words 10% under old policy would equate to 13% given the new policy.

Figure 10.1: Affordable housing expectations compared

	Old policy expectation	New policy equivalent
Rural Greenfield	30%	40%
Urban Greenfield	30%	34%
Urban brownfield	10%	13%

Source: ESBC

10.5 Figure 10.2 illustrates this in respect of contributions already agreed during the plan period to date. It is important to recognise that, except on the two sites delivering nil affordable housing (Pirelli and Dove Way), there was no site-specific appraisal to assess what level of affordable housing was viable on these schemes, and so the affordable housing contribution secured was determined by policy rather than by known viability. The contributions are also additional to the agreed package of other obligations.

Figure 10.2: Affordable housing contributions under old policy

Scheme	Total Dwellings	On-site AH secured		Equivalent on-site AH given new policy	Estimated Commuted sum secured	Equivalent off-site AH given new policy	Equivalent AH contribution secured given new policy		AH contribution secured according to old policy
Pirelli	300	0%	0	0	£0	0	0	0%	0%
JCB, Pinfold Road	257	5%	13	16	£0	0	16	6%	5%
Branston Depot	483	10%	48	61	£0	0	61	13%	10%
Model Dairy Farm	84	10%	8	10	£23,607	0.6	11	13%	10%
Land South of Branston	660	15%	99	125	£0	0	125	19%	15%
Beamhill/Outwoods	950	15%	143	181	£0	0	181	19%	15%
Guinevere Avenue	100	15%	15	19	£857,949	21.4	40	40%	26%
Dove Way	56	0%	0	0	£0	0	0	0%	0%
Efflinch Lane	130	15%	20	25	£779,477	19.5	45	34%	23%
Burton Road Tutbury	224	14%	31	39	£100,000	2.5	42	19%	15%
Red House Farm	250	15%	38	48	£0	0	48	19%	15%
Branston Locks	1250	7.5%	94	119	£1,300,000	32.5	151	12%	10%
Forest Road	300	15%	45	57	£1,667,758	41.7	99	33%	23%

Source: ESBC

10.6 Hence the Guinevere Avenue scheme will deliver the equivalent of 40% affordable housing versus the 26% agreed. The Efflinch Lane scheme will deliver the equivalent of 34% versus the 23% agreed. The urban brownfield sites which agreed to provide 10% in accordance with old policy will deliver the equivalent of 13%.

10.7 The Local Plan and Community Infrastructure Levy Viability Study (Plan Viability Study) carried out for the Council by Consultants HDH Planning & Development has assessed the viability of different levels of affordable housing in accordance with proposed new policy as follows:

Figure 10.3: Viability Study results

Table 10.5 Residual Value – Varied Affordable Housing Requirements (up to 13% on site, balance as commuted sum at £40,000)

			Alt Use Value	Viability Threshold	Residual Value										
	Total Affordable %				0.00%	5.00%	10.00%	15.00%	13.00%	20.00%	20.00%	25.00%	30.00%	35.00%	40.00%
		% on-site			0.00%	2.50%	5.00%	7.50%	13.00%	10.00%	13.00%	13.00%	13.00%	13.00%	13.00%
	% by commuted sum				0.00%	2.50%	5.00%	7.50%		10.00%	7.00%	12.00%	17.00%	22.00%	27.00%
1	Urban Extension	Burton	25,000	330,000	454,812	424,591	394,219	363,847	361,977	333,475	327,005	302,024	277,044	251,878	226,380
2	Urban Extension	Burton/ Uttoxeter	25,000	330,000	820,931	775,385	729,838	684,292	678,443	638,745	627,637	591,144	554,012	516,880	479,748
3	Urban Extension	Burton	25,000	330,000	621,341	579,786	538,230	496,675	499,287	455,120	448,653	411,859	374,803	337,746	300,690
4	Urban Extension	Uttoxeter	25,000	330,000	623,335	580,598	537,860	495,123	497,643	452,386	445,659	408,527	371,395	334,263	297,132
5	Urban Extension	Burton	50,000	360,000	744,244	686,535	628,827	571,118	556,244	513,410	495,891	452,781	409,672	366,563	323,453
6	Urban Extension	Uttoxeter	50,000	360,000	660,840	612,771	564,702	516,634	521,069	468,565	461,737	419,343	376,929	334,515	292,101
7	Large Brownfield	Burton	370,000	444,000	365,332	308,867	252,403	195,938	188,663	139,474	125,692	81,477	36,215	-11,563	-60,411
8	Large Brownfield	Uttoxeter	370,000	444,000	520,125	465,752	411,378	357,005	365,016	302,631	296,290	249,544	199,989	150,435	101,845
9	Smaller Windfall	Burton	370,000	370,000	291,623	232,368	176,491	116,080	119,981	56,218	46,773	-6,362	-59,498	-112,634	-165,770
10	Smaller Windfall	Uttoxeter	50,000	360,000	586,191	530,450	474,709	418,969	435,982	366,704	364,242	310,020	255,797	205,508	150,227
11	Greenfield	Villages	50,000	360,000	1,359,241	1,291,606	1,223,970	1,156,335	1,154,618	1,088,700	1,075,421	1,018,852	962,283	905,713	849,144
12	Greenfield	Villages	50,000	360,000	1,087,387	1,027,410	967,433	907,456	907,627	847,478	836,485	785,669	734,853	684,037	639,223
13	Greenfield	Villages	50,000	360,000	1,833,666	1,743,274	1,652,883	1,562,491	1,560,800	1,472,100	1,454,631	1,391,991	1,315,430	1,238,870	1,162,310
14	Brownfield	Villages	370,000	444,000	850,596	764,090	677,585	602,613	609,983	514,420	501,540	424,080	346,621	271,813	193,591
15	Greenfield	Villages	50,000	360,000	2,508,082	2,404,328	2,300,575	2,196,821	2,161,699	2,093,067	2,057,703	1,983,420	1,909,136	1,834,853	1,760,570
16	Greenfield	Villages	50,000	360,000	770,646	770,646	770,646	770,646	770,646	770,646	770,646	770,646	770,646	770,646	770,646

Source: ESBC Viability Study (HDH 2013). Note. The analysis in this table includes a £5,000 per unit developers contribution as in the base analysis.

Source: Local Plan and Community Infrastructure Levy Viability Study, HDH, February 2014

10.8 According to these results, village Greenfield sites can easily afford to provide 40% affordable housing. The study also shows that this level of affordable housing is likely to be achievable with potential rates of CIL (Plan Viability Study Table 13.2). 40% equates to 30% under old policy and hence means no increase in the cost of the affordable housing requirement.

10.9 The results indicate that most urban extension sites are likely to be able to meet the proposed Threshold Land Value whilst providing 35% affordable housing, with some able to provide 40%. The Guinevere Avenue urban extension scheme has already agreed to provide the equivalent of 40%, verifying this assessment. The report acknowledges that the Threshold Land Value is not definitive for modelled site 1 because the size of that site makes a lower land value reasonable (paragraph 12.9), and in any case the Council has already resolved to grant planning permission for the real site – Branston Locks - and the affordable housing contribution for phases 1 and 2 has been agreed (as in Figure 10.2). Hence a 35% affordable housing requirement on urban extension (Greenfield) sites is likely to be viable.

10.10 However 35% equates to around 32% under old policy, implying an increase in the cost of the requirement. 33% would equate to 30% under old policy and hence avoid a cost increase[79]. 33% would also provide even greater certainty about viability, and with a 13% on-site requirement would require 20% commuted. 33% is therefore the recommended new affordable housing requirement for urban extension sites.

10.11 The results for other sites are varied. In respect of urban brownfield sites the Plan Viability Study acknowledges that 10% has been secured from existing sites, and that this fact supports an affordable housing expectation (paragraphs 12.6-12.8). 10% affordable housing plus a range of other obligations were secured from existing brownfield sites without any indication from applicants that these obligations put viability at risk, implying that 10% was by no means marginal and that more could possibly have been afforded. Figure 10.1 shows that 10% is equivalent under new policy to 13%.

10.12 The viability study had to make assumptions about the scale of additional costs and land values for brownfield sites, but these may or may not apply to any particular site (paragraph 12.6). The fact that the costs of developing brownfield sites can vary so enormously means that no such study can predict the viability of any particular site: viability can only be assessed by a site-specific development appraisal. The Council has recently received several appraisals for small brownfield sites providing fewer than the 25 dwellings, demonstrating that such a requirement is not a barrier to applications coming forward.

10.13 None-the-less, a default expectation for brownfield sites of 25% affordable housing, in line with the average requirement, would give applicants the choice of whether or not to submit a development appraisal.

10.14 The Plan Viability Study has allowed for non affordable housing developer contributions of £5,000 per dwelling; higher than the £3,000 allowed for in the previous viability study because of the higher contributions typically required.

10.15 Figure 10.4 compares the equivalent contributions secured with the proposed new policy requirement based on the results of the viability study. It indicates that most developments could probably have provided a higher amount of affordable housing.

[79] 33% rather than the 34% shown in Figure 10.1 because 34% is based on 15% on-site whereas this calculation is based on 13% on-site.

Figure 10.4: Old policy versus new policy

Scheme	Type of development	Equivalent AH contribution secured given new policy	Requirement under new policy (expected to be viable)
Pirelli	Urban brownfield	0%	0%
JCB, Pinfold Road	Urban brownfield	6%	n/k
Branston Depot	Urban brownfield	13%	n/k
Model Dairy Farm	Urban mixed	13%	n/k
Land South of Branston	Urban extension	19%	33%
Beamhill/Outwoods	Urban extension	19%	33%
Guinevere Avenue	Urban extension	40%	33%
Dove Way	Urban extension	0%	0%
Efflinch Lane	Village Greenfield	34%	40%
Burton Road Tutbury	Village Greenfield	19%	40%
Red House Farm	Urban extension	19%	33%
Branston Locks	Urban extension	12%	33%
Forest Road	Urban extension	33%	33%

Source: ESBC

11 Appendices

Appendix 1 Responses to consultation in summer 2012

1. This appendix document summarises the key points raised in representations made as part of the Council's Preferred Option Core Strategy consultation.

Representations considered were made by:

- DLP Planning for Hallam Land Management;
- Barton Wilmore for St Modwen;
- Regeneris Consulting and Levvel for Gladman; and
- JVH Town Planning.

Summary of Representations

3. The summary of representations made is presented thematically and not attributed to specific parties. The key points raised have informed the development of the methodology and assumptions fed into the Strategic Housing Market Assessment (SHMA) update.

International migration

4. Projections are sensitive to trends in international migration. It should be accepted that this is more difficult to accurately predict than other variables. Local evidence should be used to further test assumptions in ONS' latest projections, which are modelled and (as set out by the ONS) take no account of local-level information.

5. ONS international migration estimates are subject to a 95% confidence interval, although it should be recognised that this is for historical data at the national level. As a result projections should be viewed with a higher level of uncertainty, and that the uncertainty at local authority level is greater than nationally.

Headship Rates

6. Suggestion that it would be inappropriate to rebase / remodel the headship rates and that those in the 2008 CLG projections should be used. Specific arguments include:

- The 2008 CLG projections already include adjustments to headship based on Labour Force Survey (LFS) data;
- The CLG projections are intended to indicate expected long-term trends, and it is reasonable that the situation may diverge (in one direction or the other) in the short-term; and
- Adjustments to the headship baseline assume that the housing market in 2011/12 is in 'equilibrium' which it is argued is not based on national evidence and local evidence of affordable housing needs (in 2010).

Vacancy Assumptions

7. Vacancy assumptions should have a very moderate effect on overall housing requirements. However, a number of the submissions have challenged the assumptions adopted.

8. Current vacancy levels are not challenged within the representations, with general agreement that the 2011 Census shows 3.8% of dwellings in the district with no usual residents (NB: this includes vacant and second homes), with GVA estimating a 3.8% vacancy level based on Council Tax data.

9. GVA's assumption around the number of 'surplus' vacant properties that could be brought back into use has been challenged on the basis that there is no evidence of a reduction in private-sector vacancies since implementation of the Council's Empty Homes policy in 2005, and no evidence of surplus vacancies in the affordable sector.

Economic Growth Potential

10. A number of the submissions argue that the economic forecasts used (Experian, Jan 2012) are unduly pessimistic, with the various representations making reference to a range of scenarios to demonstrate this point.

11. A number of the representations point to the need to develop a 'policy-on projection to inform the SHMA.

Commuting and Interactions with Surrounding Areas

12. The GVA employment-led projection assumes that commuting patterns hold true to 2010 levels, suggesting a net inflow of c. 5,100 persons to work in the District. The projections make no assumptions on commuting.

13. It is suggested by one representation that economic-led forecasts will be sensitive to future changes to commuting, and that levels of housing and employment growth in proximate areas could have an impact on commuting dynamics.

14. Some statements include that levels of housing provision in surrounding authorities, and the balance between growth in employment and labour force in these areas, would affect changes in commuting and/or migration going forward.

15. One representation suggests the need for an interactive model which brings together information about demographics, employment growth and housing supply across multiple areas. A further representation points to something similar and specifically notes that land supply is constrained in Birmingham, Tamworth and Lichfield, with implications for demand (and potentially commuting) in East Staffordshire.

Unmet Demand for Affordable Housing / Concealed Households

16. A number of the representations refer to the housing needs evidence and particularly a backlog of affordable housing / households, and argue that this should be included within the assessment.

17. The representations do however vary as to what provision should be made for this. One argues an allowance for 100 additional homes per annum based on a backlog of 2,000 households, although this is not modelled within their analysis with an alternative backlog of 1,200 presented. One representation does not suggest that any allowance is necessary to meet unmet needs, whilst a further representation suggests that this is an area where further work is needed but then draws conclusions about overall requirements without it.

Appendix 2 Responses to consultation in summer 2013

Pegasus Group on behalf of David Wilson Homes	**Addressed**
The SHMA needs to be undertaken for the relevant housing market area including South Derbyshire. Ideally a joint SHMA with SDDC and other relevant neighbouring authorities. If that is not possible, the SHMA for East Staffordshire needs to be prepared for the relevant housing market area as a whole.	3.59 – 3.66 6.103 - 6.109
Data should be updated to reflect the relationship with South Derbyshire; use of West Midlands data may not be appropriate.	3.66 8.6
Important to consider a range of scenarios in assessing future need including consideration of alternative employment growth assumptions.	5.42 – 5.46 6.46 – 6.90
Important for the SHMA to carefully consider the extent of backlog need.	6.101 – 6.102

Turley Associates on behalf of Hallam Land Management	**Addressed**
Appears to consider the housing needs in East Staffordshire in isolation. At the very least the Council should undertake an analysis of the requirements and provision for housing in the neighbouring Districts and their relationship to East Staffordshire.	3.62 – 3.66 6.103 - 6.109
Needs to consider the relationship with other authorities in the Greater Birmingham and Solihull LEP – it seems inevitable that East Staffordshire will have to address some of the housing requirements that cannot be met elsewhere particularly Birmingham.	6.107
Concerned that the consideration of Housing Needs appears to focus entirely on affordable needs. The SHMA should provide a detailed assessment of the overall level of housing requirement including market housing.	6.45 – 6.100 9.5 – 9.10
Assessment of housing need does not take full account of concealed households.	8.8 – 8.10
Do not agree that the volume of terraced housing in Burton means there is no need to provide additional housing for single people and couples. There will need to be a mix of housing including smaller starter units particularly in the smaller settlements of the Borough.	9.6 9.9

Turley Associates on behalf of Gleeson Homes	**Addressed**
Need to meet the Duty to Co-operate Test. Needs to be analysis of the needs and provision for housing in other neighbouring districts and their relationship with East Staffordshire.	3.59 – 3.66 6.103 - 6.109
Needs to consider the relationship with other authorities in the Greater Birmingham and Solihull LEP – it seems inevitable that there will be some overspill from Greater Birmingham which East Staffordshire will need to address.	6.107
It is important to consider the sub-markets within East Staffordshire. Uttoxeter looks east to west and does not have the huge legacy of older terraced housing as does Burton and hence does not have the same scope to accommodate the growing numbers of single people and couples within the older stock.	4.71 – 4.138
The tables show that East Staffordshire is a relatively low priced area where lack of affordability is somewhat less acute, and this means that achieving subsidised affordable housing is more difficult due to lower land values and issues of viability for developers.	In the Plan Viability Study
Table 7 suggests that £115,000 may be unachievable for 25% of older people but most older people are trading down using the equity in their existing home.	4.63 – 4.64
Housing needs and requirements should be viewed in a broader context – not just affordable housing.	6.45 – 6.100 9.5 – 9.10
The GVA report highlights the need for at least 630 dwellings per year. This needs to be supplemented by replacement housing (to replace demolitions), backlog in provision, and possibly potential shortfalls in neighbouring areas.	It does not 6.91 – 6.100 6.101 – 6.109
The number of people in temporary accommodation may not capture the total number of homeless households. Note everyone who is homeless necessarily registers with the Council.	8.5 8.11
Concerned that the Council will exclude concealed households which form the core of the hidden homeless.	8.8 – 8.10
It needs to be made whether supply (to meet housing need) captures all affordable housing (both intermediate and rented) and whether it covers private renting.	8.22 – 8.29 8.51 – 8.54
The methodology for calculating housing needs and supply should be much more clearly expressed and should explain whether it is address the whole housing market or just affordable housing.	8.1 – 8.2
The housing need conclusions focus mainly on current constraints which may completely change over the 19 year Local Plan period.	8.50

Continuation of Turley Associates on behalf of Gleeson Homes	Addressed
Important to recognise that the housing market is inherently fluid. Many households, especially retirees, often prefer to stay in larger homes. Divorcees similarly will often prefer to retain a family home. It is difficult and undesirable to try and achieve the tight fit the Council aspires to.	7.7 – 7.8 7.38 9.7
It is primarily existing housings which are declining in size whilst new households are growing into families. This means that unless declining households move immediately into smaller homes, which on the whole they don't, there will always be a growing need for family homes.	7.40 Footnote to Figure 9.2
In practice many older people tend to want to remain in their own homes as they get older, whether through lack of choice, inertia or simply familiarity with their surroundings.	7.21
It is unrealistic to expect aspiring young couples or single people to occupy older terraced housing in Burton simply because it is there. Many may will prefer to buy a new home which is more to their liking or else they may choose to settle somewhere else.	7.35 9.6
The pattern of change with respect to families is a little confusing. It is not clear whether it represents solely those seeking affordable housing or families needing homes more generally.	7.37 – 7.40 9.6
The SHMA does not reach a conclusion on the scale or proportion of affordable housing which is needed.	8.70 – 8.74
There is no turnover figure quoted for affordable rented housing.	8.26 – 8.27
Mis-givings about seeking commuted sums to make personal subsidies to households; we are not convinced this would be a planning obligation specifically related to the site in question.	8.66
No logic in asking developers to subsidise owner occupiers who need assistance to buy a larger home.	8.66
It would be more valuable to seek the advice of house-builders and developers in establishing their perceptions of the market in different parts of the Borough.	4.89 – 4.99 4.116 – 4.118
The expectation that families will choose a dwelling size to precisely match their requirements is completely unrealistic.	9.7
The concluding comments imply that the SHMA may well depart fundamentally from the draft.	It has not done so
The methodology needs to be much more clearly expressed and should include a requirement for both market and affordable housing for different parts of East Staffordshire.	9.8 – 9.15

Trent & Dove Housing
Concern about the approach on Intermediate affordable housing. Encouraging first time buyers to purchase in Inner Burton is a very limited housing option/choice.
Shared ownership gives greater choice of housing/tenure offering properties that are new, insulated, with car parking etc
Shared ownership offers a 25% purchase entry level which Inner Burton purchase does not offer.
Shared ownership helps to ensure that new schemes are not mono-tenure.
Council response
Appreciate the concern. However: • Affordable housing is about meeting need not necessarily meeting aspiration; • A household purchasing a 25% share will have to pay rent on 75% and this will cost them as much as buying a cheaper existing home outright; • It is expected that households would rather own their home outright than part buy and pay rent on the remainder, and hence that the market for shared ownership in Burton is likely to be small; • As explained in 8.66, the proposed approach can also deliver on other agendas; • The proposed approach is only in Burton, not the rest of the Borough; • The greater need for on-site affordable housing in Burton is for rented affordable housing and hence it is appropriate to prioritise this; • The Council's preference and expectation is that most new affordable housing will be provided on market housing led schemes where market and affordable housing will be interspersed. • The proposed approach does not stop housing associations identifying need and justifying their own development of shared ownership housing.

Appendix 3 The POPGROUP Model

Introducing the Software

1. POPGROUP is a family of software developed to forecast population, households and the labour force for areas and social groups. It is based on Excel to build on users' existing spreadsheet skills. Users develop alternative assumptions as scenarios. The user remains in control of the areas to be forecast, of data inputs, and of analytical outputs additional to the software's own flexible reporting and graphical routines. In the UK, POPGROUP replicates official projections in regular Data Modules for population and households, with plans for Data Modules for illness and disability, the labour force, ethnic groups and adult care. The software adopts authoritative methods also used by national and United Nations agencies, uses single years of age for population, and has published two peer reviews.

2. POPGROUP was first developed at Bradford Council, supported by six Local Authorities: Shropshire, Worcestershire, Bradford, Derbyshire, Buckinghamshire and Staffordshire, and later by the Economic and Social Research Council (ESRC).

3. POPGROUP is used by over 90 local and sub-regional organisations in the UK and has been subject to extensive enhancement and development over the last ten years.

4. It is now owned by the Local Government Association. Income generated from sales is used to extend the software and support its users. Programming, support and promotion have been provided since 2009 by Edge Analytics Ltd, UK.

The POPGROUP modelling approach

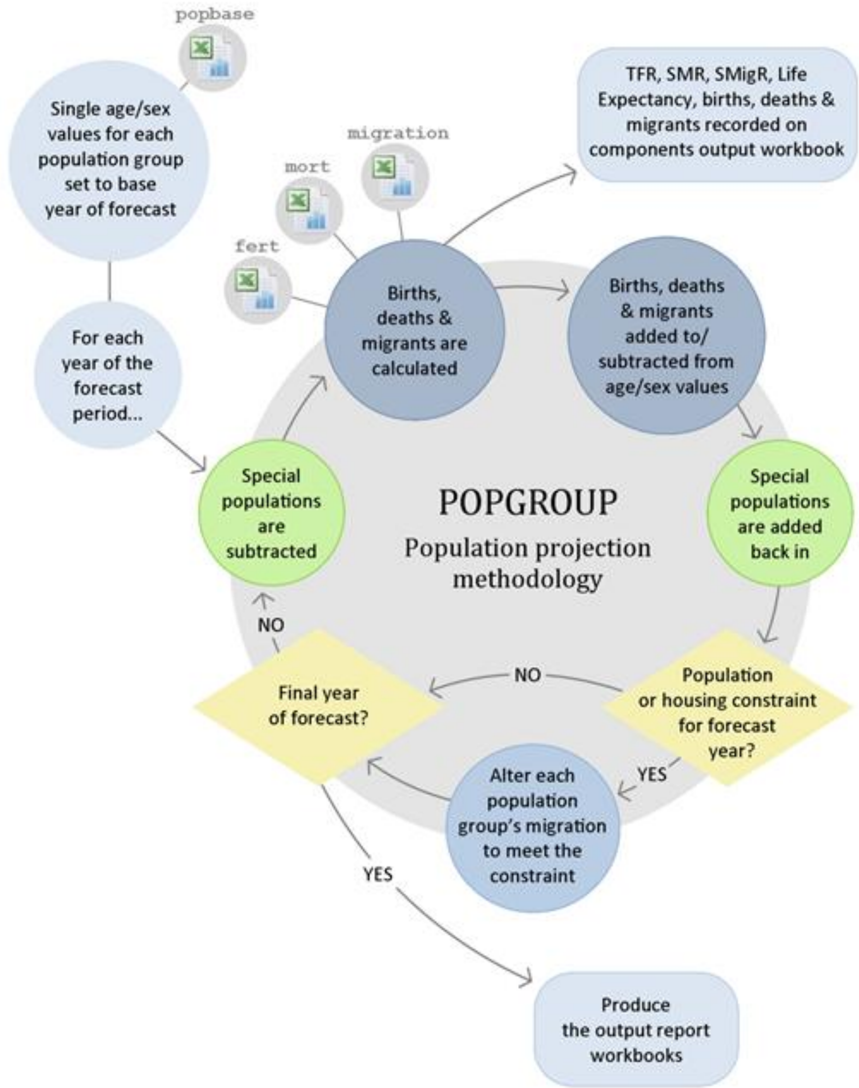
5. POPGROUP and the Derived Forecast software component are used within the Housing Requirements Study to develop a series of population and linked household projections for East Staffordshire.

6. Population projections delivered using POPGROUP use a standard cohort component methodology (the methodology used by the UK statistical agencies). The household projections use a standard household headship rate as employed by the Communities and Local Government (CLG) for its household projection statistics.

7. In order to align population projections with different forecast levels of job change the model integrates labour force projections. These labour force projections use a standard economic activity rate methodology. A more detailed description of the population and household projection methodologies is available from the User Guide and Reference Manual on the POPGROUP website www.ccsr.ac.uk/popgroup/about/manuals.html.

8. The following graphics provide a schematic illustration of the operation of the POPGROUP and Derived Forecast methodologies.

Figure 1: POPGROUP population projection methodology



Source: Edge Analytics, 2012

Appendix 4 Citizens Panel Survey Results

Figure 1: Propensity of older people to move

Are you inclined to move to different accommodation as you become older?		
Yes, I am inclined to move	116	42.8%
No because I have already moved to different accommodation in readiness for becoming older and I am not inclined to move again	34	12.5%
No, I am not inclined to move as I become older	121	44.6%

Figure 2: Propensity to move by type of current housing

Current type of housing	**Percentage inclined to move**
Terraced	48%
2 or 3-bedroom detached or semi-detached	39%
4+ bedroom detached or semi-detached	56%

Figure 3: Accommodation preference

If you answered "Yes, I am inclined to move" would you be inclined to move to... (Tick as many as you like)	
A small house that is easier to look after	53%
A flat or bungalow that is easier to move around	56%
A flat or bungalow for older people with on-site services, facilities and activities (eg Retirement Housing, Sheltered Housing)	32%
A flat for older people with on-site services, facilities and activities including care services (eg Extra-care Housing, Assisted Living)	22%
A Care Home or Nursing Home providing support and care	3%

Appendix 5 Housing Need source calculations

Figure 1: Homelessness Decisions

	2010-11	2011-12	2012-13	Average
1. Eligible, unintentionally homeless and in priority need	49	24	27	33
2. Eligible, homeless and in priority need, but intentionally so	22	22	23	22
3. Eligible, homeless but not in priority need	34	21	24	26
4. Eligible, but not homeless	41	41	52	45
5. Ineligible	2	0	5	2
6. Total decisions (sum of rows 1 to 5 above)	148	108	131	129
7. Total homeless (1+2+3)	105	67	74	82

Source: East Staffordshire Borough Council

Figure 2: Housing applications received

		Applications	4-year average
2008	Q1	408	
	Q2	440	
	Q3	385	
	Q4	306	
2009	Q1	475	
	Q2	338	382
	Q3	335	382
	Q4	341	382
2010	Q1	438	382
	Q2	425	382
	Q3	442	382
	Q4	303	382
2011	Q1	417	382
	Q2	366	382
	Q3	410	382
	Q4	315	382
2012	Q1	379	382
	Q2	434	382
	Q3	421	382
	Q4	289	382
2013	Q1	460	382

Source: Trent & Dove Housing

Figure 3: New housing applicants with reasonable preference

	Apr-Jun 2012	Dec 11 - Feb 12	Sep - Nov 2011	Average
New Applicants on the housing register	312	321	375	336
Number of local applicants with reasonable preference exc homeless	41	30	42	38
	13.1%	9.4%	11.2%	11.2%
Average new applicants pa	= 382 (Figure 2) x 4			1528
Average local reasonable preference exc homeless	= 1,528 x 11.2%			171

Source: East Staffordshire Housing Register

Appendix 6 Household projections

1. Paragraph 6.99 explains that the housing requirement has been derived as the mid-point between the two Employment-led scenarios. The projected household mix, summarised in Figures 7.1 and 7.2 and underlying the analysis in chapters 9 and 13, has been derived in exactly the same way, as the mid-point between the detailed outputs of the two POPGROUP household projections.

2. Figure 1 below illustrates this, for a particular age-group, and Figure 2 shows the results in 2031 by each age-group.

Figure 1: Household projections – 15-24 age-group

Household type	2031 Scenario 2a	2031 Scenario 2b	2031 Mid-point	2012 Scenario 2a	2012 Scenario 2b	2012 Mid-point	Change 2012-2031
One person male	160	236	198	221	226	224	-25
One person female	686	424	555	418	405	412	143
Couple & 0 children	71	217	144	195	207	201	-57
Couple & 1 child	11	65	38	57	62	59	-22
Couple & 2 children	30	54	42	49	51	50	-9
Couple & 3 children	0	3	2	3	3	3	-2
One parent & 1 child	200	196	198	189	187	188	10
One parent & 2 children	37	50	43	47	48	48	-4
One parent & 3 children	0	2	1	2	2	2	-1
Couple & other adult(s)	21	30	25	29	29	29	-4
Couple & other adult & 1 child	29	20	24	19	19	19	5
Couple & other adult & 2 children	5	4	5	4	4	4	0
Couple & other adult & 3 children	16	11	14	11	11	11	3
One parent & other adult & 1 child	42	30	36	29	29	29	7
One parent & other adult & 2 children	0	0	0	0	0	0	0
One parent & other adult & 3 children	0	0	0	0	0	0	0
Other household	92	115	103	108	110	109	-6

Source: Edge Analytics, GVA, 2013, ESBC

Figure 2: Projected households in 2031

Type of Household \ Age-group	15-24	25-34	35-44	45-54	55-59	60-64	65-74	75-84	85+
One person male	198	1,378	1,699	1,258	579	408	1,056	1,036	481
One person female	555	788	820	1,178	532	764	2,819	4,307	2,483
Couple & 0 children	144	1,211	1,200	3,029	2,333	2,827	4,913	1,985	907
Couple & 1 child	38	769	1,322	1,092	73	67	68	8	26
Couple & 2 children	42	498	1,519	1,077	98	31	9	0	14
Couple & 3 children	2	252	1,353	378	3	10	4	0	0
One parent & 1 child	198	339	690	347	44	27	38	67	25
One parent & 2 children	43	568	747	116	8	0	11	0	0
One parent & 3 children	1	324	346	41	0	5	0	0	0
Couple & other adult(s)	25	183	72	495	470	303	392	133	4
Couple & other adult & 1 child	24	57	74	312	65	46	22	5	0
Couple & other adult & 2 children	5	91	67	76	29	18	15	2	0
Couple & other adult & 3 children	14	61	63	69	1	12	1	11	0
One parent & other adult & 1 child	36	17	191	143	9	3	2	0	7
One parent & other adult & 2 children	0	12	76	29	0	0	0	0	26
One parent & other adult & 3 children	0	18	16	11	0	0	0	0	0
Other household	103	159	86	184	86	93	394	283	302

Source: Edge Analytics, GVA, 2013, ESBC