

North Derbyshire & Bassetlaw Strategic Housing Market Assessment

Final Report

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**Final Draft Report
Subject to Sign off by the
Authorities in the
Housing Market Area**

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APPENDIX A: COMPARISON TO NORTH EAST DERBYSHIRE HOUSING NEEDS, MARKET & AFFORDABILITY STUDY

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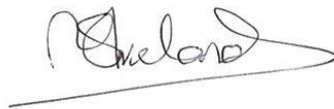
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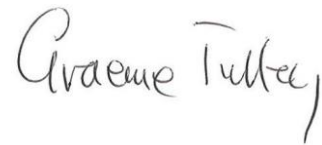
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1 SUMMARY

- 1.1 The North Derbyshire and Bassetlaw Housing Market Area (HMA) includes the local authority districts of Bolsover, Bassetlaw, Chesterfield and North East Derbyshire. There are economic links between the area north to Sheffield and Rotherham.
- 1.2 The Strategic Housing Market Assessment considers future housing need in the HMA over the period to 2031. It considers how many homes are needed; what type of homes are needed – both market and affordable; as well as what housing is needed to meet the needs of specific groups within the population including older people and those with disabilities. The assessment is intended to help the development of the local plans and housing strategies across the four local authorities.

How many homes are needed?

- 1.3 The Government has set out in the National Planning Policy Framework¹ that Councils should plan to meet objectively assessed needs for both market and affordable housing in the housing market area. The SHMA considers future housing need taking account of both existing practice guidance on undertaking such assessments and draft Planning Practice Guidance issued by Government in August 2013.
- 1.4 The latter guidance sets out that the latest official household projections should be seen as the starting point for identifying housing need; but that wider evidence should then be assessed to examine whether there is evidence that household formation has been suppressed, whether the official projections will meet identified need for affordable housing; and whether they will support forecast growth in employment. These wider ‘tests’ may provide a basis for considering increasing levels of housing provision. The SHMA has considered these issues.
- 1.5 The latest household projections (2011-based Interim Projections) indicate a need for 1,190 homes per annum across the HMA to 2021. Extending this projection to 2031 this reduces moderately to an average of 1,065 homes per annum because of changes to the population’s age structure over the 2021-31 decade.
- 1.6 Whilst there is some evidence that rates of household formation have fallen between 2001-11 relative to longer-term trends, “market signals” do not provide clear evidence that housing supply needs to be adjusted upwards from the demographic projections. Across the HMA in the average house price in 2013 stands at £136,000. The HMA includes some of the cheapest areas to live in the East Midlands region, although prices within the HMA vary and are highest in the north and western parts of North East Derbyshire District and in Bassetlaw District. Across the area, a

¹ CLG (March 2012) *National Planning Policy Framework*

relatively modest 24% of households have an income insufficient to afford market housing without some form of subsidy relative to other parts of the country.

1.7 The SHMA suggests that in theory 1,500 homes per year might be needed to support growth in the resident workforce in line with Experian projections for employment growth to 2031. However the wider evidence does not point towards the economic being a particularly strong driver of the housing market across the HMA as a whole; and there is strong potential to support economic growth through reducing out-commuting. However equally housing can help to support economic investment.

1.8 The SHMA identifies a significant theoretical need for nearing 1800 affordable homes per annum over the period to 2031. This breaks down by local authority as follows:

Assessed Need for Housing, 2011-31

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Bassetlaw	40-45%	25-30%	15-20%	10-15%
Bolsover	40-45%	30-35%	10-15%	10-15%
Chesterfield	30-35%	35-40%	15-20%	10-15%
NED	40-45%	35-40%	10-15%	5-10%
HMA	40-45%	30-35%	10-15%	10-15%

1.9 This assumes that all households who cannot afford market housing without subsidy would be allocated an affordable home. However given the funding context for affordable housing and the viability of residential development in parts of the HMA, it is unrealistic to assume that this level of affordable housing could be delivered. Any shortfall in affordable housing provision would likely be met by the Private Rented Sector, with households using Local Housing Allowance to top up their income. The Private Rented Sector currently contributes to housing around 1,300 households per year who have a need for affordable housing.

1.10 In setting policies for affordable housing provision, the housing needs evidence in the SHMA needs to be brought together with evidence regarding residential development viability and considered alongside other policies in plans which influence viability. Given the high level of affordable housing need it would also be appropriate for the Councils to consider how to best manage use of the existing housing stock.

1.11 The SHMA concludes that an objective assessment of full need for housing would equate to between 1,180- 1,350 homes per annum across the HMA with a recognition that higher housing provision might be considered in order to support economic growth. The lower end of this range assumes that household formation rates fall midway between those implicit within the 2008- and

2011-based CLG household projections. The higher end allows for higher population growth and/or household formation relative to this. The headline findings for the individual local authorities are shown below:

Assessed Need for Housing, 2011-31

	Annual Housing Need
Bassetlaw	435 – 500 homes
Bolsover	235 – 240 homes
Chesterfield	240 – 300 homes
North-East Derbyshire	270 – 310 homes
HMA	1,180 – 1,350 homes

- 1.12 It is important that in finalising levels of housing provision in development plans that the SHMA evidence is brought together with other work at the City Regional level, including around demographics and unmet needs of other areas. It also needs to be considered alongside economic planning assumptions.
- 1.13 The SHMA recommends that the Councils continue to collaborate as appropriate with other neighbouring local planning authorities, including the relevant parts of the Sheffield City Region, in considering issues relating to housing provision.

What types of homes are needed?

- 1.14 A range of factors have been considered in assessing the types of homes which will be needed over the period to 2031. This includes assessment of the current profile of housing and gaps in the current housing offer, housing affordability and trends in the structure of the population over the plan period.
- 1.15 The level of social housing in the HMA is above regional and national averages. However over the 2001-11 decade the key growth sector has been private rented housing, with an increase of 9,300 households in the sector between the 2001 and 2011 Censuses. The HMA's housing offer is focused on 2 and 3 bed properties. However 70% of its housing stock falls within Council Tax Bands A and B and the SHMA identifies modest opportunities for growth in aspirational housing in parts of the HMA.
- 1.16 There is a clear role for policy to seek to encourage investment and improve standards within the Private Rented Sector. The councils already have an important enforcement role, and are to promote standards through the East Midlands Landlords Accreditation Scheme.
- 1.17 At the time of writing, the housing market is relatively flat. The SHMA suggests that savings are a particular issue for younger households: for non-home owners across the HMA just 15% have

savings of more than £5,000. This is a notable constraint to home ownership, albeit that the Government's Help-to-Buy Scheme is beginning to address these issues. 2% of owner occupiers estimate that they are in negative equity.

- 1.18 The SHMA includes analysis of the need for different types of affordable housing, taking account of existing supply and what households can afford. It concludes that policies seeking the following mix of affordable housing would be justified by the needs evidence:

Recommended Affordable Housing Tenure Mix

	Intermediate Equity	Affordable Rent	Social/ Affordable Rent
Bassetlaw	5%	30%	65%
Bolsover	5%	15%	80%
Chesterfield	10%	65%	25%
North-East Derbyshire	5%	35%	60%

- 1.19 The SHMA recommends the following strategic mix of sizes of affordable housing is sought on new development schemes:

Recommended Affordable Housing Size Mix

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Bassetlaw	40-45%	25-30%	15-20%	10-15%
Bolsover	40-45%	30-35%	10-15%	10-15%
Chesterfield	25-30%	30-35%	20-25%	15-20%
NED	40-45%	35-40%	10-15%	5-10%
HMA	40-45%	30-35%	10-15%	10-15%

- 1.20 This should be regarded as a strategic long-term policy. In applying the policy to individual development schemes it should be considered alongside the current profile of lettings and households on housing registers at a more local level at the point in time when planning consent is sought.
- 1.21 To support affordable housing delivery the SHMA identifies that the Council might consider the inclusion of a local choice policy in plans which supports development of sites identified by and supported by the local community, for instance through a neighbourhood plans. For these sites, the starting point for negotiation should be 100% affordable housing provision.
- 1.22 Based on the evidence, we would expect the focus of new market housing provision to be on two and three-bed properties. It recommends the following mix of market housing across the HMA:

Recommended Market Housing Mix

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
HMA	0-5%	35-40%	40-45%	15-20%

- 1.23 Continued demand for family housing can be expected from newly forming households. There will also be demand for medium-sized properties (2 and 3 beds) from older households downsizing and looking to release equity in existing homes, but still retain flexibility for friends and family to come and stay. The SHMA does not however consider it appropriate to set out specific policies regarding the mix of market housing sought. Neither the NPPF nor the SHMA Guidance indicate that specific policies regarding the mix of market housing should be established.
- 1.24 The analysis of an appropriate mix of dwellings should also inform the ‘portfolio’ of sites which are considered through the development of local plans. Equally it will be of relevance to affordable housing negotiations. The Councils should also consider whether it is appropriate to set out specific space standards for new development, particularly to encourage provision of decent sized family housing (e.g. 3 bed properties).
- 1.25 The SHMA recommends that the Councils should monitor changes in the stock and need for different sizes of property, taking account in particular of right-to-buy trends and the impact of the benefit reforms introduced by Government.

What housing is needed to meet the requirements of specific groups?

- 1.26 The SHMA contains analysis regarding the needs of a range of specific household groups within the population. The SHMA identifies that Black and Minority Ethnic Groups are more likely to be overcrowded than other household groups. Overcrowding is however considered in the allocation of social housing. However overcrowding is also evident within the private rented sector, and there is a continued role for the enforcement of standards within the sector, including of houses in multiple occupation.
- 1.27 The analysis indicates that 28% of all households within the HMA have some form of support need. The most prevalent needs are for help with maintenance, and the installation of level access showers and handrails.
- 1.28 A quarter of households in the HMA contain older persons. Two-thirds of these are owner-occupiers; however 35% of households in the social rented sector also contain older persons. The number of households including people of pensionable age is expected to increase by a very substantial 19,000 to 2031 (an increase of 42%). This may create significant demand for specialist

accommodation. It is likely to support demand for bungalows and could potentially support some increase in need for affordable housing. Furthermore, without intervention the number of households' under-occupying homes can be expected to increase by 8,200.

- 1.29 The SHMA sets out that it will be important over the next 20 years that the councils continue to plan to meet the housing needs of a growing older population, including through supporting adaptations to existing properties (within the context of available funding), through provision of floating support (working with Derbyshire and Nottinghamshire County Councils) and through supporting development of specialist housing (including both public and private sector provision). Specialist housing should include extra care and the SHMA recommends that the Councils should include specific policies in their plans supporting provision of specialist accommodation to meet the needs of older people, including requiring specific housing provision for older people and those with disabilities on strategic development sites. It also suggests that the Councils should consider maintaining a register of properties with different adaptations, and ensure that housing registers disaggregate those with disabilities with allocations policies prioritising the needs of these households.
- 1.30 In planning on meeting older persons housing needs, there is evidence within the SHMA of demand for both bungalows; but also for specialist housing particularly from older age groups.
- 1.31 The housing needs analysis also highlights a high number of lone parent households in housing need. The Councils may wish to consider how the needs of this group are addressed through allocations policies. It will also be important that the Councils monitor the impacts of welfare reforms on allocations, and undertake regular reviews of allocations policies to ensure that particular groups within the population are not unduly disadvantaged.

2 INTRODUCTION

2.1 Bassetlaw District Council, Bolsover District Council, Chesterfield Borough Council and North East Derbyshire District Council jointly commissioned the preparation of a new Strategic Housing Market Assessment (SHMA) for their sub-regional housing market. A report for the sub-regional housing market has been prepared together with specific reports for each of the constituent authorities which set out the district level findings. This report deals with the overarching findings for the Housing Market Area (HMA).

2.2 The SHMA has been informed by Practice Guidance issued by Government in 2007 together with the requirements of Paragraph 159 in the National Planning Policy Framework. This sets out that local planning authorities should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing markets cross administrative boundaries. It outlines that the SHMA 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 within the local community; and
- caters for housing demand and the scale of housing supply necessary to meet this demand.

2.3 This SHMA Report has also been informed by draft Planning Practice Guidance issued by Government in August 2013 on *Assessment of Housing & Economic Development Needs* (CLG, 2013).

Housing Market Geography

2.4 National policy is clear that a Strategic Housing Market Assessment should be prepared covering the relevant Housing Market Area. The North Derbyshire and Bassetlaw Housing Market Area was initially defined as part of research undertaken to inform the development of the East Midlands Regional Plan, which defined a 'northern' housing market area within the region with links north to other parts of the Sheffield City Region².

2.5 Since this point research undertaken for CLG and published in 2010 which has defined a three-tier geography of housing markets across England³. This includes northern Derbyshire and Nottinghamshire within a strategic housing market area which correlates broadly with the Sheffield

² DTZ (2005) *Identifying Sub-Regional Housing Markets in the East Midlands*

³ CLG (2010) *The Geography of Housing Market Areas in England*

City Region, although the southern parts of Bolsover and North East Derbyshire District (including South Normanton and Clay Cross) are included within the Derby Housing Market Area; whilst Shirebrook and its immediate surroundings are included within a Nottingham-focused housing market; and some very eastern wards in Bassetlaw are identified as part of a Lincoln-focused market. The research then defines more local housing markets. Most of the four authorities fall within the following three markets:

- Chesterfield HMA – covering Chesterfield, the rural western part of North East Derbyshire, Bolsover and Barlborough;
- Worksop HMA – which includes Worksop, Clowne and Carlton in Lindrick, and is largely confined within the Bassetlaw and Bolsover District boundaries;
- Retford HMA – which falls largely within Bassetlaw District with the exception of the area around Beckingham and Misterton.

2.6 Towards the fringes of the authorities there are relationships towards local housing markets based around Alfreton/Ripley, Mansfield, Lincoln and South Sheffield.

2.7 CLG Practice Guidance recognises that for the purposes of strategic planning it is appropriate in many instances to consider the ‘best fit’ of local authority boundaries to housing market areas. This is a pragmatic and sensible approach, not least at most demographic information which is used in a SHMA to consider future housing requirements is not available on a consistent basis below local authority level.

2.8 The 2007 and draft 2013 Practice Guidance both identify key sources of information in considering housing market geographies – house prices and rates of change in house prices; household migration and search patterns;’ and contextual data such as travel to work areas. This SHMA has reviewed this information to consider how housing market areas should be defined based on interrogation of the most recent evidence. Our analysis is principally presented in Appendix 1. We summarise the key findings herein.

2.9 As a starting point we have considered migration trends, as these specifically reflect household behaviour in regard to movement patterns. Benchmarking flows between local authorities over the 2006-11 period relative to the combined population of different authorities, the strongest flows relating to authorities in North Derbyshire and Nottinghamshire are as follows:

- Chesterfield-North East Derbyshire: 9.4 persons per 1,000
- Ashfield-Mansfield: 6.9 persons per 1,000
- Bolsover-Chesterfield: 4.1 persons per 1,000
- Bolsover-Mansfield: 3.9 persons per 1,000
- Rotherham-Sheffield: 3.8 persons per 1,000
- Bolsover-North-East Derbyshire: 3.8 persons per 1,000

- 2.10 Bassetlaw has a higher level of self-containment of migration, but its strongest relationship is with Bolsover. The migration flows analysis indicates a strong set of links between Chesterfield-North East Derbyshire and Bolsover.
- 2.11 A degree of separation from the authorities to the north (e.g. Sheffield and Rotherham) in housing market terms has been confirmed by the detailed programme of engagement with estate and letting agents across the four authorities with most purchases made by local buyers, with a reduction in market interest from households located further afield since 2007. Inevitably there is some overlap towards the edges of the area in areas such as South Normanton (looking south), Shirebrook, and Dronfield (looking north).
- 2.12 ONS has defined travel to work areas based on the 2001 Census. It defines separate travel-to-work areas based on Sheffield/Rotherham, Worksop-Retford, Chesterfield and Mansfield. It clearly identifies a distinction in terms of commuting between North Derbyshire/Nottinghamshire and the core of the Sheffield City Region, although inevitably there are some commuting flows between the two areas.
- 2.13 Finally we have considered house price trends. An analysis of house prices points towards a geography as follows:
- Generally higher comparative house prices in and around the fringes of the Peak District, including Dronfield. Prices in these areas are around £200,000 for a standard home. These are above values in Sheffield (c. £160,000);
 - A value band stretching from Chesterfield into the northern parts of North East Derbyshire District including Eckington, where prices are around £145,000;
 - A band of lower values further to the south, in part reflecting the greater distance from larger economic centres, with prices of between £110,000-£125,000, from Mansfield, South Normanton, Alfreton and Clay Cross;
 - Values further to the east around Retford which are modestly higher nearing £160,000 for a standard home and above those in Doncaster and Rotherham (c. £130,000).
- 2.14 Overall the evidence does point towards a set of relationships towards the larger economic centres to the north, such as Sheffield, Rotherham and Doncaster in economic terms (e.g. commuting flows); but suggests that in terms of household movement a lot of this is much more localised – and has become increasingly so since 2007. Price differences seem to particularly reflect differences in accessibility to employment centres (and at a more localised level no doubt quality of place).
- 2.15 CLG has provided no clear guidance on at what scale housing market areas should be defined. The migration evidence in particular and market characteristics point towards a different set of circumstances within the North Derbyshire and Nottinghamshire area relative to the larger urban centres to the north. We therefore consider that this represents an appropriate functional housing

market area, albeit that it should be recognised that there are economic links more widely across the City Region.

- 2.16 Within the report, statistics presented for the “housing market area.” This represents the combined area of the local authorities of Bassetlaw, Bolsover, Chesterfield and North-East Derbyshire.

Data Sources and the Household Survey

- 2.17 The SHMA draws on a range of data sources, including official statistics, results from the 2011 Census and a household survey undertaken to inform the SHMA.

The Household Survey

- 2.18 A postal survey of households in Bassetlaw, Bolsover and Chesterfield was undertaken in Summer 2013. The sample for the survey was drawn, at random, from the Council Tax Register covering all areas and tenure groups. Data from a similar exercise carried out in North East Derbyshire in 2011 has been updated (to take account of Census data) and included within a single combined database for analysis. Appendix 1 provides a comparison of results against this earlier Study.

- 2.19 In total, 8,008 completed survey forms were returned from an initial sample of 40,000. This represents a response rate of 20%. Overall, some 4.6% of households in the HMA took part in the survey. The number of responses provides sufficient data to allow complete, accurate and detailed analysis of need and demand across the four local authorities.

- 2.20 Although the response represents a small percentage of the total household population, this does not undermine the validity of the survey as paragraph 18 of the 2007 Strategic Housing Market Assessment Practice Guidance Annex C states:

A common misconception when sampling is that it should be based on a certain percentage of the population being studied. In fact, it is the total number of cases sampled which is important. As the number of cases increase, the results become more reliable but at a decreasing rate... Approximately 1,500 responses should allow a reasonable level of analysis for a local authority area.

- 2.21 In order to gross up the data to represent the entire household population it is necessary to make an estimate of the number of households in the area. Using information from the 2011 Census, demographic projections and the Council Tax Register, it was estimated that there were a total of 172,663 households in the HMA in mid-2013.

- 2.22 The table below shows an estimate of the current tenure split in the HMA along with the sample achieved in each group. The data shows that around 68% of households are owner-occupiers, 19% are in the social rented sector and the remaining 13% are in the private rented sector. It should be

noted that the private rented sector includes those renting from a friend/relative or living in accommodation tied to a job.

Table 1: Number of Households in each Tenure Group

Tenure	Total number of households	% of households	Number of returns	% of returns
Owner-occupied (no mortgage)	60,400	35.0%	3,420	42.7%
Owner-occupied (with mortgage)	56,435	32.7%	2,530	31.6%
Social rented	32,588	18.9%	1,380	17.2%
Private rented	23,240	13.5%	678	8.5%
Total	172,663	100.0%	8,008	100.0%

Source: Household Survey Data, 2011 Census

2.23 An important aspect of preparing data for analysis is 'weighting' it. As can be seen from the table above, social survey responses never exactly match the estimated population totals. As a result it is necessary to 'rebalance' the data to correctly represent the population being analysed via weighting. Survey data was weighted to match the suggested tenure profile shown above taking account of the 2011 Census results.

2.24 Weighting is recognised by the Strategic Housing Market Assessment Guidance as being a way of compensating for low response amongst certain groups. Although response rates were lower amongst certain groups of the population (e.g. privately renting households) the application of a sophisticated weighting process, as has been used in this survey, removes any bias.

Stakeholder Consultation

2.25 In addition to the household survey, the SHMA has been informed by a detailed programme of stakeholder consultation. This has included face to face interviews with Estate Agents, Letting Agents and on-site new build sales staff throughout Bolsover District. Interviews were conducted early May 2013.

2.26 In addition a number of interviews have been undertaken with registered providers, local authority private rented sector enforcement and housing and planning officers.

2.27 Furthermore the SHMA has been informed by a stakeholder workshop attended by housebuilders, registered providers, their representatives and other interested parties. This was held in July 2013.

National Planning Policy Framework and Guidance

2.28 The Coalition Government has reformed the policy framework for strategic planning, particularly on issues such as housing. Regional strategies have been revoked (the East Midlands Regional Plan

was revoked in Spring 2013) and responsibility for planning on cross-boundary issues has been returned to local authorities.

2.29 The primary legislation to support this is the 2011 Localism Act which now imposes a 'duty to cooperate' on local authorities, requiring them to "engage constructively, actively and on an on-going basis" with the other authorities and relevant bodies. The Duty to Cooperate is applied as both a legal and soundness test to which development plans must comply.

2.30 National policies for plan-making are set out within the National Planning Policy Framework⁴. This sets out key policies against which development plans will be assessed at examination and to which they must comply.

National Planning Policy Framework (NPPF)

2.31 The National Planning Policy Framework (NPPF) was published in March 2012. Compliance of existing Local Development Documents becomes a key issue from April 2013 onwards.

2.32 The Framework sets a presumption in favour of sustainable development whereby Local Plans should meet objectively assessed development needs, with sufficient flexibility to respond to rapid change, unless the adverse impacts of doing so would significantly or demonstrably outweigh the benefits or policies within the Framework indicate that development should be restricted. Green Belt, AONB and flood risk are recognised as nationally-significant constraints; however, the Framework does allow review of Green Belt boundaries through the development of Local Plans and the relationship between unmet needs and the Green Belt is a topic of very current debate at the national level.

2.33 The NPPF highlights the Strategic Housing Market Assessment (SHMA) as a key piece of evidence in determining housing needs. Paragraph 159 in the Framework outlines that this should identify the scale and mix of housing and the range of tenures which 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; and
- Caters to housing demand and the scale of housing supply necessary to meet this demand.

2.34 This is reaffirmed in the NPPF in Paragraph 50. The SHMA is intended to be prepared for the housing market area, and include work and dialogue with neighbouring authorities where the HMA

⁴ CLG (March 2012) National Planning Policy Framework

crosses administrative boundaries. Recent local plan examinations have demonstrated the importance of properly identifying and addressing the housing market area as a whole⁵.

- 2.35 Paragraph 181 sets out that LPAs will be expected to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts when their Local Plans are submitted for examining. This issue has been borne out in a number of recent local plan examinations, particularly in respect of housing, with Inspectors seeking at the outset to test the process and outcomes of collaboration. This highlights the importance of collaborative working and engaging constructively with neighbouring authorities, as required by Section 33A of the 2004 Planning and Compulsory Purchase Act, and ensuring that there is a robust audit trail showing joint working to meet the requirements of paragraph 181 of the NPPF.
- 2.36 Paragraph 158 of the NPPF also emphasises the alignment of the housing and economic evidence base and policy, and this is an issue which has been emerging in a range of recent Core Strategy / Local Plan Inspector's Reports and representations made to emerging Local Plans. Paragraph 17 in the NPPF reaffirms this, and outlines that planning should also take account of market signals, such as land prices and housing affordability. However it also makes clear that plans must be deliverable.
- 2.37 In regard to housing mix, the NPPF sets out that authorities should plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community. Planning authorities should identify the size, type, tenure and range of housing that is required in particular locations reflecting local demand. Where a need for affordable housing is identified, authorities should set policies for meeting this need on site. National thresholds for affordable housing provision are removed as are national brownfield development targets.
- 2.38 In setting affordable housing targets, the NPPF states that to ensure a plan is deliverable, the sites and the scale of development identified in the plan should not be subject to a scale of obligations and policy burdens such that their ability to be developed is threatened and should support development throughout the economic cycle. The costs of requirements likely to be applied to development, including affordable housing requirements, contributions to infrastructure and other policies in the Plan, should not compromise the viability of development schemes. To address this, affordable housing policies would need to be considered alongside other factors including infrastructure contributions – a 'whole plan' approach to viability. Where possible the NPPF encourages Local Authorities to work up Community Infrastructure Levy (CIL) charges alongside the Local Plan.

⁵ For example Bath and NE Somerset or Coventry

2.39 The SHMA is intended to be brought together with evidence of land availability, from a Strategic Housing Land Availability Assessment. To increase housing supply, the NPPF proposes that Local Authorities should be required to maintain a 5 year supply of specific deliverable sites, and to include an allowance of 5% to ensure choice and competition in the market for land (unless there is a persistent track record of under-delivery).

Draft National Planning Practice Guidance

2.40 The Government published Practice Guidance on undertaking Strategic Housing Market Assessments in 2007.⁶ The approach in this report takes account of this Guidance.

2.41 New draft Guidance was issued by Government in August 2013 on '*Assessment of Housing and Economic Development Needs*'⁷ as part of its review of planning practice guidance. This is relevant to the Joint SHMA in that it provides clarity on how key elements of the NPPF should be interpreted, including the approach to deriving an objective assessment of the need for housing.

2.42 The Guidance defines "need" as referring to "the scale and mix of housing and the range of tenures that is likely to be needed in the housing market area over the plan period – and should cater for the housing demand of the area and identify the scale of housing supply necessary to meet this need." It sets out that the assessment of need should be realistic in taking account of the particular nature of that area, and should be based on future scenarios that could be reasonably expected to occur. It should not take account of supply-side factors or development constraints.

2.43 The Guidance outlines that whilst estimating future need is not an exact science and that there is no one methodological approach or dataset which will provide a definitive assessment of need, the starting point for establishing the need for housing should be the latest household projections published by the Department for Communities and Local Government (CLG).

2.44 It sets out that there may be instances where these national projections require adjustment to take account of factors affecting local demography or household formation rates, in particular where there is evidence that household formation rate are or have been constrained by supply. It suggests that proportional adjustments should be made where there market signals point to supply being constrained relative to long-term trends or other areas in order to improve affordability.

2.45 The affordable housing needs evidence is also relevant, with the draft Guidance suggesting that the total affordable housing need should be considered in the context of its likely delivery as a

⁶ CLG (August 2007) *Strategic Housing Market Assessments, Practice Guidance*

⁷ CLG (August 2013) *Assessment of Housing and Economic Development Needs – Draft Guidance*

proportion of mixed market and affordable housing. In some instances it suggests this may provide a case for increasing the level of overall housing provision.

- 2.46 In regard to economic evidence, the Guidance indicates that job growth and economic forecasts should be considered, and that an increase in housing provision should be considered where there is evidence that labour supply might result in unsustainable commuting patterns or reduce the resilience of local business. It cautions against reducing migration assumptions based on economic evidence unless this approach is agreed with other local planning authorities under the duty to cooperate.
- 2.47 The draft Guidance effectively describes a process whereby the latest population and household projections are a starting point; and a number of “tests” then need to be considered to examine whether it is appropriate to consider an upward adjustment to housing provision. These are:
- Is there evidence that household formation rates in the projections have been constrained? Do market signals point to a need to increase housing supply?
 - How do the demographic projections ‘sit’ with the affordable housing needs evidence, and should housing supply be increased to meet affordable needs?
 - What do economic forecasts say about jobs growth? Is there evidence that an increase in housing numbers would be needed to support this?
- 2.48 This report draws on the draft Guidance in undertaking an objective assessment of need for housing.

Report Structure

- 2.49 This report is structured to address the following:
- Section 3: Policy Review;
 - Section 4: Housing Stock & Supply Trends;
 - Section 5: Housing Market Dynamics;
 - Section 6: Incomes and Affordability
 - Section 7: Demographic and Economic Context
 - Section 8: Assessing Housing Requirements
 - Section 9: Affordable Housing Need
 - Section 10: Need for Different Sizes of Homes
 - Section 11: Needs of Specific Groups
 - Section 12: Conclusions and Recommendations

3 HOUSING STOCK AND SUPPLY TRENDS

3.1 The commissioning authorities are looking over the period to 2028/31 or beyond for strategic planning purposes. Much of the housing stock in the area in 2031 already exists now; and it is thus important to understand the current 'housing offer' and how this has been changing, to consider what gaps in the offer new-build development might fill.

3.2 In this section we profile the current housing offer, considering the profile of stock of different types, sizes and tenures of homes, how this has been changing and how it varies across the North Derbyshire and Bassetlaw HMA.

Tenure Profile

3.3 There were just under 176,250 dwellings across the North Derbyshire and Bassetlaw HMA (the HMA) in 2011. 19.7% of the dwelling stock is in public sector ownership, which is above both the East Midlands and England averages (16.2% and 18.0% respectively). This includes housing owned by both local authorities and housing associations.

3.4 Public sector housing represents the greatest proportion of the housing stock in Chesterfield (23.3%). It is also above the regional and national averages in both Bolsover (18.6%) and North East Derbyshire (20.2%).

Table 2: Tenure, 2011

	Local Authority	Housing Association	Other Public Sector	Total Public Sector	Private Sector	Total
Bassetlaw	6,942 13.9%	1,156 2.3%	194 0.4%	8,292 16.6%	41,730 83.4%	50,020 100%
Bolsover	5,344 15.8%	949 2.8%	0 0.0%	6,293 18.6%	27,590 81.4%	33,890 100.0%
Chesterfield	9,781 20.3%	1,392 2.9%	74 0.2%	11,247 23.3%	37,040 76.7%	48,290 100.0%
North East Derbyshire	8,154 18.5%	733 1.7%	4 0.0%	8,891 20.2%	35,160 79.8%	44,050 100.0%
Chesterfield HMA	30,221 17.1%	4,230 2.4%	272 0.2%	34,723 19.7%	141,520 80.3%	176,243 100.0%
East Midlands	9.5%	6.5%	0.2%	16.2%	83.8%	100.0%
England	7.6%	10.2%	0.3%	18.0%	82.0%	100.0%

Source: CLG, Table 100

3.5 The 2011 Census allows us to consider the tenure profile in more detail. Across the HMA 67.7% of households are owner occupiers, which is similar to the East Midlands average (67.3%) and slightly

above the national average. Within the HMA, levels of owner occupation are highest in North East Derbyshire (70.8%). Owner occupation is generally higher in rural areas.

- 3.6 Chesterfield Borough has the highest levels of households living in social rented accommodation (23.2%), although all four authorities have above average levels of households in the social rented sector compared to the East Midlands as a whole. This is partly a reflection of the economic history of the area (and the presence of housing associated with coal mines), with below average incomes and above average unemployment and worklessness.
- 3.7 The private rented sector remains below average in size compared to the region or England as a whole. In total 11.3% of households across the HMA live in the sector compared to 14.9% across the East Midlands. This is likely to partly reflect the higher proportion of social housing stock. Private renting is particularly low in North East Derbyshire, with 7.4% of households residing in the sector. While the size of the sector is below average, it plays a disproportionate role in the housing market relative to its size as the turnover of private rented stock (as we will come onto) is notably higher than that in other sectors of the housing market.
- 3.8 The shared ownership sector is relatively modest in size, accommodating just 0.3% of households across the HMA. This is to some degree what we might expect for a housing market with below average housing costs and an older population structure compared to other parts of the country.

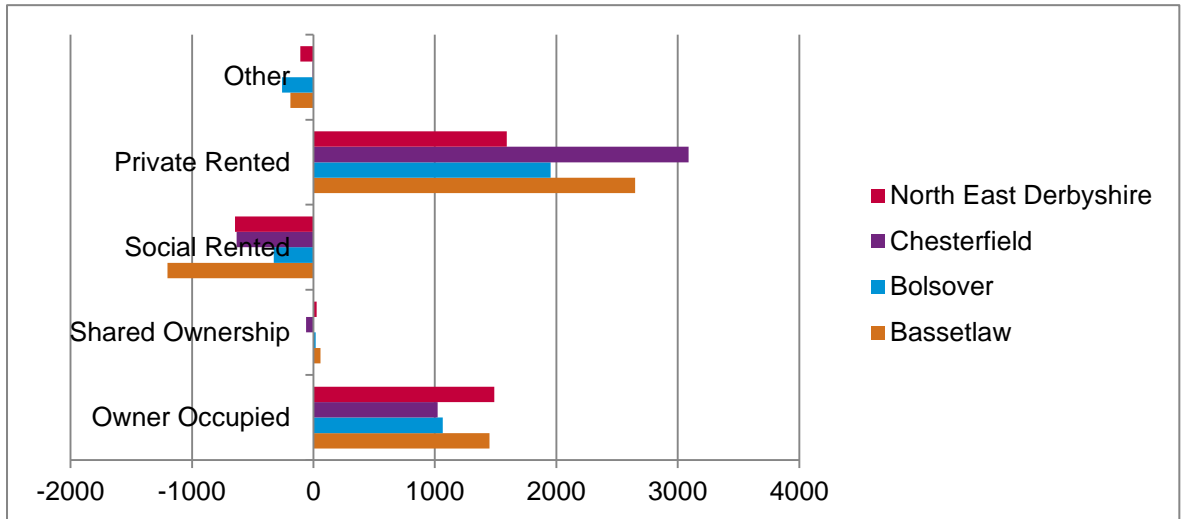
Table 3: Detailed Tenure Profile, 2011 (%)

%	Owner Occupied	Shared Ownership	Social Rented	Private Rented	Other
Bassetlaw	69.5	0.4	15.9	12.5	1.7
Bolsover	67.0	0.3	18.2	13.0	1.5
Chesterfield	63.1	0.3	23.2	12.4	1.0
North East Derbyshire	70.8	0.4	20.3	7.4	0.9
HMA	67.6	0.3	19.5	11.3	1.3
East Midlands	67.3	0.7	15.8	14.9	1.3
England	63.4	0.8	17.7	16.8	1.3

Source: Census (2011)

- 3.9 There have been some notable changes in the tenure profile over the 2001-11 decade. Over this period we have seen a notable growth in private renting (with 9,300 additional households resident in the sector), as well as growth in home ownership (with just over 5,000 additional owner occupier households). In contrast, the social rented sector has contracted in size (with a reduction of around 2,800 resident households).

Figure 1: Changes in Households by Tenure, 2001-11



Source: Census 2001, Census 2011

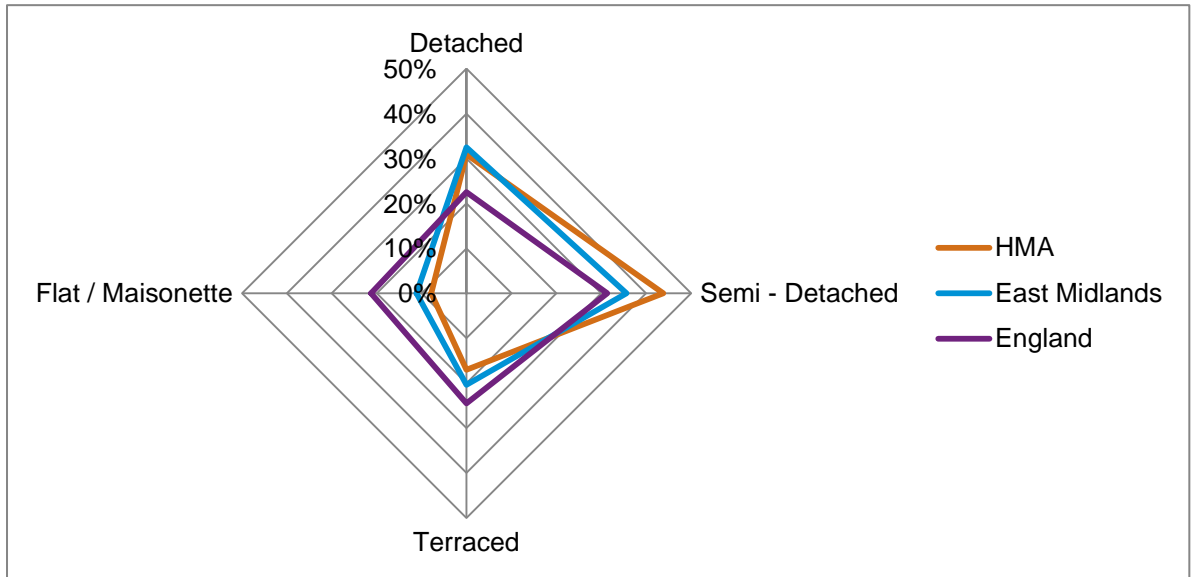
3.10 In terms of changes in the overall tenure profile, levels of private renting have increased by 5.1 percentage points on average across the HMA between 2001-11, whilst owner occupation has reduced by 1.5 points and social renting has decreased by 3.1 points. The private rented sector has increased the most in Chesterfield (6.2pp) and the least in North East Derbyshire (3.5pp). The social rented sector has reduced in size in all areas, but by the most in Bassetlaw (-3.8pp) and the least in Bolsover (-2.6pp).

House Types

3.11 The profile of homes of different types across the North Derbyshire and Bassetlaw HMA is similar to that across the East Midlands region more widely. Semi-detached housing accounted for the largest proportion of the housing stock (44%), followed by detached homes (33%). There is a low proportion of flats – as we might expect for a predominantly rural area.

3.12 Relative to the East Midlands profile, the HMA has a higher proportion of semi-detached stock. Compared to both the regional and national profiles, it has a below average terraced homes and flats.

Figure 2: Profile of Dwelling Stock by Type at HMA Level, 2011



Source: 2011 Census

3.13 Within the HMA, the proportion of semi-detached homes is above average across all four authorities ranging from 42-45% of the housing stock. North East Derbyshire has a higher concentration of detached housing (36.5%) followed by Bassetlaw (34.1%). Bolsover District has a higher proportion of terraced stock (21.5%) than the other authorities. Outside of Chesterfield Borough, the proportion of flats is low.

Table 4: Profile of Dwelling Stock by Type across Local Authorities, 2011

	Detached	Semi - Detached	Terraced	Flat / Maisonette
Bolsover	28.6%	44.2%	21.5%	5.6%
Bassetlaw	34.1%	42.4%	16.4%	6.8%
Chesterfield	24.2%	45.2%	18.1%	12.4%
North East Derbyshire	36.5%	43.8%	13.3%	6.0%
HMA	30.9%	43.9%	17.1%	7.9%
East Midlands	32.5%	35.6%	20.4%	11.1%
England	22.5%	31.3%	24.5%	21.2%

Source: 2011 Census

Housing Size

3.14 The profile of housing of different sizes across the HMA is similar to regional and national patterns, but with a **slightly higher proportion of 3-bedroom properties**. Across the HMA in 2011:

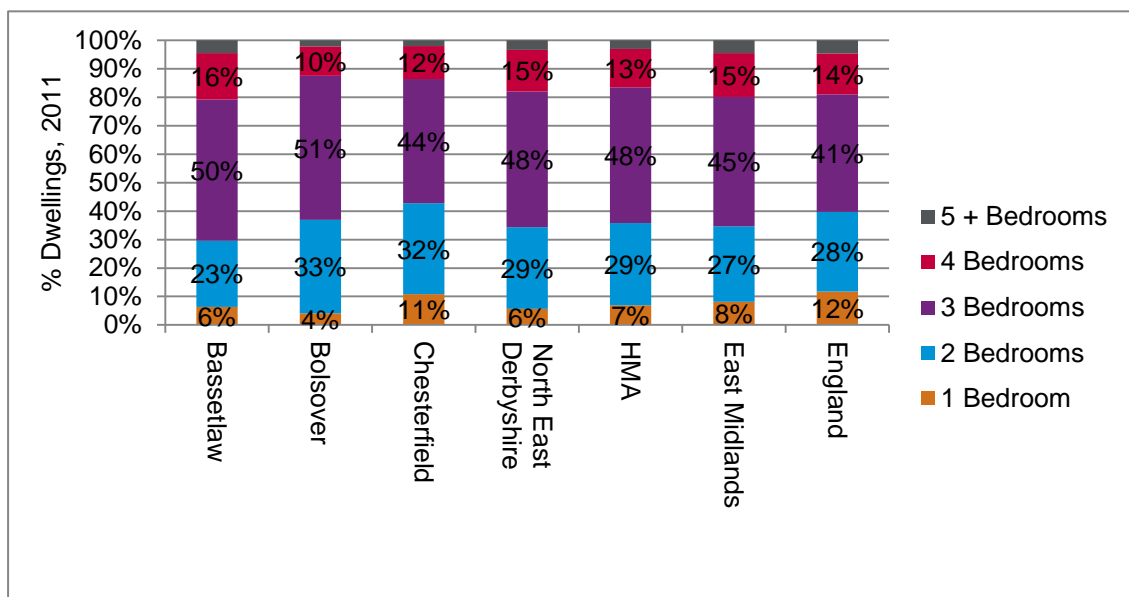
- 7% of houses have 1 bedroom;
- 29% have 2 bedrooms;
- 48% are 3 bedrooms;
- 13% have 4 bedrooms; and
- 3% have 5 or more bedrooms.

3.15 Overall three quarters of properties have two- or three-bedrooms. The proportion of three-bed properties in the HMA at 48%, is slightly above the regional and national averages (45% and 41% respectively). Three-bed properties predominate in all four districts.

3.16 Chesterfield Borough contains the largest town within the HMA. As we might expect, the Borough therefore has the highest proportion of smaller properties reflecting higher development densities: 1- and 2-bed properties account for 43% of the housing stock.

3.17 In comparison, the profile of the housing stock in Bassetlaw is focused more towards larger homes: with 70% of homes having three or more bedrooms. The proportion of larger 4 and 5+ bedroomed houses is highest in Bassetlaw (20%) and North East Derbyshire (18%) compared with the HMA average of 16%.

Figure 3: Size of Homes, 2011

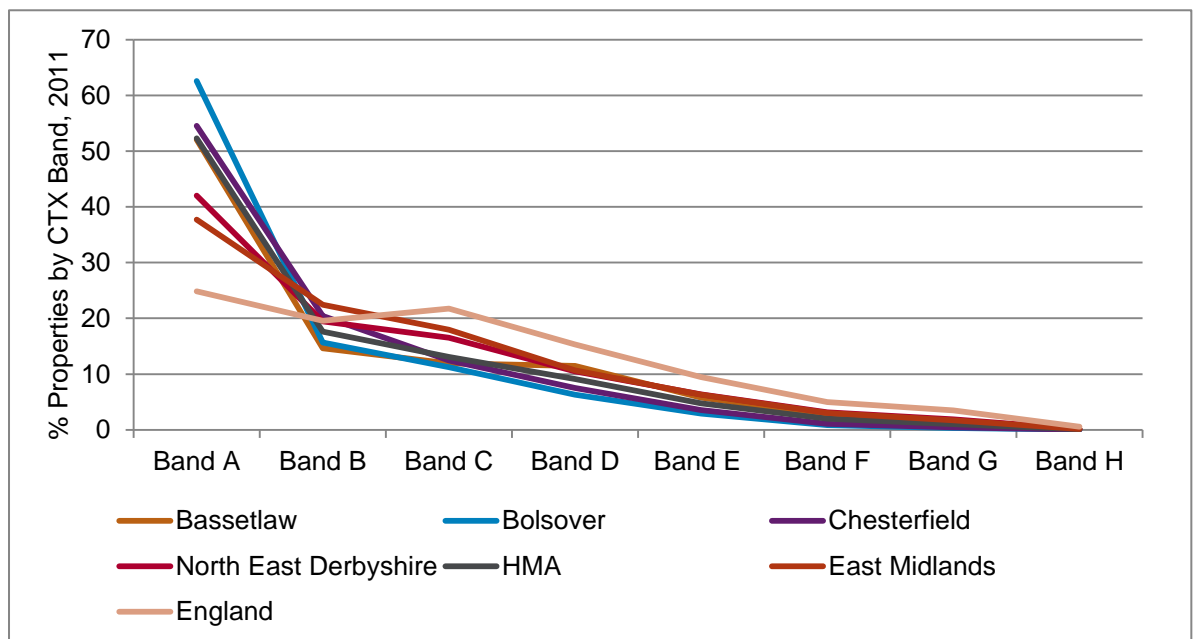


Source: Census 2011

Dwellings by Council Tax Band

- 3.18 **Across the HMA 70.3% of properties are in Council Tax Bands A and B.** This is above the East Midlands average of 60.2%, and is principally a reflection of below average property values relative to other parts of the country. 52.8% of properties across the HMA are in Band A. Just 7.7% of properties across the HMA are in Bands E or above, compared to 11.2% across the East Midlands.
- 3.19 Within the HMA, the proportion of Band A and B properties is highest in Bolsover (78.3%) and Chesterfield (75.0%) and lowest in North East Derbyshire (61.5%). This particularly reflects the proportion of larger and more expensive homes in the north and rural west of North East Derbyshire District.
- 3.20 Bassetlaw and North East Derbyshire have a higher concentration of larger, higher-value homes. In Bassetlaw 9.9% of homes are in Council Tax Bands E and above; whilst in North East Derbyshire this rises to 11.5%.

Figure 4: Dwellings by Council Tax Band, 2011



Source: 2011 Census

Changes in the Use of Housing

Overcrowding and Under-Occupation

- 3.21 Studying levels of overcrowding in the housing stock is an important part of the SHMA. This is strongly recognised in the Practice Guidance which notes that ‘if overcrowding is an issue, building one new larger property could help to resolve the needs of several households as households “move up” through the system into larger properties’.
- 3.22 Data about overcrowding is available from the 2011 Census based on the ‘bedroom standard’. This is defined by the difference between the number of bedrooms needed to avoid undesirable sharing (given the number, ages and relationships of the household members) and the number of bedrooms available to the household. A household is defined as overcrowded if there are fewer bedrooms available than required by the bedroom standard.
- 3.23 Table 5 below shows the estimated number and proportion of households who were overcrowded in 2011 using the bedroom standard. Just 2.3% of households in the HMA were overcrowded in 2011, which is notably below the regional and national averages (3.3% and 4.8% respectively). This is consistent with the profile of the housing stock which is focused towards medium-sized properties. In total the 2011 Census recorded around 3,900 overcrowded households in 2011 across the HMA.
- 3.24 Overcrowding does not vary significantly between the four authorities: 2.0% of households in 2011 were classified as overcrowded using the bedroom standard in 2011 in North-East Derbyshire, rising to 2.2% in Bassetlaw and 2.5% in Bolsover and Chesterfield (those authorities with a profile of dwellings focused slightly more towards smaller homes). However in all cases overcrowding is below wider benchmarks.

Table 5: Overcrowding 2011

	Overcrowded Households	% Overcrowded	% Under-occupied
Bassetlaw	1052	2.2%	79%
Bolsover	816	2.5%	78%
Chesterfield	1172	2.5%	72%
North East Derbyshire	865	2.0%	80%
HMA	3905	2.3%	77%
East Midlands	61644	3.3%	77%
England	1060967	4.8%	69%

Source: 2011 Census

- 3.25 A significant 77% of homes across the HMA in 2011 were under-occupied, consistent with the regional average. Given the HMA's older than average age structure, we might have expected this to be higher. Many households seek more rooms than they traditionally need to so that they have separate rooms for children and have extra storage space. In addition, additional rooms ensure that friends and relatives can come to stay, particularly in the private sector.
- 3.26 Given the demographic structure within the HMA we may well see an increase in under-occupation in the future as the proportion of older households increases. Whilst the encouragement of downsizing is an inexact science (and driven as much by attitude as stock availability), there may be an argument for increasing the supply of suitable, attractive smaller homes for older persons to encourage and facilitate older households to downsize.
- 3.27 Census data also computes a measure of overcrowding using occupancy ratings. We have looked at this as it allows us to consider how overcrowding and under-occupation might have changed between 2001-11. The Census occupancy rating assumes that all households should have one common room and there should be one additional room for each household member. Therefore a five person household living in a five room dwelling would be considered as overcrowded. Whilst using the bedroom standard is preferable it is useful to consider occupancy ratings to allow us to compare changes over time – earlier Census data did not collect data about the number of bedrooms in a home.
- 3.28 Across the HMA we have seen a modest increase in overcrowding using the occupancy rating over the 2001-11 decade, but also a modest increase in under-occupation. Whilst the number of overcrowded households using this measure has increased by 25% across the HMA over the decade, levels of overcrowding are still very modest. This measure is however likely to over-estimate growth in overcrowding.

Table 6: Changes to Overcrowding and Under-Occupation using the Occupancy Rating, 2001-11

	Bassetlaw	Bolsover	Chesterfield	North East Derbyshire	HMA	East Midlands
Under-Occupied, 2001	83.7%	83.6%	78.0%	82.9%	81.9%	80.7%
Under-Occupied, 2011	83.9%	83.9%	77.2%	84.0%	82.1%	79.5%
Overcrowded, 2001	3.4%	3.1%	3.6%	2.7%	3.2%	4.5%
Overcrowded, 2011	3.8%	3.3%	4.7%	3.0%	3.8%	5.5%

Vacant and Second Homes

3.29 The 2011 Census indicated that there were 6,043 vacant homes and second homes across North Derbyshire and Bassetlaw HMA in 2011, equivalent to 3.4% of the dwelling stock. This is below the East Midlands and national averages (4.0% and 4.3% respectively). Within the HMA, the level of vacant and second homes is highest in Bolsover (4.5%) and lowest in North East Derbyshire (2.2%).

Table 7: Vacant and Second Homes, 2011

	Household Spaces with No Usual Residents	All Households Spaces	% Vacancy
Bassetlaw	1,752	49,419	3.5%
Bolsover	1,563	34,364	4.5%
Chesterfield	1,746	48,542	3.6%
North East Derbyshire	982	44,052	2.2%
HMA	6,043	176,377	3.4%
East Midlands	78,224	1,973,828	4.0%
England	980,729	23,044,097	4.3%

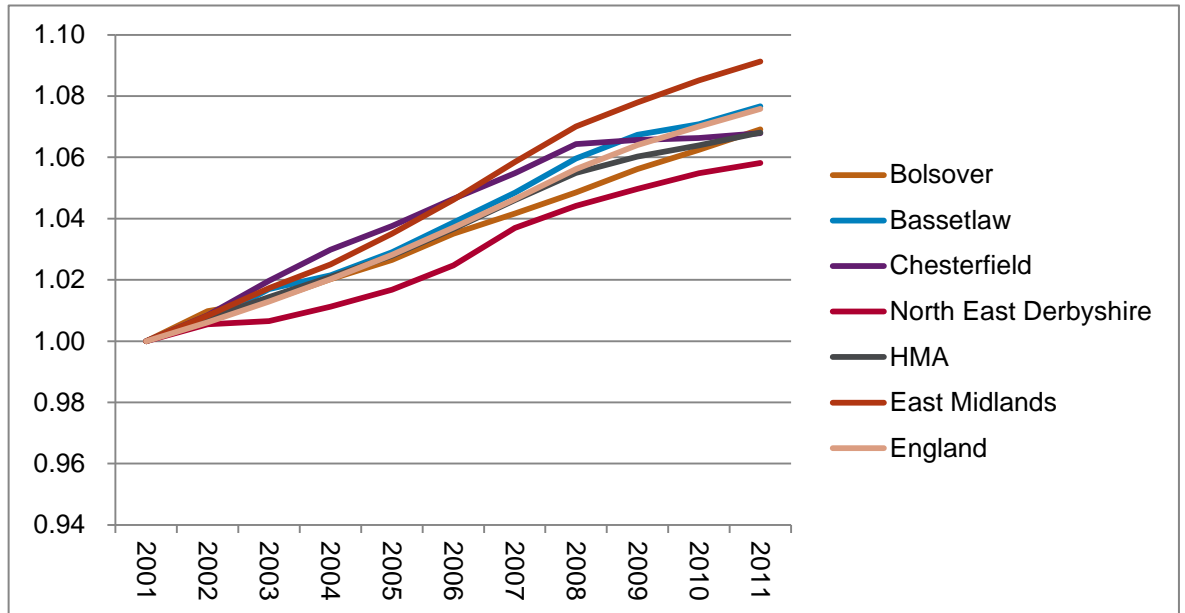
Source: 2011 Census

Housing Supply Trends

3.30 Figure 5 below shows growth in dwelling stock across the HMA and constituent authorities over the 2001-11 decade. Over this period the housing stock grew by 6.8% across North Derbyshire and Bassetlaw HMA, which was below both the East Midlands (9.1%) and England (7.6%) average. This is consistent with relatively lower house prices and evidence of more modest demand.

3.31 Over the 2001-11 decade, growth in housing stock has been strongest in Bassetlaw (7.7%) and weakest in North East Derbyshire (5.8%). The housing stock grew by 6.9% in Bolsover and 6.8% in Chesterfield over the decade. At this more local level the differences are partly a reflection of demand characteristics, but also in some instances of land supply, planning policy and development constraints (for instance Green Belt and National Park designations).

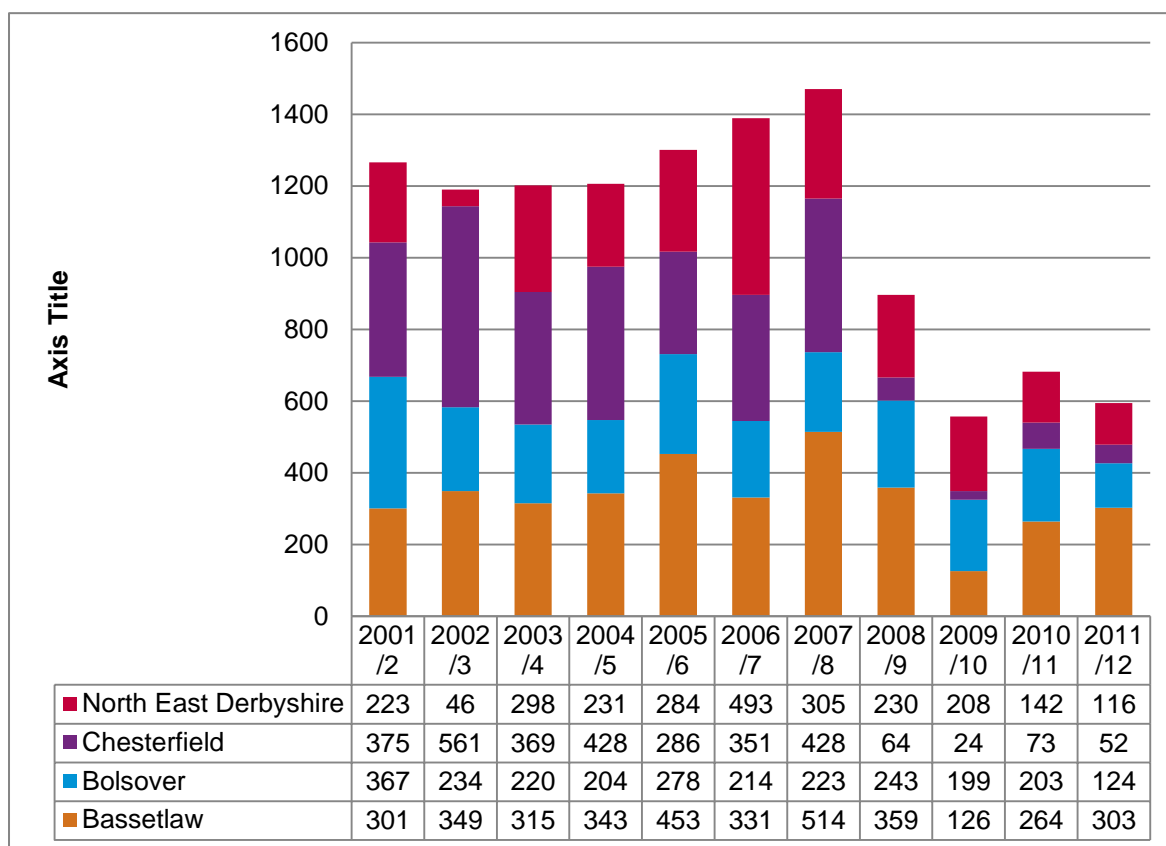
Figure 5: Net Changes in Housing Stock, 2001 – 2011



Source: CLG Table 125

- 3.32 The profile of net housing completions (2001-2012) is shown below in Figure 6. The number of net housing completions has varied considerably from 1470 net additional housing completions across the HMA in 2007/8 to just 557 net additional housing completions in 2009/10.
- 3.33 Housing completions have been particularly low, over the last five years, reflecting wider market conditions. Net completions in 2011/12 totalled 595 – less than half the annual average over the 2001-8 period.

Figure 6: Net Completions Chesterfield HMA, 2001/2-2009/10



Source: Councils' Completions Data

- 3.34 Table 8 compares completions levels per annum between 2009-12 compared to those between 2001-8. We have seen a reduction in completions levels of -53% across the HMA. The greatest impact has been in Chesterfield (-88%), whilst completions in Bolsover have declined the least (-29%) with the new-build market appearing to hold up moderately better.

Table 8: Average Annual Net Completions, 2001-8 and 2009-12

Net Completions	2001-8	2009-12	% Change
Bassetlaw	372	231	-38%
Bolsover	249	175	-29%
Chesterfield	400	50	-88%
North East Derbyshire	269	155	-42%
HMA Total	1289	611	-53%

- 3.35 It is clear that the new-build market has been significantly affected by wider housing market conditions, which we go on to review in the next section.

Key Findings and Policy Implications

- 3.36 The profile of housing stock within the HMA appears relatively balanced given the characteristics of the area and its economy. Two- and three-bedroom stock dominates the housing offer, with semi-detached homes the most prevalent. There are some internal differences within the area, with Chesterfield Borough and Bolsover District having a slightly higher proportion of smaller homes, with a greater concentration of larger and more expensive properties in the western and northern parts of North East Derbyshire District, and in Bassetlaw. Across the HMA and in each authority, overcrowding is below average.
- 3.37 The level of affordable housing stock is above regional and national averages across the housing market area, which is a reflection of the economic history of the area and above average levels of deprivation. The proportion of affordable housing stock is highest in Chesterfield (23.2%) and North-East Derbyshire (20.3%). The need for affordable housing is however influenced by the economic characteristics of the area, including particularly low earnings. The size of the social rented sector appears to be reflected in demand for private renting. However whilst the sector is not particularly large overall (particularly outside of Chesterfield Borough), it has seen the strongest growth over the 2001-11 decade – with 9,300 additional households resident in the sector (compared to growth in owner occupiers of 5,000).
- 3.38 Across the HMA 70% of homes fall within Council Tax Bands A and B. This is a reflection principally of relatively low values. Just 7.7% of properties are in Bands E or above (with the greatest concentrations in Bassetlaw and North East Derbyshire). We can see opportunities for modest growth in 'aspirational' higher value housing in parts of the HMA, however overall the current profile of homes appears to be broadly balanced across the housing market area (albeit that there are likely to be local imbalances in individual settlements).
- 3.39 Over the coming decade, the number of older persons in the population is expected to increase. Without intervention we can expect this to result in an increase in under-occupation of housing. We can see a strong role for delivery of attractive smaller homes for encourage households to downsize.
- 3.40 Consistent with the characteristics of the housing market, growth in supply over the 2001-11 decade has been below average for the region. Housebuilding has fallen significantly – by over 50% - since the onset of the credit crunch in 2008. We examine the reasons for this in the next section.

4 HOUSING MARKET DYNAMICS

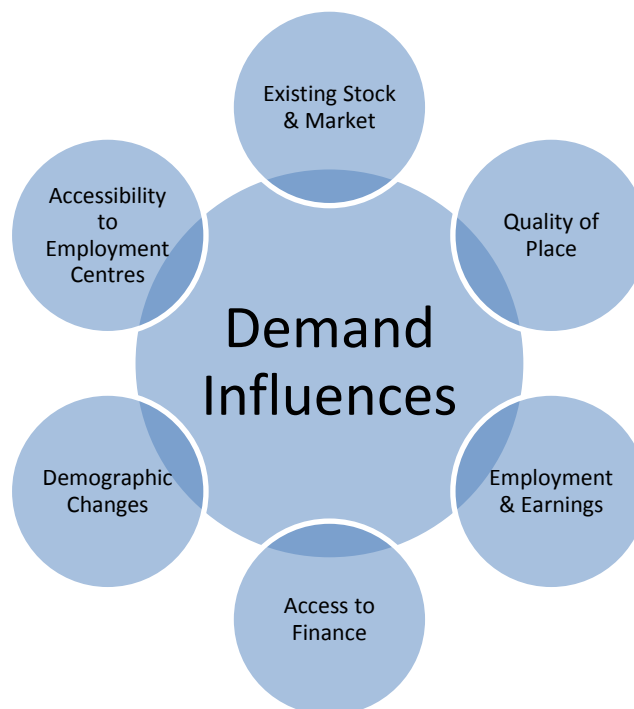
4.1 We have sought to analyse housing market dynamics using a combination of quantitative and qualitative research. This section initially reviews housing market dynamics including national and macro-economic drivers and local prices and sales performance. It then develops this to provide a local qualitative perspective on housing market conditions, drawing on discussions with local estate and letting agents. The section includes a review of 'market signals' including house price and rental trends.

Overview of the UK Housing Market and Economy

Conceptual Framework

4.2 It is important to understand that the housing market is influenced by macro-economic factors, as well as the housing market conditions at a regional and local level. There are a number of key influences on housing demand, which are set out in the chart below (Figure 7).

Figure 7: Understanding Housing Demand



Source: GL Hearn

- 4.3 The housing market is complex. It is influenced by the economy at both a macro-economic level, in terms of interest rates and mortgage availability, as well as market sentiment (which is influenced by economic performance and prospects at the macro-level).
- 4.4 It is also influenced by the economy at both regional and local levels, recognising that employment trends will influence migration patterns (as people move to and from areas to access jobs), and that the nature of employment growth and labour demand will influence changes in earnings (which influences affordability).
- 4.5 Housing demand over the longer-term is particularly influenced by population and economic trends. Changes in the size and structure of the population directly influence housing need and demand, and the nature of demand for different housing products. Economic performance influences migration between different areas and household wealth.
- 4.6 There are then a number of factors which play out at a more local level, within a functional housing market and influence demand in different locations. These include:
- quality of place and neighbourhood character;
 - school performance and the catchments of good schools;
 - the accessibility of areas including to employment centres (with transport links being an important component of this); and
 - the existing housing market and local market conditions.
- 4.7 These factors influence the demand profile and pricing, against a context in which households compete within the market for housing.
- 4.8 At a local level, this means that the housing market (in terms of the profile of buyers) tends to influence by and reinforce to some degree around the existing stock. However, regenerative investment or delivery of new transport infrastructure can influence the profile of housing demand in a location, by affecting its attractiveness to different households.
- 4.9 Local housing markets or sub-markets are also influenced by dynamics in surrounding areas, in regard to the relative balance between supply and demand in different markets; and the relative pricing of housing within them. Understanding relative pricing and price trends is thus important.

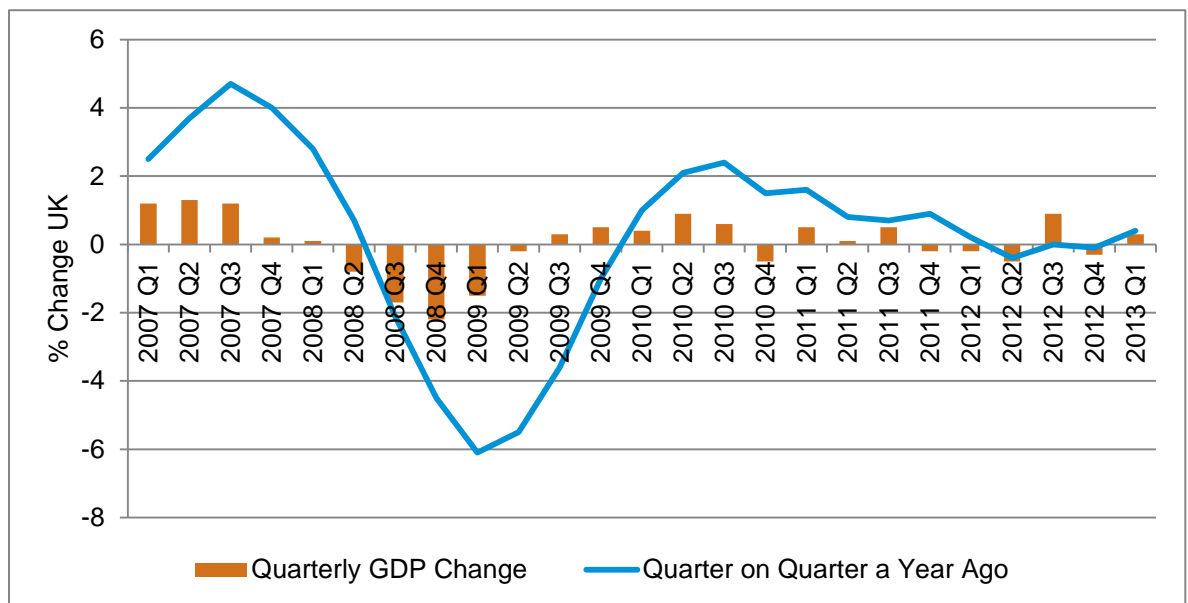
Understanding the Macro-Level Dynamics

- 4.10 Much has been written over the last few years about economic performance and outlook. The UK economy, as well as a number of the major global economies, experienced an economic recession which lasted six quarters from Q3 2008 until the end of 2009. The economy began to recover in

2010. However, the economy entered a double dip recession for three quarters at the end of 2011 and middle of 2012 before exiting it later in Q3 2012 (aided by the Olympic Games).

- 4.11 Since late 2010 most growth in the economy (at the macro-level) has been from exports and government spending; with trends in consumer spending and investment negative. Inflation has been running at significant above long-term trends. In essence, economic recovery since 2010 has been relatively weak – we have seen both a deep recession and weak recovery. As Figure 8 indicates during the course of 2012 there was minimal growth in the UK economy.

Figure 8: UK Economic Growth, 2007-2013



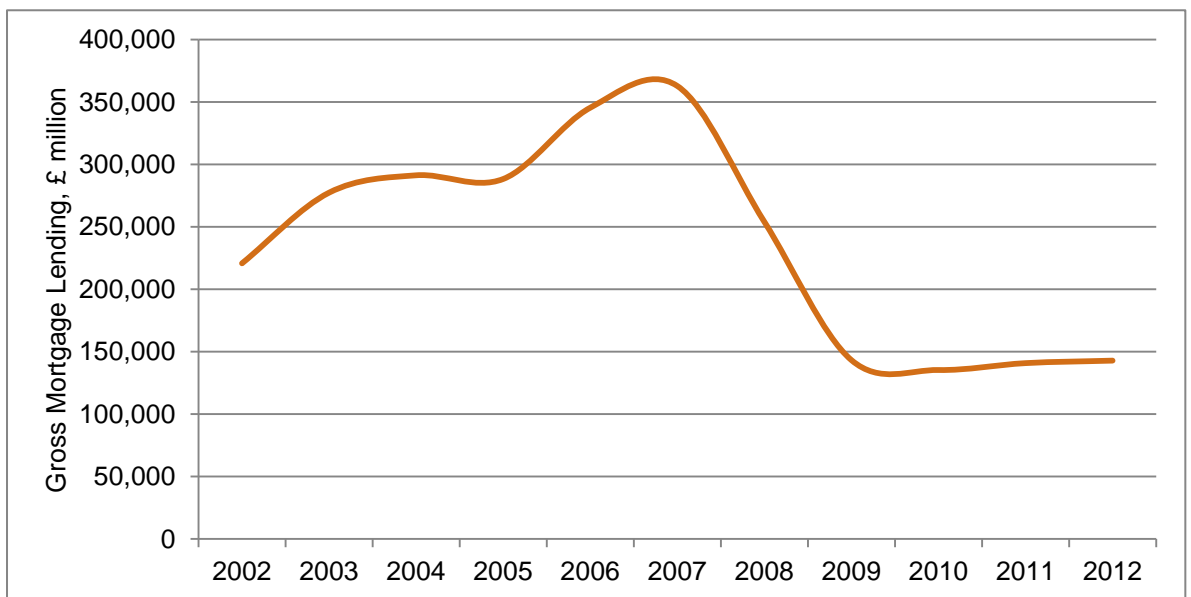
Source: ONS

- 4.12 One of the key triggers to the recent economic difficulties on an international level was the ‘credit crunch.’ The downturn in the world economy was led by the sub-prime lending crisis in the United States. This resulted in a fundamental shift in the way banks lend money between themselves, through wholesale money markets, and to their customers (including home purchasers, landlords and developers).
- 4.13 From the second half of 2007, banks began to increase the inter-bank lending rate (LIBOR) and sought to adjust their exposure to risk by adopting much more cautious lending practices. The net effect of this was to reduce liquidity in the financial markets and credit available (resulting in a ‘credit crunch’) and in tightening lending criteria for current and prospective homeowners. This tightening of lending criteria increased ‘barriers’ to entry for marginal mortgage applicants by reducing loan to value ratios (LTVs), increasing costs associated with obtaining mortgages and reducing the income multiples accepted.

4.14 The tight lending criteria initiated by the credit crunch have continued to have an impact on mortgage lending over the last four years, with households' ability to obtain mortgage finance functioning as a notable constraint on effective demand for market homes. The impact has been notable on first-time buyers in particular. Trends are mixed, with the Council for Mortgage Lenders report in March 2013 that first-time buyer lending in Q1 2013 is broadly consistent with the same period a year previously. The average loan-to-value ratio for first-time buyers remains at 80% - notably higher than levels pre-2008 but an improvement on the last few years. There has however been a gradual increase in the proportion of first-time buyers with a deposit of 10% or less (albeit that for these loans the interest rates charged are often punitive). 1 in 4 first-time buyers put down a deposit of 10% or less in Q1 2013. Loans to home movers in Q1 2013 were down 9% on the first quarter of 2012.

4.15 Overall there has virtually no evident recovery in lending between 2010-12. The trend in gross lending in 2012 was flat, as Figure 9 shows. 2013 has shown some signs of improvement.

Figure 9: Trends in Gross Mortgage Lending, UK



Source: Council for Mortgage Lenders

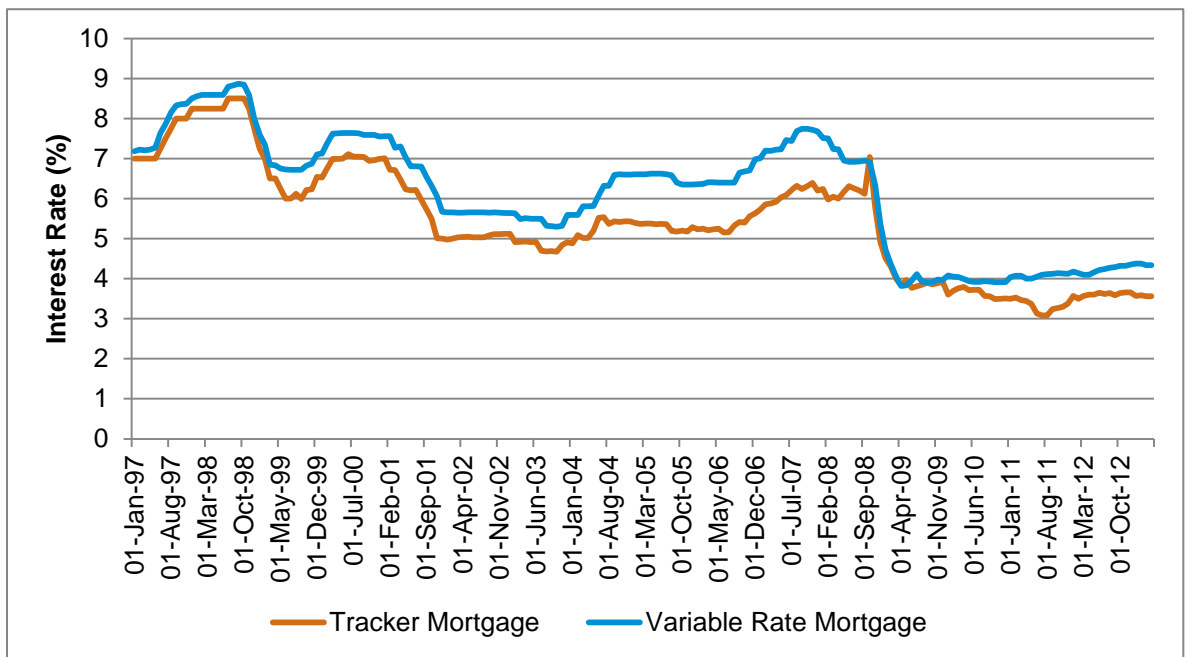
4.16 Key issues affecting the ability of households and investors to secure mortgage finance are:

- Savings and Capital: the ability to raise a deposit;
- Earnings and Interest Rates: affecting the ability to afford repayments;
- Lending Criteria: key criteria which have to be met to secure finance.

4.17 For those with a sufficient deposit, housing is now actually relatively affordable given the reductions in the value of homes since the peak of the market in 2007 and low interest rates. Figure 10 tracks interest rates over the period since 2007. Interest rates over most of this period have been low by historical standards.

4.18 Indeed, since March 2009, the Bank of England Base Rate has been just 0.5% - as low as it has even been. This compares for instance to a Base Rate of between 10.4% - 13.4% in 1991.

Figure 10: Interest Rates



Source: Bank of England Statistics

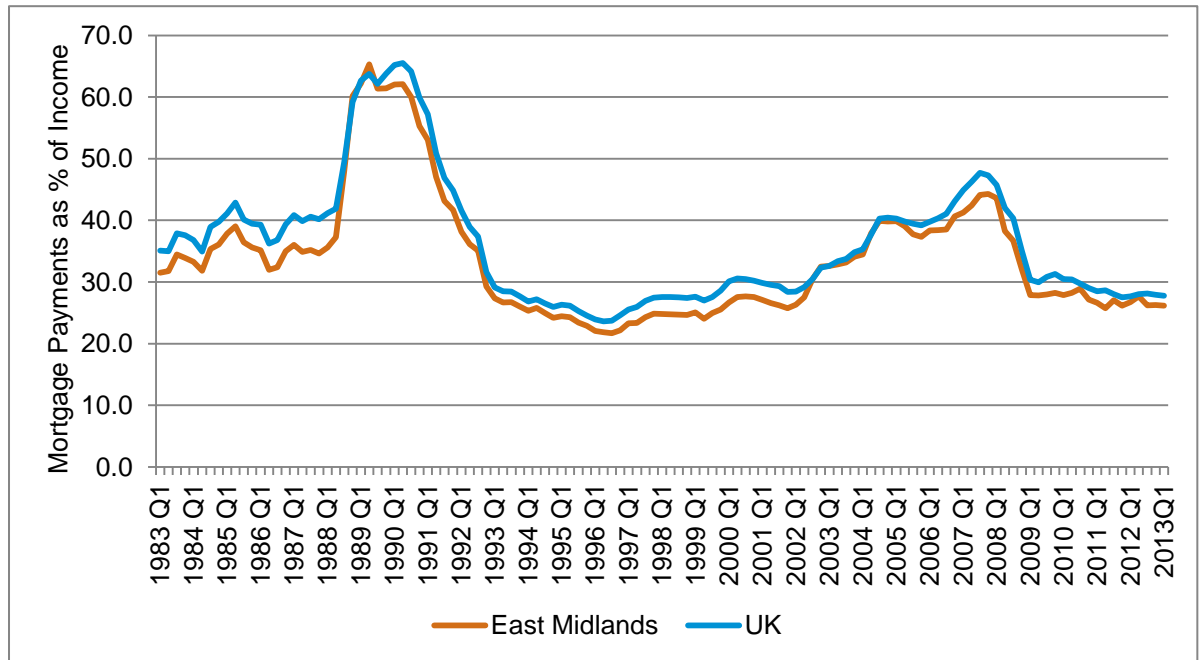
4.19 The persistence of low interest rates has helped to make monthly mortgage payments for first-time buyers the most affordable (at a national level) for almost eight years at 12.2% of income in January 2013 (consistent with a year previously), according to the Council for Mortgage Lenders.

4.20 Figure 11 assesses long-term trends in the balance between housing costs and incomes as an indicator of the affordability of market housing. It considers the cost of mortgage payments as a percentage of monthly income.

4.21 **With reductions in house prices and low interest rates, market housing is now as affordable as it was in the late 1990s on this measure. Mortgage repayments are on average 26.2% of (gross) household income in the East Midlands (and 27.8% across the UK) as at Q1 2013. This is significantly down on the peak of the market in Q3 2008 when mortgage repayments were on**

average 44.1% of gross income across the region. Indeed affordability on this measure is similar to 2000.

Figure 11: Mortgage Payments as a % of Monthly Income



Source: Halifax House Price Index

- 4.22 **Thus the key constraint on the market is not the affordability of housing (in terms of the ability of households to cover mortgage repayments⁸), but the ability of households to raise a sufficient deposit and to meet lending criteria to secure mortgage finance.**
- 4.23 Sales of homes are however not just influenced by first-time buyers and those trading up or down within the housing market. They are influenced by investment activity – properties bought to be rented privately.
- 4.24 The buy-to-let sector continues to grow, with the Council for Mortgage Lenders indicating that by the end of March buy-to-let lending accounted for 13.4% of total outstanding mortgage lending in the UK - up from 13% the previous quarter and 12.9% at the end of the first quarter of 2012. This is partly related to improved access to finance.
- 4.25 With growth in rents over the last few years and lower capital costs for house purchases, housing represents an improved investment proposition. There is evidently occupier demand from a combination of demographics, limited new-build and restrictions on home purchases.

⁸ Notwithstanding that there are likely to be some repossessions associated with high unemployment

Despite wider economic conditions, mortgage possessions have been falling (no doubt supported by low interest rates). The Council of Mortgage Lenders in February 2013 stated that the number of possessions, held by lenders in 2012, was at the lowest level for 5 years.⁹ The trend in mortgage arrears is also downwards.

Local Market Dynamics

- 4.26 The average house price across the HMA in Q3 2012 was £135,000. This was 12% below the Derbyshire and 8% below the Nottinghamshire average; and a substantial 52% below the median house price across England.
- 4.27 Of the four authorities, median house prices are highest in North-East Derbyshire at £144,000, and lowest in Bolsover at £104,500; with the District having the second lowest median house price in the East Midlands region in Q3 2012.

Table 9: Median House Prices, Q3 2012

	Median House Price Q3 2012	Difference to HMA Average
Bassetlaw	£125,000	0%
Bolsover	£104,500	-16%
Chesterfield	£122,000	-2%
North East Derbyshire	£144,000	15%
HMA	£125,000	0%
Derbyshire	£140,000	12%
Nottinghamshire	£135,000	8%
England	£190,000	52%

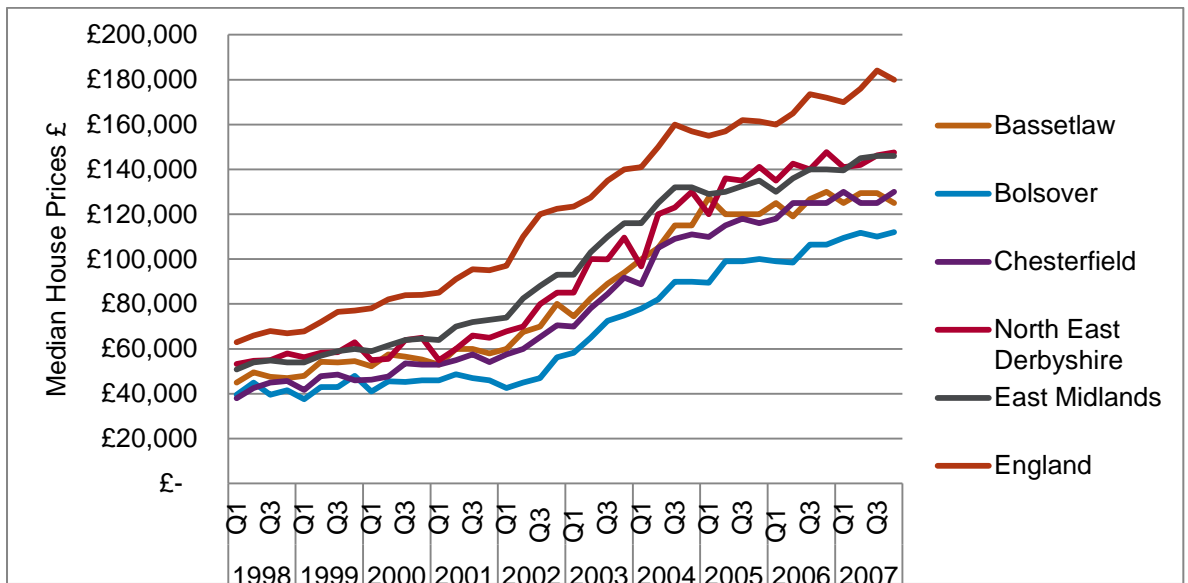
Source: CLG/ HMLR

House Price Trends

- 4.28 Figure 12 profiles the house prices from 1998 – 2007 (the pre-recession decade) across the four local authorities. Between Q1 1998 and Q4 2007, the median house price increased by around 200% across the HMA. Median House prices increased by 178% (£79,950) in Bassetlaw, 184% (£72,500) in Bolsover, 242% (£92,000) in Chesterfield and 177% in North East Derbyshire (£94,250). In absolute terms, price growth was strongest in Chesterfield and North East Derbyshire. Price growth over this period compares to 188% across the East Midlands and 186% across England.
- 4.29 House price increases were particularly strong between 2002 and 2006 - supported by macro-economic stability, low interest rates and the availability of mortgage finance, over this period demand grew faster than supply could respond.

⁹ <https://www.cml.org.uk/cml/media/press/3422>

Figure 12: Median House Price Trends, 1998 - 2007



Source: CLG Table 582

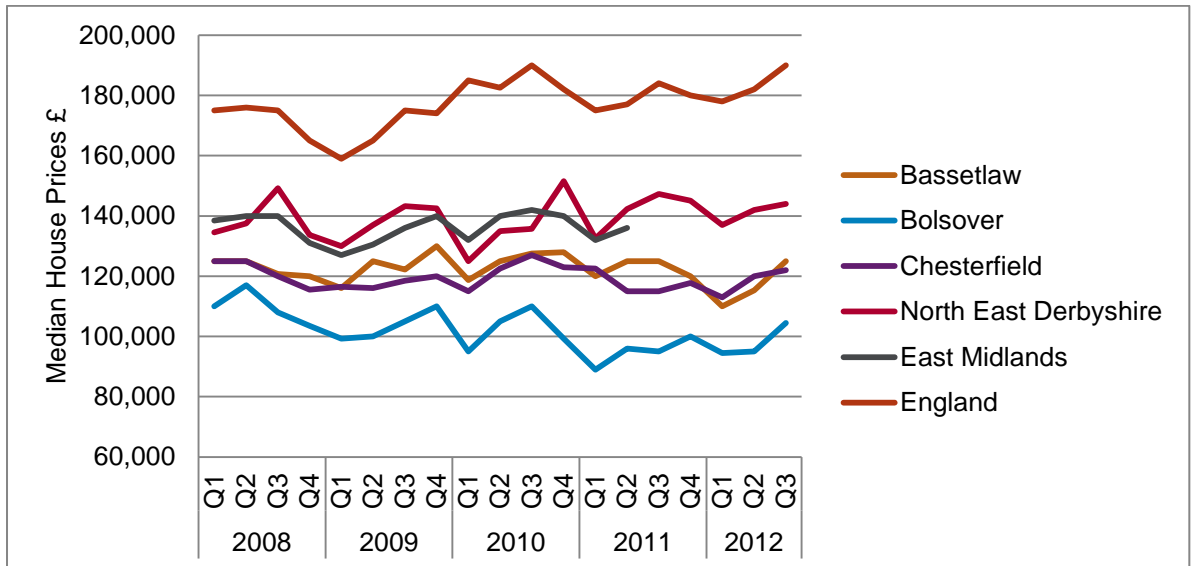
4.30 Since 2007 trends in house prices have been very different. Between 2007-12 period:

- Median house prices have remained static in Bassetlaw;
- They have decreased by -5% in Bolsover District, with the average home losing £5,500 in value;
- In Chesterfield we have seen a modest decrease, with prices falling by -2% reflecting a reduction in value of £3,000;
- Only in North East Derbyshire have house prices grown, with the median price increasing by 7% with an average increase of £9,500 in value.

4.31 These trends compare with a 9% increase in house prices in England as a whole, with the average house price increase by £15,000 between Q1 2008 and Q3 2012.

4.32 **The price signals indicate that the market over the last five years has performed better in relative terms in Bassetlaw and North East Derbyshire – albeit that in all cases the market has underperformed relative to trends at a national level.**

Figure 13: Median House Price Trends 2008 – 2012



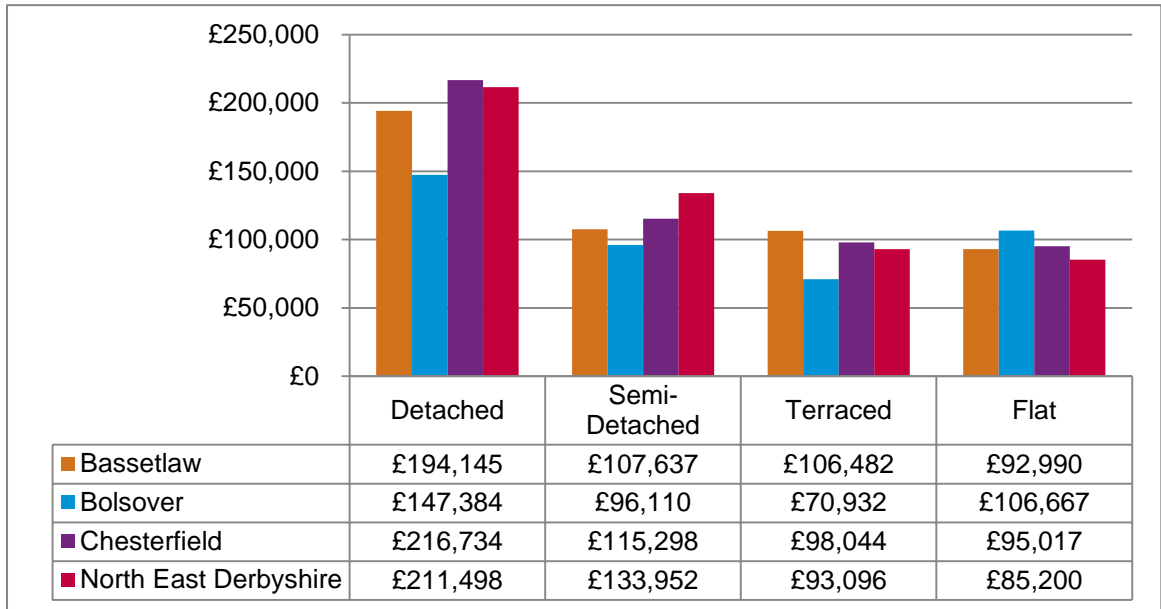
Source: CLG Table 582¹⁰

- 4.33 Average house prices are influenced by the mix of homes sold. Figure 14 profiles average prices of properties sold in the first half of 2013 by type, drawing on information from Hi4em.
- 4.34 The analysis indicates that average house prices vary slightly between each local authority. Of the four authorities, **Bolsover District has the lowest house prices across property types¹¹**. Across the other three authorities prices are more similar for smaller terraced properties and flats; with prices for larger semi-detached and detached homes generally stronger in Chesterfield and North-East Derbyshire. The market signals point to stronger relative demand for larger properties in these two authorities in particular.
- 4.35 North-East Derbyshire commands the highest prices for semi-detached homes at £134,000. In Chesterfield and North-East Derbyshire values for terraced properties average between £90,000-£100,000 – with higher prices achieved in Bassetlaw (£108,000); and lower values in Bolsover averaging £71,000.
- 4.36 Values of flats and terraced stock are broadly similar. This is an important finding as it affects the new-build market, where in many circumstances households may well be able to find terraced homes in the second hand market for similar (or in many cases lower) values than for new-build flats.

¹⁰ Note data is not available after Q2 2011 for East Midlands.

¹¹ The higher flatted prices shown not a strong reflection of the market as they are based on sales of just 3 properties over the ½ year period

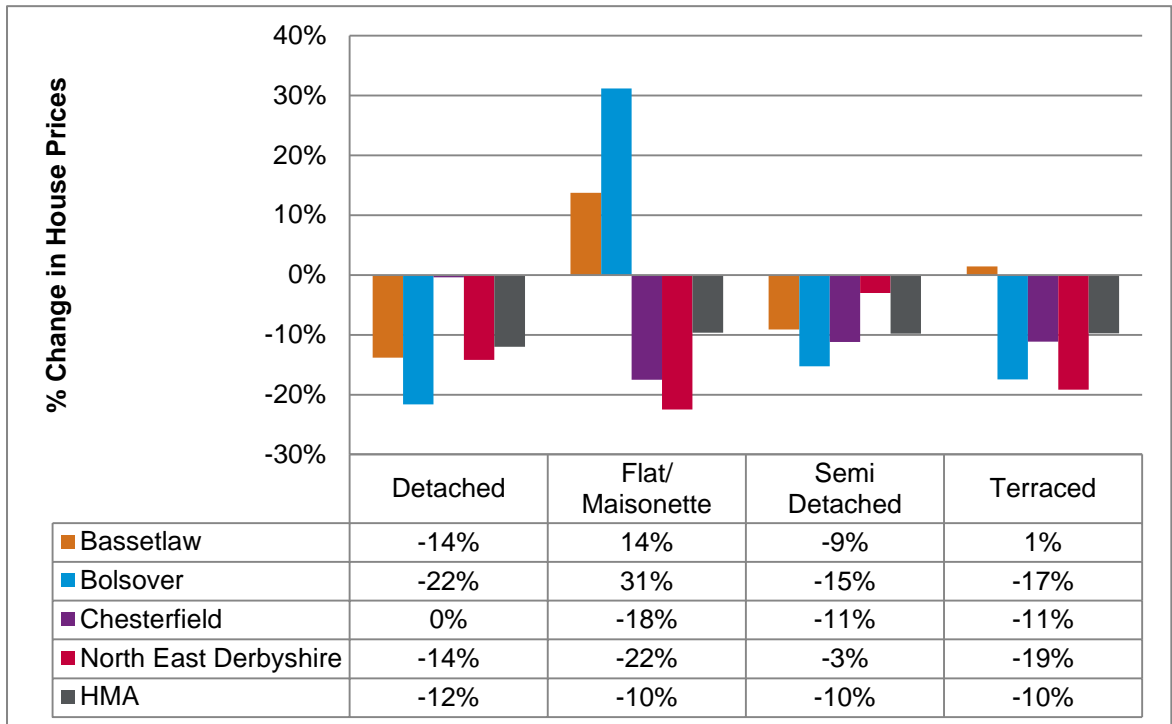
Figure 14: Average House Price by Type, Jan-June 2013



Source: *Hi4em / Land Registry, 2013*

- 4.37 Figure 15 shows changes in house prices across the authorities in the HMA since the peak of the market in 2007. Across the HMA house prices remain 10-12% down on their peak values across house types. In proportional terms the greatest reduction (-12%) has been for detached homes.
- 4.38 House prices in Bassetlaw appear to have recovered relatively better, particularly for cheaper properties. Prices for terraced homes are now 1% above their peak levels and 14% above for flats.
- 4.39 In contrast in Bolsover District, the recovery in values has been less strong – with detached house prices -22% down on 2007 levels, semi-detached homes -15% down and terraced homes -17% down. In North East Derbyshire similarly values remain below 2007 levels across property types. In Chesterfield, values for detached homes seem to have recovered to their 2007 peak; but values for other property types remain down.

Figure 15: Change in Mean House Prices by Type, 2007-2013



Source: Hi4em / HMLR, 2007 and 2013

4.40 The analysis of house price trends allows us to understand the supply/demand balance for housing. It indicates that **demand has been relatively subdued and moderately exceeded by supply over the last few years – a buyers’ market – resulting in generally falling values of homes in real terms.** The analysis highlights **stronger relative demand in Bassetlaw and North East Derbyshire Districts.**

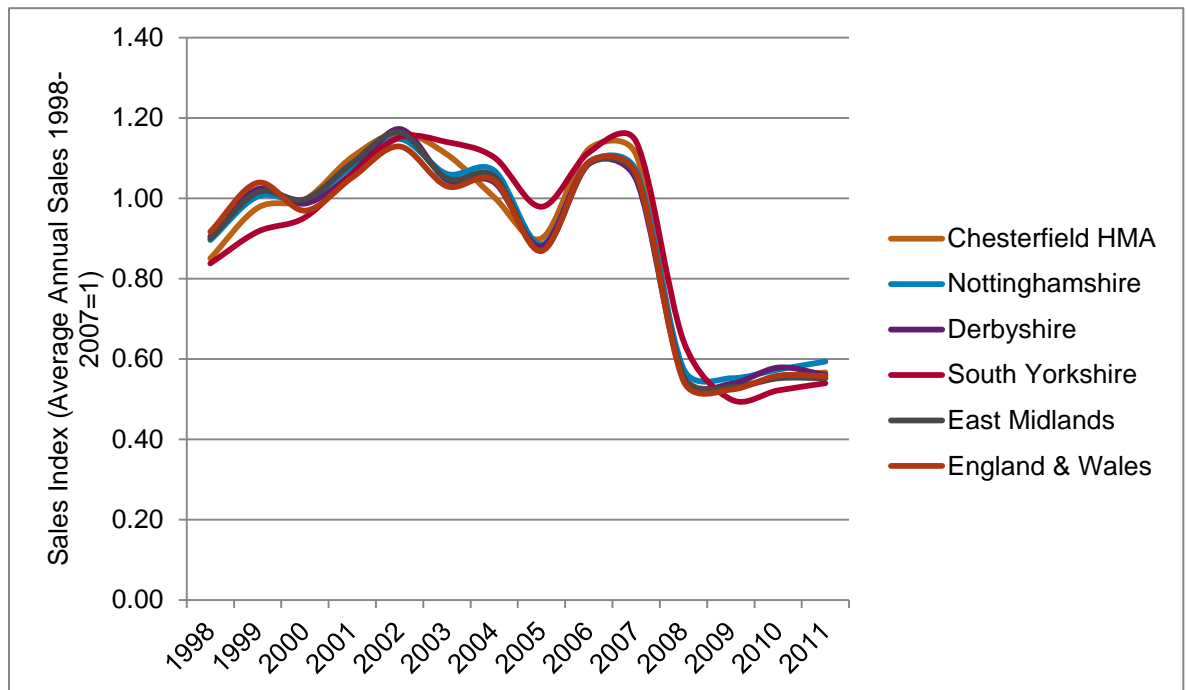
4.41 To help quantify trends in demand, we next consider sales trends. These provide an indication of effective demand for market housing.

Local Market Dynamics: Sales Trends

4.42 We use an approach of benchmarking sales performance against long-term trends to assess relative demand.

4.43 Figure 16 benchmarks annual sales across the HMA and wider geographies over the 1998-2011 period. 2011 is the latest data full year data currently published by CLG. It uses an index where 1 is the average annual sales over the 1998-2007 decade (prior to the credit crunch).

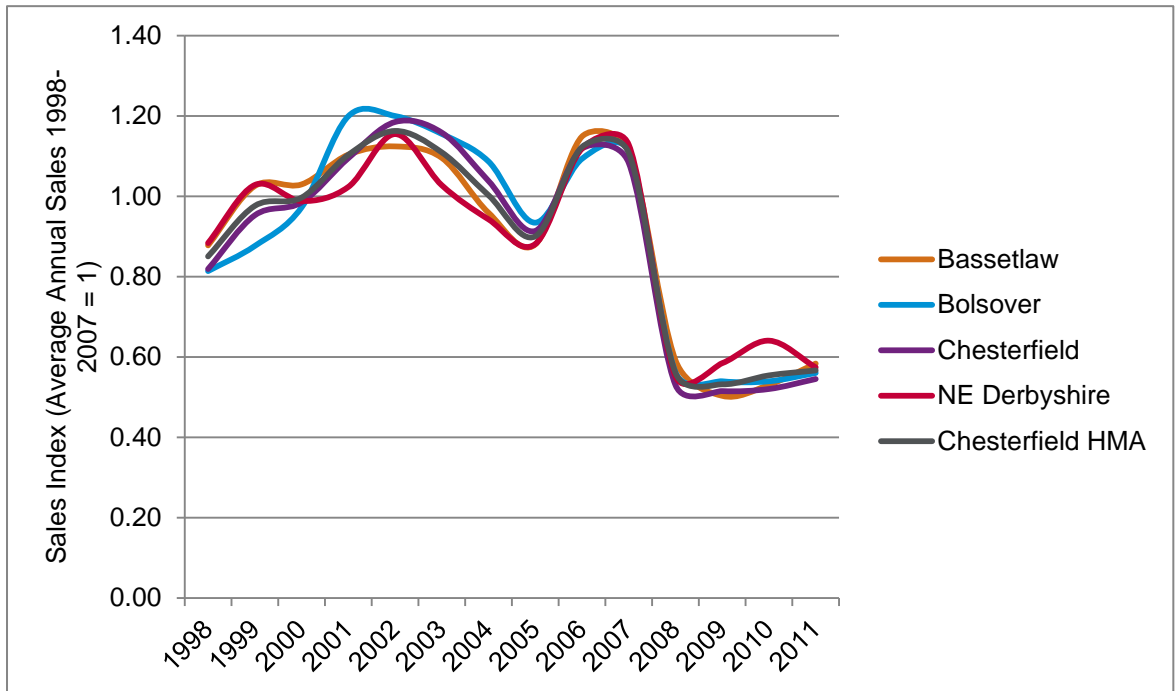
Figure 16: Indexed Analysis of Sales Trends (1998 – 2011), Housing Market Areas



Source: HM Land Registry/ CLG Table 588

- 4.44 The chart shows that the credit crunch resulted in a substantial reduction in effective demand, with sales broadly halving. Since 2009 we have seen only a very modest recovery. In 2011 sales across the HMA were 43% down on the pre-2007 annual average. This compares with a 44% reduction across England and 45% across the East Midlands, suggesting that the local market has been affected to a lesser extent by the market downturn.
- 4.45 The 43% reduction in sales across the HMA compares to 41% across Nottinghamshire, 44% across Derbyshire and a significant 46% in South Yorkshire.
- 4.46 Figure 17 indicates that we have seen a very similar trend in sales/ effective demand across the four authorities. This illustrates the impact of macro-economic factors on the market. Of the four authorities market performance in Chesterfield in 2011 was more substantially below the pre-2007 average (-46% down), and Bassetlaw the least impacted (-42%) but the range is relatively narrow.

Figure 17: Housing Sales Index 1998–2011



Source: CLG Table 588

4.47 We next turn to provide an assessment of sales trends in each of the four constituent local authorities, and to consider the trends across different house types. In doing so we have drawn on data from Hi4em which allows us to update the sales trends to June 2013. Statistics provided for 2013 are for the first half of the year to 30th June.

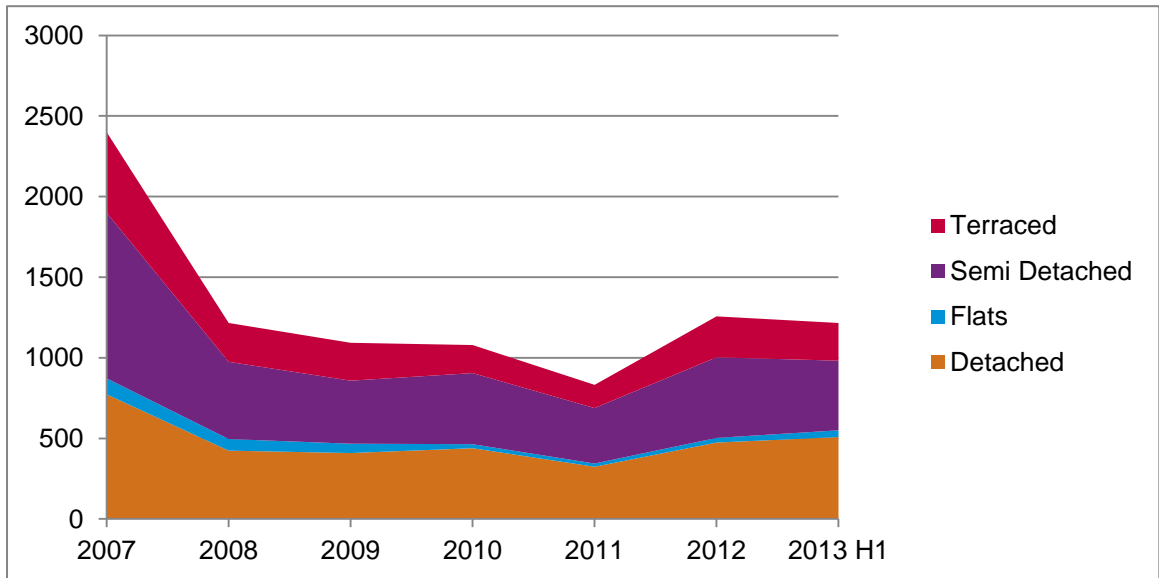
Bassetlaw

4.48 Between 2007 and 2011, the number of housing sales has decreased in Bassetlaw across all house types. The reduction in sales of flats was the most evident, with sales have fallen by 80%. The fall in the level of sales for detached housing has been less pronounced, falling by 58%.

4.49 From 2011-12 we saw a growth in sales volumes of almost 50%, with sales recovering to levels similar to 2008. In proportional terms, volumes of terraced sales grew strongest. Into the first half of 2013 sales volumes appear to have remained relatively stable, although the market for detached properties appears to have responded better than other market segments. In relative terms, the market is performing comparatively less well than in other parts of the HMA – with sales volumes 49% down on 2007 levels in the District.

4.50 The sales analysis demonstrates relatively limited demand for flats; with a market demand more focused towards semi-detached and detached properties.

Figure 18: Sales Trends by Type in Bassetlaw (2007 – 2011)



Source: Land Registry / Hi4em

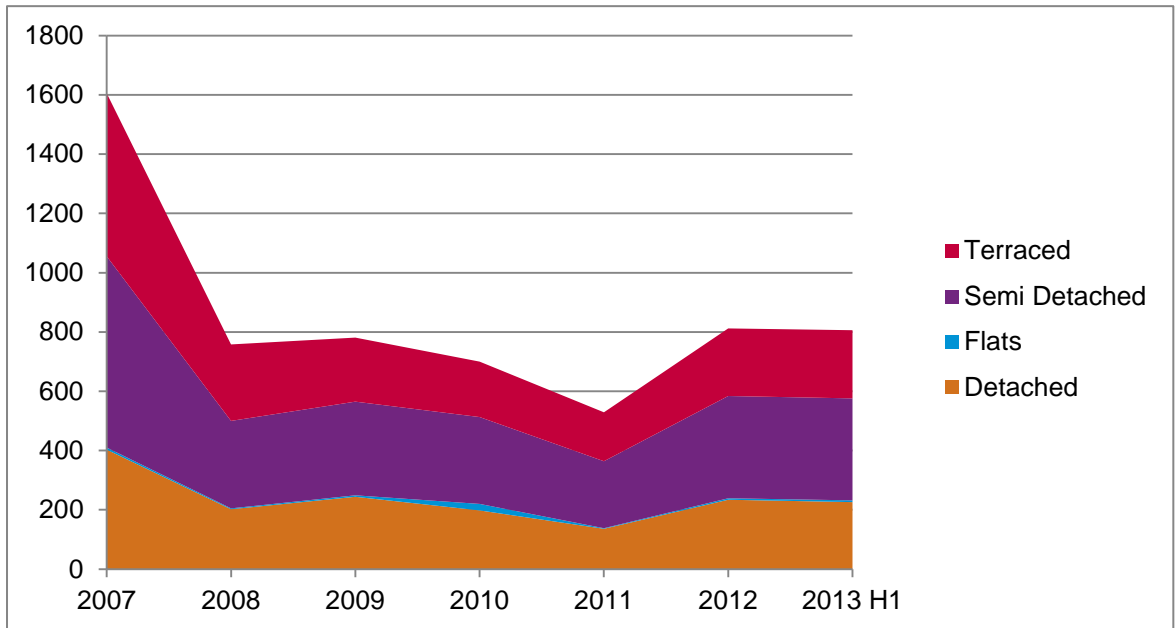
Bolsover

4.51 In Bolsover, sales volumes more than halved between 2007-8, with further reductions in sales over the period to 2011. Between 2007-11 the reduction in sales was moderately stronger for flats (-71% of sales) and terraced houses (-70% of sales) relative to a -66% reduction for detached housing and -65% for semi-detached housing. Clearly all parts of the market have been affected, but the impact has been greatest on those house types where the buyer profile is more focused towards first-time buyers and investors.

4.52 From 2011 to 2012 we saw a growth in sales volumes of 53%, with sales volumes exceeding those in any year since 2007. The first half of 2013 has seen similar sales volumes achieved. We have seen a similar improvement across different segments of the market. However in relative terms, the market is performing comparatively less well than in other parts of the HMA – with sales volumes 50% down on 2007 levels in the District.

4.53 The sales analysis confirms very few sales and limited effective demand for flats within Bolsover District.

Figure 19: Sales Trends by Type in Bolsover (2007 – 2011)

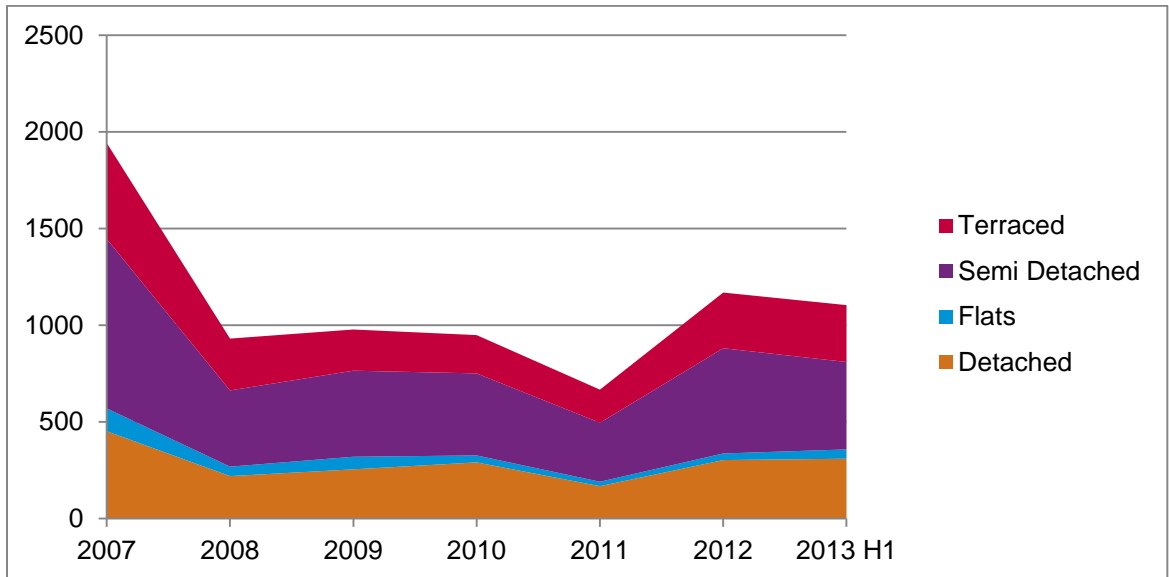


Source: Land Registry / Hi4em

Chesterfield

- 4.54 Similarly Chesterfield also experienced a significant decline in the number of sales across all housing types between 2007-11. This was most notable for flats (-81%) compared with detached, semi-detached and terraced housing (-66%). As shown by Figure 20 below, housing sales in Chesterfield have been dominated by houses, rather than flats. Semi-detached sales are the strongest.
- 4.55 From 2011 to 2012 we saw a growth in sales volumes of a significant 75% - stronger than in other parts of the HMA, with sales volumes exceeding those in any year since 2007. The first half of 2013 has seen sales volumes recede slightly from this. Sales volumes remain -43% down on 2007 levels in the Borough – but this is a stronger performance in relative terms than in the other three authorities in the HMA.
- 4.56 The recovery in the flatted market has been slower than for other house types – although Chesterfield sees stronger volumes of flatted sales than the other authorities in the HMA.

Figure 20: Sales Trends by Type in Chesterfield (2007 – 2011)

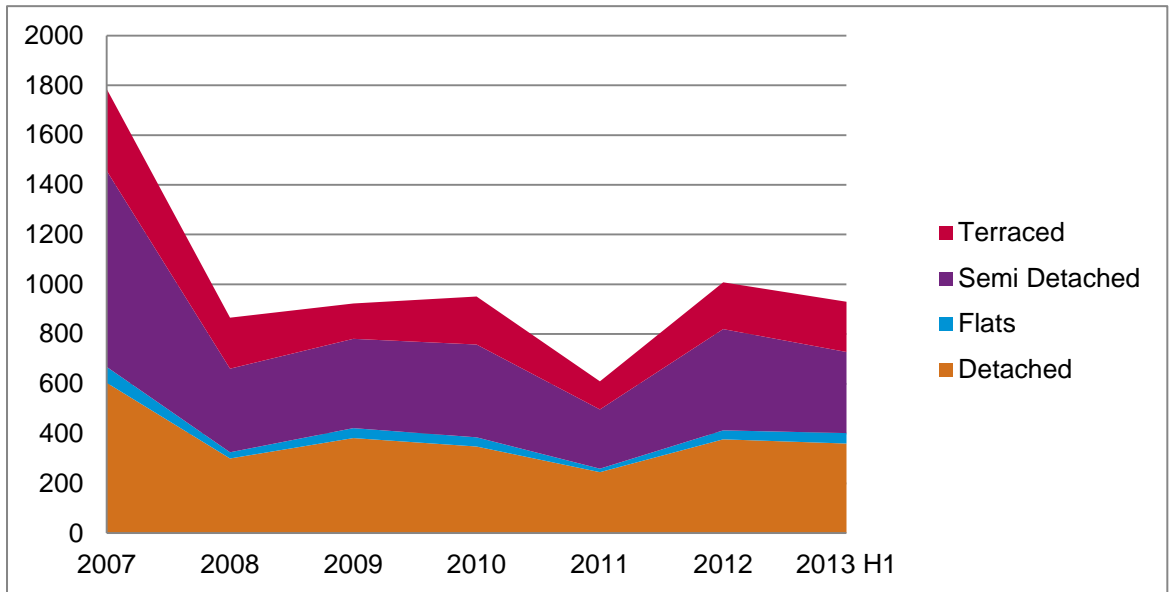


Source: Land Registry / Hi4em

North East Derbyshire

- 4.57 In North East Derbyshire we saw a -66% reduction in sales volumes between 2007-11. Sales volumes decreased the most for flats (-78%) and semi- detached housing (-70%) and have fared better for detached homes. Residential sales in North East Derbyshire have also been dominated by houses – with modest levels of flatted sales (as in other parts of the HMA).
- 4.58 The market in the District has been quite volatile over the last few years, with a notable drop in sales in 2011; and then relatively strong recovery in 2012 (with sales volumes increasing 65% on the previous year). The first half of 2013 has seen sales volumes recede slightly from 2012 levels. Sales volumes remain 46% down on 2007 levels.
- 4.59 Detached and semi-detached sales predominate and represented over 70% of sales in the first half of 2013. 4% of sales were of flats.

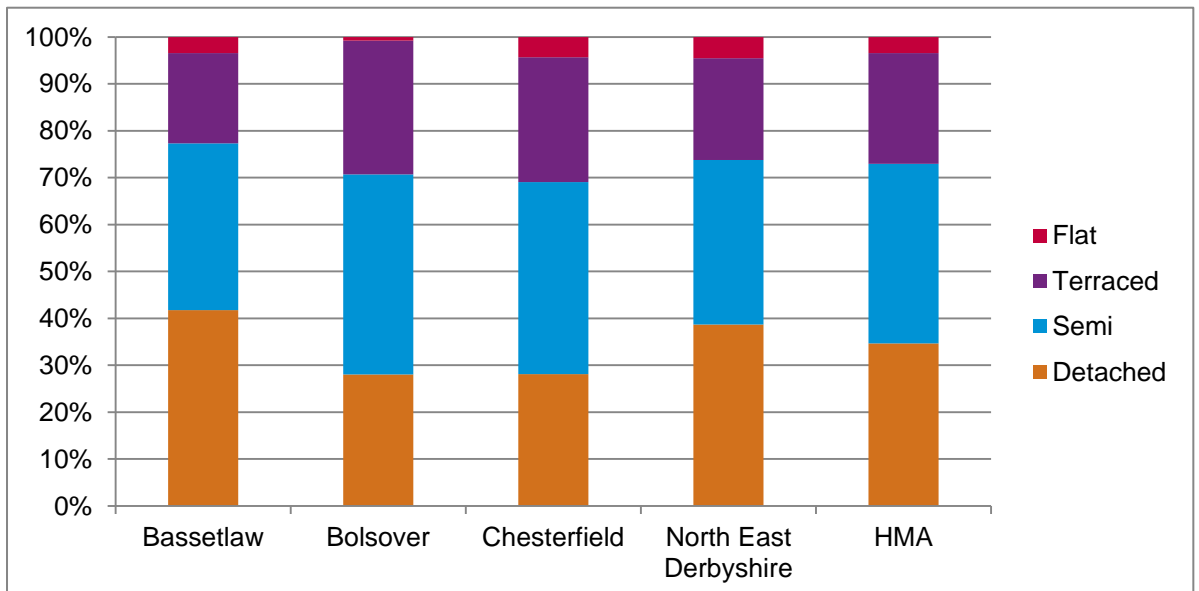
Figure 21: Sales Trends by Type in North East Derbyshire (2007 – 2013)



Source: Land Registry / Hi4em

4.60 Figure 22 profiles sales by type in the first half of 2013. 38% of sales of market housing were of semi-detached stock, 35% of detached properties, 24% of terraced properties and 3% of flats.

Figure 22: Profile of Sales by Type, Jan-June 2013



Source: Land Registry / Hi4em

The Private Rented Sector

- 4.61 The private rented sector is an important part of the housing spectrum in an area. In the British housing market it is not often a long-term choice but is an important transitional tenure. In many cases the private rented sector is a stage in the progress of a household moving into owner-occupation, but can also be a stage in the move of a household into social rented housing.
- 4.62 Data from the 2011 Census has revealed considerable growth in the private rented sector across the country since 2001. Nationally the private rented sector has grown from 2,037,000 households in 2001 to 3,716,000 in 2011 (a rise of 82%). In the HMA the Census shows about 11% of its households as private renters (19,200 households). This represents a 93% increase when compared with figures from the 2001 Census.
- 4.63 The relative dynamism of the private rented sector can be seen by comparing the turnover figures for the different tenures as is shown in the table below which shows the proportion of households moving to their current accommodation by tenure and size of accommodation over the past two years.
- 4.64 It can be seen that some **53% of households in the private rented sector have moved within the past two years** compared to 8% of owner-occupiers and 21% of social tenants. Across all tenures the highest turnover rates are typically for smaller dwellings with a turnover rate for one bedroom homes being around three times the figure for four bedroom accommodation.

Table 10: Percentage of households moving in past two years by tenure and size of dwelling

Number of bedrooms	Owner occupied	Social rented	Private rented	All households
1 bedroom	20.2%	26.8%	59.7%	32.2%
2 bedrooms	9.5%	21.1%	53.5%	21.0%
3 bedrooms	7.7%	13.6%	49.8%	13.1%
4+ bedrooms	7.9%	14.5%	51.1%	11.1%
TOTAL	8.3%	20.6%	52.6%	16.6%

Source: Household Survey Data

- 4.65 The private rented sector is split between those resident in the tenure who are claiming Local Housing Allowance (LHA) and others. The survey estimates that there are some 7,832 households in the private rented sector claiming LHA, and these households constitute 34% of all households in this tenure.

4.66 The table below show the types of households resident in the two different parts of the private rented sector. The table shows that around a third of private rented households claiming LHA are lone parents and in total around half contain children. Private renters not claiming LHA are dominated by childless couples (27.4%) and single non-pensioners (27.1%) although this latter group also has a high proportion of claimants.

Table 11: Private Renters and LHA: Household Types

Household Type	LHA		No LHA		Total	
	H'holds	%	H'holds	%	H'holds	%
Single pensioners	640	8.2%	643	4.2%	1,283	5.5%
Two or more pensioners	294	3.7%	740	4.8%	1,033	4.4%
Single non-pensioners	1,723	22.0%	4,168	27.1%	5,891	25.3%
Childless couple	546	7.0%	4,217	27.4%	4,763	20.5%
Other multi-adult	673	8.6%	1,350	8.8%	2,022	8.7%
Lone parent	2,431	31.0%	972	6.3%	3,403	14.6%
Two or more adults, one child	702	9.0%	1,455	9.4%	2,157	9.3%
Two or more adults, two or more children	824	10.5%	1,864	12.1%	2,688	11.6%
Total	7,832	100.0%	15,408	100.0%	23,240	100.0%

Source: Household Survey Data

4.67 The table below shows the turnover in the private rented sector. The turnover for the private rented sector claiming LHA is somewhat lower than the non LHA households. This suggests that LHA claimants are generally more settled in their accommodation than other households in the sector. Overall it is estimated that 47% of LHA claimants in the private rented sector have moved in the past two years, this compares with 56% of non-benefit tenants.

Table 12: Turnover of private tenants by whether or not claiming LHA

	LHA	No LHA	Total
Number moving in past two years	3,653	8,562	12,215
Number of households	7,832	15,408	23,240
% moved in last two years	46.6%	55.6%	52.6%

Source: Household Survey Data

4.68 The table below shows the previous tenure of private tenants. As can be seen, overall for both LHA claimants and non-claimants the largest proportion of households have moved from another private rented property.

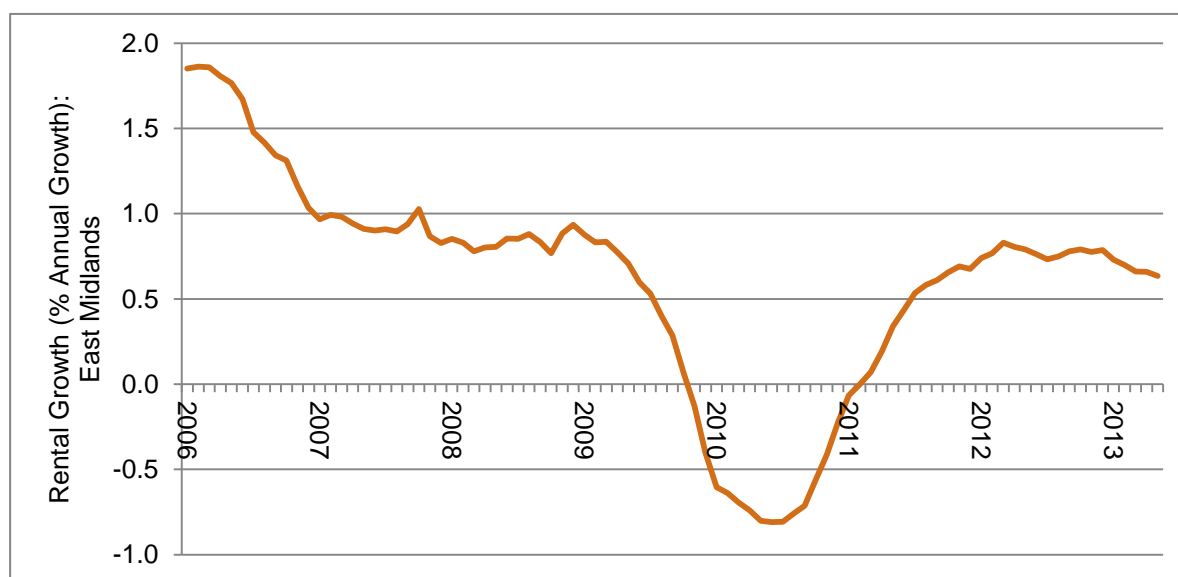
Table 13: Private tenants claiming LHA: Previous tenure, those moved in last two years

Previous tenure	LHA		No LHA		Total	
	H'holds	%	H'holds	%	H'holds	%
Owner occupied	428	11.7%	1,909	22.3%	2,337	19.1%
Social Rented	504	13.8%	794	9.3%	1,297	10.6%
Private Rented	2,134	58.4%	3,928	45.9%	6,062	49.6%
Newly forming	588	16.1%	1,931	22.6%	2,519	20.6%
Total	3,653	100.0%	8,562	100.0%	12,215	100.0%

Source: Household Survey Data

4.69 Published VOA data on rental trends is not currently available at a district level. Figure 23 shows monthly growth rates in private rentals. The analysis shows that we have seen some weakening of rental growth during 2013.

Figure 23: % Annual Growth Rates in Private Rents, East Midlands



Source: ONS Monthly Private Rental Index

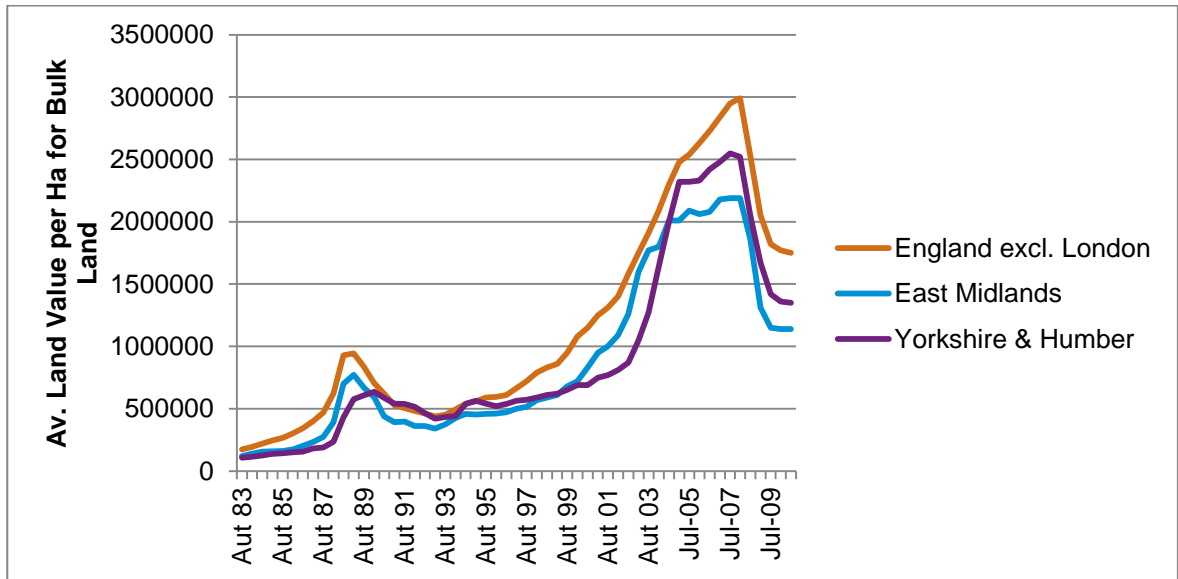
Land Values

4.70 The draft Planning Practice Guidance identifies residential land values as one of a number of market signals which should be considered in identifying whether household projections should be adjusted.

4.71 The figure below indicates that values for residential development land rose substantially and consistently throughout England from the early 1990s to the start of the recession in 2008. Over this period, we can also see average land values rose over the 2001-3 period but were then rose more

gradually over the 2003-8 period relative to other parts of the country. They peaked at £2.2 million per hectare. At both the regional and national level prices have dropped since, with values recorded in the region of £1.1 million per hectare in 2010.

Figure 24: Trend in Bulk Residential Land Values, 1983-2010



Source: VOA/ HCA 2010

4.72 The Homes and Communities Agency holds details of residential land values for a range of markets as at July 2010. The analysis clearly indicates that northern Nottinghamshire and Derbyshire (shown by the Mansfield market) have some of the lowest land values in the region. In Sheffield land values are higher.

Table 14: Residential Land Values, July 2010

Market	Centre	Small sites	Bulk Land	Sites for flats or maisonettes
		£/Ha	£/Ha	£/Ha
Charnwood	Loughborough	1,475,000	1,350,000	1,350,000
Derby	Derby	1,400,000	1,300,000	1,300,000
Leicester	Leicester	1,475,000	1,350,000	1,350,000
Lincoln	Lincoln	1,100,000	1,000,000	1,000,000
Mansfield	Mansfield	710,000	600,000	600,000
Northampton	Northampton	1,350,000	1,200,000	1,200,000
Nottingham City	City Fringe	1,400,000	1,200,000	1,200,000
Doncaster	Doncaster	1,300,000	1,250,000	1,300,000
N E Lincolnshire	Grimsby	1,400,000	1,000,000	1,500,000
Sheffield	Sheffield	1,500,000	1,200,000	1,500,000

Source: HCA/ VOA

4.73 Consistent data since 2010 is not available and as such it is necessary to interrogate other data sources to understand how land values have changed over the past few years.

4.74 The Knight Frank Residential Development Land Index shows that typical residential land values across England and Wales have been relatively flat over recent years; although there are some signs of a slight recovery in 2013.

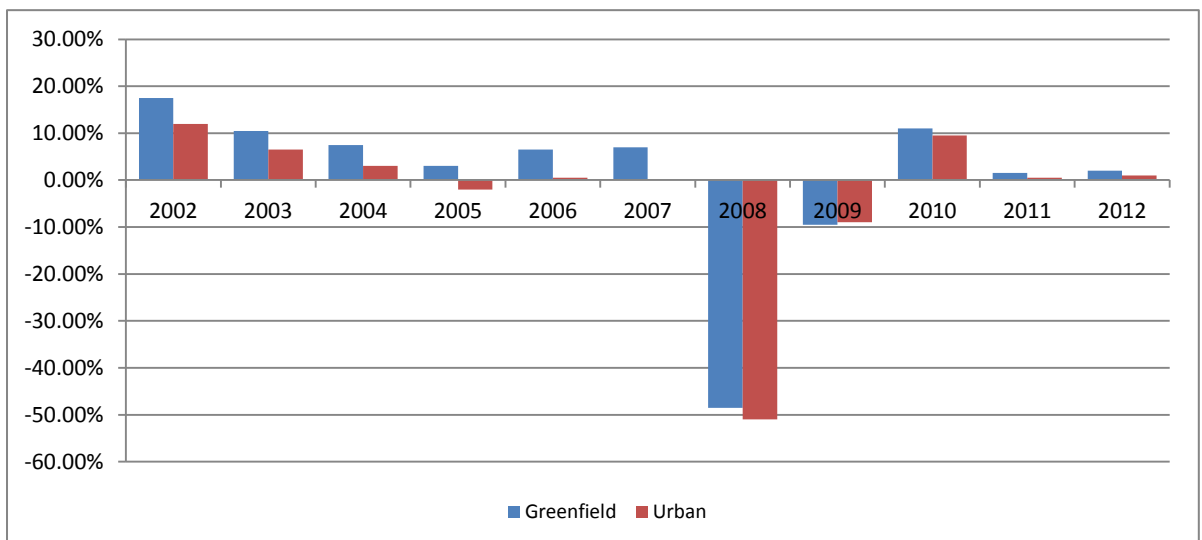
Table 15: Knight Frank Residential Development Land Index – England & Wales

Index Level	
Sep-11	100
Dec-11	100.2
Mar-12	100.2
Jun-12	99.9
Sep-12	100.1
Dec-12	99.9
Mar-13	100.4
Jun-13	101.6

Source: Knight Frank Residential Development Land Index

4.75 Data from Savills broadly corroborates this position, indicating that residential land values across the country have shown little growth since 2010. As the chart below demonstrates, residential land values experienced some growth during 2010 but beyond that have seen little or no price change, particularly for urban sites.

Figure 25: Savills Residential Land Performance (2002-2012)



Source: Savills Market in Minutes Residential Land

4.76 Whilst land values have experienced growth (albeit modest) since 2010, they remain substantially below peak values. Savills Research (May 2013) indicates that across the UK, greenfield land

prices are currently 32% below their former highs; with urban values still less than half their credit crunch peak. In the East Midlands, greenfield land prices are currently 45% down on peak levels, whilst urban sites are 62% down on pre-recession levels.

Table 16: Regional Land Values vs. Former Peak

	Greenfield	Urban
London		1%
South East	-26%	-52%
South West	-28%	-38%
West Midlands	-28%	-53%
UK	-32%	-53%
East of England	-36%	-53%
Scotland	-41%	-44%
East Midlands	-45%	-62%
North	-58%	-73%

Source: Savills Research

- 4.77 Given this comparatively low start point, it is most likely that recent recovery in land values is as a result of improved market sentiment rather than particular supply demand imbalances. However, moving forward and with increasing funding now available for land buying and expansion, upward pressure could be placed on land values, particularly for the more commercially attractive sites.

Feedback from Estate & Letting Agents

- 4.78 In developing the SHMA we have undertaken a range of face to face interviews with Estate Agents, Letting Agents and on site new build sales staff in each of the districts and the Borough of Chesterfield. Interviews were conducted early May 2013. This part of the research aims to add an up-to-date, qualitative understanding of housing market conditions ‘on the ground.’ It examines both the sales market – including for new-build properties – as well as the lettings market.
- 4.79 The analysis is quantitative and different agents and new-build sites often cater for different market segments, but in understanding local dynamics we have sought to draw together and triangulate feedback from a number of local agents where feasible to provide a rounded appreciation of local market dynamics.
- 4.80 In this Overview Report we have focused on drawing out headline findings from the analysis. Further information regarding the dynamics within individual districts is set out in the separate reports which deal with these areas.
- 4.81 Overall the estate agents consulted point to growth in sales volumes over the last couple of years. However in many cases there does not seem to be upward pressure on prices: in part as supply is

increasing alongside demand, and partly as wider economic conditions (including inflation) are capping what local households can afford.

- 4.82 In many cases agents describe sales values as still below their (2007) peak levels – although with some exceptions. The higher end of the market appears to have performed better in some areas including Retford; but the picture is inconsistent. Investment demand is focused towards the lower end of the market; with investors looking for cheap properties which command the strongest yields.
- 4.83 The profile of demand since 2007 appears to have focused more towards locally-based buyers in many parts of the HMA. This appears to be the case across a number of the key towns and sub-markets, although there are some exceptions – including the Dronfield market which is influenced by Sheffield, and settlements close to and accessible from the M1 Corridor which are attractive to households relocating from further afield because of their strategic accessibility.
- 4.84 Employment growth is evident as an important driver of demand at a local level; with commenting that major employment developments such as the Markham Vale Enterprise Zone can impact on the housing market; through to for instance growth of individual businesses or sectors such as the distribution sector in Retford, or expansion of Sports Direct's warehouse in Shirebrook.
- 4.85 In much of the housing market area rents appear to be broadly stable. However the consultation with agents did identify some upwards pressure in Worksop and Dronfield. Chesterfield stands out as having a larger rental sector (consistent with the analysis in Section 3); with the town's rental market including some house sharing and (limited) student lettings activity.

Key Findings and Policy Implications

- 4.86 House prices provide us with an indication of relative demand for homes in different areas. This is a relatively lower value housing market overall, with average house prices of around £136,000 in 2013. We can however draw out some internal differences, with price signals pointing to relatively stronger demand in the northern and western parts of North-East Derbyshire District, and in Bassetlaw. In contrast demand is in relative terms lower in Bolsover District.
- 4.87 Market demand for homes has clearly fallen notably over the last five years, with sales volumes in the first half of 2013 -47% down on the peak levels in 2007. However market circumstances are improving, and we have seen sales volumes in the first half of 2013 which are 55% up across the HMA on levels in 2011 (the low point of the market). The underlying drivers behind this recovery appear to be:
- Some improvement in the macro-economic climate, with the economy beginning to grow following a protracted period of recession and stagnation;

- Some improvement in the availability of mortgage finance and reduction in savings/ deposit requirements since mid-2012, both through growth in mortgage availability and improvement in terms and through Government support through the Help-to-Buy Scheme;
- Households who have 'put moving on hold' for some time deciding that moving home can be put off no longer.

4.88 Sales volumes however remain low in a historical context. Prices in most instances remain below peak 2007 levels. Furthermore within the HMA the evidence does not point towards much upward pressure on prices; and indeed the sales evidence suggests that the improving trend in sales performance in 2012 does not appear to have translated through into 2013.

4.89 In our view the Help-to-Buy scheme introduced in the March 2013 Budget could provide further impetus to support a recovery in the market at the national level. However more locally, the economic fundamentals remain poor – with weak economic growth in particular. This points to a slow recovery phased over a number of years, rather than a bounceback in demand. Stakeholders consulted are firmly of the view that “economic recovery and growth” locally is a precursor to a sustained recovery in the housing market.

4.90 Overall the analysis of market signals points to some constraints on household formation over the decade to 2011. This is evidenced by the increase in house prices and rents over the period to the peak of the market in 2008 (and most likely in the latter years of this period); and the notable reduction in effective demand (as shown through the sales analysis) over the period since 2008 linked to the impacts of the credit crunch and economic recession. This is however related particularly to macro-economic factors, rather than local-based influences. The evidence does not point towards local pressures which would require any further adjustment over and above considering what headship rates are reasonable for future demographic projections.

5 INCOMES AND AFFORDABILITY

Introduction

- 5.1 This section initially looks at housing costs, household incomes and affordability. It then reviews secondary data about local income levels and also uses CLG information about price:income ratios to put affordability into a national context. This is identified as an indicator of supply-demand balance in the Government's draft Planning Practice Guidance which should be considered in assessing whether levels of housebuilding need to rise.
- 5.2 This analysis is then followed by a detailed analysis of survey data relating to a range of financial information (including income, savings and equity) which is used to provide a local level estimate of affordability based on the prices and rents considered above.

Entry Level Housing Costs

- 5.3 To fully understand the affordability of housing it is necessary to collect data on the cost of housing by number of bedrooms. This ensures that it is possible to assess the ability of households to afford market housing of the size required by that particular household as determined by the bedroom standard. As part of this Study we have therefore undertaken a price survey to assess the current cost of housing. This has involved establishing the entry-level cost of housing by number of bedrooms in each area based on lower quartile figures.

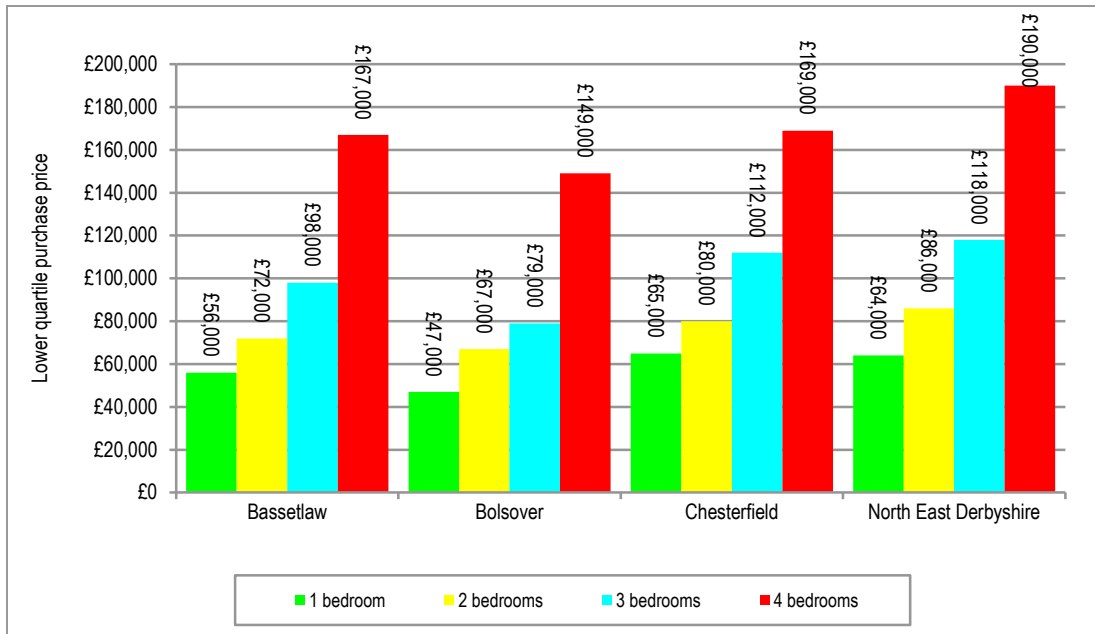
Entry-level Prices

- 5.4 Entry-level property prices and rental costs by number of bedrooms were obtained in each sub-market via an online search of properties advertised for sale during July 2013. In accordance with the Practice Guidance¹², entry-level prices are based on lower quartile prices. Costs have been adjusted to take account of sales prices compared with asking prices based on information from Hometrack. Across the HMA it was estimated that on average properties achieve around 93% of their asking price.
- 5.5 The entry-level price for owner-occupied property across the four authorities is presented in the figure below. The data indicates that prices in Bolsover are lowest with an estimated lower quartile one bedroom price of around £47,000; this figure rises to £149,000 for a four bedroom home. The next highest prices were found to be in Bassetlaw with a range from one to four bedrooms of £56,000 to £167,000 with the data suggesting slightly higher prices again for Chesterfield and the highest prices in North East Derbyshire. Whilst the figures have been presented for the four

¹² Both 2007 and draft 2013 Practice Guidance.

authorities, it is worth noting that within these areas there are also differences in prices. This is investigated in more detail in the specific reports for each local authority.

Figure 26: Entry-level Purchase Price by Local Authority

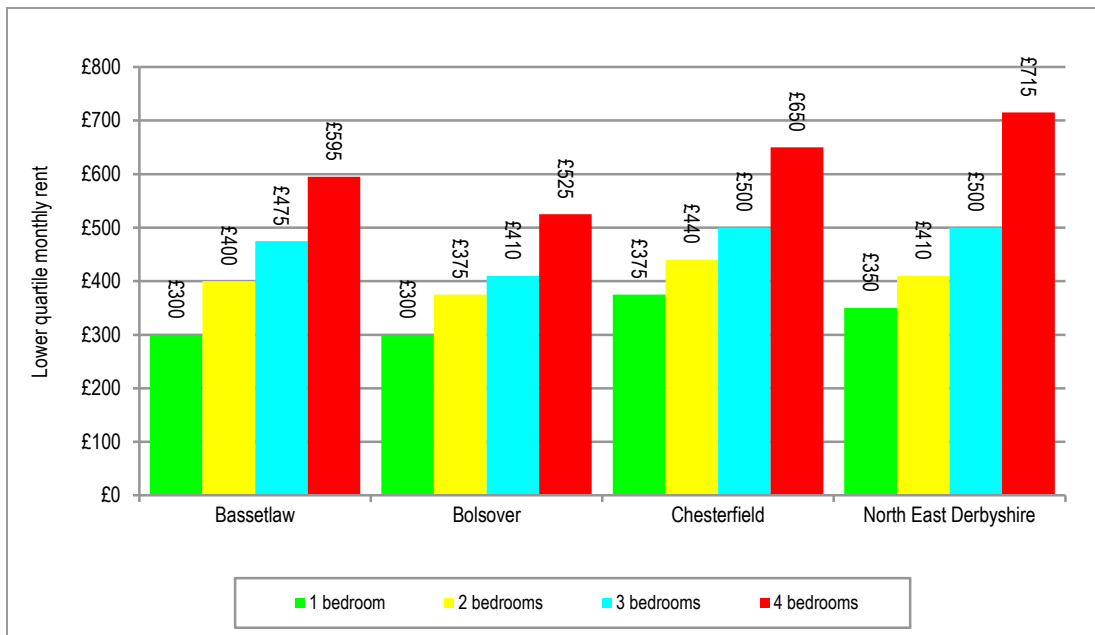


Source: Online Estate and Letting Agents Survey (July 2013)

Entry-level Private Rents

5.6 A similar survey was carried out for private rented properties with information for the four local authority areas shown in the figure below. Generally the variation in rent levels between areas was less notable than for prices although again Bolsover was the cheapest and Chesterfield and North East Derbyshire the most expensive. The range of rent levels goes from £300 per month for a one bedroom home both Bassetlaw and Bolsover up to £715 per month for four bedrooms in North East Derbyshire.

Figure 27: Monthly Private Rents by Local Authority



Source: Online Estate and Letting Agents Survey (July 2013)

5.7 In addition to rental costs from our internet survey we have looked at the maximum amount of Local Housing Allowance (LHA) payable on different sized properties in the HMA. Maximum LHA payments are based on estimates of rents at the 30th centile and should therefore be roughly comparable with our estimates of lower quartile costs. However, due to the boundaries used by the Valuation Office Agency (VOA) it is difficult to get directly comparable figures. All of Chesterfield and most of Bolsover is within the Chesterfield Broad Rental Market Areas (BRMA); whilst the majority of Bassetlaw is within the North Nottinghamshire BRMA. North East Derbyshire is split between four different BRMAs – in addition to the Chesterfield and North Nottinghamshire area, much of the north of the District is part of a Sheffield BRMA, whilst more rural areas to the west typically fall into a Peaks and Dales area. Information for all four relevant areas have therefore been provided below.

5.8 The data suggests quite a lot of consistency between our market survey and the LHA levels (given that LHA is based on 30th centile and our figures are lower quartile).

Table 17: Maximum LHA Rates payable by size and BRMA

Size	Area			
	Chesterfield	North Nottinghamshire	Sheffield	Peaks and Dales
Room only	£210	£241	£266	£295
1 bedroom	£350	£300	£395	£383
2 bedrooms	£425	£395	£455	£475
3 bedrooms	£487	£450	£498	£550
4 bedrooms	£650	£600	£650	£695

Source: VOA data (July 2013)

Cost of Affordable Housing

5.9 Traditionally the main type of affordable housing available in an area is social rented housing. The cost of social rented accommodation by dwelling size in the HMA can be obtained from Continuous Recording (CORE) - a national information source on social rented lettings. The table below illustrates the rental cost of lettings of social rented properties by size in 2012/13. As can be seen, rents for affordable housing are generally well below those for private rented housing indicating a potential gap between the social rented and market sectors. The figures presented are for lettings made to new tenants and not overall rent levels in the social rented sector (i.e. they do not include rents paid by tenants who did not move to their current home within the past year).

Table 18: Monthly average social rent levels

Size	Bassetlaw	Bolsover	Chesterfield	NED
1 bedroom	£267	£281	£285	£300
2 bedrooms	£310	£306	£311	£341
3 bedrooms	£334	£322	£323	£354

Source: CORE data for 2012/13

5.10 Recent changes in affordable housing provision have seen the introduction of a new type of affordable housing (Affordable Rent). Affordable rented housing is defined in the NPPF as being 'let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable)'. Affordable rent is initially only being trialled for four years and so this situation may change in the future.

5.11 Affordable Rented housing can therefore be considered to be similar to social rented housing but at a potentially higher rent. The 80% (maximum) rent is to be based on the open market rental value of the individual property and so it is not possible to say what this will exactly mean in terms of cost (for example the rent for a two-bedroom flat is likely to be significantly different to a two-bedroom

detached bungalow). However, for the purposes of analysis we have assumed that the 80% figure can be applied to the lower quartile private rented cost data derived from our market survey.

- 5.12 The table below shows potential affordable rents at 80% of market cost by size of property (including service charge). The data shows for larger (3+ bedroom) property sizes that affordable rents are likely to be higher than current social rents. However in the case of one bedroom homes (in all areas apart from Chesterfield) and two bedroom properties in some locations it looks likely that social rented housing would still be more expensive (in rental terms) than affordable rented housing and as such affordable rent would not be expected to be more viable to provide than social rented units.

Table 19: Cost of Affordable Rented Housing by Size and Area (per month)

Property size	Bassetlaw	Bolsover	Chesterfield	NED
1 bedroom	£240	£240	£300	£280
2 bedrooms	£320	£300	£352	£328
3 bedrooms	£380	£328	£400	£400
4 bedrooms	£476	£420	£520	£572

Source: Online Estate and Letting Agents Survey (July 2013)

Gaps in the Housing Market

- 5.13 The table below estimates how current prices and rents in each area might equate to income levels required to afford such housing. The figures are all based on a two bedroom home and clearly indicate a gap between the costs of 'entry-level' market housing and the social rented sector – demonstrating the potential for intermediate housing to meet some of the affordable need. This is investigated in more detail later in the report.

Table 20: Indicative Income required to Purchase/Rent without Additional Subsidy (2 bedroom)

District	Entry-level purchase price	Entry-level private rent	Affordable rent	Average RP rent
Bassetlaw	£20,600	£19,200	£15,360	£14,870
Bolsover	£19,100	£18,000	£14,400	£14,666
Chesterfield	£22,900	£21,120	£16,896	£14,909
North East Derbyshire	£24,600	£19,700	£15,700	£16,400

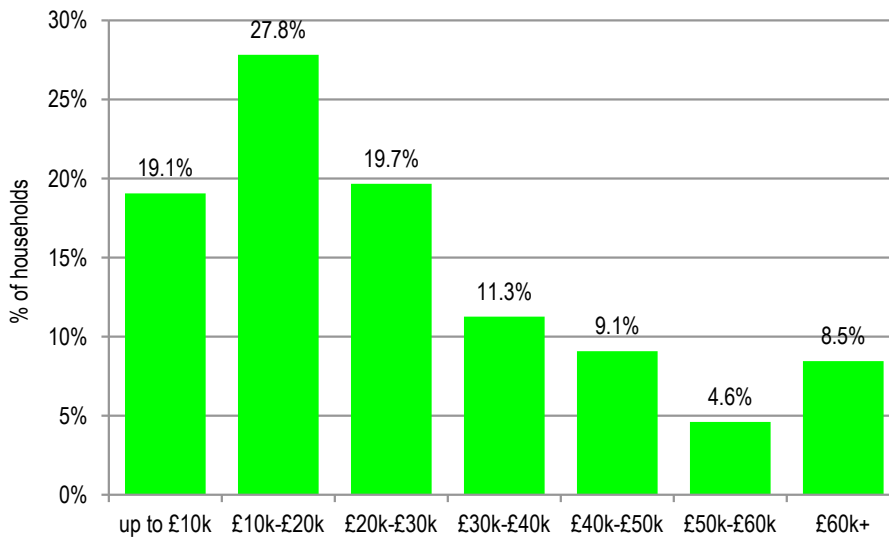
Source: Online Estate and Letting Agents Survey (October 2011) and CORE

Calculations based on 3.5x household income for purchase and 25% of income to be spent on housing for rented properties. Figures for purchase are based on a 100% mortgage for the purposes of comparing the different types of housing.

Household Incomes

- 5.14 Survey results for household income estimate the average mean gross household income level to be £26,811 per annum across the HMA, including households without any members in employment. The median income is noticeably lower than the mean, at £21,326 per annum.
- 5.15 The figure below shows the distribution of income. It is clear that there is a significant range of incomes, **with nearly half of households having an income of less than £20,000**, and around 13% an income in excess of £50,000.

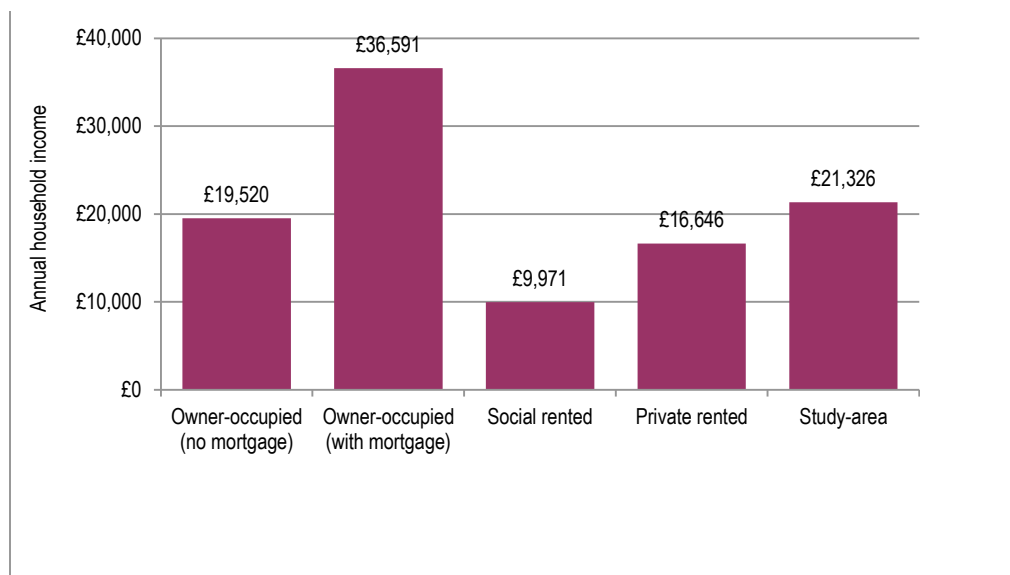
Figure 28: Distribution of Annual Gross Household Income



Source: Household Survey Data

- 5.16 The income of households varies greatly by tenure, with those in rented accommodation, particularly social rented accommodation, having much lower average incomes. The incomes of outright owners are significantly lower than for those with a mortgage reflecting the high number of people who are retired living in this tenure.

Figure 29: Median household Income by Tenure



Source: Household Survey Data

5.17 The table below shows how average household incomes vary by local authority. The table shows that there are slight differences between areas with average incomes varying from £19,897 in Bolsover up to £22,711 in Bassetlaw.

Table 21: Average Income by Local Authority

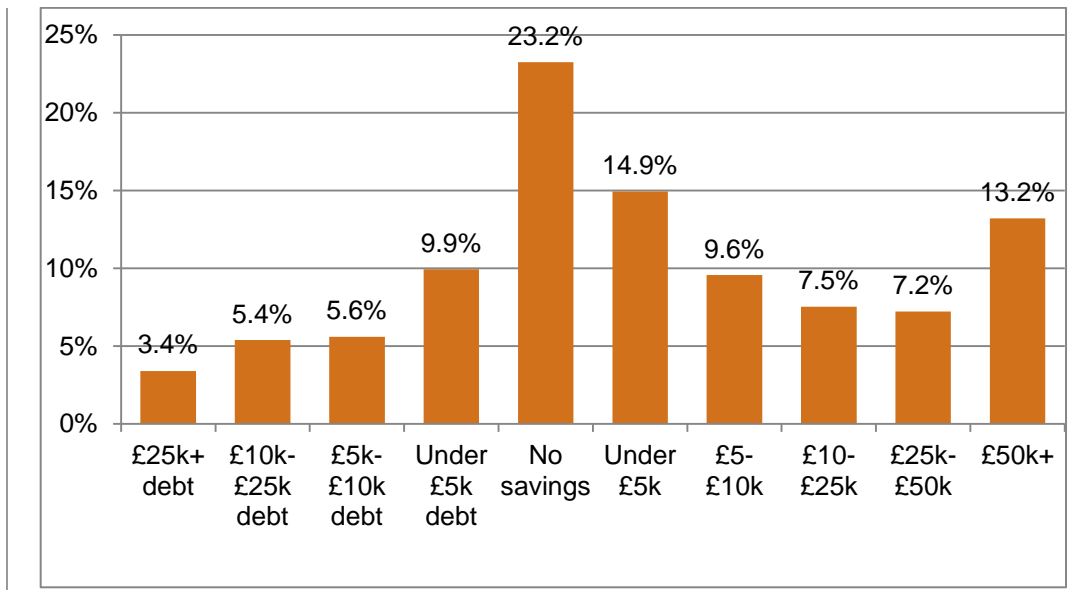
	Median income
Bassetlaw	£22,711
Bolsover	£19,897
Chesterfield	£20,438
North East Derbyshire	£21,891
HMA	£21,326

Source: Household Survey Data

Household Savings/Debt and Equity

5.18 Households were also asked to indicate levels of savings and debt (excluding mortgage debt). The average (mean) household has £8,467 in savings (median of £1,197) – these figures include levels of both savings and debt. The figure below shows the distribution of savings in the HMA. **An estimated 24% of households indicated that they were in debt with a further 23% having no savings.** At the other end of the scale it is estimated that 13% of households have savings of £50,000 or more.

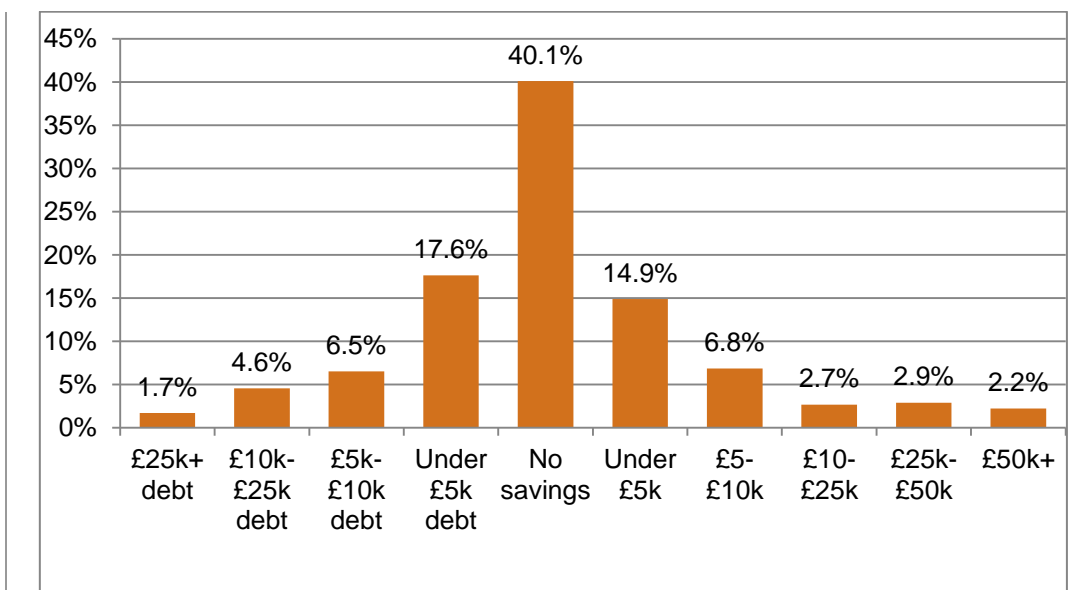
Figure 30: Household Savings



Source: Household Survey Data

5.19 Analysis has also been carried out to look at the level of savings for owner and non-owners separately. This indicates that a higher proportion of non-owners are in debt (30% compared with 21% of owners and 24% of all households) and the very low proportions with any reasonable level of savings (over £5,000). **Only 15% of non-owners have more than £5,000 of savings** compared with 49% of owners and 38% of all households.

Figure 31: Household Savings (Non Owner-Occupiers)



Source: Household Survey Data

5.20 The survey also collected information about the amount of equity owner-occupiers have in their property. For both owner-occupier groups together (with and without mortgages) the average (mean) amount of equity was estimated to be £110,400, with a median of £98,800. **2% of owner-occupiers (2,400 households) estimate that they are in negative equity.** This may affect the ability of these households to move home.

5.21 In addition to the information collected about income, savings and equity, the survey form asked households whether they had any other financial resources which could be used towards a deposit on a property. The vast majority (91%) of households stated that they had no further access to financial resources other than those already analysed.

Affordability of Housing

5.22 The information from the survey can be used to examine the ability of households to afford housing locally taking into account the full range of financial resources available to them, rather than just income as is used in standard affordability ratios.

5.23 The affordability criteria used can be summarised as:

Assessing whether a household can afford home ownership - A household is considered able to afford to buy a home if the residual cost is no more than 3.5 times the gross household income. The residual cost is calculated by deducting any capital that is available for use towards home ownership (e.g. savings or equity) from the overall cost of the home.

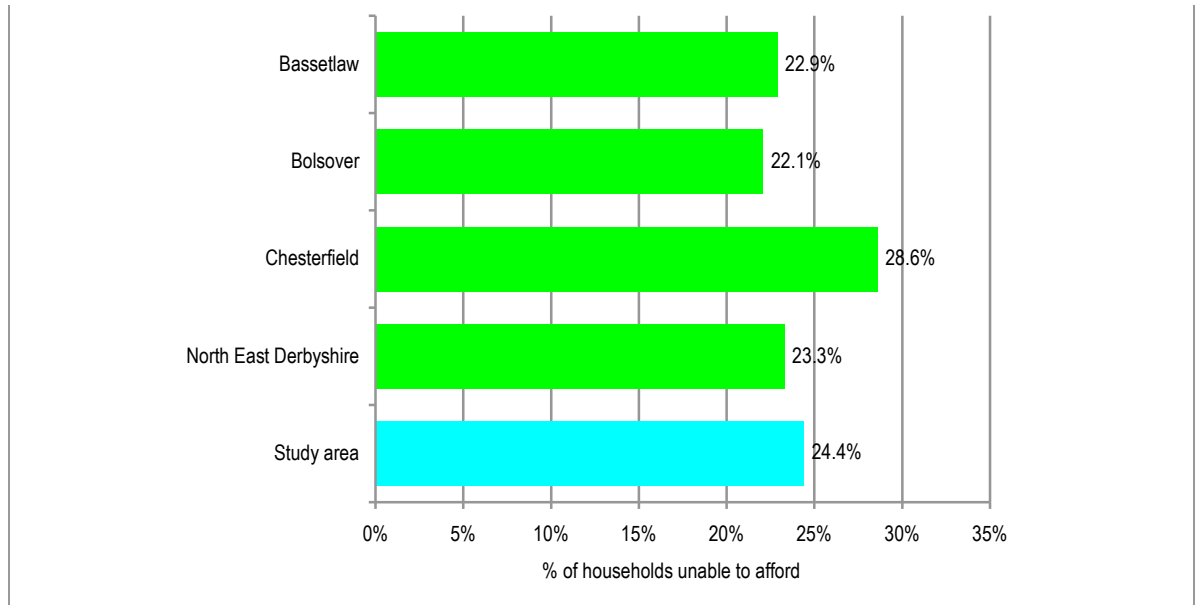
Assessing whether a household can afford market renting - A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than 25% of gross income.

5.24 The affordability criteria broadly follows the CLG Practice Guidance. It differs only in that the Practice Guidance suggests that a dual-income household should have a lower income multiple (at 2.9 times gross income) than a single earner household.

5.25 This test means that it is possible to distinguish whether a household would be able to afford either form of market housing (to buy or privately rent) or whether they would require affordable accommodation based on these income multiples.

5.26 The figure below shows the current affordability of market housing by area. This is the theoretical affordability of households as the analysis considers all households and does not take into account their intention of moving. Given previous information about income levels and housing costs the general pattern of affordability is as might be expected; with households in Chesterfield being less likely to be able to afford market housing than households in other areas.

Figure 32: Affordability of Market Housing by area



Source: Household Survey Data

Length of Residence and Recent Movers

- 5.27 At the time of the survey an estimated 17% of households (28,640) had been resident at their current address for less than two years. This figure suggests that households in the HMA are slightly more likely to have moved recently than households nationally – recent English Housing Survey (EHS) data suggests that as of 2011-12 some 15.5% of households had been resident at their address for less than two years.
- 5.28 The table below shows length of residence by tenure. Of the households moving in the past two years, 43% are currently private renters, 34% owner-occupiers and 23% live in the social rented sector. An estimated 53% of all private renters had moved home in the past two years, compared to only 21% of all social renters and 8% of all owner-occupiers. Private tenants are therefore much more mobile than social renters or owner-occupiers (and turnover in the Private Rented Sector considerably higher than in other tenures). The least mobile group are outright owners, only 5% of whom moved in the previous two years.
- 5.29 At the other end of the spectrum, around 69% of all households have lived in their home for more than five years. In the case of outright owners, 89% have lived in their home for more than five years – this compares with only 24% of private tenants. The high proportion of owner-occupiers

remaining in their home for more than five years is likely to be connected to the older age structure of households in this tenure group.

Table 22: Length of Residence of Household by Tenure

Tenure	Length of residence			Total
	Less than 2 years	2 to 5 years	Over 5 years	
Owner-occupied (no mortgage)	2,883	3,732	53,784	60,400
Owner-occupied (with mortgage)	6,820	8,622	40,993	56,435
Social rented	6,722	6,890	18,976	32,588
Private rented	12,215	5,559	5,466	23,240
Total	28,640	24,804	119,219	172,663
Owner-occupied (no mortgage)	4.8%	6.2%	89.0%	100.0%
Owner-occupied (with mortgage)	12.1%	15.3%	72.6%	100.0%
Social rented	20.6%	21.1%	58.2%	100.0%
Private rented	52.6%	23.9%	23.5%	100.0%
Total	16.6%	14.4%	69.0%	100.0%

Source: Household Survey Data

- 5.30 In terms of tenure mobility we see that the most common types of moves were within tenures with around 5,800 household moves being made within the owner-occupied sector and 6,100 within the private rented sector over the past two years. There was also a fair degree of movement within the social rented sector. Overall, movement within sectors was more common than movement between them.
- 5.31 Newly forming households accounted for an appreciable proportion of moves (23% in total). New households mainly moved to the private rented sector, with the sector accommodating 38% of newly-forming households over the past two years.
- 5.32 Around 54% of all moves involved the private rented sector – households moving into it, out of it or within it – showing how important the sector is in providing mobility in the housing market. Overall it is estimated that around 13% of all households in the HMA currently live in the private rented sector.

Table 23: Previous Tenure by Current Tenure (Households moving in past two years)

Tenure	Previous tenure				Total
	Owner-occupied	Social rented	Private rented	Newly formed household	
Owner-occupied (no mortgage)	2,401	75	283	124	2,883
Owner-occupied (with mortgage)	3,441	145	1,515	1,719	6,820
Social rented	856	2,189	1,403	2,273	6,722
Private rented	2,337	1,297	6,062	2,519	12,215
Total	9,035	3,707	9,264	6,635	28,640
Owner-occupied (no mortgage)	83.3%	2.6%	9.8%	4.3%	100.0%
Owner-occupied (with mortgage)	50.5%	2.1%	22.2%	25.2%	100.0%
Social rented	12.7%	32.6%	20.9%	33.8%	100.0%
Private rented	19.1%	10.6%	49.6%	20.6%	100.0%
Total	31.5%	12.9%	32.3%	23.2%	100.0%

Source: Household Survey Data

Economic status – Survey Data

- 5.33 For the purposes of analysis of working status we have selected the main survey respondent to act as the representative person for the household (the HRP). In all cases this person is either the head of household or their partner. The table below shows the working status of HRPs for the whole of the HMA. **Just over half of all HRPs are in employment;** a third are retired. A number of HRPs are in the 'other' categories in the table, which is largely comprised of people describing themselves as either permanently sick/disabled or looking after home/family.

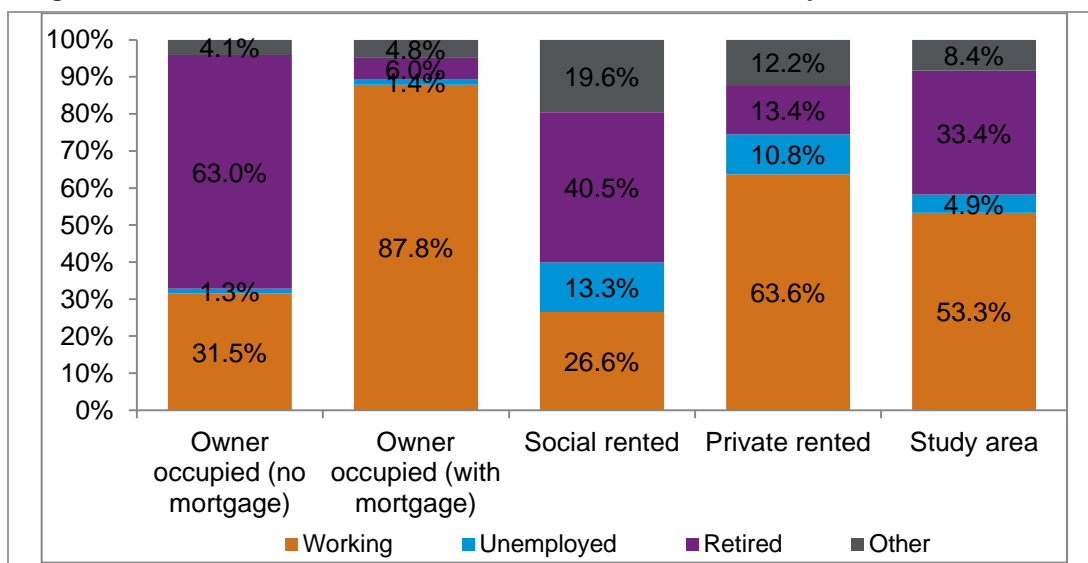
Table 24: Working status of household reference person

Working status	Number of households	% of households
Working	92,061	53.3%
Unemployed	8,429	4.9%
Retired	57,724	33.4%
Other	14,448	8.4%
Total	172,663	100.0%

Source: Household Survey Data

- 5.34 The figure below shows economic status by tenure. The data shows that around 88% of owner occupiers with a mortgage were working. For private renters the figure was 64%, and for social rented tenants only 27%. For outright owners, around three-fifths were retired. The analysis also indicates a significant proportion of retired households resident in the social rented sector.

Figure 33: Economic status of Household Reference Person by Tenure



Source: Household Survey Data

5.35 The table below shows working status by local authority from survey data. This information clearly shows differences in different parts of the area with rates of unemployment for example ranging from 3.6% in North East Derbyshire to 6.2% in Chesterfield. The proportion of retired people is also relatively high in North East Derbyshire meaning that this area has the lowest proportion of people who are working. The profile is closely linked to other characteristics in these areas including the housing and tenure profile and age structure in different locations.

Table 25: Working Status by Local Authority

Area	Working	Unemployed	Retired	Other	Total
Bassetlaw	54.5%	4.6%	33.1%	7.8%	100.0%
Bolsover	52.9%	5.1%	31.3%	10.6%	100.0%
Chesterfield	53.4%	6.2%	32.3%	8.0%	100.0%
North East Derbys	52.2%	3.6%	36.6%	7.6%	100.0%
HMA	53.3%	4.9%	33.4%	8.4%	100.0%

Source: Household Survey Data

Key Findings and Policy Implications

5.36 The analysis in this section indicates that the median income of households across the HMA is £21,300. However this means that over 50% of households have an income of less than £20,000, with the average income of households in rented accommodation below this.

5.37 Overall 24% of households can't afford market housing without financial support. 24% of households are in debt and a further 23% have no savings. Savings are a major barrier in

households' ability to access owner occupation. The survey reveals that only 15% of non-owners have more than £5,000 in savings across the HMA. In total 2% of households in the HMA (2,400 households) are in negative equity.

6 DEMOGRAPHIC AND ECONOMIC CONTEXT

6.1 In this section, we consider the socio- economic characteristics of the HMA’s population as well as the characteristics of the economy and the labour market.

6.2 Demographic trends and economic growth are important drivers of housing need, and this section considers these issues. These then inform the consideration of future need for housing in Section 7.

Demographic Context

Population Trends

6.3 The 2011 Census recorded the population of the Chesterfield HMA at 391,540. Of this, 99% were resident in households and 1% in communal establishments.

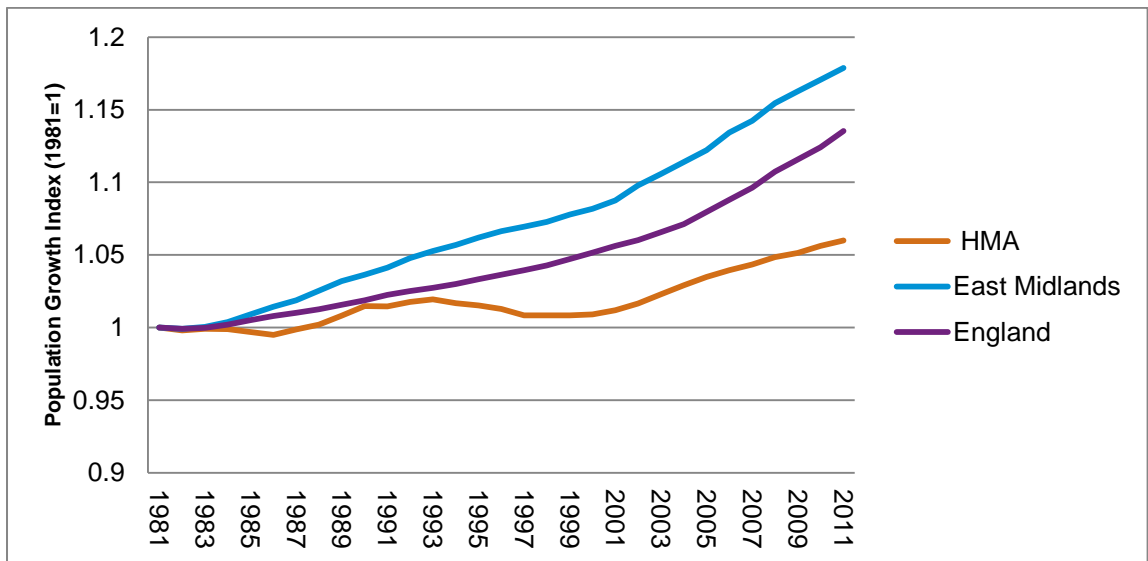
Table 26: Population, 2011

	Population, 2011	Live in a Household	Live in a Communal Establishment
Bassetlaw	112,863	97.4%	2.6%
Bolsover	75,866	99.2%	0.8%
Chesterfield	103,788	98.9%	1.1%
North East Derbyshire	99,023	99.2%	0.8%
HMA	391,540	99%	1%
East Midlands	4,533,222	98.0%	2.0%
England	53,012,456	98.2%	1.8%

Source: 2011 Census

6.4 The HMA’s population has grown relatively moderately to the East Midlands or England over the period since 1981 (Figure 34). Most of the population growth has been over the last decade. Whilst we have seen an overall increase in the HMA’s population since 1981, there was a notable drop in population growth between 1989 – 1999, associated with economic restructuring away from the manufacturing and coal mining industries.

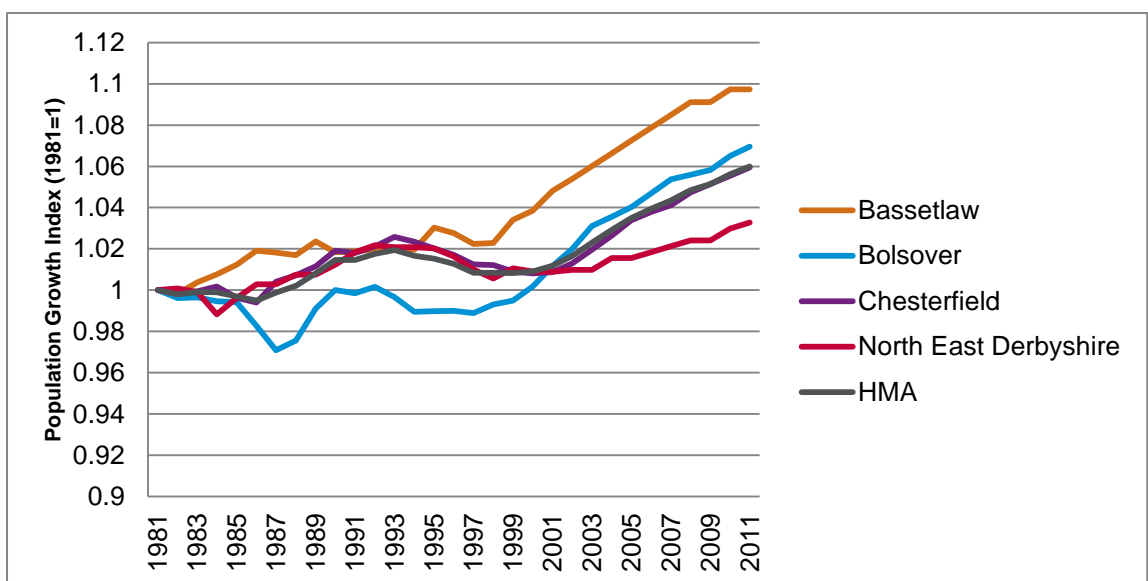
Figure 34: Population Trends across the HMA (1981 – 2011)



Source: ONS Mid-Year Estimates

6.5 Figure 35 shows that the population growth has been varied within the HMA. Since 1981, Bassetlaw has seen the greatest population increase. North East Derbyshire and Chesterfield have shown similar levels of population growth. Bolsover’s population growth profile has been the most varied – whilst there was a fall in the District’s population in the 1980’s, population has increased markedly since 2001, with the District’s population growing more strongly than in either Chesterfield or North East Derbyshire.

Figure 35: Population Trends by Authority (1981 – 2011)

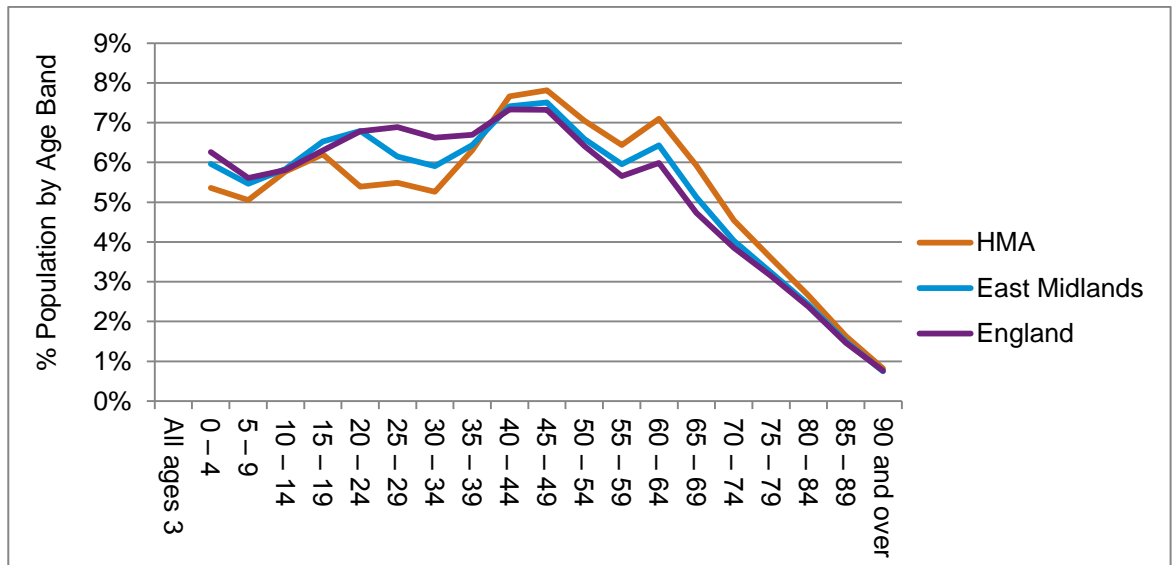


Source: ONS Mid-Year Estimates

Age Structure

6.6 The HMA's population structure is skewed towards older age groups with an above average population in all age groups over 40, and a low number between 15-39 and under 10. The age structure is older than average; with a below average proportion of young adults and young families.

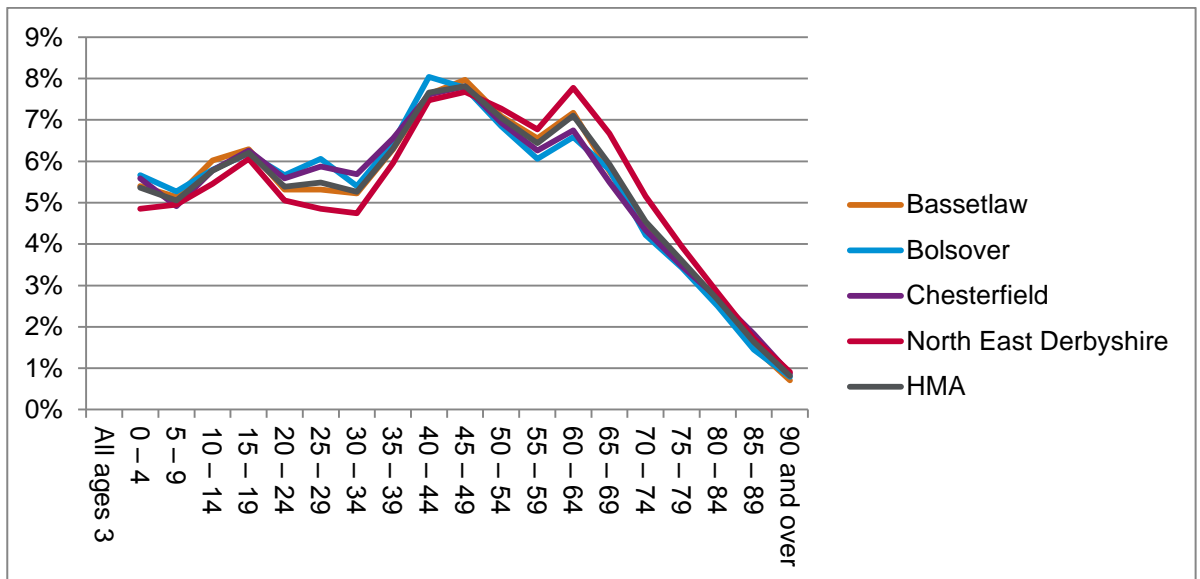
Figure 36: Population by 5 Year Age Band – Chesterfield HMA



Source: 2011 Census

6.7 The age structure across the four local authorities is similar. However, North East Derbyshire has a lower than average proportion of younger people (under 30 years of age) and higher than average proportion of older people (over the age of 60). Bolsover, on the other hand, has a lower than average proportion of older persons aged over 75 than the other districts.

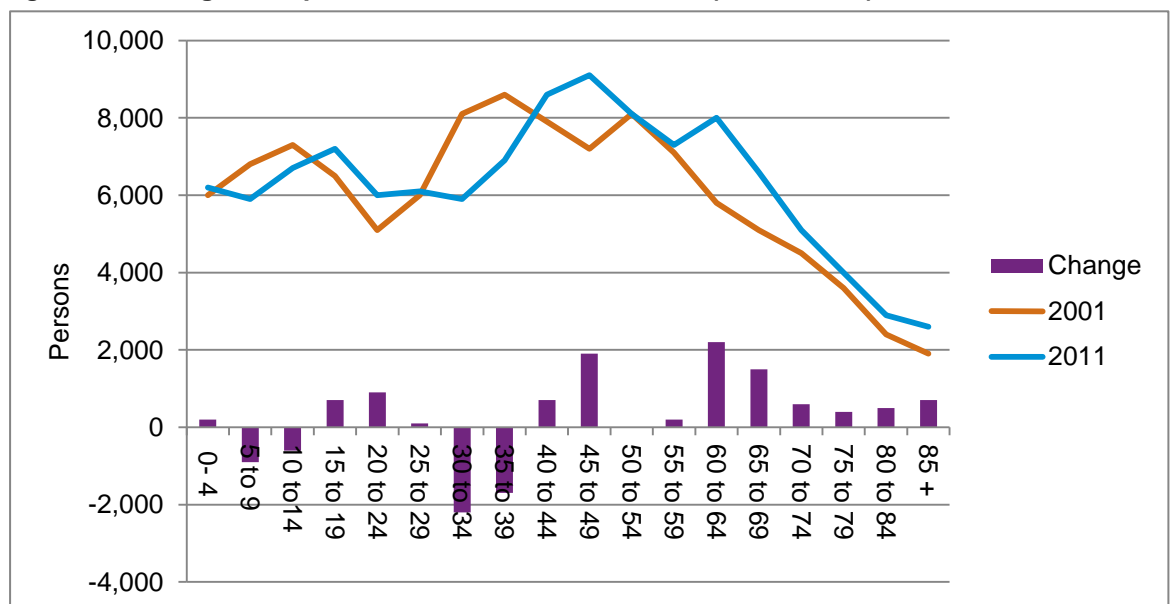
Figure 37: Population 5 Year Age Band – Local Authorities



Source: 2011 Census

6.8 We have profiled the changes in the age structure over the 2001 – 2011 decade in each authority. Between 2001 and 2011, there has been an increase in the number of people in their 40s and people over the age of 60 in Bassetlaw whilst the population aged 30 – 40 has fallen. The population in their 30s and aged under 14 has fallen.

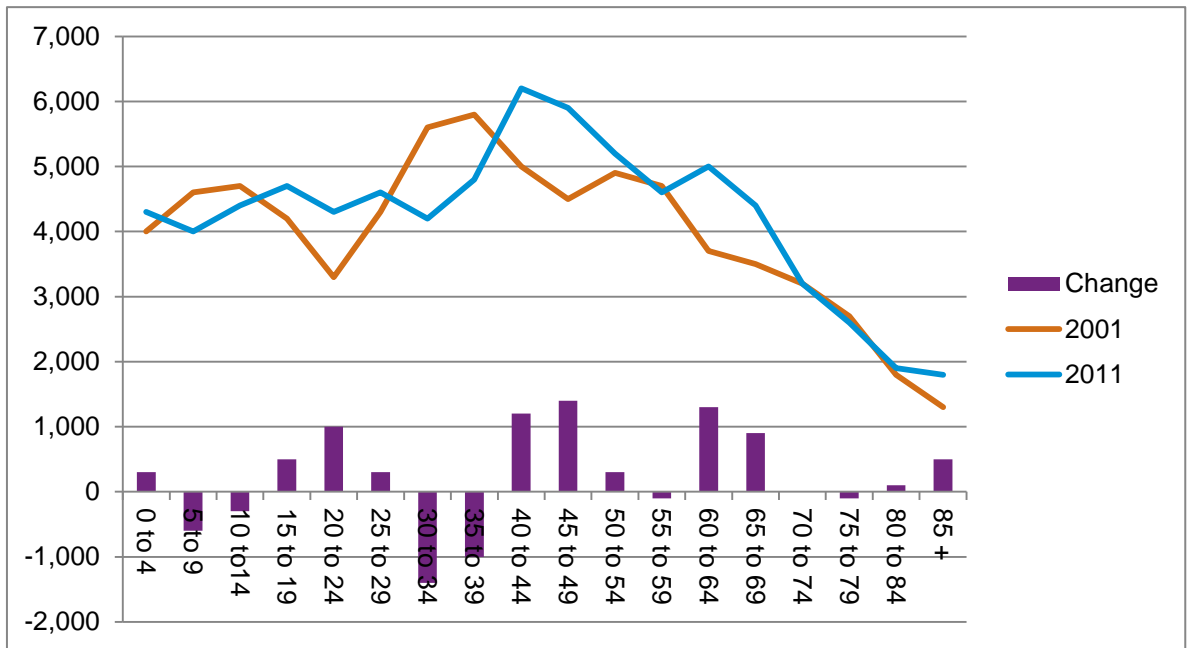
Figure 38: Change in Population Structure in Bassetlaw (2001 – 2011)



Source: ONS Mid-Year Population Estimates

6.9 Bolsover has also seen increases in the number of people in their 40s, in their 60s and over the age of 85 over the 2001-11 decade. The number of 15 – 24 year olds has however also increased in this period (in part related to age structure dynamics with the population aged 5-15 a decade previously moving through the age structure).

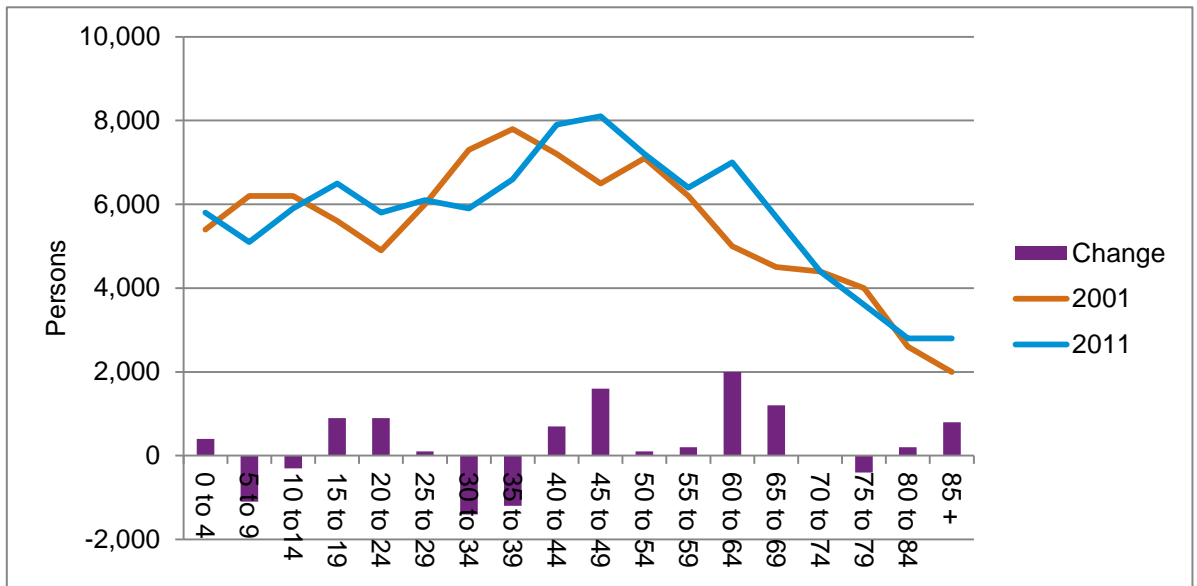
Figure 39: Change in Population Structure in Bolsover (2001 – 2011)



Source: ONS Mid-Year Population Estimates

6.10 Chesterfield has shown a similar change in the ages of the population to Bolsover, with increases in the number of 15 – 24 year olds, people in their 40s, people in their 60s and people over the age of 85.

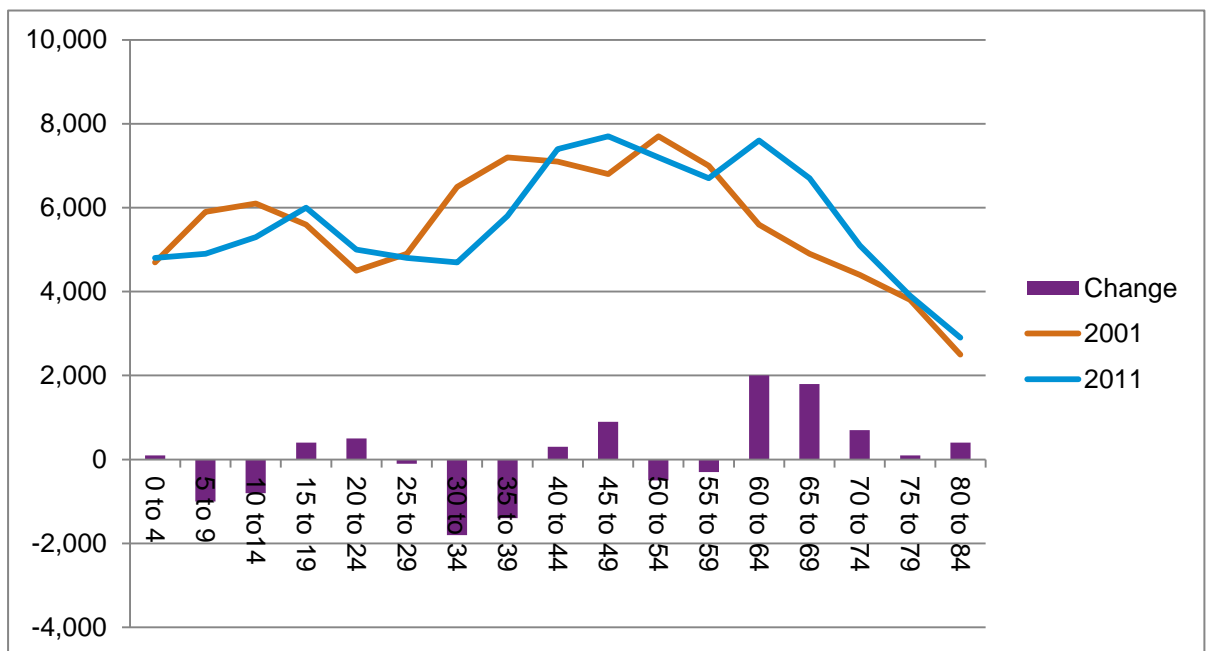
Figure 40: Change in Population Structure in Chesterfield (2001 – 2011)



Source: ONS Mid-Year Population Estimates

6.11 North East Derbyshire shows a limited change in most categories since 2001, with the exception of a marked increase in the number of 60 to 74 year olds. The population in their 30s and between 5-14 has fallen.

Figure 41: Change in Population Structure in North East Derbyshire (2001 – 2011)



Source: ONS Mid-Year Population Estimates

Ethnicity

- 6.12 Table 27 below profiles the population by ethnic group from the 2011 Census. Across the HMA, 96.9% of the population are White British/Irish. This is significantly higher than the average for the East Midlands (86.1%) and England (80.9%) and indicates that the area is not as ethnically diverse as the general population.
- 6.13 The remaining percentage in the HMA is in Black and Minority Ethnic groups.¹³ Of these, the largest proportion across the HMA are in the White Other category (1.5%), which includes eastern European migrants, followed by Asian/Asian British (1.1%).
- 6.14 At a local authority level, the ethnic composition is broadly consistent with the HMA level with the exception of the higher than average proportions of White Other population in Bassetlaw (2.4% compared with a HMA average of 1.5%, although below the regional average of 3.2%).

Table 27: Population by Ethnic Group

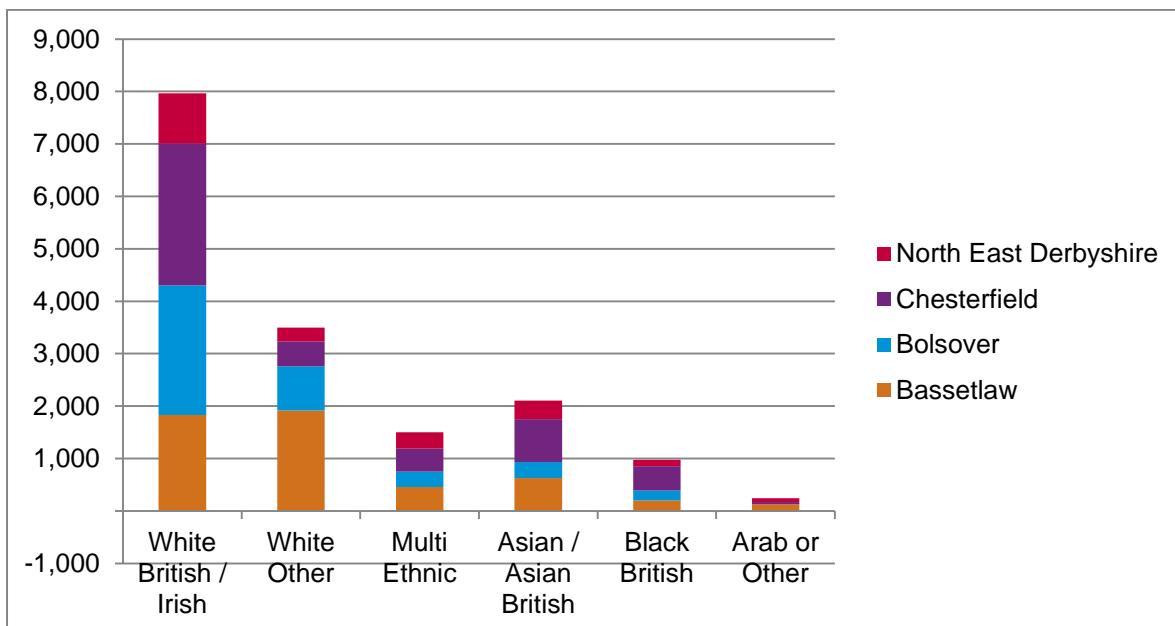
	White British / Irish	White Other	Multi Ethnic	Asian / Asian British	Black British	Arab / Other
Bassetlaw	94.9%	2.4%	0.9%	1.2%	0.5%	0.1%
Bolsover	96.7%	1.5%	0.7%	0.8%	0.4%	0.0%
Chesterfield	95.3%	1.3%	1.1%	1.6%	0.8%	0.2%
North East Derbyshire	97.3%	0.8%	0.8%	0.8%	0.3%	0.1%
HMA	96.9%	1.5%	0.9%	1.1%	0.5%	0.1%
East Midlands	86.1%	3.2%	1.9%	6.4%	1.7%	0.6%
England	80.9%	4.6%	2.2%	7.7%	3.4%	1.0%

Source: 2011 Census

- 6.15 Figure 42 profiles the change in population of ethnic groups. Population growth has been concentrated in the White/British Irish population. Bassetlaw has seen a higher than average increase in the 'White Other' groups with a population growth of 1,917 between 2001-11. Chesterfield has seen a growth in the Asian/Asian British and Black British population. North East Derbyshire has shown a modest increase in population across most of ethnic groups.

¹³ 'White Other' have been included in this category

Figure 42: Change in Ethnic Composition (2001-2011)



Source: 2001 and 2011 Census

Economic Context

- 6.16 Next, we move on to consider economic and labour market dynamics in the HMA. The skills profile in the area is similar to the East Midlands average, but more focused towards lower level skills relative to England as a whole. 29.3% of the population are qualified to NVQ4+ (equivalent to degree-level) compared with the East Midlands (29%) and England (34.3%).
- 6.17 The percentage of residents in the HMA who have no qualifications (9.2%) is similar to (and indeed moderately below) the percentage in the East Midlands (9.3%) and England (9.5%). Similarly the proportion of residents with NVQ4 or above qualifications at 29.4% is above the regional (although below the national) average.
- 6.18 There are differences between the four local authorities. Chesterfield has the highest proportion qualified to NVQ4 or above. Chesterfield has the highest level of skills above NVQ 3 (74.7%), which can be partially explained by the presence of Chesterfield College. However the proportion of residents with no qualifications is also above average in Chesterfield, and in North East Derbyshire.
- 6.19 Bolsover has an above average level of 'other' qualifications (10.3% compared with a HMA average of 7.1%) but has a low level of residents with no qualifications (5.7%).

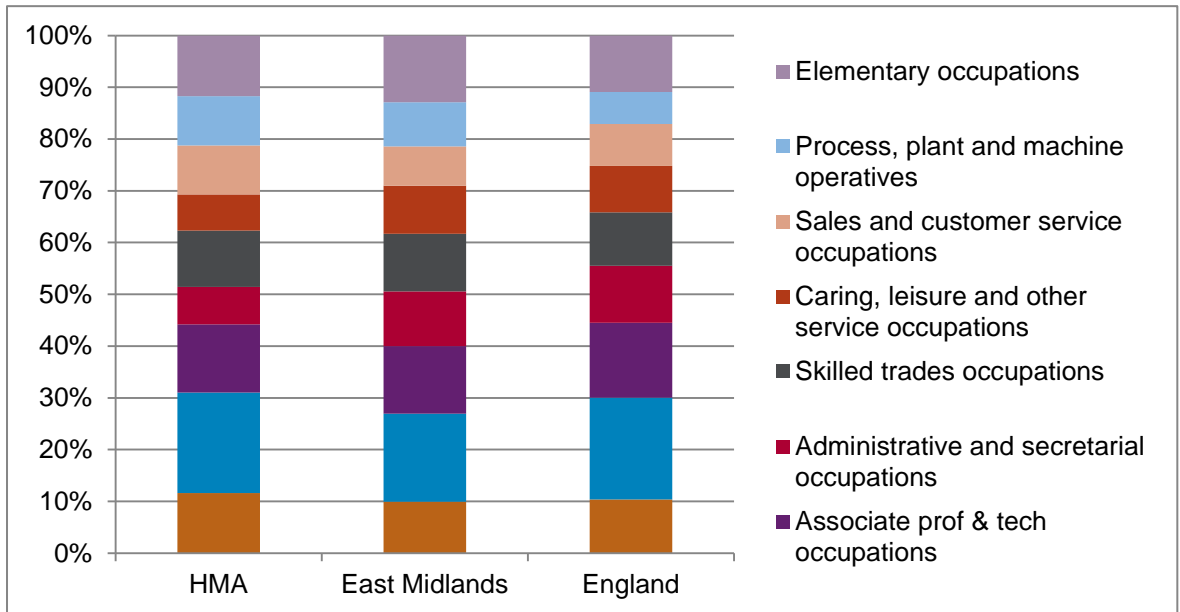
Table 28: Highest Level of Qualification, 2012 (Residence-based)

	% with NVQ 4+	% with NVQ 3+	% with NVQ 2+	% with NVQ 1+	% with other qualifications -	% with no qualifications
Bassetlaw	28.7	50.4	73.9	85.3	6.7	8.0
Bolsover	27.5	49.4	69.1	84.0	10.3	5.7
Chesterfield	33.2	49.8	71.4	83.7	4.8	11.5
North East Derbyshire	27.8	46.9	70.4	81.7	7.4	10.9
HMA	29.4	49.2	71.4	83.8	7.1	9.2
East Midlands	29.0	52.0	70.0	83.8	6.9	9.3
England	34.2	54.9	71.8	84.2	6.3	9.5

Source: Annual Population Survey

- 6.20 The similarity of the skills set in the HMA and the East Midlands is replicated in the profile of employment by occupations. Employment in elementary occupations and plant operative work (21.2%) is similar to the East Midlands (21.3%) but significantly above the England average (17.0%). Whilst there has been a recent shift towards the services sector, this level of employment in less skilled and more manual professions reflects the HMA's roots in the coal mining and manufacturing industries.
- 6.21 The occupational profile in the HMA shows that the largest employment categories are in managerial and professional occupations (30.8%), which is similar to England (29.8%) and significantly higher than in the East Midlands (26.8%).

Figure 43: Occupational Profile – HMA Level

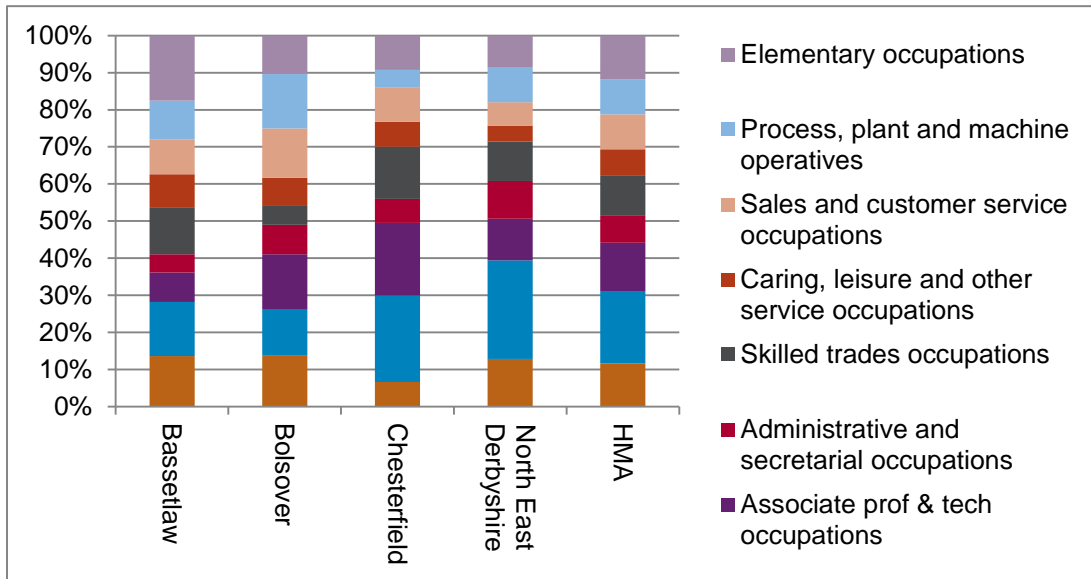


Source: Annual Population Survey

6.22 The varied employment profile is representative of the varied skills level within Chesterfield HMA. Within the HMA, North East Derbyshire and Chesterfield have the largest proportion of residents employed in managerial, professional and associate professional/ technical occupations (50.1% and 48.8% respectively, which are both above the East Midlands and England averages). This compares with Bassetlaw, where only 36.2% of people work in these occupational groups.

6.23 The percentage of employees in elementary industries and plant machine work is correspondingly lowest in Chesterfield (13.7%) and North East Derbyshire (17.8%) and highest in Bassetlaw (28.0%) and Bolsover (25.1%). High percentage of workers in low skilled workers in Bassetlaw can be partially explained by the historical coal mining legacy and a shift of the employment base towards food and distribution activities.

Figure 44: Occupational Profile across the Four Authorities

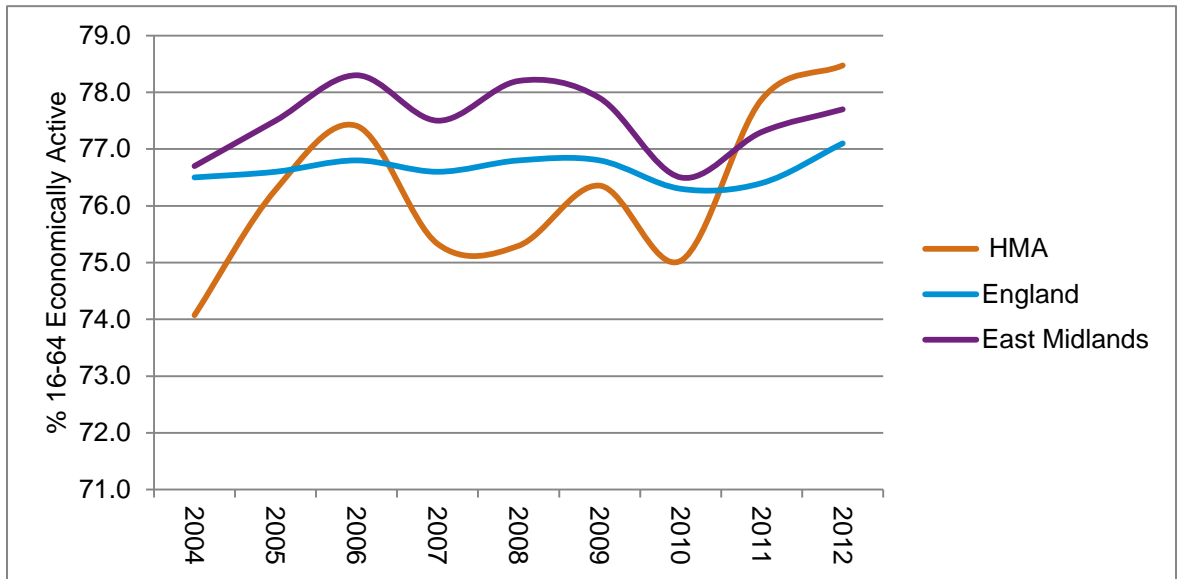


Source: Annual Population Survey

Labour Market Dynamics

6.24 Figure 45 tracks changes in economic activity (the proportion of residents aged 16-64 who are in work or seeking work). Across the HMA the employment rate rose between 2004-6, has fluctuated somewhat but appears to have increased since 2010. We would recommend that a level of caution is exercised in regard to this survey date; but the indication is that the overall economic activity rate in 2012 has climbed above regional/ national comparators. In 2012 it stood at 78.5% compared to 77.7% of the 16-64 population across the East Midlands.

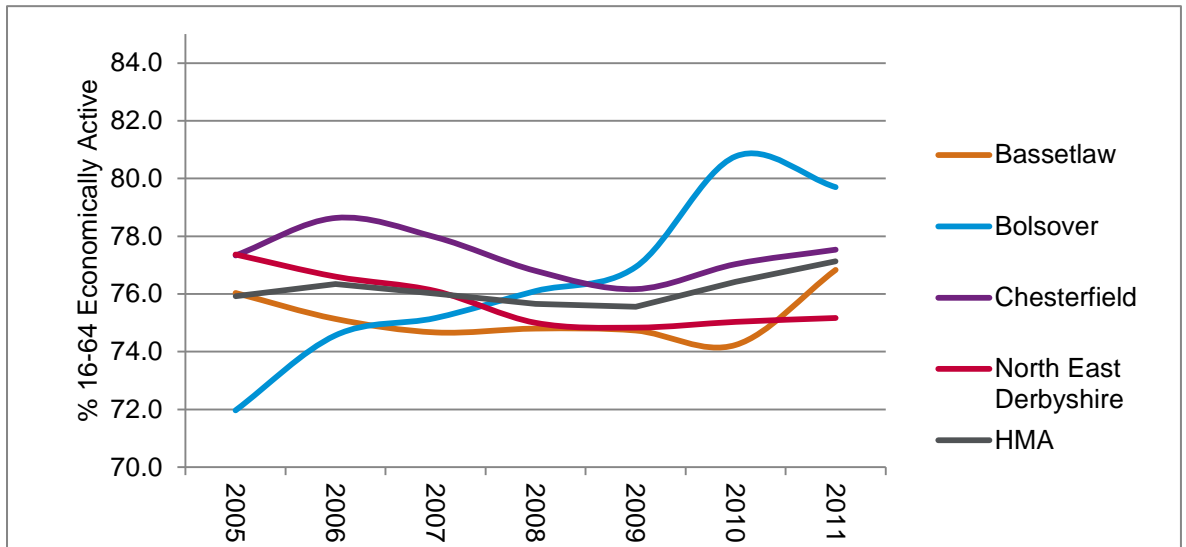
Figure 45: Employment Rate – HMA Level



Source: Annual Population Survey

6.25 The picture within the HMA is varied as can be seen by Figure 46. In this we use figures based on a three year rolling average. What is particularly apparent is an upward trend in economic activity in Bolsover District, which has risen to almost 80% of the 16-64 population. We have also seen a notable recent upward trend in economic activity in Bassetlaw. In North East Derbyshire in comparison, economic activity fell over the period to 2009 and has recovered little since.

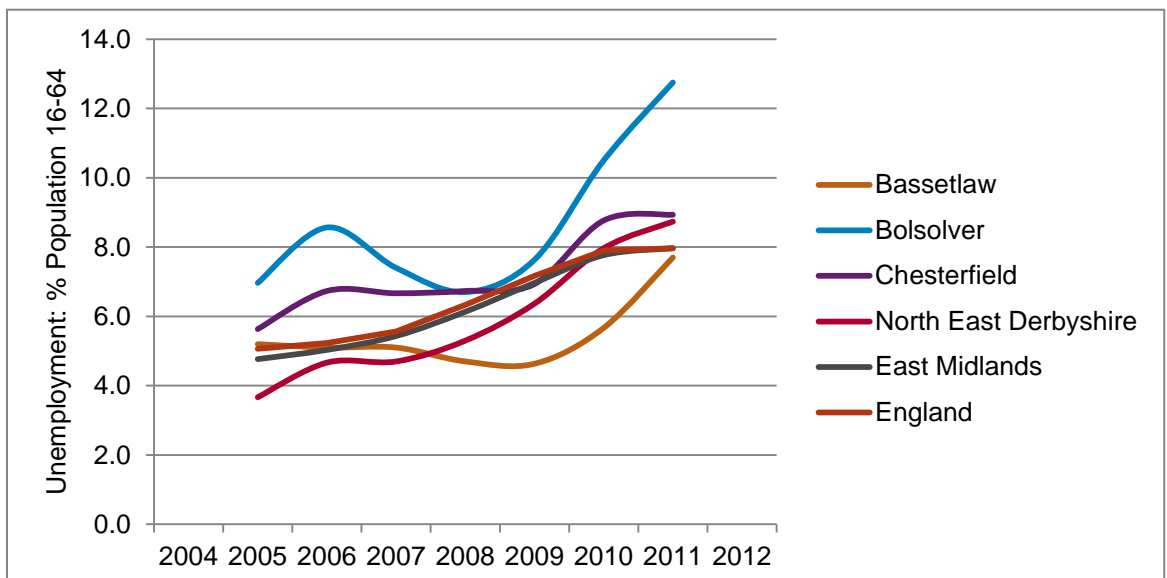
Figure 46: Economic Activity, Local Authority Level



Source: Annual Population Survey

6.26 Across the East Midlands and nationally, unemployment stands at 8.0% (as a proportion of the population aged 16-64 population). The Annual Population Survey data suggests unemployment is above this in North East Derbyshire (8.7%), Chesterfield (8.9%), and particularly Bolsover (c. 12.8%). In Bassetlaw it is 7.7%. As Figure 47 indicates unemployment has increased notably since the start of the economic recession in 2008.

Figure 47: Unemployment 2004-2012 (3 Year Moving Average)



Source: Annual Population Survey

6.27 Job Seekers Allowance claimants are a subset of overall unemployment. The JSA Claimant Rate in March 2013 was above the regional average in Chesterfield (4.1%) but moderately below regional/national averages in the other authorities.

Table 29: JSA Claimant Rate (% Population 16-64)

JSA Claimant Rate, March 2013 Claimants as % Population 16-64	
Bassetlaw	3.3
Bolsover	3.6
Chesterfield	4.1
North East Derbyshire	3.0
East Midlands	3.7
England	3.8

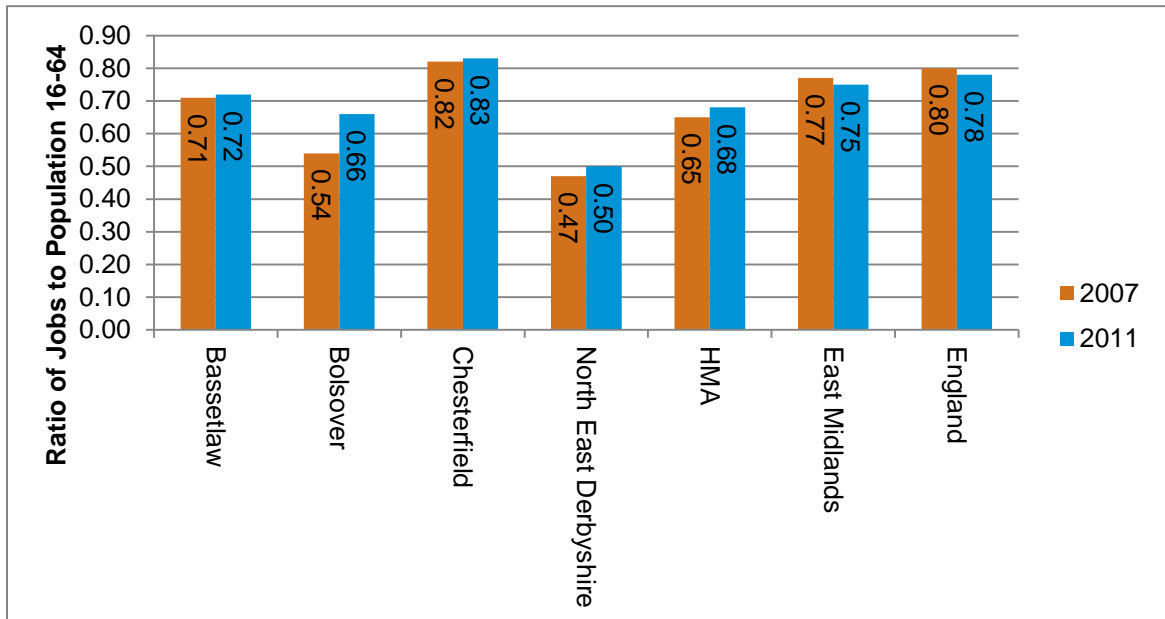
Source: NOMIS

6.28 The HMA has a lower than average jobs density, with 68 jobs on average per 100 working-age residents. This compares to 75 across the East Midlands and 78 nationally. Around 17,000 additional jobs would be needed to match the regional average jobs density. The low jobs density suggests notable out-commuting from the area to work (including to the core of the Sheffield City Region to the north).

6.29 Within the HMA, Chesterfield is the only authority with an above average jobs density with 83 jobs per 100 working-age residents, suggesting modest net in-commuting to the Borough. In North East Derbyshire the jobs density is particularly low at 50 jobs per 100 working-age residents.

6.30 Figure 48 indicates that the jobs density has moderately improved over the period since 2007.

Figure 48: Jobs Density, 2007 and 2011



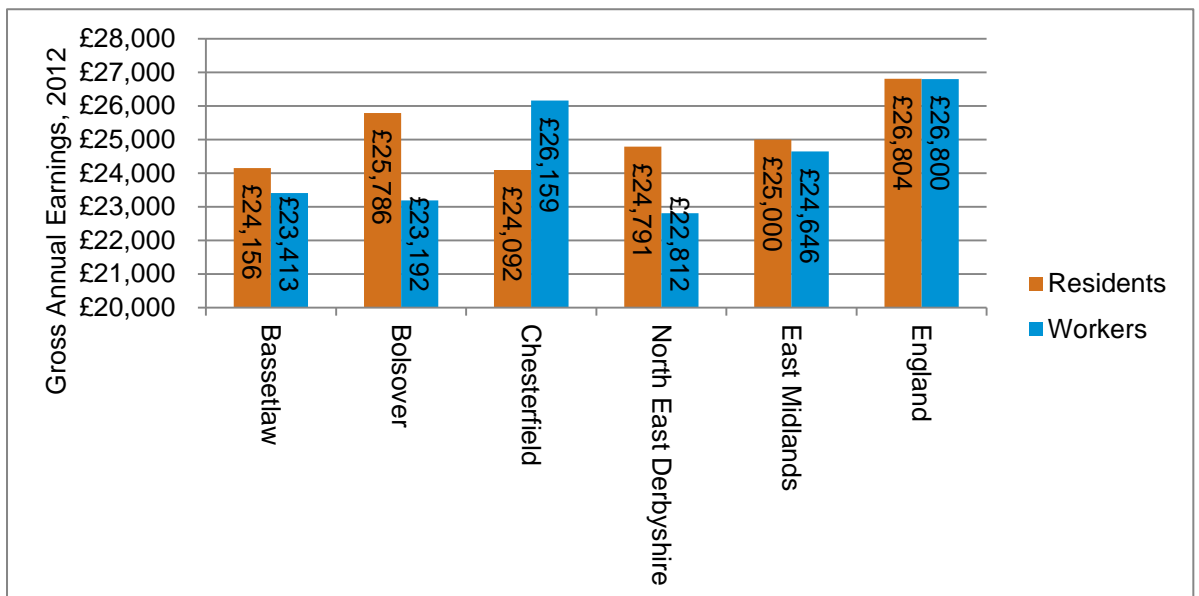
Source: NOMIS

Earnings and Commuting

- 6.31 Both resident and workplace earnings are lower in the HMA compared with the England average. This reflects the level of skills and the lower than average level of NVQ 4+ relative to wider geographies. However earnings levels in the HMA are more comparable to the East Midlands (where the skills set and occupational profile is more similar).
- 6.32 Workplace earnings are slightly lower in the HMA as a whole compared with resident earnings. This suggests out-commuting from the area to higher paid employment opportunities.

- 6.33 Within the HMA, it is only Chesterfield which sees a higher level of workplace earnings than those of its residents. This points to in-commuting to the Borough of higher-paid workers who may live in surrounding areas.
- 6.34 In both Bolsover and North East Derbyshire there is a particular differential between residence- and workplace-based earnings, suggesting notable out-commuting to higher paid jobs.
- 6.35 Residents-based earnings are below the regional average of £25,000 per annum in Bassetlaw, Chesterfield and North East Derbyshire. Further details of earnings will be provided in due course by the household survey.

Figure 49: Earnings



Source: Annual Survey of Hours and Earnings

- 6.36 The data on earnings can be compared with commuting dynamics. This data is taken from the (dated) 2001 Census and the Annual Population Survey in 2008. Commuting data from the 2011 Census is unlikely to be available before autumn 2013. **A strong commuting relationship with Sheffield can clearly be seen**, especially in Chesterfield and in North East Derbyshire.
- 6.37 Data from 2008 shows that Bassetlaw has a relatively high level of commuting self-containment with two-thirds of residents working in the District (66.2%). There is notable out-commuting to Doncaster (10.5%) and Sheffield (5.1%).

6.38 Similarly, the place of residence for Bassetlaw workers tends to be Bassetlaw (60.6%) in 2008. A small proportion of Bassetlaw's workforce commute into the District from Bolsover (5.9%), Rotherham (5.1%) and other surrounding areas.

Table 30: Commuting to/ from Bassetlaw (2001 and 2008)

% Residents Commuting to ...	2001 flow	2008 flow
Bassetlaw	59.7%	66.2%
Doncaster	11.9%	10.5%
Sheffield	3.1%	5.1%
West Lindsey	2.5%	2.9%
Rotherham	2.6%	2.8%
% Workforce Commuting from ...	2001 flow	2008 flow
Bassetlaw	67.8%	60.6%
Bolsover	6.5%	5.9%
Rotherham	5.6%	5.1%
Gedling	..	4.5%
Mansfield	3.0%	3.9%
Doncaster	4.3%	3.7%
Newark and Sherwood	2.7%	3.2%
North East Derbyshire	..	2.5%
Nottingham	..	2.2%

Source: 2001 Local Labour Force Survey and 2008 Annual Population Survey¹⁴

6.39 The place of work for Bolsover residents is more varied **as only 30.7% of residents work in Bolsover in 2008**. Approximately 12.8% of Bolsover residents work in Mansfield with over 5% of residents working in: Bassetlaw, Amber Valley, Chesterfield and Ashfield. The analysis would points towards a relatively weak local economy, and good transport links to surrounding areas. 4.8% of Bolsover residents (in work) commute to Sheffield to work.

6.40 The place of residence for Bolsover workers is less varied with 56.2% of Bolsover workers living in the District in 2008. Self-containment is lower than in Bassetlaw. There is commuting to jobs in the District from Ashfield (13.4%) and North East Derbyshire (7.7%).

¹⁴ The data in this tool comes from the Annual Population Survey (Jan-Dec 2008) and its predecessor the Local Labour Force Survey (2001).

Table 31: Commuting to/from Bolsover (2001 and 2008)

% Residents Commuting to ...	2001 flow	2008 flow
Bolsover	34.4%	30.7%
Mansfield	7.9%	12.8%
Bassetlaw	9.2%	9.7%
Amber Valley	8.1%	8.8%
Chesterfield	11.4%	7.9%
Ashfield	5.3%	5.4%
Sheffield	4.7%	4.8%
% Workforce Commuting from ...	2001 flow	2008 flow
Bolsover	66.1%	56.2%
Ashfield	15.9%	13.4%
North East Derbyshire	5.7%	7.7%

Source: 2001 Local Labour Force Survey and 2008 Annual Population Survey

- 6.41 The majority of Chesterfield residents (62.4%) work in Chesterfield in 2008, reflecting its position as a larger employment centre. There is also a reasonably high percentage of residents (9.6%) working in Sheffield (9.6%) and North East Derbyshire (6.9%).
- 6.42 Most Chesterfield workers live in Chesterfield (57.1%) although a strong relationship with Sheffield can also be seen with 7.8% of Chesterfield workers living in Sheffield, 18% living in North East Derbyshire and 5.3% in Bolsover.

Table 32: Out – commuting from Chesterfield (2001 and 2008)

% Residents Commuting to ...	2001 flow	2008 flow
Chesterfield	73.2%	62.4%
Sheffield	9.1%	9.6%
North East Derbyshire	5.6%	6.9%
Derbyshire Dales	..	4.3%
Nottingham	..	2.7%
% Workforce Commuting from ...	2001 flow	2008 flow
Chesterfield	58.9%	57.1%
North East Derbyshire	19.3%	18.0%
Sheffield	6.7%	7.8%
Bolsover	7.1%	5.3%
Derbyshire Dales	..	2.9%

Source: 2001 Local Labour Force Survey and 2008 Annual Population Survey

- 6.43 North East Derbyshire – like Bolsover District – has a relatively low self-containment with 35.1% of working residents working within the District in 2008. There is strong out-commuting to Sheffield (24.4%) and Chesterfield (20.1%) with a clear economic relationship with both. The commuting data points to the district’s role as a commuting area for both economic centres.
- 6.44 Of those working within the District, around 64% live in the District, with 12.8% commuting in from Chesterfield and 9.9% from Sheffield in 2008. This suggests that the significant out-commuting is a function of low jobs within the district itself (which is consistent with the jobs density analysis).

Table 33: Place of work for North East Derbyshire residents: Change over time

% Residents Commuting to ...	2001 flow	2008 flow
North East Derbyshire	35.7%	35.1%
Sheffield	24.9%	24.4%
Chesterfield	22.3%	20.1%
Bolsover	2.1%	3.1%
Bassetlaw	..	3.1%
Derbyshire Dales	..	3.0%
% Workforce Commuting from ...	2001 flow	2008 flow
North East Derbyshire	66.0%	63.9%
Chesterfield	9.6%	12.8%
Sheffield	12.6%	9.9%
Rotherham	..	2.4%

Source: 2001 Local Labour Force Survey and 2008 Annual Population Survey

Travel to work – Survey Data

- 6.45 The survey data also allows us to look at where people resident in the study area (and who are working) travel for their employment. This information is also provided for the four local authority areas. The table below shows locations of employment for survey respondents and their partner where in employment (or working if self-employed). The data shows that overall 57% of people living in the study area who are working are also working in the area – the main location for employment is Chesterfield. Outside of the study area the main location of employment was found to be Sheffield (which made up 11% of the total).

Table 34: Location of Employment

Location of employment	Work mainly from home	Not working from home	Total	% of people working
Bassetlaw	3,402	24,658	28,060	17.8%
Bolsover	1,478	9,706	11,184	7.1%
Chesterfield	2,411	30,534	32,945	20.9%
North East Derbyshire	2,248	15,470	17,718	11.3%
All working in sub-region	9,538	80,368	89,906	57.1%
Derbyshire Dales	0	1,220	1,220	0.8%
Amber Valley	0	3,155	3,155	2.0%
Elsewhere in Derbyshire	0	7,350	7,350	4.7%
Sheffield	0	17,590	17,590	11.2%
Rotherham	0	3,704	3,704	2.4%
Doncaster	0	3,238	3,238	2.1%
Elsewhere in Yorkshire	0	1,221	1,221	0.8%
Ashfield	0	1,630	1,630	1.0%
Mansfield	0	2,858	2,858	1.8%
Newark & Sherwood	0	1,168	1,168	0.7%
Elsewhere in Nottinghamshire	0	8,173	8,173	5.2%
North Lincolnshire	0	350	350	0.2%
Elsewhere in Yorkshire & Humber	0	3,306	3,306	2.1%
West Lindsey	0	1,013	1,013	0.6%
Elsewhere in Lincolnshire	0	1,428	1,428	0.9%
Elsewhere in the East Midlands	0	2,343	2,343	1.5%
Elsewhere in the UK	0	7,553	7,553	4.8%
Abroad	0	218	218	0.1%
All working outside sub-region	0	67,518	67,518	42.9%
Total	9,538	147,886	157,424	100.0%

Source: Household Survey Data

6.46 The tables below show the same information but for individual local authorities. The first table shows the number of people working whilst the second shows the proportion in each local authority. The data shows that households in all areas are particularly likely to work in the same area in which they live with very little movement from one part of the sub-region to another for employment. The main exception to this is a level of commuting from Bolsover and North East Derbyshire into Chesterfield.

6.47 Households in Bolsover are generally more likely to commute for work with 70% working outside the District. This compares with 44% of those in Chesterfield. For all areas (particularly North East Derbyshire) a substantial number of people commute to work in Sheffield.

6.48 Some caution should be exercised in looking at individual results for some areas (notably where cell values are zero). This is because not area options were available to households on the survey forms. For example households in Bassetlaw were not given the option to say they worked in Derbyshire Dales with any such commute being picked up in the elsewhere in Derbyshire category.

Table 35: Location of Employment by Sub-Area (Numbers)

Location of employment	Bassetlaw	Bolsover	Chesterfield	North East Derbyshire	TOTAL
Bassetlaw	26,094	1,356	321	289	28,060
Bolsover	128	8,947	1,075	1,034	11,184
Chesterfield	516	2,863	23,515	6,050	32,945
North East Derbyshire	198	1,362	3,160	12,997	17,718
All working in sub-region	26,936	14,529	28,071	20,370	89,906
Derbyshire Dales	0	0	0	1,220	1,220
Amber Valley	0	1,950	0	1,206	3,155
Elsewhere in Derbyshire	450	1,432	3,943	1,525	7,350
Sheffield	2,342	2,309	3,816	9,122	17,590
Rotherham	1,898	440	472	894	3,704
Doncaster	3,238	0	0	0	3,238
Elsewhere in Yorkshire	0	0	0	1,221	1,221
Ashfield	0	1,630	0	0	1,630
Mansfield	1,021	1,836	0	0	2,858
Newark & Sherwood	1,168	0	0	0	1,168
Elsewhere in Nottinghamshire	1,295	2,686	2,312	1,879	8,173
North Lincolnshire	350	0	0	0	350
Elsewhere in Yorkshire & Humber	1,273	812	1,221	0	3,306
West Lindsey	1,013	0	0	0	1,013
Elsewhere in Lincolnshire	1,428	0	0	0	1,428
Elsewhere in the East Midlands	268	974	553	548	2,343
Elsewhere in the UK	2,545	1,643	1,764	1,600	7,553
Abroad	0	45	87	87	218
All working outside sub-region	18,290	15,757	14,169	19,301	67,518
Total	45,226	30,286	42,240	39,672	157,424

Source: Household Survey Data

Table 36: Location of Employment by Sub-Area (Percentages)

Location of employment	Bassetlaw	Bolsover	Chesterfield	North East Derbyshire	TOTAL
Bassetlaw	57.7%	4.5%	0.8%	0.7%	17.8%
Bolsover	0.3%	29.5%	2.5%	2.6%	7.1%
Chesterfield	1.1%	9.5%	55.7%	15.3%	20.9%
North East Derbyshire	0.4%	4.5%	7.5%	32.8%	11.3%
All working in sub-region	59.6%	48.0%	66.5%	51.3%	57.1%
Derbyshire Dales	0.0%	0.0%	0.0%	3.1%	0.8%
Amber Valley	0.0%	6.4%	0.0%	3.0%	2.0%
Elsewhere in Derbyshire	1.0%	4.7%	9.3%	3.8%	4.7%
Sheffield	5.2%	7.6%	9.0%	23.0%	11.2%
Rotherham	4.2%	1.5%	1.1%	2.3%	2.4%
Doncaster	7.2%	0.0%	0.0%	0.0%	2.1%
Elsewhere in Yorkshire	0.0%	0.0%	0.0%	3.1%	0.8%
Ashfield	0.0%	5.4%	0.0%	0.0%	1.0%
Mansfield	2.3%	6.1%	0.0%	0.0%	1.8%
Newark & Sherwood	2.6%	0.0%	0.0%	0.0%	0.7%
Elsewhere in Nottinghamshire	2.9%	8.9%	5.5%	4.7%	5.2%
North Lincolnshire	0.8%	0.0%	0.0%	0.0%	0.2%
Elsewhere in Yorkshire & Humber	2.8%	2.7%	2.9%	0.0%	2.1%
West Lindsey	2.2%	0.0%	0.0%	0.0%	0.6%
Elsewhere in Lincolnshire	3.2%	0.0%	0.0%	0.0%	0.9%
Elsewhere in the East Midlands	0.6%	3.2%	1.3%	1.4%	1.5%
Elsewhere in the UK	5.6%	5.4%	4.2%	4.0%	4.8%
Abroad	0.0%	0.1%	0.2%	0.2%	0.1%
All working outside sub-region	40.4%	52.0%	33.5%	48.7%	42.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey Data

Key Findings

- 6.49 The population profile in the HMA is focused more towards older persons, with an above average level of people aged over 40 and a low number aged 15-39. Over the last decade the population has been continuing to age. One of the key factors here is relatively weak economic performance and employment growth, which does not appear to be a particularly strong driver of the local housing market. The population is not particularly ethnically diverse, although there has been a growth in the White Other population particularly in Bolsover; which may relate to migrant workers.
- 6.50 Overall population growth has been relatively modest over the last decade relative to regional and national trends – consistent with the underlying economic fundamentals. The jobs density is low –

there is an undersupply of jobs locally which contributes to notable out-commuting from the area to work. Weak economic growth has fed into the relatively strong ageing of the population, and we have seen in particular a reduction of the population in their 30s.

- 6.51 Wage levels are relatively low and this will feed through to affordability. The area has been relatively strongly impacted by the recession, with unemployment generally above average (except in North East Derbyshire).

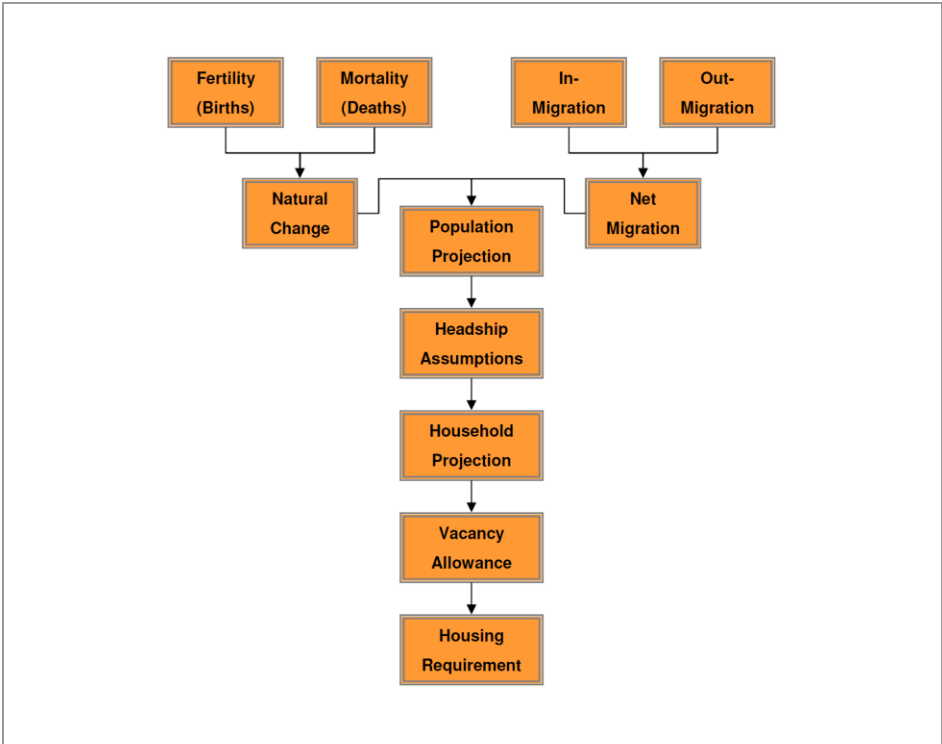
7 ASSESSING HOUSING REQUIREMENTS

7.1 This section of the SHMA seeks to establish overall housing requirements. The analysis is predicated on the requirements of the NPPF which says the scale of housing required should be based on meeting *'household and population projections, taking account of migration and demographic change'* (para 159).

7.2 The methodology used to determine population growth and hence housing requirements is based on a standard population projection methodology consistent with the methodology used by ONS and CLG in their population and household projections. Essentially the method establishes the current population and how this is expected to change in the period from 2011 to 2031. This requires analysis of how likely it is that women will give birth (the fertility rate); how likely it is that people will die (the death rate) and how likely it is that people will move into or out of the District (migration). These are the principal components of population change and are used to construct population projections.

7.3 Figure 50 below shows the key stages of the projection analysis through to the assessment of housing requirements.

Figure 50: Overview of Methodology



7.4 Once a population projection has been developed, we apply 'headship rates' to this to project growth in households. Headship rates describe the number of people (in each age group and by

sex) who are counted as heads of households. In projecting households, the projections therefore take account of changes in the age structure of the population.

- 7.5 To identify how many homes would be needed to accommodate a certain level of growth in households, we add 3% to make provision for some vacant and second homes within the housing stock.
- 7.6 Much of the data for the demographic projections draws on ONS information contained within the 2010- and 2011-based Sub-National Population Projections (SNPP) and the 2011-based CLG Household Projections. In particular the SNPP has been used to assess fertility rates, mortality rates and the profile of in- and out-migrants (by age and sex). The overall approach to demographic projections is similar to that used in the ONS and CLG projections.

Implications of draft Planning Practice Guidance

- 7.7 The draft Planning Practice Guidance¹⁵ sets out that the starting point for considering future housing need should be the latest official household projections. It sets out that *“the household projections are trend based, i.e. they provide the households levels and structures that would result if the assumptions based on previous demographic trends in the population and rates of household formation were to be realised in practice. They do not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour.”*
- 7.8 However the draft Guidance outlines that the projections may require adjustment to reflect factors affecting local demography or household formation rates which are not captured in past trends. This includes any evidence of suppressed household formation.
- 7.9 The draft Guidance is clear however that as the latest household projections are ‘interim’ projections to 2021 only, plan-makers would need to assess likely trends after 2021 to align with their development plans.
- 7.10 It is also outlined that sensitivity testing may be appropriate; and that employment trends can be taken into account.
- 7.11 In regard to economic forecasts, the draft Practice Guidance outlines that “where the supply of working age population (labour force supply) is less than the projected job growth, this will result in unsustainable commuting patterns and could reduce the resilience of local businesses. In such

¹⁵ CLG (August 2013) *Assessment of Housing and Economic Development Needs*

circumstances, plan makers will need to consider increasing their housing numbers to address these problems.”

Starting Point: the CLG 2011-based Household Projections

- 7.12 The starting point is the latest national projections – the 2011-based ‘Interim’ Household Projections released by CLG in Spring 2013.
- 7.13 These projections show in households of 11,600 over the 2011-21 period. This would equate to annual housing need for 1,190 homes a year – equivalent to 0.7% per annum growth in the housing stock.

Table 37: 2011-based Interim Household Projections

	Households 2011	Households 2021	Household Growth, 2011-21	Dwelling Growth, 2011-21	Dwelling Growth per Annum	% Growth per Annum
Bassetlaw	47714	52062	4348	4478	448	0.9%
Bolsover	32851	35070	2219	2286	229	0.7%
Chesterfield	46763	49051	2288	2357	236	0.5%
North East Derbyshire	43082	45788	2706	2787	279	0.6%
HMA	170410	181971	11561	11908	1191	0.7%

Source: CLG

- 7.14 The projections extend however only to 2021 which is too short to inform long-term planning and the draft Planning Practice Guidance is clear that plan-makers in such circumstances will need to assess likely trends after 2021 to align with development plan periods.

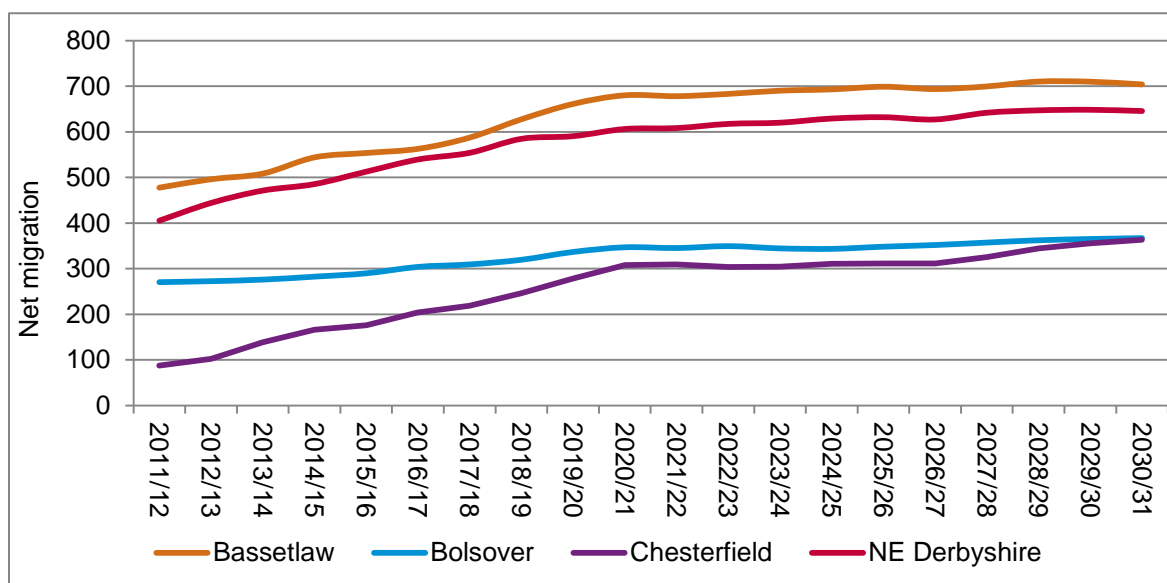
Extending the Projections to 2031

- 7.15 The next step is therefore to extend the projections over the period to 2031. The 2011-based Household Projections are based on the ONS 2011-based Sub-National Population Projections (SNPP). These use the same assumptions around fertility, mortality and migration as the 2010-based SNPP. However the 2011-based figures have updated estimates of future levels of migration (both in- and out-migration and by type of migration (e.g. international vs. internal) based on initial information from the 2011 Census.
- 7.16 Our projections therefore use the same assumptions as in the ONS 2010-based SNPP with regards to fertility, mortality and migration rates but with some adjustments to overall levels of migration on the basis of the 2011-based figures. The assumptions around fertility, mortality and migration rates from the 2010-based SNPP are also used in all other projections within this report.

7.17 Beyond 2021 we have used 2010-based SNPP data but adjusted this to take account of the differences shown between the 2010- and 2011-based versions of the SNPP. In keeping with the methodology used by ONS, figures for cross-border and international migration held constant with internal figures changing slightly on the basis of the projected change in the 2010-based data (but from the adjusted baseline position for 2021 shown in 2011-based projections).

7.18 Figure 51 below shows the levels of net migration assumed by our projections from 2011/12 to 2030/31 in each of the four areas. For the HMA the projections start in 2011/12 with a net migration figure of around 1,240. This is expected to increase over time to reach a net in-migration of a little over 2,000 people by 2030/31. For the projection period studied as a whole, the average level of net migration is an in-migration of 1,794 people per annum.

Figure 51: ONS Migration Assumptions, 2011/12 to 2030/31



Source: ONS 2010- and 2011-based Sub-National Population Projections

7.19 The resultant population projection (PROJ 1) sees population growth of 8.9% across the HMA over the 2011-31 period.

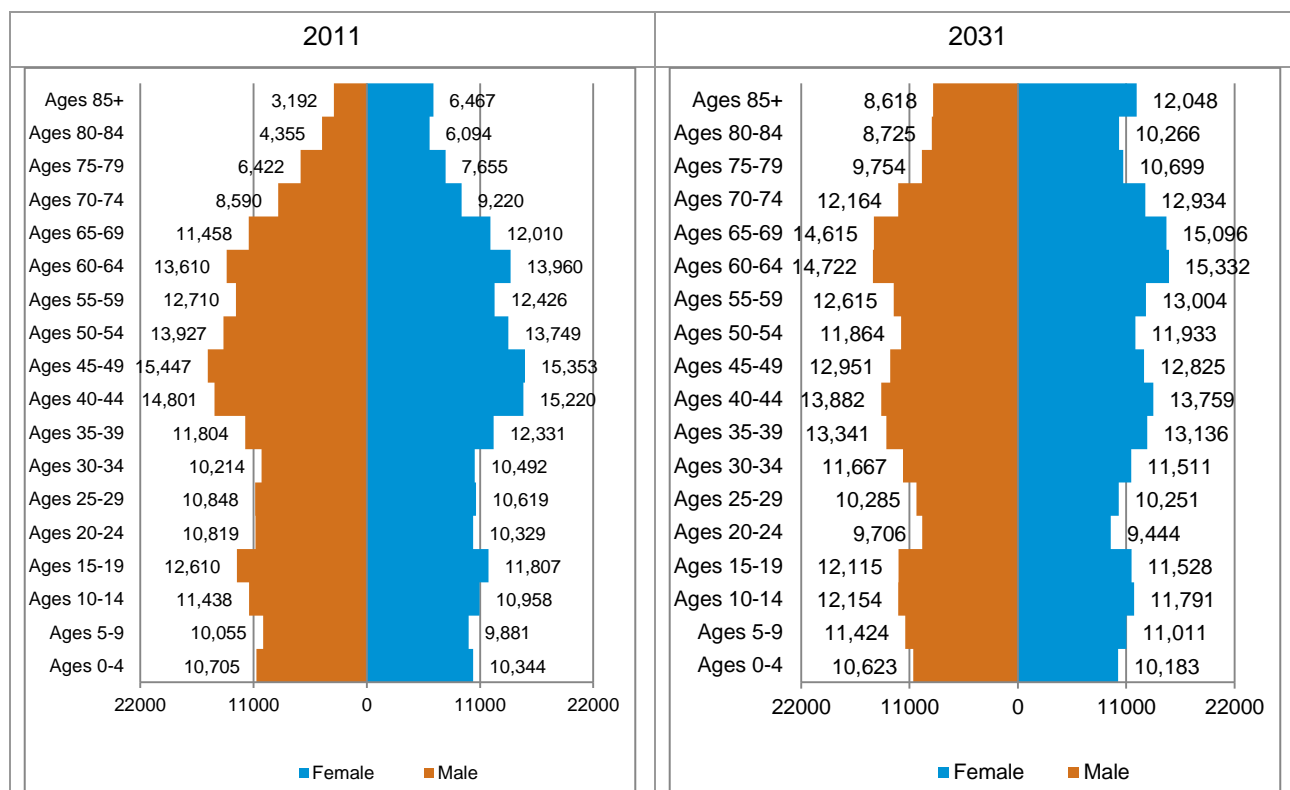
Table 38: Population Growth, 2011-31 – PROJ 1: SNPP

	2011	2016	2021	2026	2031
PROJ 1 (SNPP)	391,920	400,671	410,615	419,711	426,996
	0.0%	2.2%	4.8%	7.1%	8.9%

7.20 As well as growth in overall population numbers, there will also be a change in the age/sex profile of the population. Figure 52 below shows population pyramids for 2011 and 2031.

7.21 The 'pyramids' show the growth in population overall and highlight the ageing of the population with a greater proportion of the population expected to be in age groups aged 60 and over (and even more so for older age groups) - in particular the oldest age group (85+) shows an increase from 9,659 people to 20,666 .

Figure 52: Distribution of Population 2011 and 2031 (PROJ 1 – SNPP)



7.22 Table 44 below summarises the findings for key (15 year) age groups. The largest growth will be in people aged over 60. In 2031 it is estimated that there will be 144,973 people aged 60 and over. This is an increase of 41,940 from 2011, representing growth of 41%. The population aged 75 and over is projected to increase by an even greater proportion, 76%.

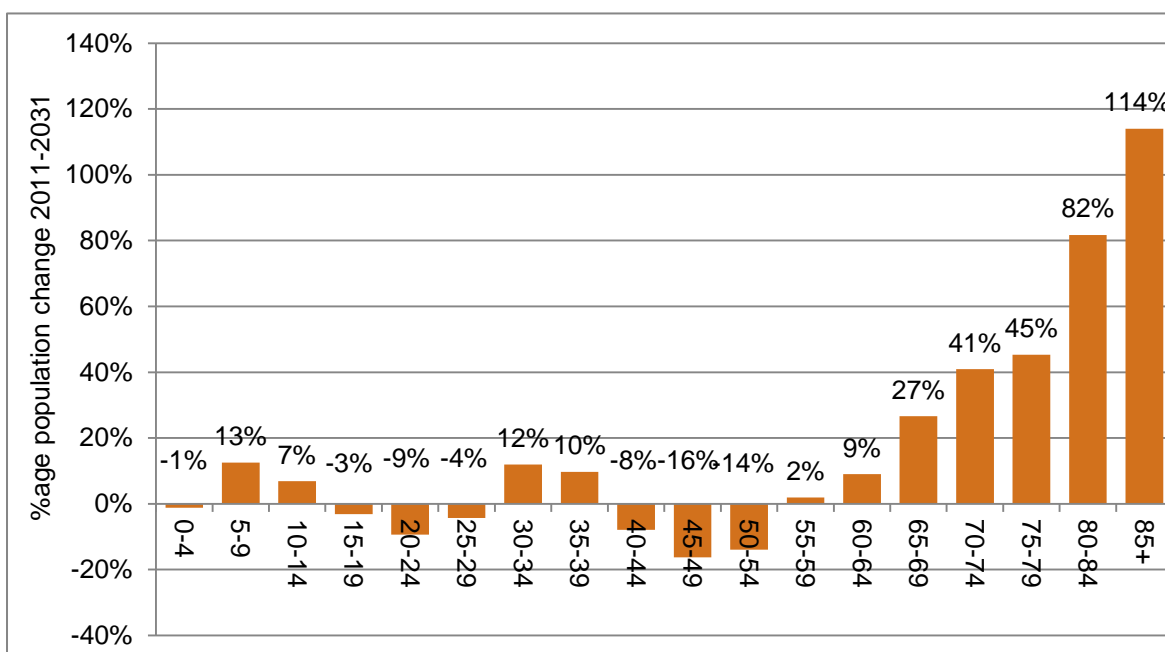
7.23 Looking at the other end of the age spectrum we can see that there are projected to be around 6% more people aged under 15 with small decreases seen for the 15-29 and 45-59 age groups.

Table 39: Population Change 2011 to 2031 by Five Year Age Bands (PROJ 1)

Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	63,381	67,186	3,805	6.0%
15-29	67,032	63,329	-3,703	-5.5%
30-44	74,862	77,295	2,433	3.3%
45-59	83,612	75,190	-8,422	-10.1%
60-74	68,848	84,863	16,015	23.3%
75+	34,185	60,110	25,925	75.8%
Total	391,920	427,973	36,053	9.2%

7.24 Figure 53 below shows the percentage changes for each five year age group. The most stark trend is the increase in the population aged 85 and over (up 114%) which may have implications for future housing delivery as many of this group may require some form of specialist housing. In contrast we see only moderate increases (and some decreases) in most age groups up to age 65. This pattern of population age structure change is broadly similar in all local authority areas.

Figure 53: Forecast Population Change by Age Group 2011 – 2031 (PROJ 1)



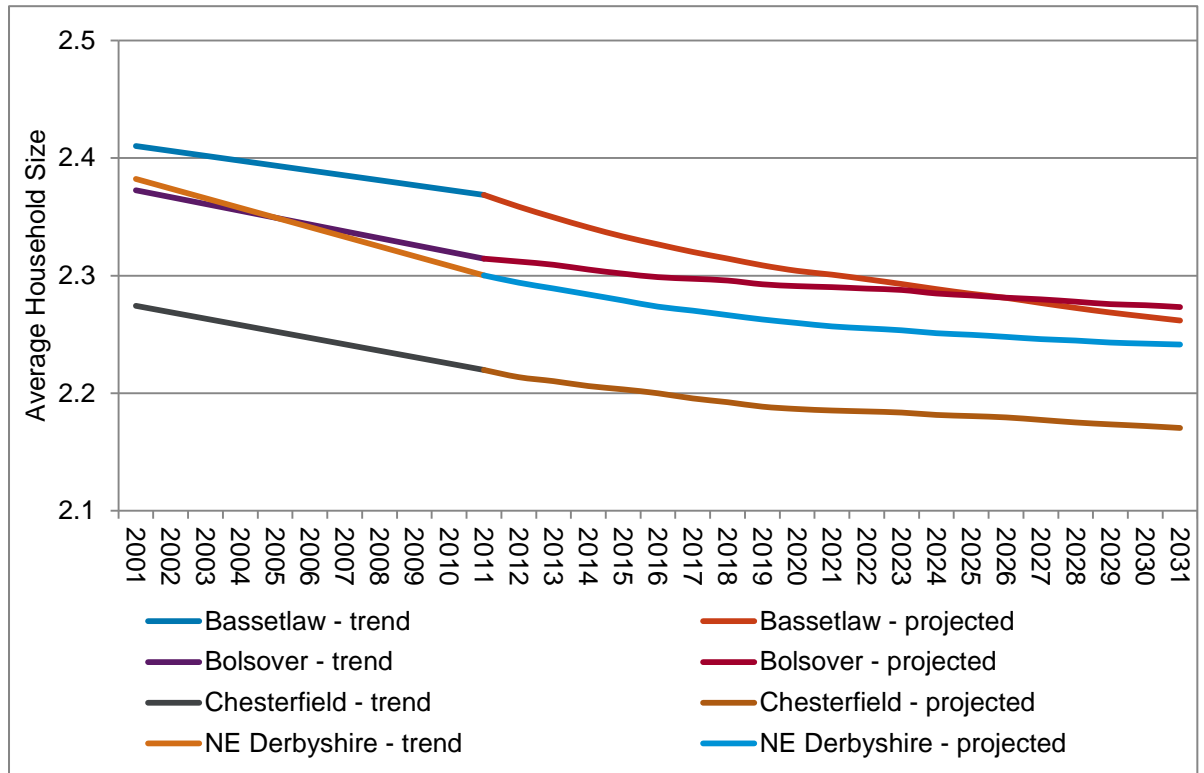
7.25 Next we need to project growth in households. For the purposes of this analysis we have used information contained in the 2011-based CLG household projections about the relationship between the total population in an age group and the number of household reference persons (HRPs) in that age group. Beyond 2031 we have extended this forward on the basis of the trends shown.

7.26 Figure 54 below shows the estimated average household size in each area in 2001 and 2011 along with estimated household sizes derived from CLG Projections. The data clearly shows that

household sizes have been declining and are expected to continue to do so moving forward (albeit generally at a lesser pace (with the exception of Bassetlaw)).

7.27 Across the HMA it is assumed that average household sizes start at about 2.30 in 2011 and reduce down to 2.24 in 2031.

Figure 54: Past and projected trends in Average Household Size



Source: Derived from ONS and CLG data (including 2011 Census)

7.28 Across the HMA this results in household growth of 12.1% over the 2011-31 period with an increase of households of 20,700 (1035 per annum).

Table 40: Household Growth, PROJ 1 2011-31

	2011	2016	2021	2026	2031
PROJ 1 (SNPP)	170,398	176,239	181,966	186,907	191,086
	0.0%	3.4%	6.8%	9.7%	12.1%

7.29 The final stage of the modelling is to include the allowance for vacant and second homes (3.0%) to covert household growth into a level of need for dwellings.

7.30 The results are shown below. As a result of changes in the demographics the housing requirement looking over the longer-term to 2031 falls slightly to 1,190 homes a year (relative to 1190 per

annum in the CLG Interim Projections to 2021). Because of changes in the age structure of the population, this supports relatively modest growth in labour supply (3,300 persons; 1.8% to 2031).

Table 41: PROJ 1 SNPP Summary Results – HMA

PROJ 1 (SNPP)	Population Growth		Housing Numbers		Labour Supply	
	Total	% change	Total	% change	Total	% change
Growth over Plan Period (2011-31)	35,076	8.9%	21,308	12.1%	3,326	1.8%
Annual Growth Rates (per Annum)	1,754	0.4%	1,065	0.6%	166	0.1%

7.31 Table 47 below shows the results for the individual authorities. The projections for the individual authorities are sensitive to past demographic trends. As our earlier analysis demonstrated, of the four authorities Bassetlaw and Bolsover saw the strongest population growth between 2001-11. Population growth and thus housing requirements moving forward are thus strongest in the projections – which project forward past trends.

7.32 Compared to an average of 0.6% growth per annum in the housing stock projected across the HMA in PROJ 1, growth of 0.8% pa is projected in Bassetlaw, whilst in North East Derbyshire 0.5% growth pa is projected, with 0.4% pa growth projected in Chesterfield. The growth rate projected in Bolsover is consistent to the HMA average.

Table 42: PROJ 1 SNPP Summary Results – Local Authorities

PROJ 1 (SNPP)		Population Growth		Housing Numbers		Labour Supply	
		Total	% change	Total	% change	Total	% change
Bassetlaw	2011-31	12,556	11.1%	8,039	16.4%	1,705	3.2%
	PA	628	0.6%	402	0.8%	85	0.2%
Bolsover	2011-31	7,924	10.4%	4,203	12.4%	1,339	3.9%
	PA	396	0.5%	210	0.6%	67	0.2%
Chesterfield	2011-31	6,583	6.3%	4,219	8.8%	336	0.7%
	PA	329	0.3%	211	0.4%	17	0.0%
North East Derbyshire	2011-31	8,013	8.1%	4,846	10.9%	-54	-0.1%
	PA	401	0.4%	242	0.5%	-3	0.0%

Sensitivity Testing

7.33 The projections are particularly sensitive to assumptions regarding:

- Future migration patterns;
- Rates of household formation (headship rates).

7.34 We have therefore sought to run a sensitivity analysis to test the degree to which these factors influence the headline housing need derived from the projections.

Migration

7.35 Table 43 below shows estimated net migration into the sub-region (and each local authority area) from 2001/2 to 2010/11. The figures have been taken from ONS Mid-Year Population Estimates. Figures have been rounded to the nearest hundred which reflects the rounding of published ONS data.

7.36 The data shows that net migration can be somewhat variable over time, with the highest figure for any individual year being seen towards the start of the period studied (net migration of 3,200 people in 2002/3). The last three years studied (2008-11) show the lowest levels of migration in the decade.

7.37 As migration is quite variable over time we have run a sensitivity analysis around migration which projects migration forward on a linear basis on the basis of:

- 5 Year Migration Trends (PROJ 3)
- 10 Year Migration Trends (PROJ 2)

7.38 In developing our two projections we have simply taken an overall average and projected this forward. Over the last ten years (2001-11) the average level of net migration has been an in-migration of 1,890 people with a notably lower figure of 1,420 if we look at 5-year trends (2006-11).

Table 43: Past Trends in Net In-Migration by Authority, 2001-11

Year	Bassetlaw	Bolsover	Chesterfield	North East Derbyshire	HMA
2001/2	800	800	700	200	2,500
2002/3	900	900	900	500	3,200
2003/4	700	400	800	600	2,500
2004/5	500	200	800	400	1,900
2005/6	400	500	500	300	1,700
2006/7	400	400	300	500	1,600
2007/8	800	200	500	300	1,800
2008/9	400	200	400	400	1,400
2009/10	300	400	300	400	1,400
2010/11	0	200	300	400	900
10 Year Average	520	420	550	400	1,890
5 Year Average	380	280	360	400	1,420

Source: ONS Mid-Year Population Estimates

- 7.39 Across the HMA, projecting 5 year migration trends forward results in population growth of 6.9%; whilst projecting 10-year trends forward on a linear basis results in population growth of 9.7%. The SNPP Projection (PROJ 1) sits between these and seems reasonable.

Table 44: Population Estimates 2011 to 2031

	2011	2016	2021	2026	2031
PROJ 1 (SNPP)	391,920	400,671	410,615	419,711	426,996
	0.0%	2.2%	4.8%	7.1%	8.9%
PROJ 2 (10-year migration trends)	391,920	403,278	414,113	423,134	429,828
	0.0%	2.9%	5.7%	8.0%	9.7%
PROJ 3 (5-year migration trends)	391,920	400,837	409,004	415,189	418,958
	0.0%	2.3%	4.4%	5.9%	6.9%

- 7.40 Table 45 shows the resultant growth in households. PROJ 1 (based on the SNPP) sees a similar growth in households to those in PROJ 2 (based on 10-year migration trends).

Table 45: Household Estimates 2011 to 2031

	2011	2016	2021	2026	2031
PROJ 1 (SNPP)	170,398	176,239	181,966	186,907	191,086
	0.0%	3.4%	6.8%	9.7%	12.1%
PROJ 2 (10-year migration trends)	170,398	177,279	183,386	188,312	192,297
	0.0%	4.0%	7.6%	10.5%	12.9%
PROJ 3 (5-year migration trends)	170,398	176,343	181,434	185,289	188,154
	0.0%	3.5%	6.5%	8.7%	10.4%

- 7.41 The summary table below compares the PROJ 1 SNPP results with those from the migration sensitivity analysis (PROJ 2 and PROJ 3). Across the HMA the PROJ 1 projection results are

similar to 10-year migration trends (they are 6% below them); but above the 5-year trend projection (PROJ 3).

- 7.42 Relative to the linear migration trend projections, the SNPP figures are higher for Bassetlaw, and lower for Chesterfield.

Table 46: Results of Migration Sensitivity Analysis – Summary Tables

2011-31	Projection	Population Growth		Housing Numbers			Labour Supply	
		Total	% change	Total	Per Annum	% Per Annum	Total	% change
Bassetlaw	PROJ 1 (SNPP)	12,556	11.1%	8,039	402	0.8%	1,705	3.2%
	PROJ 2 (10-year migration trends)	10,091	8.9%	7,090	355	0.7%	399	0.8%
	PROJ 3 (5-year migration trends)	6,880	6.1%	5,859	293	0.6%	-1,263	-2.4%
Bolsover	PROJ 1 (SNPP)	7,924	10.4%	4,203	210	0.6%	1,339	3.9%
	PROJ 2 (10-year migration trends)	10,115	13.3%	5,033	252	0.7%	2,399	7.0%
	PROJ 3 (5-year migration trends)	6,896	9.1%	3,811	191	0.6%	827	2.4%
Chesterfield	PROJ 1 (SNPP)	6,583	6.3%	4,219	211	0.4%	336	0.7%
	PROJ 2 (10-year migration trends)	13,556	13.1%	7,050	353	0.7%	3,881	8.1%
	PROJ 3 (5-year migration trends)	9,115	8.8%	5,237	262	0.5%	1,592	3.3%
North East Derbyshire	PROJ 1 (SNPP)	8,013	8.1%	4,846	242	0.5%	-54	-0.1%
	PROJ 2 (10-year migration trends)	4,147	4.2%	3,381	169	0.4%	-2,097	-4.5%
	PROJ 3 (5-year migration trends)	4,147	4.2%	3,381	169	0.4%	-2,097	-4.5%
HMA	PROJ 1 (SNPP)	35,076	8.9%	21,308	1,065	0.6%	3,326	1.8%
	PROJ 2 (10-year migration trends)	37,908	9.7%	22,555	1,128	0.6%	4,581	2.5%
	PROJ 3 (5-year migration trends)	27,038	6.9%	18,288	914	0.5%	-942	-0.5%

Headship Rate Sensitivity Analysis

- 7.43 The projections above (and the economic projections below) are predicated on applying the most recent (2011-based) headship rates from CLG projections when converting population into households. Headship rates are age-specific, and thus take account of expected changes in the population age structure as well as changes in how people in different age groups are expected to occupy homes. We have also run older (2008-based) headship rate figures against the population outputs to test what difference this might make to estimates of future household growth and housing requirements.

7.44 The analysis has been carried out against PROJ 1 (linked to the Sub-National Population Projections). The outputs expressed on an annual basis are shown in the table below.

Table 47: Headship Rates Sensitivity Analysis – Housing Need Per Annum, 2011-31

Area	2011-based headship rates	2008-based headship rates
Bassetlaw	402	467
Bolsover	210	260
Chesterfield	211	270
North East Derbyshire	242	293
All areas	1,065	1,290

7.45 By applying the 2008-based headship rates the housing requirement under PROJ 1 increases by over 20% from 1,065 dwellings per annum up to 1,290. Similar changes could be expected for other scenarios. This would suggest that the latest CLG projections may be including some degree of suppression of household formation moving forward. It is however difficult to say whether or not this is due to households being unable to form and how much might be due to other factors.

7.46 A recent (September 2013) study produced by CCHPR on behalf of the TCPA does shed some light on this issue, stating:

“The central question for the household projection is whether what happened in 2001 – 11 was a structural break from a 40-year trend; or whether household formation was forced downwards by economic and housing market pressures that are likely to ease with time. At the time of the 2011 Census, the British economy was still in recession and the housing market was depressed. The working assumption in this study is that a considerable part but not all of the 375,000 shortfall of households relative to trend was due to the state of the economy and the housing market. 200,000 is attributed to over-projection of households due to the much larger proportion of recent immigrants in the population, whose household formation rates are lower than for the population as a whole. This effect will not be reversed. The other 175,000 is attributed to the economy and the state of the housing market and is assumed to gradually reverse.”

7.47 On the basis of this analysis it can broadly be suggested that half of the lack of expected households is due to market factors with roughly half attributable to other issues (notably international migration). This may mean in interpreting the core projections that actual housing need could be higher than shown in the tables in this section. It is however unlikely that any uplift can realistically be expected to go as far as replicating the data in the older (2008-based) CLG household projections.

Testing the Potential to Support Economic Growth

7.48 The draft Planning Guidance outlines that “plan makers should make an assessment of the likely growth in job numbers based on past trends and/or economic forecasts as appropriate and also have regard to the growth in the working age population in the housing market area.” It goes on to set out that “where the supply of working age population (labour force supply) is less than the

projected job growth, this will result in unsustainable commuting patterns and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider increasing their housing numbers to address these problems.

7.49 We consider below projections for employment growth within the HMA. However before we consider the figures arising from these, it is worth summarising some of the earlier evidence which provides an important context to the relationship between homes and jobs:

- **Age Structure:** the HMA had an above average population in all age groups over 40 in 2011. A proportion of this population is already in retirement; whilst over the period to 2031 we can expect a proportion of those aged over 40 in 2011 to move into retirement. This is a key influence on the supply of labour in the HMA;
- **Jobs Density and Commuting:** the HMA has a low jobs density with 68 jobs on average per 100 working-age residents. This compares to 75 across the East Midlands and 78 nationally. Around 17,000 additional jobs would be needed to match the regional average jobs density. This is borne out in capacity within the existing labour market and net out-commuting to surrounding employment centres. There is potential to support jobs growth by reduced out-commuting in particular.

7.50 It should also be borne in mind that economic growth (in terms of economic output) can also be influenced by improvements in productivity (GVA per job) and associated shifts between full-time and part-time working.

7.51 **The projections set out below make no allowance for people who may hold down more than one job ('double jobbing'); nor do they make any allowance for reductions in net out-commuting from the HMA. Both would seem reasonable and would have a downward impact on the level of housing provision required to support forecast growth in employment.**

7.52 We have developed two projections to consider the implications on population change and housing requirements of different levels of employment growth. To model potential levels of economic growth we have drawn on a January 2013 econometric forecast by Experian. The two projections are described below.

7.53 The economic-led projections include headship assumptions based on the 2011-based Household Projections. Both projections are based on the Experian econometric forecasts.

PROJ A – Jobs Baseline

7.54 This projection looks at the forecast increase in jobs in each district from 2011 to 2031 using the Experian data and assumes a 1:1 relationship between the number of jobs created and growth in the number of local residents in employment. This projection essentially does not include any assumptions about commuting patterns (i.e. no net change to commuting flows in/ out of an area) with all new jobs being filled by local people.

7.55 This projection sees an increase in the number of residents in employment of 14,462 over the 20-year period across the HMA – equivalent to about 2.0% growth in GVA per annum. This is based on the Experian forecasts. This is consistent with growth forecast across the East Midlands (2.0% per annum) but moderately below that nationally (2.1% per annum) by Experian.

PROJ B – Residents in Employment

7.56 This projection draws on the Experian data about the number of additional jobs forecast to be created in each District but also considers commuting patterns (from 2001 Census data) and Experian forecasts of job growth in other areas to which people in sub-region currently commute. This generates a slightly higher projected increase in the number of residents in employment of 17,069 over the 20-year period. It takes account of the accessibility of the HMA and the strong economic interactions between parts of the area and surrounding employment centres (including Sheffield). It effectively assumes that some housing demand is driven by job creation outside of the HMA.

7.57 Table 48 below shows the estimated increase in the number of residents in employment in five year periods for each of the two economic-led scenarios. The data shows that the strongest employment growth is expected in the 2016-21 period with weaker growth in the first five years of the projection. This is based on expected economic performance.

7.58 Looking at the individual local authorities the data expects stronger employment growth in Bassetlaw than any other area. Differences between PROJ A and PROJ B are most marked in North East Derbyshire and Bolsover due to a higher proportion of residents in these areas out-commuting to work relative to the numbers who in-commute.

Table 48: Employment Growth Assumptions used in Modelling (Total Jobs)

Period	PROJ A – Jobs Baseline		PROJ B – Residents in Employment	
	Annual	5-year total	Annual	5-year total
2011-2016	562	2,808	739	3,695
2016-2021	897	4,486	1,002	5,010
2021-2026	734	3,670	833	4,165
2026-2031	700	3,498	840	4,199
Total		14,462		17,069
Bassetlaw		6,256		6,160
Bolsover		2,683		3,398
Chesterfield		3,714		3,647
NE Derbyshire		1,809		3,864

Source: Experian 2013

7.59 Tables 49 and 50 below show the resultant growth in employment and population for these projections (and PROJ 1 for comparison). Based on the assumptions modelled, if we assume that

there is no increase in commuting out of the HMA or no reduction in existing out-commuting we might expect to see population growth of 14.5% (to support 7.9% growth in jobs) over the 2011-31 period.

- 7.60 PROJ B models housing need based on a continuation of existing commuting dynamics. However we consider that it is more reasonable to assume that if the economy did perform as well as forecast, we could well see an improvement in jobs densities within the HMA, either through stronger improvements in economic participation (associated with greater access to local employment opportunities) or through lower levels of people commuting out of the area to work.

Table 49: Employment Estimates 2011 to 2031

	2011	2016	2021	2026	2031
PROJ 1 (SNPP)	182,084	184,249	184,494	183,767	185,410
	0.0%	1.2%	1.3%	0.9%	1.8%
PROJ A (Jobs baseline)	182,084	184,892	189,378	193,048	196,546
	0.0%	1.5%	4.0%	6.0%	7.9%
PROJ B (Residents in employment)	182,084	185,779	190,789	194,954	199,153
	0.0%	2.0%	4.8%	7.1%	9.4%

Table 50: Population Estimates 2011 to 2031

	2011	2016	2021	2026	2031
PROJ 1 (SNPP)	391,920	400,671	410,615	419,711	426,996
	0.0%	2.2%	4.8%	7.1%	8.9%
PROJ A (Jobs baseline)	391,920	401,838	419,619	437,322	448,661
	0.0%	2.5%	7.1%	11.6%	14.5%
PROJ B (Residents in employment)	391,920	403,460	422,316	441,060	453,750
	0.0%	2.9%	7.8%	12.5%	15.8%

- 7.61 The wider economic evidence and stakeholder consultation undertaken does not overall point towards economic growth being a particular driver of housing market dynamics in the HMA.
- 7.62 The implications of these levels of employment growth on housing need for the HMA and individual authorities are considered below alongside the wider projections developed.

Bringing the Evidence Together

- 7.63 In drawing the analysis together we have sought to follow the approach recommended in the draft Planning Practice Guidance. This follows the following approach:

- It uses the CLG 2011-based projections as a starting point, but then considers the implications of updating and extending these to 2031 in PROJ 1;
- It then overlays the economic-driven scenarios, but with an appreciation that these are likely to over-estimate likely needs given the sensitivity of them to employment rates and double-jobbing, and potential to support economic growth through improvements to jobs densities;

- It assesses issues around constrained household formation drawing on the headship sensitivity modelled but also the evidence from market signals presented earlier in the report;
- It considers how household growth rates within the projections relate to the HMA-wide figures, recognising that past supply policies may have influenced past population growth in different areas.

Housing Market Area

- 7.64 For the North Derbyshire and Bassetlaw HMA, the CLG 2011-based Interim Household Projections indicate a need for 1,191 homes a year to 2021, representing 0.7% per annum growth in the housing stock.
- 7.65 If these are updated and extended to 2031, the level of housing need (in PROJ 1) falls modestly to 1065 homes a year (0.6% growth per annum). This falls between the projections based on 5 and 10 year migration trends (PROJ 2 and 3). However this supports just 1.8% growth in residents in employment based on the modelling undertaken.
- 7.66 The economic driven scenarios indicate that housing growth of between 29,800 – 31,700 homes could be supported (1490 – 1585 homes pa). PROJ A is probably the more realistic of the economic-driven scenarios and results in a housing need for 1,490 homes a year. However the wider evidence overall does not point particularly point to the economy being a strong driver of the housing market at a structural level, albeit that at a local level there is some evidence of economic-led migration to the area. We regard PROJ A therefore as representing an “upside” assessment to housing need, but one which is probably overly ambitious.
- 7.67 The above projections are based on 2011-based headship rates. If household formation was more similar to long-term trends (dating back over decades), the level of housing needed to support growth in the population could rise by up to 21% (for PROJ 1) with a resultant need for 1,290 homes per annum to 2031. However given evidence from stakeholders expecting the market to remain ‘flat’ in the short-term, the wider economic outlook, constraints on public spending, and potential structural changes to household structures associated with international migration since 2001, this is likely to over-estimate household growth. It would be more realistic to assume an uplift to the PROJ 1 household projections of around 10% (the midpoint between using the 2008- and 2011-based headship rates). This would result in a housing need of around 1,180 per year.
- 7.68 **Overall the demographic and economic evidence in the round would suggest a need for housing of between 1,180 – 1,360 homes per annum across the HMA.** The lower end of this range assumes that household formation rates fall midway between those implicit within the 2008- and 2011-based CLG Household Projections. The higher end allows for higher population growth and/or household formation relative to this.

Table 51: Summary of projections 2011 to 2031 – Annual – HMA

Projection	Population Growth		Housing Numbers		Employment Growth	
	Per annum	% change	Per annum	% change	Per annum	% change
PROJ 1 (SNPP)	1,754	0.4%	1,065	0.6%	166	0.1%
PROJ 2 (10-year migration trends)	1,895	0.5%	1,128	0.6%	229	0.1%
PROJ 3 (5-year migration trends)	1,352	0.3%	914	0.5%	-47	0.0%
PROJ A (Jobs baseline)	2,837	0.7%	1,489	0.8%	723	0.4%
PROJ B (Residents in employment)	3,092	0.8%	1,585	0.9%	853	0.5%

Table 52: Summary of projections 2011 to 2031 – total – HMA

Projection	Population Growth		Housing Numbers		Employment Growth	
	Total	% change	Total	% change	Total	% change
PROJ 1 (SNPP)	35,076	8.9%	21,308	12.1%	3,326	1.8%
PROJ 2 (10-year migration trends)	37,908	9.7%	22,555	12.9%	4,581	2.5%
PROJ 3 (5-year migration trends)	27,038	6.9%	18,288	10.4%	-942	-0.5%
PROJ A (Jobs baseline)	56,741	14.5%	29,775	17.0%	14,462	7.9%
PROJ B (Residents in employment)	61,830	15.8%	31,696	18.1%	17,069	9.4%

Bassetlaw

- 7.69 For Bassetlaw, the CLG 2011-based Household Projections indicate housing need for 448 homes per annum, representing 0.9% growth per annum in the housing stock. The demographic-driven projections for Bassetlaw roll forward stronger relative population growth than in the other authorities.
- 7.70 Updating and extending the household projections to 2031 (in PROJ 1), the level of housing need falls modestly to 402 homes per annum (representing a 0.8% growth rate). This is based on 2011 headship rates.
- 7.71 The PROJ 1 figures support modest growth in labour supply (3.2% to 2031), and again the economic-driven projections provide an upside assessment of housing need. Bassetlaw has a jobs density which is only modestly below the regional average and has less capacity in the labour market than some of the other Districts. On this basis, we do consider that there is a case for some upwards adjustment to housing provision. This informs our assessment of the higher end of the level of need.
- 7.72 The demographic projections above are based on 2011-based headship rates. However if the 2008-based headship assumptions are applied to PROJ 1, the need rises to 467 homes a year. The

midpoint between the projections based on 2008- and 2011-based headship rates (for PROJ 1) is 435 homes per annum.

- 7.73 **Overall the demographic and economic evidence in the round would suggest a need for housing of between 435-500 homes a year in Bassetlaw.** The lower end of this range reflects the demographic projections. The higher end is based on seeking to ensure that labour supply does not constrain economic growth.

Table 53: Summary of projections 2011 to 2031 – annual - Bassetlaw

Projection	Population Growth		Housing Numbers		Employment Growth	
	Per annum	% change	Per annum	% change	Per annum	% change
PROJ 1 (SNPP)	628	0.6%	402	0.8%	85	0.2%
PROJ 2 (10-year migration trends)	505	0.4%	355	0.7%	20	0.0%
PROJ 3 (5-year migration trends)	344	0.3%	293	0.6%	-63	-0.1%
PROJ A (Jobs baseline)	1,064	0.9%	570	1.2%	313	0.6%
PROJ B (Residents in employment)	1,056	0.9%	567	1.2%	308	0.6%

Table 54: Summary of projections 2011 to 2031 – total – Bassetlaw

Projection	Population Growth		Housing Numbers		Employment Growth	
	Total	% change	Total	% change	Total	% change
PROJ 1 (SNPP)	12,556	11.1%	8,039	16.4%	1,705	3.2%
PROJ 2 (10-year migration trends)	10,091	8.9%	7,090	14.4%	399	0.8%
PROJ 3 (5-year migration trends)	6,880	6.1%	5,859	11.9%	-1,263	-2.4%
PROJ A (Jobs baseline)	21,278	18.8%	11,393	23.2%	6,256	11.8%
PROJ B (Residents in employment)	21,123	18.7%	11,332	23.1%	6,160	11.7%

Bolsover

- 7.74 For Bassetlaw, the CLG 2011-based Household Projections indicate housing need for 230 homes per annum, representing 0.7% growth per annum in the housing stock.
- 7.75 Updating and extending the household projections to 2031 (in PROJ 1), the level of housing need falls modestly to 210 homes per annum (representing a 0.6% growth rate).
- 7.76 The economic-driven projections provide an upside to the assessment based on demographic trends, indicating a housing need for between 260-290 homes a year. Overall the analysis does not suggest that the economy is a significant driver of housing demand in Bolsover District. Indeed it suggests a 'jobs deficit' locally – with notable out-commuting to nearby employment centres. Given the potential for changes to commuting patterns, for enhanced economic participation; as well as the sensitivity of the modelling to assumptions on people holding down more than one job, we find

no convincing evidence that housing supply would need to increase above the demographic projections per se to support economic growth.

- 7.77 The above projections are based on 2011-based headship rates. However if the 2008-based headship assumptions are applied to PROJ 1, the need rises to 260 homes a year. The midpoint for this projection between the 2008- and 2011-based headship rates is for 235 homes per annum.
- 7.78 Drawing the analysis together we consider that an objective assessment of full need for housing, based on the evidence presented, would equate to between 235 – 240 homes per annum. The lower end of this range reflects the demographic projections (falling between the CLG 2011-based Projections to 2011 and the modelling of the extension of this to 2031). The higher end of the range assumes some increase in household formation rates above this supported by a scenario in which the housing market and economy begin to recover over the short-to-medium-term.
- 7.79 **Overall the demographic and economic evidence in the round would suggest a need for housing of between 235 - 240 homes a year in Bolsover District.** The range reflects the demographic projections.

Table 55: Summary of Projections 2011 to 2031 – Annual – Bolsover

Projection	Population Growth		Housing numbers		Employment Growth	
	Per annum	% change	Per annum	% change	Per annum	% change
PROJ 1 (SNPP)	396	0.5%	210	0.6%	67	0.2%
PROJ 2 (10-year migration trends)	506	0.7%	252	0.7%	120	0.3%
PROJ 3 (5-year migration trends)	345	0.5%	191	0.6%	41	0.1%
PROJ A (Jobs baseline)	536	0.7%	263	0.8%	134	0.4%
PROJ B (Residents in employment)	608	0.8%	291	0.9%	170	0.5%

Table 56: Summary of Projections 2011 to 2031 – Total – Bolsover

Projection	Population Growth		Housing Numbers		Employment Growth	
	Total	% change	Total	% change	Total	% change
PROJ 1 (SNPP)	7,924	10.4%	4,203	12.4%	1,339	3.9%
PROJ 2 (10-year migration trends)	10,115	13.3%	5,033	14.9%	2,399	7.0%
PROJ 3 (5-year migration trends)	6,896	9.1%	3,811	11.3%	827	2.4%
PROJ A (Jobs baseline)	10,710	14.1%	5,261	15.5%	2,683	7.8%
PROJ B (Residents in employment)	12,158	16.0%	5,812	17.2%	3,398	9.8%

Chesterfield

- 7.80 For Chesterfield, the CLG 2011-based Household Projections indicate housing need for 236 homes per annum, representing a modest 0.5% growth per annum in the housing stock. The demographic-driven projections for Chesterfield roll forward modest population growth relative to the other authorities.
- 7.81 Updating and extending the household projections to 2031 (in PROJ 1), the level of housing need falls modestly to 211 homes per annum (representing a low 0.4% growth rate).
- 7.82 The PROJ 1 figures support modest very growth in labour supply (0.7% to 2031) reinforcing that demand is likely to be higher, and again the economic-driven projections provide an upside assessment of housing need. Chesterfield has a jobs density which is above average, is a larger employment centre and has a number of other closely employment development projects including Markham Vale. On this basis, we do consider that there is a case for some upwards adjustment to housing provision. This informs our assessment of the higher end of the level of need.
- 7.83 The above projections are based on 2011-based headship rates. However if the 2008-based headship assumptions are applied to the PROJ 1 projection, the need rises to 270 homes a year.
- 7.84 **Overall the demographic and economic evidence in the round would suggest a need for housing of between 240-300 homes a year in Chesterfield Borough.** The lower end of this range reflects the demographic projections (with household formation between the 2008- and 2011-based headship rates). The higher end of the range is based on seeking to more positively support economic growth. The economic projections provide a further upside and higher housing provision could be justified on the basis of supporting economic growth.

Table 57: Summary of projections 2011 to 2031 – Annual – Chesterfield

Projection	Population Growth		Housing Numbers		Employment Growth	
	Per annum	% change	Per annum	% change	Per annum	% change
PROJ 1 (SNPP)	329	0.3%	211	0.4%	17	0.0%
PROJ 2 (10-year migration trends)	678	0.7%	353	0.7%	194	0.4%
PROJ 3 (5-year migration trends)	456	0.4%	262	0.5%	80	0.2%
PROJ A (Jobs baseline)	658	0.6%	346	0.7%	186	0.4%
PROJ B (Residents in employment)	651	0.6%	343	0.7%	182	0.4%

Table 58: Summary of projections 2011 to 2031 – Total – Chesterfield

Projection	Population Growth		Housing Numbers		Employment Growth	
	Total	% change	Total	% change	Total	% change
PROJ 1 (SNPP)	6,583	6.3%	4,219	8.8%	336	0.7%
PROJ 2 (10-year migration trends)	13,556	13.1%	7,050	14.6%	3,881	8.1%
PROJ 3 (5-year migration trends)	9,115	8.8%	5,237	10.9%	1,592	3.3%
PROJ A (Jobs baseline)	13,152	12.7%	6,913	14.4%	3,713	7.8%
PROJ B (Residents in employment)	13,014	12.5%	6,857	14.2%	3,647	7.6%

North East Derbyshire

- 7.85 For North East Derbyshire, the CLG 2011-based Household Projections indicate housing need for 236 homes per annum, representing a modest 0.5% growth per annum in the housing stock. Historically population growth has however been lower than the HMA average, with market signals pointing to stronger relative demand in the north and west of the District.
- 7.86 Updating and extending the household projections to 2031 (in PROJ 1), the level of housing need increases slightly to 242 homes per annum (representing a low 0.5% growth rate).
- 7.87 The PROJ 1 figures support no growth in labour supply and again the economic-driven projections provide an upside assessment of housing need. The District's jobs density is however low with potential to support employment growth through changes to commuting dynamics.
- 7.88 Given the potential for changes to commuting patterns, for enhanced economic participation; as well as the sensitivity of the modelling to assumptions on people holding down more than one job, we find no convincing evidence that housing supply would need to increase notably above the demographic projections per se to support economic growth.
- 7.89 The above projections are based on 2011-based headship rates. However if the 2008-based headship assumptions are applied to the PROJ 1 projection, the need rises to 293 homes a year.
- 7.90 **Overall the demographic and economic evidence in the round would suggest a need for housing of between 270-310 homes a year in North East Derbyshire.** The lower end of this range reflects the demographic projections (the PROJ 1 figures assuming that household formation falls between the 2008 and 2011 headship rates). The higher end of this projection range is based on seeking to more positively support economic growth and deliver affordable housing.
- 7.91 **The economic projections provide potentially a further upside to this** and higher housing provision could be justified on the basis of supporting economic growth (and stronger affordable housing delivery).

Table 59: Summary of Projections 2011 to 2031 – Annual – North East Derbyshire

Projection	Population growth		Housing numbers		Employment Growth	
	Per annum	% change	Per annum	% change	Per annum	% change
PROJ 1 (SNPP)	401	0.4%	242	0.5%	-3	0.0%
PROJ 2 (10-year migration trends)	207	0.2%	169	0.4%	-105	-0.2%
PROJ 3 (5-year migration trends)	207	0.2%	169	0.4%	-105	-0.2%
PROJ A (Jobs baseline)	580	0.6%	310	0.7%	90	0.2%
PROJ B (Residents in employment)	777	0.8%	385	0.9%	193	0.4%

Table 60: Summary of Projections 2011 to 2031 – Total – North East Derbyshire

Projection	Population Growth		Housing Numbers		Employment Growth	
	Total	% change	Total	% change	Total	% change
PROJ 1 (SNPP)	8,013	8.1%	4,846	10.9%	-54	-0.1%
PROJ 2 (10-year migration trends)	4,147	4.2%	3,381	7.6%	-2,097	-4.5%
PROJ 3 (5-year migration trends)	4,147	4.2%	3,381	7.6%	-2,097	-4.5%
PROJ A (Jobs baseline)	11,601	11.7%	6,207	14.0%	1,809	3.9%
PROJ B (Residents in employment)	15,534	15.7%	7,696	17.3%	3,864	8.2%

7.92 The projections for North East Derbyshire differ slightly from those within the 2011 Housing Needs, Market and Affordability Study not least as they take account of data from the 2011 Census. Appendix A considers the key differences between this previous Study and the SHMA.

8 AFFORDABLE HOUSING NEED

Introduction

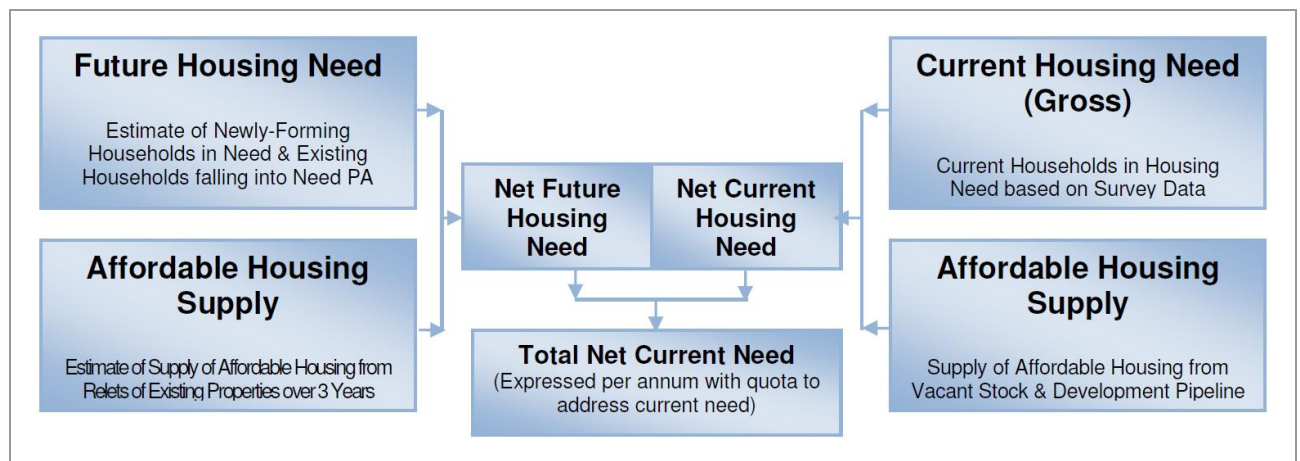
- 8.1 A key element of this report is an assessment of both current and future affordable housing need. Housing need in this context is defined as ‘the quantity of housing required for households who are unable to access suitable housing without financial assistance.’
- 8.2 Councils are required to provide demonstrable evidence of housing need to underpin policies seeking affordable housing in new development schemes and also policies around allocations and supported housing provision. The draft Planning Practice Guidance also sets out that total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments; and that an increase in the total housing figures should be considered where it could help deliver the required number of affordable homes.
- 8.3 The calculation of affordable housing need in this section follows the 16 steps outlined in the CLG SHMA guidance of August 2007 (the Basic Needs Assessment Model). This is structured into three stages:
- Stage 1: Estimating current housing need (gross backlog)
 - Stage 2: Estimating future housing need (gross annual estimate)
 - Stage 3: Estimating affordable housing supply
- 8.4 The model compares the extent to which the existing stock of affordable housing can meet housing need arising each year. It also considers to what extent expected changes to the affordable housing stock (including through consented new development) can address the current backlog of housing need at the time when the assessment is undertaken to calculate net current need, and includes a quota to address this in calculating the net annual housing need.
- 8.5 The model is principally designed to identify whether there is a shortfall or surplus of affordable housing within an area. Its results are influenced by housing market conditions at the time the assessment is undertaken (specifically the differences between housing costs and incomes) and by the existing stock and turnover of affordable housing (which is influenced by past investment decisions). Its conclusions need to be considered in this light.
- 8.6 The housing needs model quantifies the shortfall of affordable housing in the HMA firstly over the period 2013-18. A longer-term analysis looking over the period to 2031 is the outlined.
- 8.7 It should be recognised however that the model does take a somewhat idealised view (in line with the CLG Guidance) in assuming that households spend no more than 25% of their gross income on housing costs (in reality some will choose to spend more) and all households in housing need

should be allocated affordable housing (when in reality some live in the Private Rented Sector supported by Local Housing Allowance). The role which the Private Rented Sector currently plays in meeting housing need is looked at towards the end of this section.

8.8 There are a number of definitions which are central to making estimates of need (such as definitions of housing need, affordability and affordable housing). All definitions used in this report are consistent with the CLG SHMA guidance of August 2007 and the National Planning Policy Framework (March 2012).

8.9 The key stages of the Basic Needs Assessment Model are set out in the figure below. Each of these stages is calculated below separately before the overall annual need for affordable housing is derived. In addition to determining the extent of housing need in the study-area, this section will also ascertain the types of accommodation most appropriate to meet this need.

Figure 55: Overview of Basic Needs Assessment Model



8.10 The housing needs modelling undertaken in this section principally provides a short-term assessment of housing need in line with the CLG Practice Guidance as required to inform and support policies for affordable housing provision.

Stage 1: Current Need

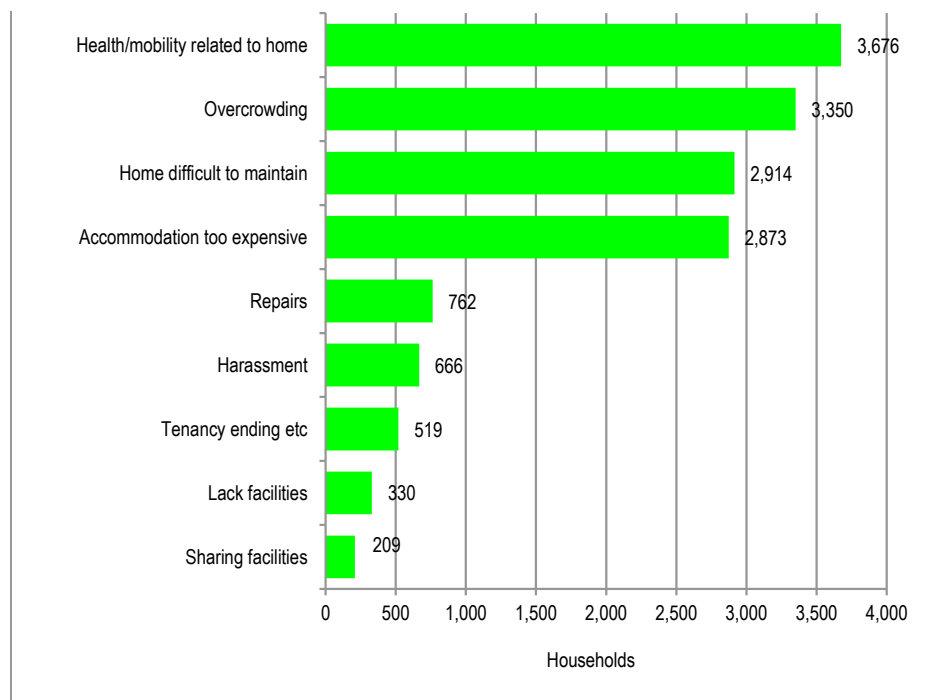
8.11 The first stage of the model assesses current need (sometimes termed the ‘backlog’ of housing need) at the time of the survey (2013). This entails an assessment of housing suitability and affordability to derive an estimate of total current affordable housing need (gross).

8.12 A key element of housing need is an assessment of the suitability of a household’s current housing. The Practice Guidance sets out a series of nine criteria for unsuitable housing - which have been followed in this report. These are set out in the figure below. Across the HMA it is estimated that a

total of 11,746 households are living in unsuitable housing. This represents 6.8% of all households in the area.

8.13 The figure below indicates the number of households living in unsuitable housing (ordered by the number of households in each category). It should be noted that the overall total of reasons for unsuitable housing shown will be greater than the total number of households with unsuitability, as some households fall into more than one category.

Figure 56: Reasons for Unsuitable Housing



Source: Household Survey Data

8.14 The tables below profile households living in unsuitable housing by tenure and authority. The analysis shows that households living in social and private rented accommodation are the most likely to live in unsuitable housing; whilst households in Bolsover are more likely to be living in unsuitable housing with the lowest proportion being seen in North East Derbyshire.

Table 61: Unsuitable Housing and Tenure

Tenure	Unsuitable housing		
	In unsuitable housing	Total households	% in unsuitable housing
Owner-occupied (no mortgage)	2,559	60,400	4.2%
Owner-occupied (with mortgage)	2,875	56,435	5.1%
Social rented	3,793	32,588	11.6%
Private rented	2,519	23,240	10.8%
Total	11,746	172,663	6.8%

Source: Household Survey Data

Table 62: Unsuitable Housing by Local Authority

Sub-area	Unsuitable housing		
	In unsuitable housing	Total households	% in unsuitable housing
Bassetlaw	2,913	48,631	6.0%
Bolsover	2,841	33,264	8.5%
Chesterfield	3,811	47,180	8.1%
North East Derbys	2,181	43,588	5.0%
Total	11,746	172,663	6.8%

Source: Household Survey Data

In-Situ Solutions

8.15 Although the survey has highlighted a number of households as living in unsuitable housing, it is likely that some of these problems can be resolved without the need to move to alternative accommodation. For the purposes of this assessment it is assumed that households in the following categories DO NOT have an in-situ solution to their housing problems:

- End of tenancy
- Accommodation too expensive
- Overcrowding
- Sharing facilities
- Harassment

8.16 It is estimated that 57.9% of those unsuitably housed do not have an in-situ solution to their problems. This represents 6,797 households. These households would need to move to more suitable housing. Concealed households are excluded from this analysis and counted as part of estimates of newly-forming households.

Affordability and Current Tenure

- 8.17 The ability of these households in unsuitable housing who need to move to afford entry-level market housing of a suitable size has been tested using the affordability criteria set out in Section 5. The data suggests that there are 3,875 households that are living in unsuitable housing, need to move and cannot afford to do so without financial support.
- 8.18 The table below shows the tenure of these households. The results show that households in the private and social rented sectors are most likely to be in housing need.

Table 63: Housing Need and Tenure

Tenure	Housing Need		
	In housing need	Total households	% in need
Owner-occupied (no mortgage)	39	60,400	0.1%
Owner-occupied (with mortgage)	531	56,435	0.9%
Social rented	1,836	32,588	5.6%
Private rented	1,469	23,240	6.3%
Total	3,875	172,663	2.2%

Source: Household Survey Data

- 8.19 For the purposes of the housing needs assessment, households considered to be in housing need have been split into two categories: current occupiers of affordable housing in need (this includes occupiers of social rented and shared ownership accommodation), and households from other tenures in need. It is estimated that some 1,857 households in need currently live in affordable housing (1,836 in the social rented sector and 21 in shared ownership accommodation). 2,018 households fall in other tenures.

Total Current Need (Gross)

- 8.20 The table below summarises the first stage of the housing needs assessment. The data shows that there are an estimated 3,875 households currently in need in the study area. This is often termed the 'backlog' of housing need.

Table 64: Backlog of Housing Need

Step	Notes	Number
1.1 Homeless households and those in temporary accommodation	All steps taken together	3,875
1.2 Overcrowding and concealed households		
1.3 Other groups		
1.4 equals Total current housing need (gross)	1.1+1.2+1.3	3,875

Source: Household Survey Data

Stage 2: Future Need

8.21 The second stage of the housing needs model assesses future need (arising per annum). This is split, as per CLG guidance, into two main categories. These are as follows:

- New household formation (× proportion unable to buy or rent in market); and
- Existing households falling into need.

8.22 Future need describes the level of housing need which can be expected to arise each year moving forward.

8.23 There will need to be a flow of affordable housing to meet this need. Calculation of the future supply of affordable units follows this analysis and is considered in Stage 3.

New Household Formation

8.24 The estimate of the number of newly forming households in need of affordable housing is based on an assessment of households that have formed over the past two years. Such an approach is preferred to studying households' stated future intentions as it provides more detailed information on the characteristics of these households and is based on households' actual decisions (rather than stated preferences).

8.25 Although we have looked at past move data for two years, we are looking for an annual figure over a five year period. In looking at the number over two years there will be some households who have formed but subsequently moved again (as an existing household) and so the figures will underestimate annual formation rates. To compensate for this we have looked at turnover rates by tenure to study the likely numbers of households making multiple moves over the two year period. Taking the annual average based on two years of moves would suggest 3,318 newly forming households but this figure rises to 3,648 when looking at multiple moves¹⁶.

¹⁶ This reflects households who may have formed over the last 2 years but then subsequently moved home.

Table 65: Derivation of newly arising need from new household formation

Aspect of calculation	Number	Sub-total
Number of households moving in past two years		28,640
Minus households NOT forming in previous move	22,005	6,635
Annual estimate of newly forming households (taking account of subsequent moves)		3,648
Times proportion of these unable to afford		50.6%
Annual estimate of newly arising need		1,845

Source: Household Survey Data

8.26 The table above shows that there were an estimated 6,635 newly-forming households within the HMA over the past two years. Taking account of multiple moves, it is estimated that around 3,648 households form each year (gross). Of these it is estimated that 1,845 (per annum) are unable to afford market housing without some form of subsidy. This is 50.6% of newly-forming households based on the assessment of their financial resources. It represents the annual estimate of the number of newly forming households falling into housing need.

8.27 The figure of 50.6% has been calculated using the affordability criteria set out in Section 5 of the report and has been applied only to those households in the survey who have formed for the first time over the past two years – hence the 50.6% figure differs from the overall HMA-wide affordability proportion (of 24%) which was based on looking at all households.

8.28 It is worth briefly reflecting on whether the estimated household formation rate (of 3,648 per annum) is realistic. Through an analysis of the our households projections (linked to the SNPP) we have been able to derive an estimate of gross new household formation based on analysis of the number of households in each age group and how this will change over time. This analysis suggests that over the period 2013-2018 household formation would be expected to be around 2,894 per annum.

8.29 This figure is notably lower than the one we have derived from survey data and suggests that past moves may have been higher than is expected in the future. A sensitivity test has been applied to this alternative estimate of household formation later in this section.

Existing Households falling into Housing Need

8.30 Next we need to estimate of the number of existing households who will fall into housing need over the next five years. The basic information for this is households who have moved home within the last two years and an assessment of what housing they can afford. A household will fall into need if it has to move home and is unable to afford to do this within the private sector - examples of such a move will be because of the end of a tenancy agreement. A household unable to afford market rent prices but moving to private rented accommodation may have to either claim Housing Benefit/Local

Housing Allowance or spend more than a quarter of their gross income on housing, which is considered unaffordable (or indeed a combination of both).

- 8.31 Households previously living with parents, relatives or friends are excluded as these will double-count with the newly forming households already considered in the previous table. The data also excludes moves within the affordable housing sector. Households falling into need in the affordable housing sector have their needs met through a transfer to another affordable home, hence releasing a unit for someone else in need. The number of households falling into need in the affordable housing sector should therefore, over a period of time, roughly equal the supply of 'transfers' and so the additional needs arising from within the affordable stock will net to zero.
- 8.32 In addition, the analysis needs to take account of households making multiple moves over the period and also those households who are likely to form for the first time and then make a subsequent move as an existing household. To make these adjustments we have again looked at the relative turnover of households in different tenure groups.
- 8.33 The table below shows the derivation of existing households falling into need. The figure shows that a total of 20,021 existing households are considered as potentially in need. Using the affordability test (set out in Section 5) it is estimated that 33.4% of these households cannot afford market housing. Therefore our estimate of the number of households falling into need excluding transfers is 6,690 households over the two-year period. Annualised, this is 3,345 households per annum. However, once newly forming households and multiple movers are excluded this figure drops noticeably to 2,102 per annum.

Table 66: Derivation of Newly Arising Need from Existing Households

Aspect of calculation	Number	Sub-total
Number of households moving in past two years		28,640
Minus households forming in previous move	6,635	22,005
Minus households transferring within affordable housing	1,984	20,021
Times proportion of these unable to afford		33.4%
Estimate of newly arising need	6,690	
Annual estimate of newly arising need	3,345	
Annual estimate discounted for multiple moves and newly forming households		2,102

Source: Household Survey Data

Total Newly Arising Need

- 8.34 The data from each of the above sources can now be drawn together in the table below to estimate future need arising on an annual basis. It indicates that additional need will arise from a total of 3,947 households per annum.

Table 67: Future Need (Per Annum)

Step	Notes	Number
2.1 New household formation (gross per year)		3,648
2.2 Proportion of new households unable to buy or rent in the market		50.6%
Number of new households unable to buy or rent in the market		1,845
2.3 Existing households falling into need		2,102
2.4 Total newly arising housing need (gross per year)	2.1x2.2+2.3	3,947

Source: Household Survey Data

Stage 3: Current Affordable Housing Supply

- 8.35 The supply of affordable housing to meet housing need comprises the third stage of the housing needs assessment model. The affordable housing supply stage is split between existing stock that is available to offset the current need and the likely future level of supply (which is compared against future needs arising). The first part of the supply assessment looks at the current supply of affordable housing which includes stock from current occupiers of affordable housing in need, surplus stock from vacant properties **and committed supply of new affordable units**. Existing affordable homes to be taken out of management are removed from the calculation.
- 8.36 For the purposes of analysis we have taken the supply of current occupiers in need from the backlog analysis above. All other elements of this calculation have been set at zero. The reasons for this include that there is no significant level of vacant stock in the social rented sector (beyond that necessary to facilitate turnover) nor any significant level of stock to be taken out of management (e.g. to be demolished).
- 8.37 Based on the Council's monitoring data we have included the following affordable housing which falls within the development pipeline (as at April 2013):
- Bassetlaw: 243 affordable homes
 - Bolsover: 143 affordable homes
 - Chesterfield: 114 affordable homes
 - North East Derbyshire: 118 affordable homes
- 8.38 Replacement stock for demolitions of current affordable properties have been excluded.
- 8.39 The data in the table below (which follows the headings used in CLG guidance) shows that there are an estimated 2,527 properties available to offset the current need in the HMA (as assessed in Stage 1 above).

Table 68: Current Supply of Affordable Housing

Step	Notes	Total
3.1 Affordable dwellings occupied by households in need		1,857
3.2 Surplus stock		0
3.3 Committed supply of affordable housing		670
3.4 Units to be taken out of management		0
3.5 Total affordable housing stock available	3.1+3.2+3.3-3.4	2,527

Source: Household Survey Data

Future Supply of Affordable Housing

8.40 The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need (as assessed in Stage 2 above). It is split between the annual supply of social relets and the annual supply of relets/sales within the intermediate sector.

Social rented housing

8.41 The Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. We have used information from the Continuous Recording system (CORE) to establish past patterns of social housing availability.

8.42 Our figures include general needs and supported lettings but exclude lettings of new properties plus an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock. On the basis of past trend data it is estimated that 1,959 units of social rented housing become available each year.

Table 69: Analysis of Past Housing Supply (last five years) –per annum

	Basset-law	Bolsover	Chester-field	NED	HMA
Total lettings	815	492	1,199	556	3,062
Newbuild	95.8%	95.1%	98.4%	96.6%	96.9%
Lettings in existing stock	781	468	1,180	537	2,966
% non-transfers	71.8%	65.6%	65.5%	59.2%	66.0%
Total lettings to new tenants	561	307	773	318	1,959

Source: CORE

Intermediate Supply

8.43 In most local authorities the amount of intermediate housing (mostly shared ownership) available in the stock is fairly limited (as is the case in this HMA). However, it is still important to consider to what extent the current supply may be able to help those in need of affordable housing.

8.44 Therefore we include an estimate of the number of shared ownership units that become available each year. Applying the re-let rate for social rented housing to the estimated stock of shared ownership housing it is estimated that around 35 units of intermediate housing per annum will become available to meet housing needs from the existing stock of such housing. In reality the turnover of shared ownership properties is likely to be below that for the social rented sector. However, in the absence of any other information the turnover of social rented homes has been used to make this estimate, this will have only a limited impact on the overall findings as the number of shared ownership properties is low and hence the estimated 'relet' rate is also low (particularly in comparison with the number of units estimated to become available in the social rented sector).

Conclusions: Estimate of net Annual Housing Need

8.45 The table below shows the final figures in the housing needs assessment model. This brings together the 16 steps that were calculated in the preceding sections.

Table 70: Housing Needs Assessment Model (2013-2018)

Stage and step in calculation	Notes	Bassetlaw	Bolsover	Chesterfield	NED	HMA
STAGE 1: CURRENT NEED (Gross)						
1.1 Homeless households and those in temporary accommodation	Three steps taken together	991	889	1,369	626	3,875
1.2 Overcrowding and concealed households						
1.3 Other groups						
1.4 equals Total current housing need (gross)	1.1+1.2+1.3	991	889	1,369	626	3,875
STAGE 2: FUTURE NEED						
2.1 New household formation (gross per year)		1,102	655	1,109	781	3,648
2.2 Proportion of new households unable to buy or rent in the market (excluding student households)		50.9%	52.6%	50.4%	48.7%	50.6%
New households unable to afford (gross per year)		561	345	559	380	1,845
2.3 Existing households falling into need		724	413	493	472	2,102
2.4 Total newly arising housing need (gross per year)	2.1x2.2+2.3	1,285	758	1,052	852	3,947
STAGE 3: AFFORDABLE HOUSING SUPPLY						
3.1 Affordable dwellings occupied by households in need		456	310	798	293	1,857
3.2 Surplus stock		0	0	0	0	0
3.3 Committed supply of affordable housing		243	143	116	168	670
3.4 Units to be taken out of management		0	0	0	0	0
3.5 Total affordable housing stock available	3.1+3.2+3.3-3.4	699	453	914	461	2,527
3.6 Annual supply of social re-lets (net)		561	307	773	318	1,959
3.7 Annual supply of intermediate housing available for re-let or resale at sub-market levels		13	5	11	6	35
3.8 Annual supply of affordable housing	3.6+3.7	574	312	784	324	1,994

Source: Household Survey Data, CORE

- 8.46 The Practice Guidance states that these figures need to be annualised to establish an overall estimate of net housing need. The first step in this process is to calculate the net current need. This is derived by subtracting the estimated total stock of affordable housing available (step 3.5) from the gross current need (step 1.4). This produces a **net current need figure of 1,348 affordable homes** (3,875-2,527).
- 8.47 The second step is to convert this net backlog need figure into an annual flow. The Practice Guidance acknowledges that this backlog can be addressed over any length of time although a period of less than five years should be avoided. For the purposes of this study the quota of five years proposed in the Practice Guidance will be used. Therefore to annualise the net current need figure, it will be divided by five. This calculation results in a net annual quota of 270 (1,348/5) households who should have their needs addressed.
- 8.48 The final step is to add the net annual quota of households who should have their needs addressed with the total newly arising housing need (step 2.4) and subtract the future annual supply of affordable housing (step 3.8). This leads to a **total (net) annual need estimate of 2,222 affordable homes** (270+3,947-1,994).
- 8.49 The table below summarises the net need position and also compares the level of need in each area with the total number of households currently estimated to be living in the area. The data shows that need relative to current households is highest in Bassetlaw and Bolsover and lowest in Chesterfield. **All four areas show a shortfall of affordable housing to be provided.**

Table 71: Housing Need by Local Authority

	Gross annual need	Annual supply	Net annual housing need	Total households	Need as % of households
Bassetlaw	1,484	714	770	48,631	1.6%
Bolsover	936	403	533	33,264	1.6%
Chesterfield	1,326	967	359	47,180	0.8%
North East Derbyshire	977	417	560	43,588	1.3%
Total	4,722	2,501	2,222	172,663	1.3%

Source: Household Survey Data, CORE

- 8.50 The analysis for North East Derbyshire differ slightly from those within the 2011 Housing Needs, Market and Affordability Study. Appendix A considers the key differences between this previous Study and the SHMA.

The Private Rented Sector

- 8.51 The Strategic Housing Market Assessment Guidance (page 51) requires the extent of the private rented sector (through the Local Housing Allowance (LHA) system) to meet the needs of households to be estimated. We have therefore used survey data to look at the number of new LHA supported private rented housing lets over the past two years. In the HMA it is estimated that over the past two years 3,652 LHA supported lettings have been made. Taking account of turnover rates this would equate to around 2,166 per annum although over a five year period excluding an estimate of households making multiple moves within the sector it is estimated that this sector will on average make 6,633 lettings to different households (1,327 per annum). **We therefore estimate that the private rented sector currently contributes to meeting the needs of 1,327 households in housing need each year through Local Housing Allowance.**
- 8.52 For individual local authorities the lettings to households in housing need which the private rented sector supports are as follows:
- Bassetlaw: 543 lettings per annum;
 - Bolsover: 315 lettings per annum;
 - Chesterfield: 289 lettings per annum;
 - North East Derbyshire: 180 lettings per annum.
- 8.53 Even if this is netted off the total identified need of 2,222 dwellings per annum, it still results in a level of need which is significantly in excess of what we might expect to be delivered. It is not however appropriate to treat this sector as a form of affordable housing and take it away from the overall annual housing needs estimate of 2,222. Neither the SHMA Guide nor NPPF recognise this sector as affordable housing.
- 8.54 However, it must be recognised that the private rented sector does (in reality) make a significant contribution to filling the gap in relation to meeting housing need. Given the levels of affordable housing need shown in this study, the private rented sector is likely to continue to be used to some degree to make up for the shortfall of genuine affordable housing for the foreseeable future.
- 8.55 The extent to which the Councils wish to see the private rented sector being used to make up for shortages of affordable housing is a matter for policy intervention and is outside the scope of this report. However it should be recognised that the Private Rented Sector does not provide secure tenancies. Standards within the sector are likely to be lower than for social rented properties.
- 8.56 In addition, the survey clearly highlights that private renting is not a tenure of choice: 62% of tenants claiming LHA who expect to move over the next two years would like to become social tenants with

only 15% preferring to remain in private rented accommodation. However, some 30% of these households expect to remain in the sector – reflecting the fact that they are unlikely in many cases to be able to obtain a more secure social rented tenancy.

Sensitivity of Assumptions

8.57 The housing needs model makes a number of assumptions to consider the amount of additional affordable housing required and it is possible to test the impact of changing the approach to consider how the bottom-line needs estimate might change. We have therefore considered two changes to the analysis. These are:

- Increasing the proportion that can be spent on housing to 30% of income (up from 25%); and
- Modelling household formation on the basis of demographic projections rather than the short-term past trends identified through the survey.

8.58 The table below shows that by changing these assumptions the calculated level of need drops by around 44% from 2,356 per annum to 1,323. The analysis highlights how sensitive the inputs to the model can be in deriving a requirement for affordable housing. Whilst neither can be considered as right or wrong we would suggest there is merit in both approaches.

Table 72: Sensitivity of Assumptions in Housing Needs Modelling (per annum)

Element of analysis	Basset-law	Bolsover	Chester-field	NED	HMA
Backlog need	188	135	224	101	648
New forming households in need	373	258	377	271	1,279
Existing households falling into need	596	380	396	341	1,713
Total need	1,157	773	997	714	3,641
Annual Supply	714	393	937	407	2,451
Net need	443	380	60	307	1,190
Previous estimate	770	533	359	560	2,222

Source: Housing needs model

8.59 Whilst published CLG guidance suggests that 25% of income is a reasonable start point for the affordability analysis it does also suggest that a higher figure could be used. Given the levels of income at which Housing Benefit might start to be available (more like 40%-45%) it seems prudent to increase the figure slightly from the standard 25% although due to the sub-region being a relatively low income and low housing cost area we do not consider that figures as high as 40% are reasonable.

Longer-term Affordable Housing Need

8.60 The main housing needs model used above considers affordable housing need over a five year period from 2013-18. For plan making purposes it is useful to understand what the data might mean

in terms of requirements over a longer period of time. The analysis above has therefore been used to estimate housing needs for the 18-year period up to 2031. In doing this, the analysis recognises that the backlog would be addressed over a longer period of time and also that estimates of existing households falling into need (on an annual basis) will be slightly lower due to turnover in the stock.

8.61 Fundamentally, however, **the longer-term analysis should be treated with some caution** given the difficulty in predicting whether or not affordability will improve or worsen over time; and in recognition of the range of factors (including the economic climate, current supply and Government reforms) which can influence net affordable housing need. The analysis used is predicated on there being no change in affordability, which in reality is unlikely to be the case. It should be kept under review over time.

8.62 The tables below shows the longer-term estimate of affordable housing need. Rolling this analysis out suggests an annual need to provide 1,760 units of affordable housing which totals 31,680 over the 18-year period. With the alternative assumptions (as described above) the annual requirement drops to around 791 units per annum. These figures exclude the 'pipeline' of affordable housing which (as seen above) currently amounts to 670 units.

8.63 Whilst these figures are high in the context of likely overall housing delivery the role played by the private rented sector still needs to be considered. With the current level of lettings in the private rented sector the longer-term data suggests that the need for affordable housing and the physical dwellings to meet this need are broadly in balance. That said, provision of additional affordable housing would assist in meeting needs, particularly given uncertainties about the longer-term role of the private rented sector and potential issues around security of tenure, condition and affordability (also in relation to welfare reforms).

Table 73: Longer-Term Estimate of Affordable Housing Need (2013-31) – Main Modelling Assumptions (excluding pipeline)

Element of analysis	Basset-law	Bolsover	Chester-field	NED	HMA
Backlog need	55	49	76	35	215
New forming households in need	561	345	559	380	1,845
Existing households falling into need	643	362	411	416	1,833
Total need	1,259	756	1,046	831	3,893
Annual Supply	613	337	834	349	2,133
Net Need per annum	646	419	212	482	1,760

Source: Housing needs model

Table 74: Longer-Term Estimate of Affordable Housing Need (2013-31) – Alternative modelling assumptions (excluding pipeline)

Element of analysis	Bassetlaw	Bolsover	Chesterfield	NED	HMA
Backlog need	52	38	62	28	180
New forming households in need	373	262	377	271	1,283
Existing households falling into need	511	333	315	291	1,449
Total need	936	633	753	590	2,912
Annual Supply	613	335	826	347	2,121
Net Need per Annum	323	298	-73	243	791

Source: Housing needs model

Interpreting the Housing Needs Findings in Context

The housing needs analysis concludes that there is a shortfall of 2,222 affordable homes a year from 2013-18 with the figure dropping to about 1,760 if we look at an 18-year period to 2031 (the latter figure excludes the 'pipeline' of affordable housing). These figures drop slightly with alternative assumptions around household formation and affordability ratios. However there are a number of things that need to be remembered in interpreting the housing needs analysis.

The Basic Needs Assessment Model which has been used was designed specifically to identify whether there is a shortfall or surplus of affordable housing. It is a statutory requirement to underpin affordable housing policies – and identifies a substantial shortfall of affordable housing in the HMA.

The needs assessment does not look at all housing needs, but specifically the needs of those who can't afford market housing (assuming no more than 25% of households' gross income is spent on housing costs). It assumes that all households are adequately housed in a home that they can afford.

The needs assessment is a 'snapshot' assessment at a point in time, which is affected by the differential between housing costs and incomes at that point; as well as the existing supply of affordable housing. In the HMA the stock of affordable (social rented) housing has declined by 8% over the last decade, with a net loss of over 2,800 affordable properties between 2001 and 2011. This has affected the net level of affordable housing need identified.

Moreover, as the Basic Needs Assessment Model is designed to identify a shortfall of genuine affordable housing, it assumes that all households in 'housing need' are housed in affordable homes (which includes provision that the home remains at an affordable price for future eligible households). In reality, there are two key factors which need to be considered:

- Some households defined as in housing need may choose to spend more than 25% of their gross income on housing costs or may not actively seek an affordable home; and
- Some households defined as in housing need are accommodated in the Private Rented Sector, supported by Local Housing Allowance.

It is estimated that currently over 7,800 households are housed in the Private Rented Sector and claiming Local Housing Allowance.

As the level of housing need is very sensitive to differences between housing costs and incomes, changes in the difference between incomes and housing costs over time will affect the level of housing need identified.

Given the current stock of affordable housing in the HMA, the funding mechanisms for delivery of new affordable housing and policies affecting sales of existing properties, it is also unrealistic to assume that all households in housing need will be provided with an affordable home. It is realistic to assume that the Private Rented Sector will continue to play an important role in meeting housing need in the short-to-medium term.

Impact of Welfare Reforms

8.64 The Coalition Government has heralded a period of considerable change by way of welfare reforms which will have an effect on local residents. The reforms are set against a backdrop of government spending cuts, which has seen funding levels drop, and an economic recession which has led to changes to the country's housing market and how housing can be accessed. A summary of the welfare reforms and impacts are shown below:

- Reducing the Local Housing Allowance (LHA) from the median rent in a Broad Rental Market Area (BRMA) to the 30th centile and the abolition of the rate for 5 or more bedroom homes. These changes came in from April 2011 and will have meant some households seeing a reduction in housing benefit. There has also been a reduction in the number of homes available to rent at or below payment thresholds and potentially increased demand for lower cost properties. Households requiring larger (5 or more bedroom) homes have been disproportionately affected.
- Limiting payments for people under 35 to the shared room rate (up from 25) – from January 2012. This change has made it harder for Councils to place young single people in private rented accommodation and has seen a greater demand for shared housing.
- Up rating LHA in line with Consumer Price Index (CPI) instead of by reference to local rents. If rents increase at a rate above CPI then there will be a reduction in the number of properties with a rent below LHA maximum levels.
- Limiting Housing Benefit entitlements for working age people in social housing sector to reflect family size. The 'bedroom tax' is arguably the most controversial of the Government changes with households losing 14% of housing benefit if they have one spare bedroom and 25% for two or more. This change has already put considerable pressure on housing providers who are seeing a significantly increased demand for smaller (particularly one bedroom) homes. In the longer-term if the supply does not improve this change could see some increases in homelessness. This change was brought in from April 2013.
- A household benefit cap is being phased in from April 2013 which will limit the amount claimed in all benefits for working age (non-working) households to £500 per week for households with two or more people and £350 for single adults. For many households this will not make a difference to their ability to access housing; however larger households living in larger (more expensive) homes will be disproportionately affected.

- The move towards a Universal Credit is likely to end Housing Benefit payments direct to landlords, making benefit claimants potentially less attractive as tenants.

8.65 Whilst the full impact of the various current and proposed changes is difficult to precisely quantify it is clear when taken together that a significant number of people and households will be affected.

8.66 A recent report by consultants Rocket Science has considered the impact of welfare reform on areas within the Sheffield City Region. It has considered issues associated with access to housing for those in receipt of housing benefit, and the potential cumulative impacts of welfare reforms.

8.67 The research identifies that there are around 160,000 Housing Benefit claimants across the Sheffield City Region, of which 116,000 live in the social housing sector. It estimates that across the City Region, 30,000 households will be affected by the under-occupancy charge (the bedroom tax) of whom 6,600 will lose 25% of their benefit and 23,400 will lose 14%. Within this HMA, it estimates that 4,100 households will be affected with the impact per authority as follows:

Table 75: Estimated Impact of the Under-Occupation Charge

Authority	Estimated Households affected by Under-Occupation Charge (Bedroom Tax)	Estimated Loss per Household Affected (per annum)
Bolsover	700	£661
Chesterfield	1,400	£607
North East Derbyshire	1,000	£628
Bassetlaw	1,000	£630
HMA	4,100	

Source: Rocket Science

8.68 The research suggests that the impact will be result in chains of moves, including moves between the social and private rented sector; but identifies that the supply of one-bed properties (particularly in the social rented sector) is unlikely to be sufficient to meet needs in full. Overall the net need for 1- and 2-bed properties is expected to increase in the short-term as a result.

8.69 The LHA reforms are also likely to impact households within the Private Rented Sector. The reforms include:

- The application of the shared room rate to single households aged 25-35 from April 2012;
- Calculation of LHA based on the 30th rather than the 50th percentile of rents in the BRMA;
- Freezing LHA rates for one year, and thereafter linking growth to CPI rather than rental growth;
- Removal of the 5 bedroom LHA rate.

8.70 The assessment estimates that collectively these LHA reforms are expected to impact 35,600 households across the City Region, with an average loss of £926 per annum. The changes to the shared room allowance are likely to result in an increased demand for shared accommodation.

Table 76: Estimated Impact of LHA Reforms

Authority	Estimated Households affected by LHA Reforms	Estimated Loss per Household Affected (per annum)
Bolsover	1,800	£1,036
Chesterfield	2,200	£1,004
North East Derbyshire	1,000	£889
Bassetlaw	2,200	£956
HMA	7,000	

Source: Rocket Science

- 8.71 The expected losses in Bolsover and Chesterfield are above average relative to other parts of the Sheffield City Region. Demand for homes available below the LHA limits is expected to increase.
- 8.72 Government introduced a cap on benefits in 2013 which places a maximum value on benefit income of £500 per week for a family or £350 for a single person. The impact of this is estimated below:

Table 77: Estimated Impact of Benefits Cap

Authority	Estimated Households affected by Household Benefit Cap	Estimated Loss per Household Affected (per annum)
Bolsover	30	£1,036
Chesterfield	40	£1,004
North East Derbyshire	20	£889
Bassetlaw	30	£956
HMA	120	

Source: Rocket Science

- 8.73 Large families in particular in the PRS are likely to be proportionally affected to a greater degree.
- 8.74 The Government is also planning to introduce Universal Credit. Some households are expected to lose a small part of their benefit income as this is recalculated; although the poorest households are expected overall to benefit. Universal Credit will end direct payment to landlords, and there is concern that this will lead to an increase in rental arrears and thus potentially evictions from private rented sector properties. There is also some concern that the increased risk of arrears may deter private landlords from accepting tenants on benefits.
- 8.75 In addition to the above impacts, an unpredictable number of disabled individual may lose a considerable proportion of their income.
- 8.76 Given the levels of housing need identified set against the potential supply of affordable housing (from both the existing stock and new provision) it seems unlikely that the number of households in need will fall in the short/medium-term. Indeed the evidence suggests a likely growth in demand – particularly for private rented accommodation.

Size of Affordable Housing

8.77 Having established the overall need for affordable housing in the HMA it is necessary to consider the sizes of accommodation required. Again the survey data can be used to assess this and table below shows the estimated need for different sizes of accommodation from two different groups. These are:

- Households currently or projected to be in need; and
- Households currently or projected to be in need who are also in a group likely to be considered as having a priority (pensioner households, households with children or households where someone has a special/support need).

8.78 The analysis in this section excludes affordable housing in the development pipeline from the assessment as there is no guarantee of delivery, and the mix of homes of different sizes is unknown.

8.79 The table below shows some variation between the analysis although in both cases the majority of housing need is for smaller (one and two bedroom) units. Depending on the analysis used the need for one- and two-bedroom homes varies from 72% to 78%.

Table 78: Profile of Need by Bedrooms

	Households in need	Households in need (priority)
1 bedroom	45.5%	31.4%
2 bedrooms	32.8%	40.6%
3 bedrooms	13.6%	18.0%
4+ bedrooms	8.2%	10.0%
Total	100.0%	100.0%

Source: Household survey data

8.80 The above figures can be compared with the supply of social rented properties over the past five years and we have again used CORE data to provide an indication of the likely size of properties that will become available for letting. The table below repeats the overall level of need by size derived above and also shows the proportion of lettings in each size and the estimated turnover based on the number of homes in each size category.

8.81 The table shows a reasonable balance between the supply of homes of different sizes and the need. Unfortunately the CORE data does not provide a separate estimate for four or more bedroom homes although survey and Census data does suggest that there are very few such properties in the social rented stock and so the need for four or more bedroom homes is likely to be more pressing than for three bedroom homes.

Table 79: Estimated Need and Supply of Affordable Housing by Bedsize

	Profile of need	Proportion of lettings	Turnover
1 bedroom	31%-46%	46.3%	13.7%
2 bedrooms	33%-41%	34.3%	6.5%
3 bedrooms	14%-18%	19.4%	3.6%
4+ bedrooms	8%-10%		
Total/average	100.0%	100.0%	7.1%

Source: Household survey data and CORE

8.82 We can use the above information to provide an indication of the likely (short-term) net need for affordable housing of different sizes and this is shown in the table below. The table indicates a requirement for around 45% of additional homes to have one bedroom and just under a quarter (24%) required to be larger (3+ bedroom) accommodation.

Table 80: Estimated Size Requirement for Additional Affordable Housing

	Annual gross need	Annual supply	Net need	Proportion of need
1 bedroom	2,177	1,096	1,082	45.9%
2 bedrooms	1,596	811	786	33.3%
3+ bedrooms	950	460	490	20.8%
Total	4,723	2,366	2,357	100.0%

Source: Household survey data and CORE

8.83 This data can also be summarised by local authority (as shown in the table below). The data shows a main requirement for one bedroom homes in all areas other than Chesterfield where the analysis suggests a significant requirement for larger affordable homes. This output is largely driven by a high turnover of smaller homes in Chesterfield rather than a particularly high need for larger homes.

Table 81: Affordable Housing Size Requirements

	1 bedroom	2 bedrooms	3+ bedrooms	Total
Bassetlaw	43%	30%	27%	100%
Bolsover	53%	30%	17%	100%
Chesterfield	26%	29%	45%	100%
NED	50%	37%	13%	100%
Total	45%	32%	24%	100%

Source: Housing Needs Model

8.84 If providing affordable housing were to concentrate more on the most vulnerable groups (as analysed above and based on survey data) then the size profile would move significantly towards larger dwellings being required. As the table below shows, **concentrating on groups who might be considered to have a priority** (older people, households with children and those with a support

need) **the requirement for three or more bedroom units rises to approaching half of the total need** whilst for one bedroom homes the analysis suggests a small surplus. In fact a surplus is only shown for Chesterfield with all other areas still showing a requirement for additional one bedroom units (albeit a lower proportion than shown in the main analysis).

- 8.85 The baseline estimate of gross need for this analysis is 3,446 households with about 73% of those estimated to be in need from survey data falling into one (or more) of the priority categories analysed.

Table 82: Estimated size requirement for additional affordable housing for priority groups

	Annual gross need	Annual supply	Net need	Proportion of need
1 bedroom	1,078	1,096	-17	-1.6%
2 bedrooms	1,404	811	594	55.0%
3+ bedrooms	963	460	503	46.6%
Total	3,446	2,366	1,080	100.0%

Source: Household survey data and CORE

Need for Different Types of Affordable Housing

- 8.86 Traditionally Housing Needs Assessments (HNAs) and other similar research projects have looked at the requirements for different types of affordable housing by reference to two broad categories – social rented and intermediate housing. However the Government introduced in 2011 a new tenure of ‘affordable rented’ housing. Affordable housing can therefore be seen to fit into three broad categories and these are described below (with the definitions taken from the NPPF):

Affordable housing: Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Social rented housing is owned by local authorities and private registered providers, for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

- 8.87 In the future it seems likely that the provision of new social rented housing will be quite limited and indeed the HCA has confirmed that funding will generally only be available for Affordable Rented housing through the 2011-15 Affordable Homes Programme. Therefore our analysis considers the potential role that affordable rented housing can make in meeting needs.
- 8.88 The affordable rent tenure could be quite interesting as schemes begin to be delivered – whilst the rents for such housing will be higher than traditional social rents, housing benefit can be claimed and so for many households it will act in exactly the same way as social rented housing but with a larger housing benefit bill being built up (mainly to be paid by Central Government).
- 8.89 In determining policies regarding the mix of affordable housing, the Councils need to consider a number of factors, including:
- What households can afford (based on the needs analysis);
 - The viability of residential development schemes;
 - The ability of households in affordable rented homes to claim housing benefit; and
 - The ability of Registered Providers to secure funding for delivery of affordable rented homes.
- 8.90 For the purposes of analysis of housing need for different tenures of affordable housing we have split affordable housing into four broad categories and these are described in the table below:

Table 83: Categories of Affordable Housing used for Analysis

Housing type	Description
Intermediate housing (with equity)	Assigned to households who can afford a housing cost at or above 80% of market prices and who have at least £5,000 in capital that could be used towards the purchase of equity/part equity in a home
Intermediate housing (rented)	Assigned to households who can afford a housing cost at or above 80% of market prices and who have less than £5,000 in capital
Affordable rent (with subsidy)	Assigned to households who could afford a social rent without the need to claim housing benefit but would not be able to afford 80% market rents without claiming benefit
Social rent	Households who would need to claim housing benefit regardless of the cost of the property

8.91 In fact there will be a considerable overlap between these categories – the first two would potentially represent households who could afford affordable rented housing without the need to claim housing benefit whilst the latter category (called social rent for analytical purposes) could have their needs met through affordable rented housing (with benefit assistance).

8.92 For example a household with an income close to being able to afford market housing might be able to afford intermediate or affordable rent but may be prevented from accessing certain intermediate products (such as shared ownership) as they have an insufficient savings to cover a deposit. Such a household might therefore be allocated to affordable rented or intermediate rented housing as the most suitable solution. However we would expect that few Registered Providers would build intermediate rented homes, given that the level of potential occupants for affordable rented homes is greater (as it includes households who could claim housing benefit to supplement their incomes).

8.93 The distinction between social and affordable rented housing is also complex. Whilst rents for affordable rented housing would be expected to be higher than social rents, this does not necessarily mean that such a product would be reserved for households with a higher income. In reality, as long as the rent to be paid falls at or below LHA limits then it will be accessible to a range of households (many of whom will need to claim housing benefit). Local authorities' tenancy strategies might set policies regarding the types of households which might be allocated affordable rented homes; and many authorities will seek to avoid where possible households having to claim higher levels of housing benefit. This however needs to be set against other factors, including viability and the availability of grant funding. Over the current spending period to 2015 grant funding is primarily available to support delivery of affordable rented homes. A significant level of affordable housing delivery is however through developer contributions (Section 106 Agreements).

8.94 For these reasons it is difficult to exactly pin down what proportion of additional affordable homes should be provided through different affordable tenure categories. In effect there is a degree of overlap between different affordable housing tenures. The analysis below (as with that for size requirements) excludes affordable housing in the development pipeline from the assessment as there is no guarantee of delivery, and the mix of homes of different tenure is unknown.

8.95 With these caveats, the table below shows our estimate of the number of households in need in each of the identified categories and estimated net need levels. The data shows that **across the HMA some 22% of the need could be met through products priced at the 80% of market level without the need for benefit assistance**. These households could afford intermediate housing. The majority of this need would be required to be rented housing (i.e. intermediate rent) as generally the evidence indicates that households falling in housing need do not have sufficient access to capital to make equity purchase a realistic option.

8.96 Our analysis that around **78% of the net households in housing need would require benefit assistance to afford an affordable rented property** (at 80% of market rents, inclusive of service charge) **and that a small proportion (12% of the total) would be able to afford social rents without benefits**. Thus a shift towards delivery of affordable rented (instead of social rented) properties would increase the benefit bill slightly. However our analysis does not suggest that there are households who, with benefit support, could not afford affordable rented homes.

Table 84: Social Rented and Intermediate Housing Needs– Per Annum

	Equity based intermediate	Intermediate rented	Affordable rented	Social rented	Total
Total gross annual need	65	505	291	3,863	4,723
Total gross annual supply	39	0	0	2,327	2,366
Net annual need	26	505	291	1,536	2,357
% of net shortfall	1%	21%	12%	65%	100%

Source: Household Survey Data

8.97 The above information has also been summarised by local authority area (in the table below). This shows that between 15% and 28% of households could afford intermediate housing (or affordable rented housing without subsidy) with the lowest figure being found in Bolsover and the highest in Bassetlaw. The data also suggests in affordability terms that affordable rented housing will only really work in Chesterfield (and to a lesser extent North East Derbyshire) – where there is a larger gap between social rents and market rents at 80% of market values.

Table 85: Social Rented and Intermediate Housing Needs– per annum

	Equity based intermediate	Intermediate rented	Affordable rented	Social rented	Total
Bassetlaw	1%	27%	3%	70%	100%
Bolsover	1%	14%	2%	84%	100%
Chesterfield	2%	24%	50%	24%	100%
NED	1%	20%	12%	68%	100%
Total	1%	21%	12%	65%	100%

Source: Household Survey Data, CORE

8.98 The analysis for North East Derbyshire differ slightly from those within the 2011 Housing Needs, Market and Affordability Study. Appendix A considers the key differences between this previous Study and the SHMA.

8.99 The analysis indicates a modest demand for equity-based intermediate housing. It indicates that between 16-74% of net housing need could theoretically be met by affordable or intermediate rented homes (with rents above existing social rent levels), but that there remains a notable need for social rented housing from households' who cannot afford more than existing social rent level without recourse to additional subsidy through Housing Benefit. It is recognised however that affordable housing funding in the 2011-15 National Affordable Housing Programme is principally for affordable rented homes.

Key Findings and Policy Implications

- There is a significant net need for 2,356 affordable homes per annum between 2013 and 2018 if all households in housing need are to be allocated an affordable home over this period – this figure reduces to 2,222 once the development 'pipeline' is taken into account. Looking at needs over the longer-term, a need for between 830 – 1,800 homes is identified (excluding the 'pipeline'). This provides a clear evidence base to support planning policies seeking new affordable housing. However the Councils should also consider other mechanisms to improve affordable housing supply such as on land owned by the public sector or Registered Providers, or through other initiative such as around empty homes.
- The level of housing need reflects both low incomes and affordability and also a relative lack of supply of affordable homes (through relets, despite the above average stock levels). The Councils might consider through the review of Tenancy Strategies how turnover in the social housing sector can be improved to make better use of the existing stock, including consideration of fixed-term tenancies and incentives for households to downsize; albeit that this needs to be balanced against issues around the sustainability of local communities.
- Given the shortfall of affordable housing and the likely difficulties (in viability and funding terms) of delivering significant volumes of new stock, the Councils would be justified in focusing allocation of existing housing stock on priority groups. The evidence regarding needs for

different sizes of homes in this section should be brought together with information about short-term pressures (e.g. as a result of the 'bedroom tax').

- The role which the Private Rented Sector (PRS) plays in meeting housing need (supported by Local Housing Allowance) should be recognised. The analysis herein suggests that this supports around 1,327 lettings to households per annum (over a five year period). Given the likely shortfall of supply of new affordable homes, the Councils should consider how the role which the PRS plays in meeting housing need can be maximised: including by encouraging investment in the sector, improvements in standards and through continuing its brokerage role (linking potential tenants to properties/landowners on the Landlord Accreditation Scheme).
- The analysis indicates limited potential for shared ownership or equity housing to contribute to meeting housing need. However these products are more viable to deliver and could play a wider role in helping young households (many of which are living in the PRS) in getting on the housing ladder. This would be a policy decision and should be considered in setting affordable housing policies.
- The housing needs analysis indicates that 78% of net housing need is for social/affordable rented homes and 22% for intermediate housing. A shift towards delivery of affordable rented homes might assist development viability although in viability improvements look to be pretty marginal in many locations. Provision of affordable rented homes could increase the Housing Benefit bill.
- The Councils should consider wider mechanisms to bring forward affordable housing, including adopting lower thresholds for development schemes requiring affordable housing in the main settlements (where supported by viability analysis), and working with RPs and public sector bodies to maximise delivery of affordable housing on sites.

9 NEED FOR DIFFERENT SIZES OF HOMES

Introduction

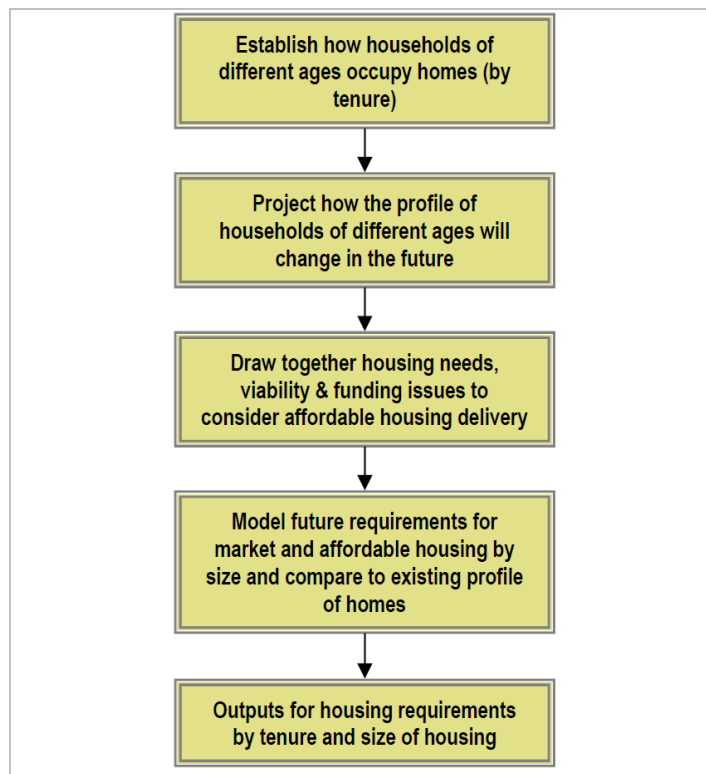
- 9.1 As discussed in Section 4, there are a range of factors which influence housing demand. These factors play out at different spatial scales and influence both the level of housing demand (in terms of aggregate household growth) and the nature of demand for different types, tenures and sizes of homes. The nature of demand for market housing at a local level can however change over time – in response to macro-economic effects which influence parts of the market (as clearly demonstrated over the past few years), as well as in response to new supply (whereby for instance significant supply of a certain type of product can result in a degree of local market saturation).
- 9.2 This section focuses on considering requirements for different sizes of homes in the longer-term over the period to 2031. Over these longer-term timescales a key demand driver is likely to be demographic trends, in terms of both population and household growth, but also changes in the age structure of the population.
- 9.3 This section thus starts by considering demand for different types of housing in the market sector linked to changes in the demographic characteristics (and particularly the age structure) of the population. This is however brought together with consideration of a number of other factors including:
- The analysis earlier in the report of market signals and the existing housing offer;
 - Policy and regeneration aspirations towards diversifying the housing mix within the area.
- 9.4 Analysis is also presented regarding the need for different sizes of affordable housing, taking into account the existing stock and turnover; demographic trends; and issues relating to the management of the stock.

Modelling Future Housing Needs for Different Sizes of Homes

- 9.5 The modelling in this section seeks to use the information available about the size and structure of the population and household structures; and consider what impact this may have on the sizes of housing required in the future.
- 9.6 For the purposes of this analysis we have looked at the demographic change as indicated in our projection linked to the Sub-National Population Projections. Across the four local authorities in the period from 2013 to 2031 this provides for around 19,000 additional units. Assuming a 3% vacancy allowance in new housing stock this would imply household growth of around 18,400.

9.7 The figure below describes the broad methodology employed in the housing market modelling. Data is drawn from a range of sources including the household survey and our demographic projections.

Figure 57: Summary of Housing Market Model



Understanding how Households Occupy Homes

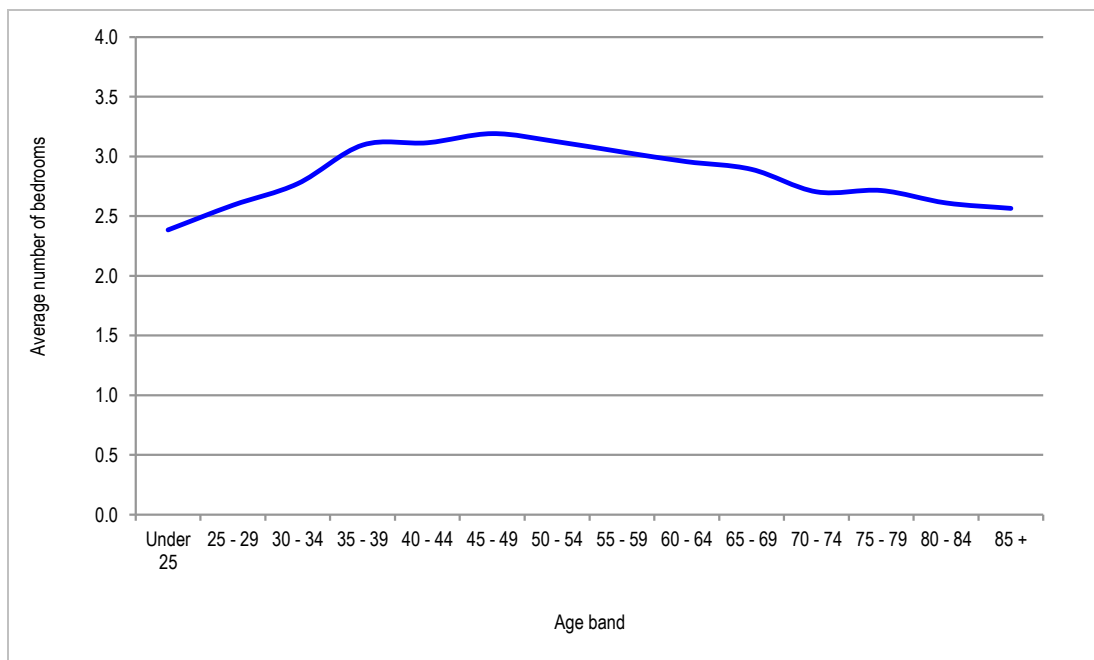
9.8 Whilst the demographic projections provide a good indication of how the population and household structure will develop it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided. The size of housing which households occupy relates more to their wealth and age than the number of people which they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a four bedroom home as long as they can afford it and hence projecting an increase in single person households does not automatically translate in to a need for smaller units.

9.9 The general methodology is therefore to use the information derived in the projections about the number of household reference persons (HRPs) in each age and sex group and apply this to the

profile of housing within these groups. The data for this analysis has been formed by re-weighting the survey database to reflect the household and population profile shown by the projections in 2031.

- 9.10 The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP living in market (owner-occupied and private rented) housing. The data shows that the average size of accommodation rises over time to typically reach a peak around the 45-49 age group. After sizes peak the average dwelling size decreases as some households 'downsize'.

Figure 58: Average Bedrooms by Age of Survey Respondent (household living in market housing)



Source: Household Survey

- 9.11 The survey data is then used to look at what profile of housing might be required to house households within the private sector market assuming broadly similar occupancy patterns (by age) in 2031 as the survey suggested for 2013.
- 9.12 One factor that will influence the actual number of additional private sector units provided will be the overall number of homes built and also the proportion of these which are affordable housing. The modelling uses the assumption that around 19,000 additional homes will be delivered over the 2013-31 period and that 80% of the homes will be delivered in the market sector. This is not seeking to prejudge policies on affordable housing but effectively assumes that the affordable housing sector grows in proportionate terms to the overall growth in the dwelling stock. Affordable housing delivery will in reality be influence by available funding and development viability. Different

assumptions would only make small difference to the outputs in terms of the proportions of different sizes of homes required but because of the slight uncertainties over the longer period to 2031 about delivery the outputs from the modelling have been presented as proportions.

- 9.13 The distribution of housing to different locations has been based on the demographic analysis and need arising within each. It makes no assumptions regarding land supply nor how policy might distribute housing provision.

Outputs of the Modelling

- 9.14 The table below shows the estimated need for different sizes of market homes by authority. The modelling indicates a modest need for 1-bed properties (3% of properties). This is supported by our wider analysis: based on the market analysis, we would expect market demand for new-build 1-bed properties to be limited, not least as these would likely be priced similar to (or above) existing terraced stock.
- 9.15 Need for market housing is focused towards two- and three-bedroom stock. This is consistent to the current profile of demand in the area and the market evidence, which indicates that the demand profile in many parts of the area is focused on local buyers, and that incomes are relatively low.
- 9.16 There are however some differences in different parts of the HMA. The demographic analysis indicates a stronger demand for properties with 4 or more bedrooms in Bassetlaw and Bolsover; and a lower level of demand within Chesterfield. These outputs are consistent with demographic modelling with the figure for Chesterfield being influenced by a low level of projected migration, meaning that more housing is assumed to meet local needs (which tend to be for smaller properties).
- 9.17 The analysis for North East Derbyshire differ slightly from those within the 2011 Housing Needs, Market and Affordability Study. Appendix A considers the key differences between this previous Study and the SHMA.
- 9.18 Whilst the analysis for individual districts is of interest we would urge against using this in an overly prescriptive manner through policy as provision of certain types of homes may well be driven as much by site suitability than specific local demands and local demand dynamics can change over time in response to market circumstances. It is also the case that housing provided in any particular part of the HMA can be occupied by households living elsewhere in the area (or currently living outside the area).

Table 86: Market Housing Size Requirements (2013-31)

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	Total
Bassetlaw	4%	39%	41%	17%	100%
Bolsover	1%	33%	48%	18%	100%
Chesterfield	4%	48%	41%	8%	100%
NED	4%	40%	44%	12%	100%
HMA	3%	40%	43%	14%	100%

Source: Housing Market Model

9.19 The statistics in the table above are based upon our modelling of demographic trends. As we have identified, it should be recognised that a range of factors including affordability pressures and market signals will continue to be important in understanding market demand; this may include an increased demand in the private rented sector for rooms in a shared house due to changes in housing benefit for single people. In determining policies for housing mix, policy aspirations are also relevant. This might include aspirations to develop the socio-economic mix of the population to support local services.

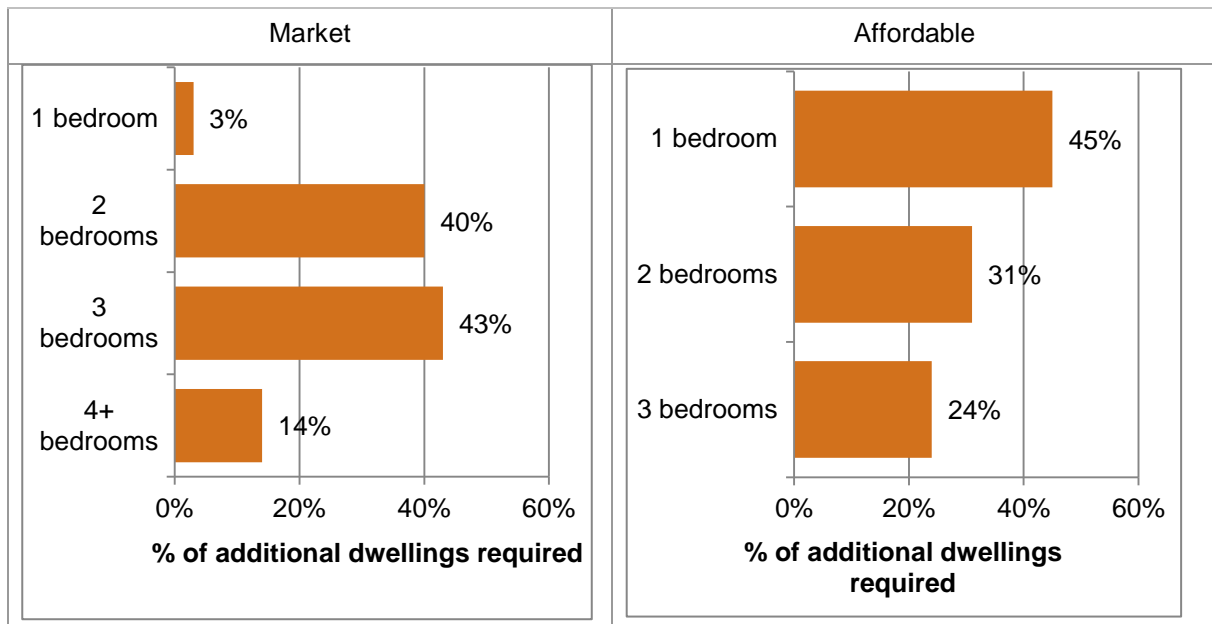
9.20 In the short-term the market evidence points towards demand within the sales market from households trading up or down; from investment purchases at the lower end of the market; and from a growing number of first-time buyers particularly supported by the Government's Help-to-Buy scheme.

9.21 Over the longer-term projection period it is anticipated that there will be a continuing market for larger family homes, but the existing stock is expected to make a significant contribution to meeting this demand, as older households downsize (releasing equity from existing homes). Demand from older households looking to downsize could well be an important market driver of housing market dynamics in the HMA over the plan period.

Indicative Profile of Housing Need by Dwelling Size

9.22 The figure below summarises the above data along with our analysis of affordable housing need in the previous section. The analysis confirms requirements for all sizes of accommodation in both sectors with more emphasis on smaller units in the affordable sector as compared with market housing. The affordable housing analysis only looks at sizes up to three or more bedrooms – the affordable housing analysis identified a number of households in need requiring larger (4+ bedroom) homes with little apparent supply of this size of accommodation. Within the three or more bedroom category the Councils may therefore wish to provide larger units where feasible (taking account of any development constraints and viability issues).

Figure 59: Size of Housing Required, 2013-31



Source: Housing Market Model

9.23 Whilst the outputs of the modelling provide estimates of the proportion of homes of different sizes that should be provided there are a range of factors which should be taken into account in setting policies for provision.

Affordable Housing Mix

9.24 In the affordable sector there are typically issues around the demand for and turnover of one bedroom homes. We also need to consider that the stock of four bedroom affordable housing is very limited and tends to have a very low turnover. As a result, whilst the number of households coming forward for four or more bedroom homes is typically quite small the ability for these needs to be met is even more limited.

9.25 It should also be recognised that local authorities have statutory homeless responsibilities towards families with children and would therefore prioritise the needs of families over single person households and couples. On this basis the profile of affordable housing to be provided would be further weighted to two or more bedroom housing. In the short-term however there may be a need to increase the supply of one-bedroom homes due to the 'bedroom tax'.

9.26 For these reasons we would suggest in converting the long-term modelled outputs into a profile of housing to be provided (in the affordable sector) that the proportion of one bedroom homes required is reduced slightly from these outputs with a commensurate increase in four or more bedroom homes also being appropriate.

9.27 There are thus a range of which are relevant in considering policies for the mix of affordable housing sought through development schemes. At a HMA-wide level, the analysis would support policies for the mix of **affordable housing** of:

- 1-bed properties: 40%-45%
- 2-bed properties: 30%-35%
- 3-bed properties: 10%-15%
- 4+ bed properties: 10%-15%

9.28 Our strategic conclusions recognise the role which delivery of larger family homes can play in releasing supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.

9.29 The need for affordable housing of different sizes will vary by area across the area and over time. In considering the mix of homes to be provided within specific development schemes, the information herein should be brought together with details of households currently on the Housing Register in the local area and the stock and turnover of existing properties.

Market Housing Mix

9.30 In the market sector, we need to overlay on the demographic modelling the market analysis as well as policy aspirations to support the regeneration through increasing the level of resident wealth and the number and range of employment opportunities.

9.31 Our analysis indicates a housing offer which is particularly focused towards 2 and 3-bed properties and properties in Council Tax Bands A and B. It suggests limited demand for 1-bed properties across the area; but opportunities for delivery of larger homes particularly in settlements with higher quality of place and locations which are accessible to the major road network. However providing suitable opportunities for households to downsize is also likely to be an important influence on the market – and will help to release larger family homes for other groups.

9.32 On the basis of these factors we consider that the provision of market housing should balance provision of smaller family housing for younger households and to facilitate downsizing; as well as appropriate provision where the opportunity exists to deliver larger homes with 4+ bedrooms to support economic regeneration.

- 9.33 On this basis we would recommend the following mix of market housing be sought:
- 0%-5% 1-bed properties
 - 35%-40% 2-bed properties
 - 40%-45% 3-bed properties
 - 15%-20% 4+ bed properties
- 9.34 Although we have quantified this on the basis of the market modelling and our understanding of the current housing market we do not strongly believe that such prescriptive figures should be included in the plan making process and that the 'market' is to some degree a better judge of what is the most appropriate profile of homes to deliver at any point in time.
- 9.35 We are of the view that it is appropriate through the planning system to seek to influence the balance of types and sizes of market housing through considering the mix of sites allocated for development rather than specific policies relating to the proportion of homes of different sizes which are then applied to specific sites. This approach is implicit within NPPF which requires local planning authorities to *'identify the size, type, tenure and range of housing that is required'*.
- 9.36 At the strategic level, the Councils in considering which sites to allocate, can consider what type of development would likely be delivered on these sites. It can also provide guidance on housing mix implicitly through policies on development densities.
- 9.37 The figures can however be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area.

Key Findings and Policy Implications

- There are a range of factors which will influence demand for different sizes of homes, including demographic changes; the affordability of market homes; economic performance and policy aspirations. These issues have been drawn together to consider the need for different sizes of market homes.
- We recommend the following strategic mix of dwellings is sought. The mix identified above should inform local policies. In applying these to individual development sites regard should be had to the nature of the development site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level.

Table 87: Recommended Housing Mix – HMA Level

	1-bed	2-bed	3-bed	4+ bed
Market	0-5%	35-40%	40-45%	15-20%
Affordable	40-45%	30-35%	10-15%	10-15%

- Our strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.
- Based on the evidence, we would expect the focus of new market housing provision to be on two and three-bed properties. Continued demand for family housing can be expected from newly forming households. There will also be demand for medium-sized properties (2 and 3 beds) from older households downsizing and looking to release equity in existing homes, but still retain flexibility for friends and family to come and stay.
- The recommended mix includes provision of 15-20% 4+ bed homes particularly with the aim of support economic regeneration.
- The analysis of an appropriate mix of dwellings should also inform the 'portfolio' of sites which are considered through the Local Plan process, including: Site Allocations, Neighbourhood Plans and other planning documents. Equally it will be of relevance to affordable housing negotiations.
- The Councils should also consider whether it is appropriate to set out specific space standards for new development, particularly to encourage provision of decent sized family housing (e.g. 3 bed properties).

10 NEEDS OF SPECIFIC GROUPS

Introduction

10.1 This section of the report considers survey data about a range of different household groups within the HMA. In particular the information focuses on the key characteristics of each group and contrasts data with other households in the area. For the purposes of the SHMA we have studied to following groups:

- Black and Minority Ethnic Groups
- Households with support needs
- Older person households
- Families (households with children)
- Young people (and first-time buyers)

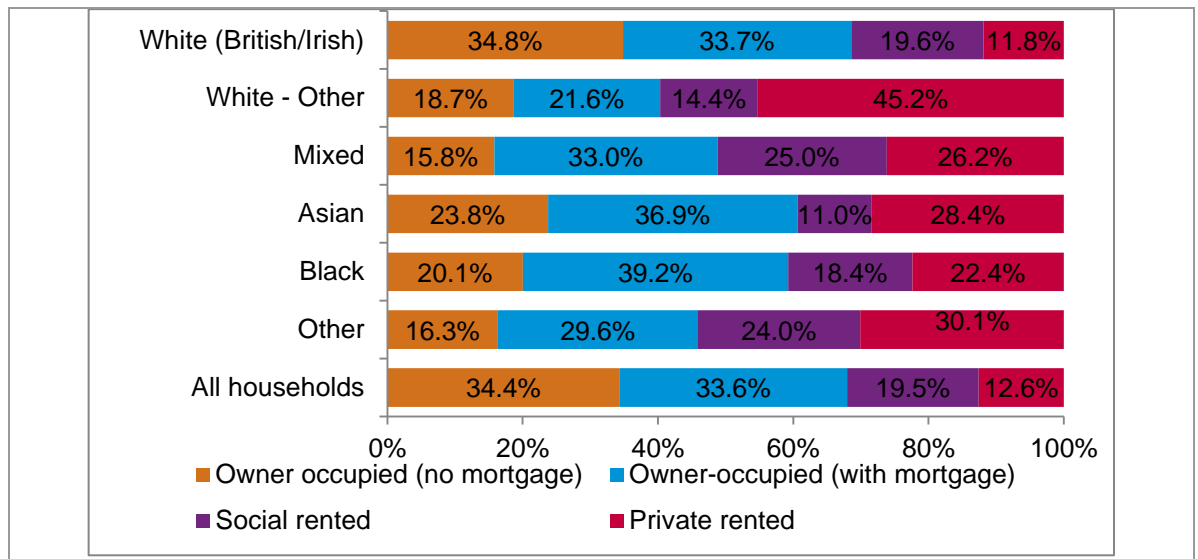
10.2 The draft Planning Practice Guidance on *Assessment of Housing and Economic Development Needs* identifies that planners should seek to consider the needs of specific households groups including facilities, older persons and households with disabilities. The analysis in this section seeks to do so.

Black and Minority Ethnic (BME) Groups

10.3 The BME population of the HMA is very small and as a result the household survey saw relatively few returns from such households (just 74 responses from households describing themselves as 'White-Other' and just 77 from all other BME groups). As a result to study BME groups we have drawn on 2011 Census data.

10.4 The figure below shows how different ethnic groups vary by tenure. The data shows that White households are particularly likely to be owner-occupiers; as are Asian households. All BME groups show high proportions in the private rented sector with 45% of the White-Other group being in this sector.

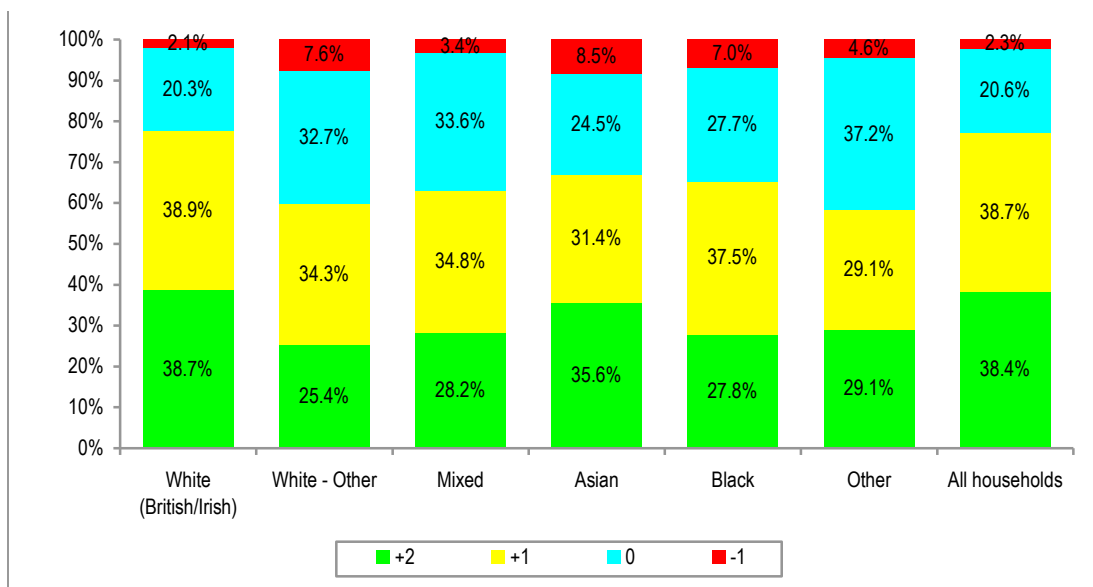
Figure 60: Ethnic Group by Tenure



Source: 2011 Census

10.5 The figure below shows the occupancy rating of households by BME group. This is based on the bedroom standard where a negative figure represents overcrowding and positive figures show varying degrees of under-occupation. The data shows that BME groups are in general more likely to be overcrowded than White households with 7.6% of those in a White-Other group and 8.5% of Asian households having insufficient bedrooms in their home.

Figure 61: Occupancy Rating (bedrooms) by Ethnic Group



Source: 2011 Census

10.6 In terms of the implications of the analysis, it points towards the importance of enforcing standards in the private rented sector particularly in regard to Houses in Multiple Occupation (HMOs).

Households with Support Needs

10.7 Information collected through the survey enables us to identify whether any household members have a particular support need. The survey looked at whether household members fell into one or more of a range of groups. The groups covered were:

- Wheelchair user
- Walking difficulty (not in wheelchair)
- Learning disability
- Mental health problem
- Visual/hearing impairment
- Asthmatic/respiratory problem
- Other physical disability
- Limiting long-term illness

10.8 Overall there are an estimated 48,267 households in the HMA with one or more members in an identified support needs group - this represents 28.0% of all households. The table below shows the number of households with different types of support needs. The numbers of households in each category exceed the total number of support needs households because people can have more than one category of support need. Households with a walking difficulty (not in wheelchair) are the predominant group. There are 27,995 households containing a person with a walking difficulty (not in wheelchair).

Table 88: Support Needs Categories

Category	Number of households	% of all households	% of support needs households
Wheelchair user	4,809	2.8%	10.0%
Walking difficulty (not in wheelchair)	27,995	16.2%	58.0%
Learning disability	3,875	2.2%	8.0%
Mental health problem	7,961	4.6%	16.5%
Visual/hearing impairment	10,480	6.1%	21.7%
Asthmatic/respiratory problem	12,865	7.5%	26.7%
Other physical disability	14,777	8.6%	30.6%
Limiting long-term illness	17,027	9.9%	35.3%

Source: Household Survey Data

10.9 The table below shows the locations of households with support needs from the survey data. Bolsover stands out as having a particularly large proportion with a support need; some 31.9% of

households in this area contain one or more people with some sort of support need. The lowest proportion was found in North East Derbyshire at 26.0%.

Table 89: Households with Support Needs by Sub-Market

		Support need	No support needs	Total
Bassetlaw	No.	13,261	35,370	48,631
	%	27.3%	72.7%	100.0%
Bolsover	No.	10,606	22,658	33,264
	%	31.9%	68.1%	100.0%
Chesterfield	No.	13,071	34,109	47,180
	%	27.7%	72.3%	100.0%
NED	No.	11,329	32,259	43,588
	%	26.0%	74.0%	100.0%
HMA	No.	48,267	124,396	172,663
	%	28.0%	72.0%	100.0%

Source: Household Survey Data

10.10 The tables below show the characteristics of support needs households in terms of age, tenure and unsuitable housing. The survey data shows that support needs households are more likely to contain older persons. It is estimated that 43% of all support needs households contain only older people. Support needs households are also particularly likely to be living in social rented housing. Some 52% of households living in social rented housing contain a support needs member. Finally support needs households are more than twice as likely to be living in unsuitable housing as non-support needs households. Some 13.9% of all support needs households are living in unsuitable housing (compared with 6.8% of all households).

Table 90: Support needs households with and without older people

Age group	Support needs households			
	Support needs	Number of h'holds	% of h'holds with support needs	% of those with a support need
No older people	22,702	116,580	19.5%	47.0%
Both older & non-older people	4,673	10,450	44.7%	9.7%
Older people only	20,892	45,633	45.8%	43.3%
Total	48,267	172,663	28.0%	100.0%

Source: Household Survey Data

Table 91: Support Needs Households and Tenure

Tenure	Support needs households			
	Support needs	Number of h'holds	% of h'holds with support needs	% of those with a support need
Owner-occupied (no mortgage)	18,633	60,400	30.8%	38.6%
Owner-occupied (with mortgage)	7,468	56,435	13.2%	15.5%
Social rented	16,780	32,588	51.5%	34.8%
Private rented	5,385	23,240	23.2%	11.2%
Total	48,267	172,663	28.0%	100.0%

Source: Household Survey Data

Table 92: Support needs Households and Unsuitable Housing

Unsuitable housing	Support needs households			
	Support needs	Number of h'holds	% of h'holds with support needs	% of those with a support need
In unsuitable housing	6,710	11,746	57.1%	13.9%
Not in unsuitable housing	41,557	160,917	25.8%	86.1%
Total	48,267	172,663	28.0%	100.0%

Source: Household Survey Data

10.11 The table below shows the average income and savings levels for support needs households in comparison to other households. The table shows that support needs households have an average income level of about half the average for non-support needs households whilst levels of savings are also slightly lower.

Table 93: Income and Savings Levels of Support Needs Households

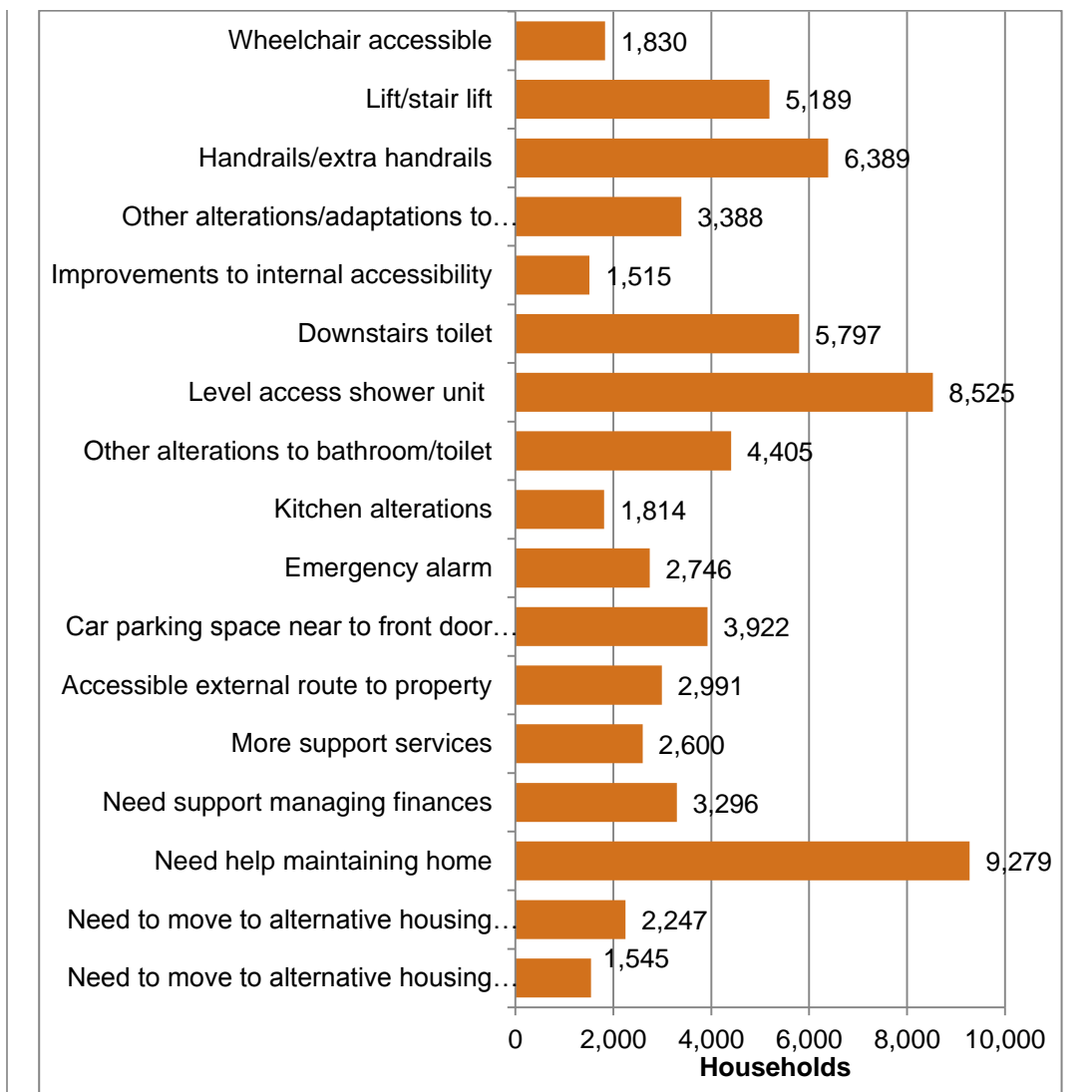
Support needs	Annual gross household income (median)	Average household savings (median)
Support needs	£12,861	£1,113
No support needs	£25,614	£1,239
All households	£21,326	£1,197

Source: Household Survey Data

10.12 Those households with a member with support needs were asked to indicate if there was a need for improvements to their current accommodation and/or services. The responses are detailed in the figure below. The results show requirements for a wide range of adaptations and improvements across the support needs households. Those most needed were:

- Need help maintaining home
- Level access shower unit
- Handrails/extra handrails

Figure 62: Support Needs Households: Improvements to Accommodation & Services



Source: Household Survey Data

10.13 As seen earlier in the report the number and proportion of the population of pensionable age and over is expected to increase significantly in the future with the proportion of households made up

solely of pensioners projected to increase from around 26% to 34% in the period from 2013 to 2031. Given that analysis has shown that older person households are particularly likely to contain someone with a support need it is worth briefly considering the potential impact of local demographic change.

- 10.14 The table below shows estimated number and proportion of households containing someone with a support need in 2013 and 2031 (derived from our demographic modelling). The table shows that overall the proportion of households containing someone with a support need is expected to increase from 28.0% to 31.2% - an increase of nearly 12,000 households between 2013 and 2031.
- 10.15 In interpreting this however, it should be remembered that much of the growth in the older person population is due to improvements in life expectancy – this means that support needs prevalence rates may change in the future and therefore the increase may not be as high as projected here. That said, the evidence would clearly point to increases in the number of households with support needs in the future.

Table 94: Projected Change in number of Households with a Support Need 2013 to 2031

Support need	2013		2031	
	Households	%	Households	%
Support need	48,267	28.0%	60,195	31.2%
No support needs	124,396	72.0%	132,637	68.8%
Total	172,663	100.0%	192,831	100.0%

Source: Household Survey Data

- 10.16 Overall the analysis points towards a need to carefully consider future provision of support for households within the area – including adaptations to properties (and funding support for this), and floating support. This area will require coordinated interventions across the housing and health spheres. It is noted that funding for Disabled Facilities Grants is now managed by the County Councils.

Older Person Households

- 10.17 Older people are defined as those over the state pension eligibility age (aged 65 and over). For the purpose of this section, households have been divided into three categories:
- Households without older persons;
 - Households with both older and non-older persons; and
 - Households with only older persons.
- 10.18 Over a quarter of all households contain only older people and a further 6% contain both older and non-older people. The table below shows the number and percentage of households in each group.

Table 95: Older person Households

Categories	Number of households	% of all households
Households without older persons	116,580	67.5%
Households with both older and non-older persons	10,450	6.1%
Households with older persons only	45,633	26.4%
Total	172,663	100.0%

Source: Household Survey Data

10.19 The table below shows the number of older person only households in each authority. The data shows that North East Derbyshire has the highest proportion of older person only households making up 29.1% of all households in the area. All other areas have 25%-26% of households made up solely of people aged 65 and over.

Table 96: Older Person Households by Sub-Market

		All older persons	Other households	Total
Bassetlaw	No.	12,563	36,068	48,631
	%	25.8%	74.2%	100.0%
Bolsover	No.	8,331	24,933	33,264
	%	25.0%	75.0%	100.0%
Chesterfield	No.	12,038	35,142	47,180
	%	25.5%	74.5%	100.0%
NED	No.	12,701	30,887	43,588
	%	29.1%	70.9%	100.0%
Total	No.	45,633	127,030	172,663
	%	26.4%	73.6%	100.0%

Source: Household Survey Data

10.20 The number of occupants in older person households is shown in the table below. The data suggests that virtually all households containing older persons only are comprised of one or two persons only. Some 51% of all single person households are older person households.

Table 97: Size of Older Person Only households

Number of persons in household	Older persons only	Age group		
		Number of h'holds	% of total h'holds with older persons	% of those with older persons
One	25,417	49,911	55.7%	50.9%
Two	20,181	67,246	44.2%	30.0%
Three	34	26,189	0.1%	0.1%
Four or more	0	29,317	0.0%	0.0%
Total	45,633	172,663	100.0%	26.4%

Source: Household Survey Data

10.21 Around two-thirds of older person only households are owner-occupiers (mostly without a mortgage). This suggests that the potential for equity release schemes in the area may be significant.

10.22 Another significant finding is the relatively high proportion of social rented accommodation containing older people only. In the HMA, 35% of social rented dwellings contain only older people. This may have implications for future supply of and demand for specialised social rented accommodation.

Table 98: Older person Only Households and Tenure

Tenure	Older persons only	Age group		
		Number of h'holds	% of h'holds with older persons	% of those with older persons
Owner-occupied (no mortgage)	29,845	60,400	65.4%	49.4%
Owner-occupied (with mortgage)	2,038	56,435	4.5%	3.6%
Social rented	11,434	32,588	25.1%	35.1%
Private rented	2,316	23,240	5.1%	10.0%
Total	45,633	172,663	100.0%	26.4%

Source: Household Survey Data

10.23 The table below shows that older person only households are more likely than non-older person households to be living in one and two bedroom properties. However, the results also show that around half of all older person households are in three or four bedroom dwellings. Given that previous information has shown that older person only households are almost entirely comprised of only one or two persons, this finding suggests that there could be potential scope to free up larger units for younger families if the older person households chose to move into suitable smaller units.

There is potential to provide incentives to do so (although particularly in the market sector there is limited ability to influence trends). However by providing attractive properties targeting older households, there may be opportunities to support households to downsize. The stakeholder consultation undertaken points for instance to demand from older households from bungalows (albeit that in some instances the viability of delivery can be challenging).

Table 99: Size of Dwellings (number of bedrooms) for Older Person Only Households

Number of bedrooms	Older person households		All other households	
	Households	%	Households	%
1 bedroom	5,582	12.2%	8,237	6.5%
2 bedrooms	18,017	39.5%	32,510	25.6%
3 bedrooms	17,922	39.3%	61,333	48.3%
4+ bedrooms	4,113	9.0%	24,950	19.6%
Total	45,633	100.0%	127,030	100.0%

Source: Household Survey Data

10.24 This information can be further broken down by tenure (for older person households) and this is shown in the table below. The table indicates that whilst the majority of large (three or more bedrooms) properties are in the owner-occupied sector, there are also around 1,500 dwellings in the social rented sector which may therefore present some opportunity to reduce under-occupation.

Table 100: Older person Only Households - Size of Accommodation and Tenure

Tenure	Size of accommodation				TOTAL
	1 bed	2 bed	3 bed	4+ bed	
Owner-occupied (no mortgage)	846	10,481	14,824	3,695	29,845
Owner-occupied (with mortgage)	48	738	1,061	191	2,038
Social rented	4,312	5,633	1,388	101	11,434
Private rented	375	1,165	650	125	2,316
Total	5,582	18,017	17,922	4,113	45,633

Source: Household Survey Data

10.25 The number and proportion of the population of pensionable age and over is expected to increase significantly in the future. The table below shows estimated household type change derived from our demographic modelling for the period from 2013 to 2031.

10.26 The table below shows that overall the proportion of households made up solely of people of pensionable age is expected to increase from 26.4% to 33.6% - an increase of over 19,000 households from 2013; this represents an increase in this group of households of around 42% in just 18 years.

Table 101: Household Type Estimates (pensioner-only households) 2013 and 2031

Household type	2013		2031	
	Households	%	Households	%
Single pensioner	25,417	14.7%	35,362	18.3%
Two or more pensioners	20,216	11.7%	29,392	15.2%
All pensioner households	45,633	26.4%	64,754	33.6%
All other households	127,030	73.6%	128,077	66.4%
Total	172,663	100.0%	192,831	100.0%

Source: Household Survey Data

10.27 The change in the older person population is likely to have some impact on the types of accommodation required to meet housing requirements and overall housing requirements are mainly dealt with in the previous section of this report. It is however worth noting that the projections suggest that if occupancy patterns stay as they are in 2013 then levels of under-occupancy across the HMA are expected to rise (very slightly) from 38.3% of all households to 38.5% - this is an increase of about 8,200 under-occupying households.

Families (Households with Children)

10.28 For the purposes of this analysis, children are defined as those aged under 16 and the section will focus on any household with at least one child in it. To provide more detail on what is a large subsection of the population, three different groups of households with children will be analysed. These are lone parent households, households with more than one adult and one child and households with more than one adult and two or more children.

10.29 The table below shows the number of each type of household with children. The survey estimates that there are 42,687 households with children in the HMA. Of these, 7,935 households (18.6%) are lone parents, some 41.4% are families with one child aged under 16, and the remaining 40.0% are larger households (with two or more children).

Table 102: Number of Families with Children

Households with children	Number of households	Percent of households	Percent of households with children
Lone parent households	7,935	4.6%	18.6%
Two or more adults and one child	17,666	10.2%	41.4%
Two or more adults and two or more children	17,087	9.9%	40.0%
All other households	129,976	75.3%	-
Total	172,663	100.0%	100.0%

Source: Household Survey Data

10.30 The table below shows how the proportion of households containing children varies between the four local authority areas. The proportion of households containing children is fairly similar in all areas (around 25%) although there are some variations by type of household with 5.4% of households in Chesterfield being lone parents compared with just 3.6% in North East Derbyshire.

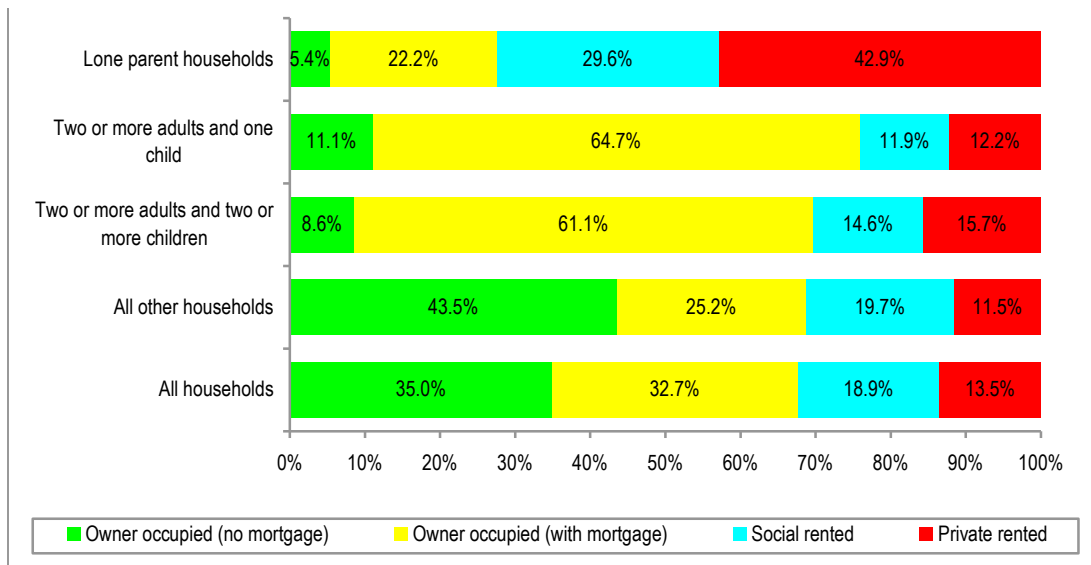
Table 103: Household Type by Sub-Market

		Lone parent households	Two or more adults and one child	Two or more adults and two or more children	All other households	Total
Bassetlaw	No.	2,407	5,291	4,773	36,160	48,631
	%	5.0%	10.9%	9.8%	74.4%	100.0%
Bolsover	No.	1,419	3,734	3,414	24,697	33,264
	%	4.3%	11.2%	10.3%	74.2%	100.0%
Chesterfield	No.	2,560	4,252	4,601	35,767	47,180
	%	5.4%	9.0%	9.8%	75.8%	100.0%
North East Derbyshire	No.	1,548	4,389	4,299	33,352	43,588
	%	3.6%	10.1%	9.9%	76.5%	100.0%
Total	No.	7,935	17,666	17,087	129,976	172,663
	%	4.6%	10.2%	9.9%	75.3%	100.0%

Source: Household Survey Data

10.31 The figure below shows the tenure of the three groups of households with children. The results suggest that lone parents are more likely to be living in social rented and in particular private rented accommodation. There is less difference when comparing larger and smaller households with children, although households with one child are slightly more likely to live in owner-occupied accommodation compared with those with two or more children. Very few households with children are outright owners.

Figure 63: Household Type by Tenure



Source: Household Survey Data

10.32 The table below presents the proportion of households with children living in unsuitable housing. The table indicates that all household groups with children are more likely than other households to be in unsuitable housing.

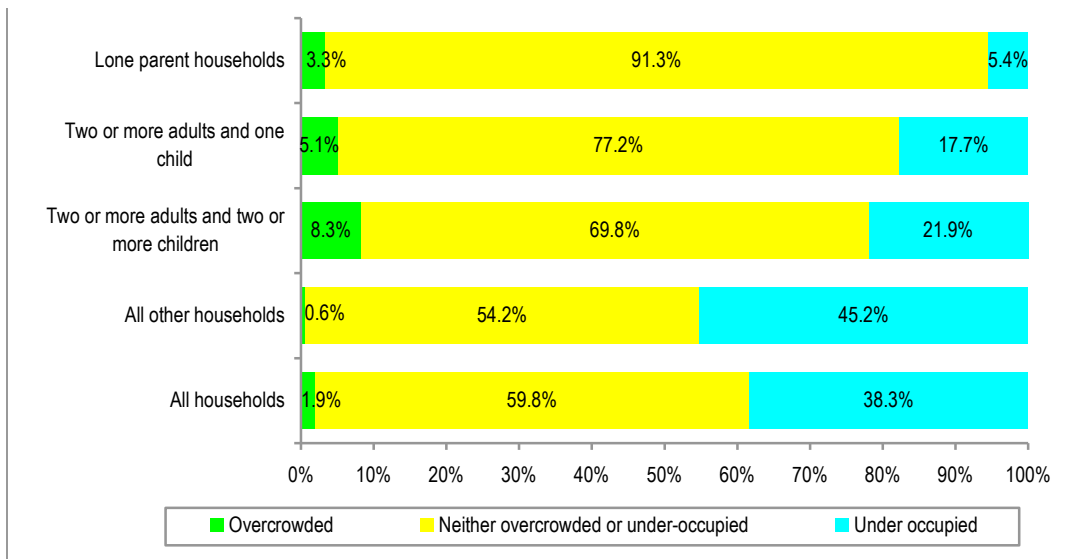
Table 104: Households with Children in Unsuitable Housing

Unsuitable housing	Households with children				Total
	Lone parent households	Two or more adults and one child	Two or more adults and two or more children	All other households	
In unsuitable housing	10.3%	8.4%	11.6%	5.7%	6.8%
Not in unsuitable housing	89.7%	91.6%	88.4%	94.3%	93.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey Data

10.33 The figure below presents the level of overcrowding and under-occupation for households with children. The table shows that whilst levels of overcrowding across the HMA are generally low all household groups containing children are more likely to be overcrowded than is the average for the whole area. In addition, levels of under-occupation are low; particularly for lone parent households where only 5% are under-occupied (compared to a HMA average of 38%).

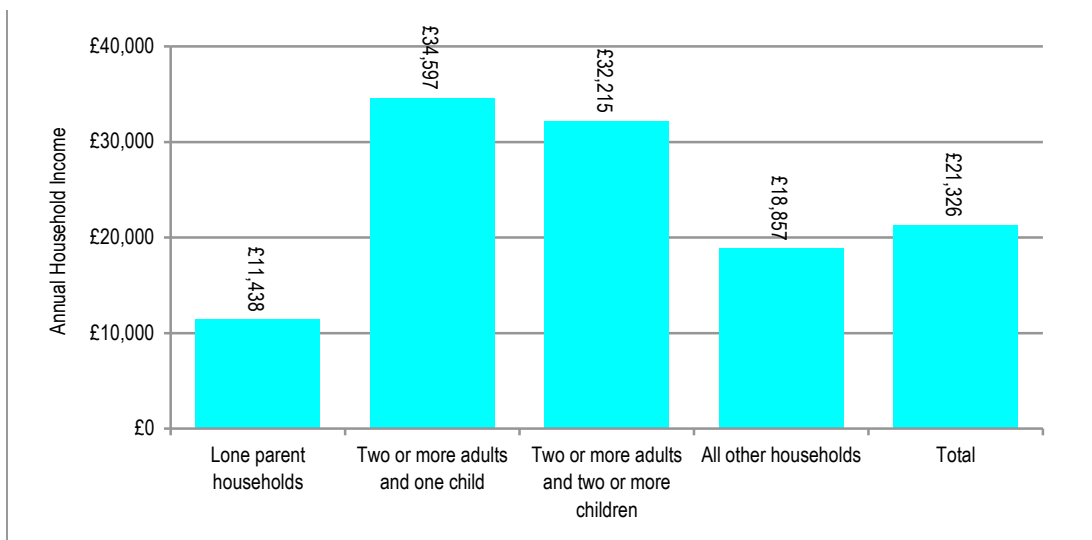
Figure 64: Overcrowded and Under-Occupying Households with Children



Source: Household Survey Data

10.34 Finally, we have presented data on average (median) income levels for households with children compared with the average for all households in the area. The data shows that both household groups with two or more adults have incomes well in excess of the average whilst the average lone parent income is very low (around £11,400 per annum).

Figure 65: Median Household Income by Household Type



Source: Household Survey Data

10.35 The analysis particularly points to the need for social housing provision to meet the needs of lone parent households with low household incomes.

Young People and First-Time Buyers

10.36 For the purpose of this study younger people households are defined as those where the household reference person (survey respondent) is aged under 35. The survey records that there are 27,762 younger households in the HMA representing 16.1% of all households.

10.37 The table below presents the working status of younger people in the area compared with working status for all households. The table indicates that around 74% of younger person households are working – this compares with 49% of all other households (or 82% if we exclude retired households). The figures for unemployment are also quite notable with 12% of younger person households being unemployed compared to 3.6% of all other households (6% excluding retired households).

Table 105: Working status of Younger People

Working status	Young households		All other households	
	Number of household	% of households	Number of household	% of households
Working	20,586	74.2%	71,475	49.3%
Unemployed	3,220	11.6%	5,209	3.6%
Retired	0	0.0%	57,724	39.8%
Other	3,956	14.3%	10,492	7.2%
Total	27,762	100.0%	144,901	100.0%

Source: Household Survey Data

10.38 The table below indicates the type of households these younger households live in. The table shows that 17% live alone and a just over a quarter live as a childless couple. In total 54% of all younger person households contain children with a significant proportion of these being lone parent households.

Table 106: Younger person Household Types

Household type	Number of household	% of households
Single non-pensioners	4,688	16.9%
Childless couple	7,595	27.4%
Other multi-adult	512	1.8%
Lone parent	4,031	14.5%
Two or more adults and one child	5,205	18.7%
Two or more adults and two or more child	5,731	20.6%
Total	27,762	100.0%

Source: Household Survey Data

10.39 It is possible to briefly examine the housing circumstances of the different groups of younger person households and in the analysis that follows we have split the group into four main categories, these are:

- Single person households
- Multiple adult households (including childless couples)
- Lone parents
- Households with two or more adults and children

10.40 The table below presents the level of overcrowding and under-occupation for younger person households. The table indicates that the levels of overcrowding for households with children are relatively high whilst generally levels of under-occupation amongst younger person households are low (particularly those households with children).

Table 107: Overcrowded and Under-Occupying Younger Households

Overcrowded/under-occupied	Single person	Multi-adult	Lone parents	2+ adults & children	All younger households
Overcrowded	0.0%	0.0%	4.7%	7.7%	3.7%
Neither overcrowded nor under-occupied	76.2%	56.2%	92.7%	82.5%	75.2%
Under-occupied	23.8%	43.8%	2.6%	9.8%	21.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey Data

10.41 The table below shows the tenure of the four groups of younger households. The data suggests that there are considerable differences between the different groups of younger households with lone parent households having large proportions in the private rented sector (and also the social rented sector). Multi-adult households are particularly likely to live in owner-occupied housing although around 34% are in the private rented sector. The group of households with two or more adults and children also show a high proportion in the owner-occupied sector (around 55% are owner-occupiers) although a relatively large proportion are also in the social and private rented sectors. Well over a third of single person younger households live in private rented accommodation.

Table 108: Tenure of Younger Households

Tenure	Single person	Multi-adult	Lone parents	2+ adults & children	All younger households
Owner-occupied (no mortgage)	4.6%	2.4%	0.7%	3.0%	2.8%
Owner-occupied (with mortgage)	31.8%	52.4%	9.2%	52.0%	42.5%
Social rented	24.9%	11.2%	35.8%	21.4%	21.1%
Private rented	38.7%	33.9%	54.3%	23.6%	33.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey Data

10.42 The survey identifies households that have moved into owner-occupied accommodation from a different tenure in the last two years. It is assumed that all of these households are first-time buyers although a few may have owned a home at some stage previously.

10.43 The survey records that there are 3,861 households that have become first-time buyers in the HMA in the last two years. The figure below shows the size of first-time buyer households compared with other households that have purchased a home in the last two years and all other households who have moved home in the same period. It shows that 48% of first-time buyer households contain two people and a further 23% are single persons. Overall, first-time buyer households are generally smaller when compared to other recent buyers.

Table 109: Household Size of recent First-Time Buyers

Household size	First time buyer		Other recent buyer		Other recently moved households		Total (all movers)	
1 person	880	22.8%	1,133	19.4%	6,584	34.8%	8,596	30.0%
2 people	1,843	47.7%	2,478	42.4%	6,610	34.9%	10,931	38.2%
3 people	612	15.9%	1,085	18.6%	3,281	17.3%	4,979	17.4%
4 people	417	10.8%	915	15.7%	1,684	8.9%	3,015	10.5%
5 or more people	109	2.8%	231	4.0%	779	4.1%	1,119	3.9%
Total	3,861	100.0%	5,842	100.0%	18,937	100.0%	28,640	100.0%

Source: Household Survey Data

10.44 The table below shows the age of the HRP in first-time buyer households. It shows that 53.5% of respondents are aged under 30, whilst 20.8% are between 30 and 39. First-time buyers generally have a younger age profile to other buyers. The median age of first-time buyers in the HMA over the past two years is 29 (which is a very low figure when compared with our experience elsewhere).

Table 110: Age of Recent First-Time Buyers

HRP age	First time buyer		Other recent buyer		Other recently moved households		Total (all movers)	
Under 30	2,068	53.5%	418	7.2%	6,310	33.3%	8,796	30.7%
30-39	804	20.8%	1,394	23.9%	4,259	22.5%	6,457	22.5%
40-49	502	13.0%	1,419	24.3%	2,785	14.7%	4,706	16.4%
50 and over	488	12.6%	2,610	44.7%	5,584	29.5%	8,681	30.3%
Total	3,861	100.0%	5,842	100.0%	18,937	100.0%	28,640	100.0%

Source: Household Survey Data

10.45 The average (median) annual income of first-time buyer households is £28,700 which is significantly higher than the average for the HMA of about £21,300. As we have discussed in previous sections, the savings of many young households currently mean many cannot secure a

mortgage to buy a new home. On the basis of comparing equity levels and property values it is estimated that first-time buyers (over the past two years) have put down an average deposit of 15%.

Key Findings and Policy Implications

- The BME population within the HMA is relatively small. Overall household sizes within it are above average, and BME households are more likely than other groups to live within the Private Rented Sector. Overcrowding is above average in the White Other and Asian communities but the numbers of households overall are small. There is a continuing need to ensure decent homes standards are enforced in the Private Rented Sector.
- Currently 28% of households have support needs with the highest levels in the Bolsover District. The most common support needs are in maintaining a home, installing level access showers or handrails. Demographic trends are expected to lead to a growth in the number of households with support needs by 12,000 over the next 18 years to 2031. Housing support services, including provision of adaptations to properties, will need to be adequately resourced to take account of this.
- A quarter of households in the HMA contain older persons. Two-thirds of these are owner-occupiers; however 35% of households in the social rented sector also contain older persons. The number of households including people of pensionable age is expected to increase by a very substantial 19,000 to 2031 (an increase of 42%). This may create significant demand for specialist accommodation. It is likely to support demand for bungalows and could potentially support some increase in need for affordable housing. Furthermore, without intervention the number of households' under-occupying homes can be expected to increase by 8,200. Provision of housing targeting older age groups can help to release family homes for other groups.
- Over the last two years there have been 3,900 first-time buyers in the HMA. Of these around half contain two people, with a median age of first-time buyers of 29 and an average income of £28,700. The average deposit was 15%. Policy initiatives such as the HomeBuy schemes could assist young households in getting on the housing ladder and should be signposted. However it is likely that constraints to accessing mortgage finance need to ease to significantly improve the affordability of market housing for many young households (as well as improvements to the wider economic backdrop).

11 CONCLUSIONS AND RECOMMENDATIONS

- 11.1 In this final section of the report we have sought to bring together the analysis undertaken to identify conclusions and recommendations.
- 11.2 The SHMA is intended to improve understanding of both needs for market and affordable housing. It takes account of changes to the housing stock, market dynamics, short and long-term drivers of change and the impact of emerging policy at both national and local levels on housing need, demand and housing provision.
- 11.3 The study looks at current market circumstances but looks beyond short-term issues to consider longer-term drivers of change over the period to 2031 in order to inform the development of planning policy.
- 11.4 The report, and process of preparing it, meets the requirements of Government Guidance on preparing Strategic Housing Market Assessments (CLG, 2007). It also takes account of the Government's draft Planning Practice Guidance.
- 11.5 In this final section, we seek to draw together the findings of the work and set out key recommendations to inform the development of both housing and planning policies across the four authorities.

Overall Need for Housing

- 11.6 The National Planning Policy Framework sets out that plans should be prepared on the basis of meeting full needs for market and affordable housing. The draft Planning Guidance sets out that the latest national projections should be seen as a starting point for identifying need, but that authorities may consider sensitivity testing projections in response to local circumstances and the latest demographic evidence.
- 11.7 The draft Guidance effectively describes a process whereby the latest population and household projections are a starting point; and a number of "tests" then need to be considered to examine whether it is appropriate to consider an upward adjustment to housing provision. These are:
- Is there evidence that household formation rates in the projections have been constrained? Do market signals point to a need to increase housing supply?
 - How do the demographic projections 'sit' with the affordable housing needs evidence, and should housing supply be increased to meet affordable needs?
 - What do economic forecasts say about jobs growth? Is there evidence that an increase in housing numbers would be needed to support this?

- 11.8 We have worked through this process to derive an objective assessment of need for housing for the HMA and for each of the four constituent authorities.

North Derbyshire and Bassetlaw HMA

- 11.9 For the North Derbyshire and Bassetlaw HMA, the CLG 2011-based Interim Household Projections indicate a need for 1,191 homes a year to 2021. Updating and extending these to 2031 the level of housing need drops slightly to 1065 homes per annum; however this supports growth of just 1.8% in residents in employment.
- 11.10 There is some evidence from the demographic analysis that household formation has been constrained to some extent, in that the sensitivity analysis using the 2008-based headship rates results in a 21% uplift in housing need to 1,290 homes per annum.
- 11.11 Market signals are clearly that demand for market housing has fallen notably over the last five years, and that in 2013 sales remain a significant 47% down on peak levels of 2007. There is some indication that the situation is beginning to improve; however stakeholders expect the market to remain flat in the short-term, the wider economic outlook and structural changes associated with international migration means that household formation is unlikely to rise to this extent over the plan period. It would be more realistic to assume an uplift of around 10% equating to a housing need of around 1,180 homes per year based on demographic trends.
- 11.12 Next we can compare this to the evidence of affordable housing need. Using the main assumptions within the modelling, an annual need for 1,760 affordable homes over the plan period is identified (excluding the current affordable housing development 'pipeline'). However the report clearly identifies that over the last decade we have seen a growth in the private rented sector (PRS), and this sector has played an increasing role in meeting affordable need. Given the funding context for affordable housing (and viability issues in parts of the HMA) it is likely that this will continue to play a role. Assuming no further net growth in the contribution of the PRS to meeting affordable need, delivery of around 430 affordable homes per annum would be required. This does provide some justification for considering a higher level of affordable provision.
- 11.13 It should however be recognised that it is difficult to predict affordable needs accurately in the longer-term, and that the affordable needs modelling is sensitive to assumptions on household formation and the proportion of income which households spend on housing costs. These have the effect of reducing the level of need indicated.
- 11.14 Next we need to consider the degree to which demographic projections will support economic growth. The economic-driven scenarios provide an upside assessment indicating a theoretical need

for housing of up to 1,500 homes a year. The wider evidence does not point towards the economy being a particularly strong driver of the housing market within this HMA as a whole. In particular there is a strong potential to support economic growth through reducing out-commuting to the HMA. This said there are potential policy choices: and a case for considering higher levels of housing provision in particular areas to support economic regeneration.

11.15 Overall the evidence suggests that a minimum level of housing provision across the HMA should be for 1,180 homes per annum. This is consistent with current household projections. However the evidence points to the need to consider a higher level of provision in order to:

- Ensure that housing supply policies do not constrain household formation;
- To support stronger growth in the labour force to support local economic growth; and
- To enhance the potential delivery of affordable housing to meet identified needs.

11.16 We consider that a higher level of housing need, for 1,350 homes per annum would be justified on this basis. To more explicitly support economic growth there may be a case for considering higher housing provision still.

11.17 **Our objective assessment of need for housing is thus for between 1,180 – 1,350 homes per year across the HMA; with a recognition that higher housing provision might be considered in order to support economic growth.** The lower end of this range assumes that household formation rates fall midway between those implicit within the 2008- and 2011-based CLG household projections. The higher end allows for higher population growth and/or household formation relative to this.

11.18 We turn next to consider the SHMA conclusions regarding housing need in individual districts. It should however be recognised that individual district figures are likely to be influenced by past housing delivery and development constraints; and **it is more important in terms of meeting national policy tests that housing need is met at the HMA level than in individual districts.**

11.19 The conclusions at a district level have been informed by drawing together the research findings at the HMA level and individual districts, and ensuring that the District-level findings aggregate to meet the identified HMA-level needs.

Bassetlaw

11.20 For Bassetlaw, the CLG 2011-based Interim Household Projections indicate a need for 448 homes per annum, representing 0.9% annual growth in the housing stock. Updating and extending the projections to 2031 (in PROJ 1), the level of housing need falls modestly to 402 homes per annum (a 0.8% growth rate). This is based on 2011 headship rates.

- 11.21 These projections however support modest growth in labour supply (3.2% to 2031), with the economic-driven projections indicating a potentially higher level of housing need – with the modelling suggesting between 565-570 homes per annum.
- 11.22 Next we can compare this to the evidence of affordable housing need. Using the main assumptions within the modelling, an annual need for 646 affordable homes over the plan period is identified (excluding the development ‘pipeline’). However the report clearly identifies that over the last decade we have seen a growth in the private rented sector (PRS), and this sector has played an increasing role in meeting affordable need. Based on current dynamics the sector supports around 540 lettings per annum to households on Local Housing Allowance. Taking the role which the sector plays into account, there is no clear evidence of a need to increase overall housing provision.
- 11.23 Market signals point towards housing costs and the affordability of market housing being average for the HMA; with the HMA overall containing housing which is considerably more affordable than in other parts of the country. Recent housing market performance has been average with sales remaining significantly below long-term trends, and prices still falling below peak 2007 levels.
- 11.24 The demographic projections described above are based on 2011-based Headship Rates. Applying the 2008-based Headship Rates to the population projections in PROJ 1, the need rises to 467 homes a year. The midpoint for this projection between the 2008- and 2011-based headship rates is for 435 homes per annum.
- 11.25 Drawing the analysis together we consider that **an objective assessment of full need for housing, based on the evidence presented, would equate to between 435 - 500 homes per annum in Bassetlaw District.** The lower end of this range reflects the demographic projections (the PROJ 1 figures assuming that household formation falls between the 2008 and 2011 headship rates). The higher end of this projection range is based on seeking to ensure that labour supply does not constrain economic growth.

Bolsover District

- 11.26 For Bolsover District, the CLG 2011-based Interim Household Projections indicate a need for 230 homes per annum, representing 0.7% annual growth in the housing stock. Updating and extending the projections to 2031 (in PROJ 1), the level of housing need falls modestly to 210 homes per annum (a 0.6% growth rate).
- 11.27 The economic-driven projections provide an upside to the assessment based on demographic trends, indicating a housing need for between 260-290 homes a year. Overall the analysis does not suggest that the economy is a significant driver of housing demand in Bolsover District. Indeed it

suggests a 'jobs deficit' locally- with notable out-commuting to nearby employment centres. Whilst there are major employment-generating schemes being delivered including Barlborough Links, Castlewood and Markham Vale, there is potential for changes to commuting patterns, for enhanced economic participation and double jobbing; and we find no convincing evidence that housing supply would need to increase above the demographic projections *per se* to support economic growth.

- 11.28 The next relevant issue is the degree to which overall housing supply is capable of meeting the identified needs for affordable housing. The housing needs analysis points towards a significant net need for affordable housing – with the SMA identifying a net need for 419 affordable homes per annum over period to 2031 (excluding the development 'pipeline').
- 11.29 This provides an indication of the level of affordable housing provision which would be necessary if all households in housing needs were allocated an affordable home. In reality, the evidence suggests that based on current housing market dynamics, the private rented sector meets the needs of around 315 households per annum. Setting the affordable housing needs analysis in context, the District does not appear to have significant issues with managing its waiting lists. There is a significant volume of affordable housing stock. Most households on the Council's housing register are not in priority or reasonable preference groups. Furthermore the wider evidence points towards modest affordability pressures, with a lower quartile price-earnings ratio of 4.3 and an average age of first-time buyers of 28. The housing needs evidence suggests a need to consider delivery at least 115 affordable homes per annum.
- 11.30 The demographic projections described above are based on 2011-based Headship Rates. Applying the 2008-based Headship Rates to the population projections in PROJ 1, the need rises to 260 homes a year. The midpoint for this projection between the 2008- and 2011-based headship rates is for 235 homes per annum.
- 11.31 Drawing the analysis together we consider than **an objective assessment of full need for housing, based on the evidence presented, would equate to between 235-240 homes per annum in Bolsover District.** The range reflects the demographic projections (the PROJ 1 figures assuming that household formation falls between the 2008 and 2011 headship rates).

Chesterfield Borough

- 11.32 For Chesterfield Borough, the CLG 2011-based Interim Household Projections indicate a need for 236 homes per annum, representing a modest 0.5% annual growth in the housing stock. Updating and extending the projections to 2031 (in PROJ 1), the level of housing need falls modestly to 211 homes per annum (a low 0.4% growth rate).
- 11.33 These projections however support very modest growth in labour supply (0.7% to 2031), with the economic-driven projections indicating a potentially higher level of housing need of around 345 homes per annum. Chesterfield is a larger employment centre, with an above average jobs density. The demographic projections also appear to have been influenced by low past population growth relative to surrounding areas. On this basis we do consider that there is a case for an upward adjustment to housing provision.
- 11.34 The affordable housing evidence indicates a need for on average 212 affordable homes per annum over the plan period (excluding the development 'pipeline'); however private rented sector appears – based on current dynamics – to be largely meeting this need. Whilst the private rented sector does not provide the security of tenure and is likely to have lower standards than social housing (and in many cases may be less affordable), the evidence does not on its own justify an upwards adjustment to overall levels of housing provision.
- 11.35 The demographic projections described above are based on 2011-based Headship Rates. Applying the 2008-based Headship Rates to the population projections in PROJ 1, the need rises to 270 homes a year. The midpoint for this projection between the 2008- and 2011-based headship rates is for 240 homes per annum.
- 11.36 Overall **the evidence indicates an objectively-assessed need for between 240-300 homes per annum in Chesterfield Borough**. The lower end of this range reflects the demographic projections (the PROJ 1 figures assuming that household formation falls between the 2008 and 2011 headship rates). The higher end of this projection range is based on seeking to more positively support economic growth. The economic-driven projections provide a further upside and higher housing provision still could be justified on the basis of supporting economic growth.

North East Derbyshire

- 11.37 For North East Derbyshire District, the CLG 2011-based Household Projections indicate a housing need for 236 homes per annum, representing 0.5% growth per annum in the housing stock. Historically population growth has been lower than the HMA average. Market signals however point towards relatively stronger demand in the north and west of the District.
- 11.38 Updating and extending the household projections to 2031 (in PROJ 1), the level of housing need increases slightly to 242 homes per annum (0.5% growth pa).
- 11.39 The PROJ 1 figures support no growth in labour supply and again the economic-driven projections provide an upside assessment of housing need. The District's jobs density is however low with potential to support employment growth through changes to commuting dynamics. Given the potential for changes to commuting patterns, for enhanced economic participation (particularly in the south of the district) and the potential for double jobbing, we find no convincing evidence that housing supply would need to increase above the demographic projections per se to support economic growth.
- 11.40 Next we turn to the affordable housing needs evidence. The affordable housing evidence indicates a need for a significant 482 affordable homes per annum over the period to 2031 (excluding the development 'pipeline'). Set against this, the private rented sector currently supports around 180 lettings per annum to households in housing need. A very substantial differential remains, which does provide some justification for considering an increase in housing provision.
- 11.41 The demographic projections described above are based on 2011-based Headship Rates. Applying the 2008-based Headship Rates to the population projections in PROJ 1, the need rises to 293 homes a year. The midpoint for this projection between the 2008- and 2011-based headship rates is for 270 homes per annum.
- 11.42 The housing needs evidence in particular provides some basis for considering increasing housing provision above the levels indicated by the demographic-driven projections. We consider that **an objective assessment of need for housing in North East Derbyshire would equate to delivery of between 270-310 homes per annum**. The lower end of this range reflects the demographic projections (the PROJ 1 figures assuming that household formation falls between the 2008 and 2011 headship rates). The higher end of this projection range is based on seeking to more positively support economic growth and deliver affordable housing. The economic-driven projections provide a further upside and higher housing provision still could be justified on the basis of supporting economic growth. Higher housing provision relative to the range suggested would also support stronger affordable housing delivery.

Taking the Assessment of Need Forward

11.43 The table below summarises the assessed need for housing based on the evidence in this SHMA.

Table 111: Assessed Need for Housing, 2011-31

Annual Requirement	Annual Housing Need
Bassetlaw	435 – 500 homes
Bolsover	235 – 240 homes
Chesterfield	240 – 300 homes
North-East Derbyshire	270 – 310 homes
HMA	1,180 – 1,350 homes

11.44 It is important that in finalising levels of housing provision in development plans that the SHMA evidence is brought together with other work at the City Regional level, including around demographics and unmet needs of other areas. It also needs to be considered alongside economic planning assumptions.

11.45 We would therefore recommend that:

R1: The Councils should continue to collaborate as appropriate with other neighbouring local planning authorities, including the relevant parts of the Sheffield City Region, in light of the ‘duty to co-operate’ in considering issues related to housing provision.

11.46 The homes-jobs balance is however a relevant consideration, and it will be important to monitor the balance between jobs growth and changes in the size of the resident labour force over the plan period. It may also be appropriate to consider how housing provision and expected employment growth relate across this wider sub-regional economic area.

R2: In finalising strategies for housing provision, the evidence in the SHMA should be considered alongside assessment of economic growth potential, and strategies for economic development to ensure that policies are aligned.

11.47 This particularly recognises the need to support economic regeneration within the HMA, and the potential of major development schemes including at Markham Vale and Castlewood Business Park.

11.48 It will also be important that the assessment of need for housing is kept under review as new data is released, including further official population and household projections, in the timeframe of the development of local plans.

R3: The Councils should consider the implications moving forward of any further releases of national population and household projections.

Affordable Housing Policy

- 11.49 An assessment of housing need is a statutory requirement to support affordable housing policies. Its purpose is to establish that the 'need' for affordable housing cannot be met by existing or planned supply, and hence that there is an additional requirement for affordable housing.
- 11.50 The housing needs analysis indicates that there is a significant net need for new affordable housing in each area. If affordable need were to be met in full by provision of new affordable housing, the following levels of provision would be necessary:
- Bassetlaw: 646 affordable homes per annum;
 - Bolsover: 419 affordable homes per annum;
 - Chesterfield: 212 affordable homes per annum; and
 - North-East Derbyshire: 482 affordable homes per annum.
- 11.51 This level of need – following the approach set out in Government Guidance - is significant and clearly provides a strong basis for seeking to maximise delivery of new affordable housing.
- 11.52 In setting policies for affordable housing within development plans, this analysis of need should be brought together with assessments which consider the viability of residential development, such as an affordable housing viability study or plan-wide viability assessments. Policies regarding affordable housing provision will need to be considered alongside potential other policies which affect development viability, such as the Community Infrastructure Levy (CIL) as required by Paragraphs 173 and 174 in the NPPF.

R4: In setting policies for affordable housing provision, the housing needs evidence herein should be brought together with evidence regarding residential development viability and be considered alongside other policies which will influence viability.

- 11.53 The substantial level of need identified – for nearing 1,800 affordable homes a year – reflects both low incomes and affordability, and also a relative lack of supply of affordable homes given the low turnover of the social housing stock.
- 11.54 The Councils might consider through the review of tenancy strategies how turnover in the social housing sector could be improved to make better use of existing stock, including consideration of fixed-term tenancies and incentives to downsize; albeit that this needs to be balanced against issues around the sustainability of local communities.

R5: The Councils should consider how to best manage the use of the existing social housing stock through engagement with other social housing providers and on-going monitoring and review of policies in their tenancy strategies.

- 11.55 Given the imbalance between theoretical need and the supply of affordable housing, the Councils are justified in focusing the allocation of existing housing stock towards priority groups. This is set out within the allocations policies of social housing providers.
- 11.56 Turning next to look at the profile of need for different types of affordable homes, the analysis indicates that 22% of the net need for affordable housing is for 'intermediate housing' products, with 78% for rented housing priced at 80% or less than existing market rental levels. We can break this down further.
- 11.57 Intermediate housing includes homes for sale and rent at a cost above social rent, but below market levels. It can include shared equity, shared ownership, other low cost homes for sale and intermediate rented housing. The analysis in the report indicates limited potential for shared ownership or shared equity housing to contribute to meeting housing need. However these products may be more viable to deliver and could play a wider role in helping young households (many of which are living in the private rented sector) in getting on the housing ladder. Meeting the needs of these groups would be a policy position, but one which should be considered in setting affordable housing policies.
- 11.58 Around a third of households could afford some form of rented accommodation priced above existing social rent levels. This evidence does support the potential for some existing properties to re-let at affordable rents, and for the development of new-build properties for affordable and intermediate rent. There is particular potential for delivery of affordable and intermediate rented properties in Chesterfield.
- 11.59 The analysis within the report however makes clear that there remains a significant net need for social rented accommodation within the HMA, particularly in Bassetlaw, Bolsover and North-East Derbyshire Districts.
- 11.60 The table below summarises the findings of the housing needs analysis. Households in the 'social rent' category would require housing benefit to live in affordable rented homes.

Table 112: Net Need for Different Types of Affordable Housing

	Equity based intermediate	Intermediate rented	Affordable rented	Social rented
Bassetlaw	1%	27%	3%	70%
Bolsover	1%	14%	2%	84%
Chesterfield	2%	24%	50%	24%
North-East Derbyshire	1%	20%	12%	68%
HMA	1%	21%	12%	65%

11.61 On the basis of our analysis we would recommend that the affordable housing tenure mix is set as follows:

R6: The Councils should consider a policy requiring the following mix of affordable housing provision as part of new development schemes:

Table 113: Recommended Affordable Housing Tenure Mix

	Intermediate Equity	Affordable Rent	Social/ Affordable Rent
Bassetlaw	5%	30%	65%
Bolsover	5%	15%	80%
Chesterfield	10%	65%	25%
North-East Derbyshire	5%	35%	60%

11.62 Our analysis assumes that there will be limited development of intermediate rented homes, as affordable rent is able to attract funding and is more flexible (with a larger potential client group).

11.63 Specific policies regarding the tenure mix of affordable housing should take into account the evidence from viability studies regarding the impact of the tenure mix on deliverability of residential development schemes.

11.64 To consider the mix of affordable homes of different sizes sought on new development schemes, we have drawn together information on housing need, as well as the existing supply and turnover of properties. We have also considered issues related to the management of the existing housing stock. Our recommendations are set out on this basis:

R7: The Councils should consider a policy requiring the following mix of affordable housing of different sizes as part of new development schemes:

Table 114: Recommended Affordable Housing Size Mix

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Bassetlaw	40-45%	25-30%	15-20%	10-15%
Bolsover	40-45%	30-35%	10-15%	10-15%
Chesterfield	30-35%	35-40%	15-20%	10-15%
NED	40-45%	35-40%	10-15%	5-10%
HMA	40-45%	30-35%	10-15%	10-15%

11.65 This should be regarded as a strategic long-term policy. In applying the policy to individual development schemes it should be considered alongside information on the current profile of lettings and households on the Council’s Housing Register at a more local level at the point in time when planning consent is sought.

11.66 In regard to levels of need for different sizes of properties and the management of the affordable housing stock we would recommend that the Councils monitors trends in right-to-buy sales. Moving forward we would also expect the Government’s proposed changes to Housing Benefit to result in an increase in households looking to move home, and potentially seeking smaller accommodation. The Councils should also monitor the impact which this has.

R8: the Councils should monitor changes to the stock and need for different sizes of property, taking account in particular of right-to-buy trends and the impact of benefit reforms introduced by National Government.

11.67 The Councils might also want to consider the potential for a ‘local choice’ policy which supports provision of additional housing, including development outside of existing settlement boundaries, where a specific need is identified by the local community and is geared towards meeting this. This would align with the Government’s ‘localism agenda’ and would support the identification of additional land for development through neighbourhood plans.

R9: the Councils should consider the inclusion of a local choice policy in local plans which supports the development of sites identified by and supported by the local community, for instance through a neighbourhood plan. For these sites, the starting point for negotiation should be 100% affordable housing provision.

11.68 In order to maximise provision of affordable housing we would also recommend that wider mechanisms are considered to bring forward affordable housing, including working with public sector bodies and registered providers to maximise delivery of affordable housing on land in their ownerships.

Private Rented Housing

- 11.69 The Private Rented Sector has been the key growth sector within the housing market over the last decade. It plays an important role in meeting housing demand and need, and supporting dynamism within the overall housing market.
- 11.70 Currently the sector supports around 1,300 lettings per annum to households in housing need (supported by Local Housing Allowance) compared to around 2,000 lettings within the affordable housing sector. It clearly plays an important contribution to meeting the needs of those who cannot afford market housing without some form of subsidy.
- 11.71 There is potential for the sector to continue to play a strong role in meeting housing need. There is also a clear role for policy to seek to encourage investment and improve standards within the Private Rented Sector. The councils already have an important enforcement role.

R10: The Councils should continue to encourage investment in private rented properties through engagement with landlords, in enforcing decent homes standards and through the East Midlands Landlords Accreditation Scheme

- 11.72 The Councils are able to discharge their statutory homelessness duty through the offer of suitable and decent properties within the private rented sector. They can, and are, playing an important “brokerage role” in linking potential tenants (with a housing need) to available properties. There is also the potential to look at the role for a private rented sector leasing scheme which includes actions to bring empty properties back into use. The SHMA support this, highlighting the important role which the sector plays in addressing the need from households who are unable to secure affordable housing.

Housing Delivery

- 11.73 National government is clear that a recovery in housebuilding is an important potential driver of growth within the construction industry and wider economy. Macro-economic factors, as well as local economic performance, as the report has demonstrated are important drivers of the housing market.
- 11.74 Nonetheless there are initiatives which can be taken forward at a local level to support delivery of homes – particularly in ensuring that barriers to housing delivery are limited.

R11: The Councils should continue to progress with the development of local plans, including site allocations, to provide policy certainty which will help support housing delivery.

R12: The Councils should continue to take a more proactive role in key development schemes, particularly where there are public sector land assets, or where they can have an enabling role.

- 11.75 The Councils may also want to consider how they engage with developers through pre-application discussions and exercises policy flexibility, including through use of an open book approach to viability, to support housing delivery where the development scheme is compliant with wider policies in the development plan.
- 11.76 The Government has also recently introduced a Mortgage Indemnity Scheme for new-build homes, whereby the Government will underwrite an equity loan for up to 20% of the value of the property. This aims to support first-time buyers in getting on the housing ladder. The scheme is due to be rolled out to the wider market in January. The Council may wish to signpost and help publicise this scheme – the 'Help-to-Buy'.
- 11.77 In the longer-term, supporting sustainable economic growth will play a key role in influencing housing demand within the HMA. There is a clear case for economic regeneration to provide more jobs, as well as higher paid employment opportunities, locally; as these will be an important stimulant to the housing market.

Overall Housing Mix and Densities

- 11.78 The modelling undertaken and analysis of wider market signals has identified the following recommended mix of market housing across the HMA:
- 0%-5% 1-bed properties
 - 35%-40% 2-bed properties
 - 40%-45% 3-bed properties
 - 15%-20% 4+ bed properties
- 11.79 The intention is that this is a strategic target against which delivery can be monitored rather than one which is applied to every site. We are of the view that it is appropriate through the planning system to seek to influence the balance of types and sizes of market housing through considering the mix of sites allocated for development rather than specific policies relating to the proportion of homes of different sizes which are then applied to specific sites. This approach is implicit within NPPF. At the strategic level, the Councils in considering which sites to allocate, can consider what type of development would likely be delivered on these sites. It can also provide guidance on housing mix implicitly through policies on development densities.

R13: The Councils should consider how to influence the mix of properties delivered in their area over time through policies regarding development densities. The evidence suggests 55-

65% of need across the HMA is for homes with 3- or more bedrooms. However housing mix on individual development schemes should take account of the site characteristics and setting.

R14: The Councils should monitor the delivery of different sizes of both market and affordable housing over time against the evidence in the SHMA. This should inform discussions regarding the mix of homes on new development sites in line with a plan, monitor and manage approach.

Meeting the Needs of Specific Housing Groups

- 11.80 The SHMA contains analysis regarding the needs of a range of specific household groups within the population.
- 11.81 The SHMA identifies that Black and Minority Ethnic Groups are more likely to be overcrowded than other household groups. Overcrowding is however considered in the allocation of social housing. However overcrowding is also evident within the private rented sector, and there is a continued role for the enforcement of standards within the sector, including of houses in multiple occupation.
- 11.82 The analysis indicates that 28% of all households within the HMA have some form of support need. The most prevalent needs are for help with maintenance, and the installation of level access showers and handrails.
- 11.83 A quarter of households in the HMA contain older persons. Two-thirds of these are owner-occupiers; however 35% of households in the social rented sector also contain older persons.
- 11.84 The number of households including people of pensionable age is expected to increase by a very substantial 19,000 to 2031 (an increase of 42%). This may create significant demand for specialist accommodation. It is likely to support demand for bungalows and could potentially support some increase in need for affordable housing. Furthermore, without intervention the number of households' under-occupying homes can be expected to increase by 8,200.
- 11.85 It will be important over the next 20 years that the councils continue to plan to meet the housing needs of a growing older population, including through supporting adaptations to existing properties (within the context of available funding), through provision of floating support (working with Derbyshire and Nottinghamshire County Councils) and through supporting development of specialist housing (including both public and private sector provision). Specialist housing should include extra care.

R15: Working with other local authorities at the HMA level, the councils should continue to proactively plan to meet the housing needs of older people.

R16: The councils should work together to plan for a growing need for floating support, adaptations to properties and handyman services through Supporting People Programmes within the context of available resources.

R17: The councils should include specific policies within local plans supporting provision of specialist accommodation to meet older person's needs, including requiring specific housing provision for older persons on strategic development sites identified within plans.

11.86 In planning on meeting older persons housing needs, there is evidence within the SHMA of demand for both bungalows; but also for specialist housing particularly from older age groups.

11.87 Data on local housing needs of disabled persons is set out within the Nottinghamshire and Derbyshire Disabled Person's Housing Needs Study for each authority. This identified a specific need for delivery of affordable housing suitable for people with physical disabilities.

R18: The Councils should consider implementing and maintaining a register of properties with different adaptations within the HMA.

R19: The Councils should ensure that their housing registers disaggregate households with disabilities and that their allocations policies prioritise the needs of these households in the allocation of properties suitable to meet the needs of this group.

R20: The Councils should consider the inclusion of specific policies within their local plans require provision of homes for those with disabilities on major development sites where there is an identified local need.

11.88 The housing needs analysis also highlights a high number of lone parent households in housing need. The Councils may wish to consider how the needs of this group are addressed through its Allocations Policy. It will also be important that the Councils monitor the impacts of welfare reforms on allocations, and undertake regular reviews of allocations policies to ensure that particular groups within the population are not unduly disadvantaged.

R21: The Councils should review allocations policies periodically to ensure that particular types of households are not unduly disadvantaged in accessing housing, and to take account of wider government housing reforms.

Appendices

APPENDIX A: COMPARISON TO NORTH EAST DERBYSHIRE HOUSING NEEDS, MARKET & AFFORDABILITY STUDY

- 1.1. In 2011, GL Hearn carried out a Housing Needs, Market and Affordability Study for North East Derbyshire District Council. This previous Study followed a similar approach to that in this SHMA Report. The SHMA Report has however been informed by the release of additional more up-to-date data, particularly from the 2011 Census.
- 1.2. This Appendix reviews key findings from the SHMA against those in the North East Derbyshire Housing Needs, Market and Affordability Study and seeks to explain key differences where appropriate. Overall, the analysis in this report largely confirms the outputs of previous work.

Housing Requirements

- 1.3. The 2011 Study suggested a housing requirement from 2011 to 2031 of between 4,500 and 5,000 homes (225-250 per annum). This is slightly below the figures suggested in this report with a range from 270 to 310 each year. The difference between the figures is largely methodological with the 2011 Study considering the potential constraint in housing land availability (in the north of the District), whilst this study takes an unconstrained approach more directly linked to past demographic trends.

Affordable Housing Need

- 1.4. Over the 5-year period from 2011-2016 the 2011 Study suggested a need to provide 494 additional affordable homes per annum if all needs were to be met. Over the 5-year period from 2013 to 2018 this study has increased this figure to 560 per annum (an increase of 66).
- 1.5. Closer analysis of the various components of the needs estimate show that roughly half of the difference is due to an increased need; with half being due to a reduced supply (through both relets and the pipeline of homes to be delivered). Overall, the difference in the affordable need shown in the two assessments is not significant and in both cases identifies a substantial need for additional affordable housing to be provided.

Affordable Housing Mix

- 1.6. The affordable housing mix has been studied through both size requirements and the needs for different tenures of affordable housing. With regard to the latter, both studies suggest a similar split between intermediate housing and social/affordable with the 2011 Study showing a need for 23% of housing to be intermediate compared with 21% in this report. Within the social/affordable rent category there is however some difference with the 2013 report showing a higher potential need for social rented housing.
- 1.7. Regarding the sizes of accommodation the 2011 study recommended a mix of 65% smaller (1- and 2-bedroom) homes and 35% with three or more bedrooms. This report tends to put more emphasis on smaller homes (recommended to make up at least 75% of new provision). This shift to smaller homes is to some degree driven by the 'bedroom tax' which had not been introduced by the Government in 2011.

Market Housing Mix

- 1.8. The final key comparison is with regard to the mix of market housing required. The analysis in 2011 showed market demand of 4% one-bedroom, 47% two-bedroom, 44% three-bedroom and 4% four or more bedrooms. This is not substantially different to the outputs in this report which are 4%, 40%, 44%, 12% respectively.
- 1.9. The main difference can be seen in the case of larger (4 or more bedroom) homes (increasing from 4% to 12%). This difference has been driven by the higher demographic projections and an expectation that higher in-migration could be supported in the absence of development constraints. Migrant households are typically larger, and this largely underlies the greater requirement identified in the SHMA for larger homes.