

Public Document Pack

Governance

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The Chair and Members of Cabinet

Please ask for
Direct Line
Fax

Brian Offiler
01246 345228
01246 345252

13 May 2014

Dear Councillor,

Please attend a meeting of the CABINET to be held on TUESDAY, 20TH MAY, 2014 at 10.30 am in the Council Chamber, Town Hall, Rose Hill, Chesterfield, the agenda for which is set out below.

AGENDA

Part 1(Public Information)

1. Declarations of Members' and Officers' Interests relating to items on the Agenda
2. Apologies for Absence
3. Minutes (Pages 1 - 12)

To approve as a correct record the Minutes of the Cabinet meeting held on 6th May, 2014.

4. Forward Plan (Pages 13 - 26)
5. Delegation Report (Pages 27 - 34)

Items Recommended to Cabinet via Executive Members

Executive Member for Customers and Communities

6. Funding to Voluntary and Community Organisations 2014/15 - Service

Chief Executive
Huw Bowen



Level Agreements (S000) (Pages 35 - 78)

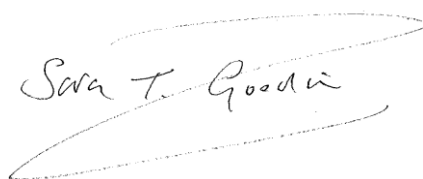
Executive Member for Governance and Organisational Development

7. Surveillance Policy (B000) (Pages 79 - 100)

Executive Member for Housing

8. Strategic Housing Market Assessment (H000) (Pages 101 - 498)

Yours sincerely,

A handwritten signature in black ink, reading "Sara T. Goodwin". The signature is written in a cursive style and is enclosed within a large, hand-drawn oval shape.

Head of Governance

CABINET

Tuesday, 6th May, 2014

Present:-

Councillor Burrows (Chair)

Councillors	Blank	Ludlow
	Gilby	McManus
	King	Serjeant
Non Voting Members	Brown	Huckle
	Hill	Martin Stone
	Hollingworth	

*Matters dealt with under Executive Powers

196 DECLARATIONS OF MEMBERS' AND OFFICERS' INTERESTS RELATING TO ITEMS ON THE AGENDA

Councillor Gilby declared a conflict of interest in Minute No. 205 as a Member of the Planning Committee and left the meeting during consideration of this item.

Councillors Huckle and Hill declared a conflict of interest in Minute No. 205 as Members of the Planning Committee.

The Chief Executive declared a prejudicial officer interest in Minute No. 205 as a member of the Corporation of Chesterfield College and left the meeting during consideration of this item.

197 APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Russell.

198 MINUTES

RESOLVED –

That the Minutes of the meeting of Cabinet held on 8 April, 2014, be approved as a correct record and signed by the Chair.

199 **FORWARD PLAN**

The Forward Plan of key decisions for the four month period 1 May, 2014 to 31 August, 2014 was reported for information.

*** RESOLVED –**

That the Forward Plan be noted.

200 **PROPOSED CHATSWORTH ROAD CONSERVATION AREA DESIGNATION (J000)**

The Development Management and Conservation Manager submitted a report on the proposed designation of a new Conservation Area along Chatsworth Road.

Following a detailed character appraisal and public consultation exercise, an area encompassing Chatsworth Road was proposed as a new Conservation Area, in addition to the eleven existing Conservation Areas within Chesterfield Borough. The establishment of this new Conservation Area had been set as a priority in the Council's Corporate Plan for 2013-2015 under its corporate aim, "*a Sustainable Community – Our built heritage will be protected and enhanced*".

An evaluation of the area had been carried out, including a proposed boundary, and on 9th September 2013, the Deputy Leader and Executive Member for Planning had agreed a public consultation exercise on a draft appraisal document.

A six week public consultation exercise had been undertaken from the 4th November 2013 to 13th December 2013. Considerable effort had been made to ensure that as many people as possible were aware of the consultation exercise, including letters to all properties and businesses within the area and its immediate surroundings and to amenity groups and relevant organisations. Details of the proposals had also been made available at the Council's Customer Services Centre, Chesterfield Library, St Thomas's Centre, on the Council's website and at South and West Community Assembly meetings.

Representations received had been considered and amendments made to the appraisal document. Details of comments received, initial responses and actions taken were attached as an Appendix to the report.

The area was generally recognised as having a special character and appearance worth safeguarding, and public support for designation outweighed the objections.

The responses received were split 65.57% in support (40), 22.95% against (14) and 11.48% (7) not expressing an opinion.

The Conservation Area Character Appraisal and Management Plan document was attached to the report.

If the area was designated there would need to be a more thorough survey to identify properties which should be covered by an Article 4 Direction, which would control certain permitted developments, and consultation with the property owners directly before such a Direction was imposed.

It was confirmed that where existing planning applications had already been determined prior to the formal adoption of the Conservation Area these would not be affected by the Conservation Area status.

*** RESOLVED –**

(1) That the Conservation Area Appraisal and Management Plan, as amended following consultation, and appended to the report, be adopted and be communicated to all interested parties.

(2) That the Chatsworth Road Conservation Area, as indicated by the boundary shown on the plan appended to the report, be agreed for adoption.

(3) That officers prepare, consult and undertake the formal designation of an Article 4 Direction.

REASON FOR DECISION

To implement the Council's Corporate Plan aims and advance the conservation of the historic environment within the Borough, and to fulfil the statutory procedures set out in sections 69 and 70 of the Planning (Listed Buildings and Conservation Areas) Act 1990, which require local planning authorities to determine which parts of their area are of special architectural or historic interest, the character or appearance of which it is desirable to preserve or enhance, and to designate those areas as Conservation Areas.

201 **LOCAL GOVERNMENT EQUALITIES FRAMEWORK SELF ASSESSMENT (S000)**

The Policy Manager submitted a report on the self assessment of the Council's achievements against the Local Government Equalities Framework 'Excellent' Level.

In February 2011 the Council had been successfully peer assessed against the Local Government Equality Framework 'Achieving' level, and had started to make progress towards the highest level of the framework – 'Excellent'.

In March 2012 the Local Government Association had re-launched the Local Government Equality Framework, taking into account the requirements of the Equality Act 2010, resulting in a much tougher test with extended criteria requirements for all levels.

Since 2012/13 the Council had sought to consolidate performance at the now tougher 'Achieving' level as well as to make progress towards the 'Excellent' level.

The Equality Performance Management Group, which included representatives from all service areas, had now completed the 'Excellent' level self assessment for the Council. And, Appendix A to the report showed how the Council was currently performing against each performance criteria and the progress made since the last assessment in 2012/13. The Council was now meeting or exceeding over 75% of the criteria in 26 of the 28 performance areas, compared with 18 in 2012/13.

However, there were significant challenges in maintaining this level of performance in future years given the current and future financial difficulties the Council faced. Discussions were currently taking place around the most effective way to address a number of challenging issues including the Council's employee demographic profile, contractor performance on equalities, and the need for further investment in information, communication and technology.

The key issue for 2014/15 would be maintaining this strong performance, recognising the contribution of activities such as the Equality and Diversity training programme, Equalities Impact Assessment clinics and awareness raising events, with a view to completing the self assessment programme again in 2015/16.

*** RESOLVED -**

- (1) That the Council continues to make progress towards the 'Excellent' level of the Local Government Equality Framework via self assessment.
- (2) That the Council re-assesses its position against the Framework in 2015/16.

REASON FOR DECISION

To deliver the Council's commitment to Equality, Diversity and Social Inclusion and to improve knowledge and understanding these issues.

202 EQUALITY AND DIVERSITY ANNUAL REPORT 2013/14 (S230)

The Policy Officer submitted a report presenting the Council's Equality and Diversity Annual Report for approval.

The Equality and Diversity Annual Report was attached to the report, covering improvements and achievements over the last year and plans for the future. It outlined the role of the Chesterfield Equality and Diversity Forum which had continued its work with local community groups, partners and individuals to promote equality and raise awareness of equality and diversity. It had arranged a number of events, including an accessibility meeting as part of the consultation on the new Queen's Park Sports Centre, a Hate Crime Awareness event with the Sophie Lancaster Foundation, an audit of A-boards in Chesterfield town centre, signing of the Time to Change pledge, a Holocaust Memorial day event, a Generations Together event and an International Women's Day competition.

The Council was required to publish the Annual Report and widely circulate it, which it would do by placing it on the Council's web-site, circulating it with a LINKS mail out (sent to 900 organisations and individuals) and making it available at Community Assemblies.

The meeting thanked the Policy Officer and the Policy Manager for their work on the Annual Report and on equalities and diversity issues.

*** RESOLVED -**

That the Equality and Diversity Annual Report be approved, published and widely circulated.

REASON FOR DECISION

To improve knowledge and understanding of equality and diversity issues and to implement legislative and good practice requirements.

203 REVIEW OF TOWN CENTRE EVENTS PROGRAMME (L000)

The Head of Regeneration submitted a report on the Review of the Town Centre Events Programme.

The budgets allocated to organising events in Chesterfield town centre were for Town Centre Entertainment (for Bank Holiday Markets, the Well Dressing, Love Your Local Market and the Day of Dance), Festivals (Community Arts Festival and Market Festival) and Christmas Illuminations (including the Christmas tree and a lights 'Switch-on' event).

As part of the Council's budget savings for 2014/15, it had been agreed that a recurring saving of £30,500 on town centre events should be made (Minute No. 155 (2013/14)), resulting in an annual budget of approximately £50,000 for future events programmes.

In order to maximise the budgets available and to help tackle the pressures currently impacting on the town, the report recommended that any future events programme in the town centre should seek to fulfil the following objectives:

- Raise the profile of Chesterfield as a destination to shop and visit.
- Enhance the shopping experience.
- Increase footfall and spend in the town centre.
- Add to the vibrancy and vitality of the town centre.
- Compete with other shopping destinations.
- Increase dwell time in the town centre.
- Ensure that events are accessible to all.

The report included outline proposals for future events programmes to focus on enhancing existing markets, running speciality markets,

organising Market Hall events, and continuing with the Chesterfield Market Festival, the Christmas Lights 'switch-on', Well Dressing, Ghost Walks and Guided Walks. It was also proposed to hold more indoor events in the Market Hall and Assembly Rooms to increase footfall through the Market Hall.

There had been consultation with town centre businesses through the Town Centre Forum and the Markets Consultative Committee, and the Market Traders had allocated funds from their marketing budget to support the programme, particularly the Summer Saturdays and the Market Festival.

Opportunities to develop the events programme would be considered as they arose and the viability of particular events would be assessed both against the proposed objectives outlined in the report and the cost of delivery. Income and sponsorship would be sought wherever possible to enhance the programme.

*** RESOLVED -**

- (1) That approval be given to the continuation of an events programme to attract footfall and make the town centre more attractive and vibrant.
- (2) That the principles outlined in paragraph 5.1 of the report that support the delivery of a town centre events programme be approved.
- (3) That the proposed revisions to the Christmas lights display in the town centre be approved.
- (4) That the approval of an annual programme of events be delegated to the Head of Regeneration in consultation with the Executive Member for Leisure, Culture and Tourism.

REASONS FOR DECISION

1. To ensure that the events programme supports the Council's priority of attracting more visitors to the Borough.
2. To support the events programme through income and sponsorship with the aim of making more events self-financing.

3. To provide a mechanism for approval of the events programme in order to meet publicity deadlines in external publications.

204 LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

RESOLVED -

That under Regulation 21(1)(b) of the Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2000, the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 – on the grounds that it contained information relating to financial or business affairs.

Councillor Gilby and the Chief Executive left the meeting at this point.

205 UPDATE ON THE NEW SPORTS CENTRE PROJECT AND APPOINTMENT OF THE CONSTRUCTION CONTRACTOR (L000)

The Head of Environment submitted a progress report on the new Sports Centre project, including details of the negotiations with Chesterfield College regarding the collaboration agreement and the appointment of a preferred bidder to develop and construct the new Sports Centre.

On 29 January 2013 Cabinet had considered the feasibility study for Queens Park Sports Centre and resolved (Minute 0187 (2012/13)):

“(1) That a new leisure centre be constructed to replace the existing Queen’s Park Sports Centre.

(2) That, in principle, the Queen’s Park Annexe be selected as the preferred site for the new leisure centre.

(3) That officers be authorised to:

- (i) negotiate a Dual Use Agreement with Chesterfield College;
- (ii) proceed with submitting a full planning application;
- (iii) procure project management through a competitive tender process;
- (iv) undertake consultation with the public, national governing bodies and other stakeholders on the location and design of any

new leisure centre and on what use should be made of the present Queen's Park Sports Centre site if a new centre were located on the Annexe;

(v) procure a construction company to build the new leisure centre through a competitive tender process;

(vi) submit grant funding applications to any relevant funding body.

(4) That Cabinet recommends to Full Council that:-

(i) the Queen's Park Sports Centre replacement project be added to the Council's Capital Programme;

(ii) prudential borrowing up to a maximum of £6 million be approved;

(iii) any shortfall in funding be met through the use of reserves, capital receipts or a combination of the two, up to a maximum of £750,000.

(5) That regular progress reports on the procurement and construction of a new leisure centre be provided to Cabinet."

On 24 July 2013 the full Council (Minute No. 0011 (2013/14) had considered a petition with over 1000 signatures against the building of a new sports centre on Queen's Park Annexe. Members had agreed to note the petition, and that the petition and debate at full Council be taken into account by the Executive as part of its ongoing commitment to consult with the public, the sports national governing bodies and other stakeholders before coming to a final view on the format of the Queen's Park Sports Centre replacement project.

Following a procurement exercise using the Cabinet Office's Government Procurement Services (GPS) Framework in May 2013, the Council had procured a Project Management and Design team. A Project Board and an officer working group had been established to work with the Project Management and Design Team.

Extensive consultation had taken place to help shape the design of the new sports centre and the facilities to be included within it having regard to the overall project budget available. This had included survey forms at both the Council's leisure centres, other Council venues and on the Council's website, the opinion meter at Queen's Park Sports Centre, a number of 'road shows' at different locations, a meeting with the Council's

Equalities Group, and events with the relevant National Governing Bodies and with clubs that use the existing Centre.

The Project Board had approved the design of the new facility and in particular the core mix of facilities for the procurement of the construction company:

- 6 lane 25m long main pool
- Learner pool with moveable floor and children's fun water features
- Café and social space
- Midwifery Centre
- 6 court sports hall
- Village Changing Facilities
- Dry Changing Facilities
- Activity Studio
- 70 - 75 Station Gym (depending upon configuration)
- 2 Squash courts with a moveable wall
- Car parking for around 100 cars

A single stage 'Develop and Construct' procurement approach had been adopted in accordance with the Official Journal of the European Union procedures. Expressions of interest in building the new leisure centre had been received from 15 contractors, which had been evaluated having regard to the agreed selection criteria (financial standing, experience of the company in delivering similar leisure centre projects, health and safety, risk management, sustainability etc). Five contractors had been shortlisted and invited to submit a tender, and four tenders had been received by the deadline.

The tenders were assessed against pre-established assessment criteria on the basis of both cost and quality, with a 60% cost : 40% quality weighting applied. The tender evaluation report executive summary was attached as an Appendix to the report.

Council officers had also been working to try and secure external funding that would enable the Council to consider enhancements to the proposed facilities in the new QPSC. English Squash had made an offer of £25,000 funding towards the cost of the two squash courts, and the Council had been invited by Sport England to formally apply for funding from its Strategic Facilities Fund, with the focus being to increase the size of the swimming pool from 6 to 8 lanes and to increase the size of the sports

hall from 6 to 8 courts. It was anticipated that the Council's bid would be considered in summer 2014.

The planning application for the new sports centre had been submitted in late 2013 but had been delayed for further consideration of a number of emerging issues including:

- the need to ensure a safe access to the site from Boythorpe Road;
- the presence of badgers on the site and the need to ensure adequate mitigation measures to minimise disturbance to any habitats;
- the strategic need to evidence the impact of removal of a playing pitch and disused athletics track on the site.

It was anticipated that the planning application would be considered in May or June, 2014.

Following advice from Queen's Counsel regarding the Covenant that applies to the proposal to locate the new Queen's Park Sports Centre on the Queen's Park Annexe, and subject to planning consent, a separate report would be submitted to a future Cabinet meeting regarding land appropriation on the Queen's Park Annexe.

The Council had been working collaboratively with Chesterfield College in respect of the possibility of a 'dual use' leisure centre facility that could be used by both the public and college students. Regular bookings for College use in the current centre had been introduced without any significant relationship and access issues arising.

The report outlined the financial implications, with a total budget of £9.275m, including £6m from prudential borrowing and £2.5m from Chesterfield College. It was estimated that the leisure legacy project would deliver sufficient annual budget savings to meet the annual borrowing costs and also deliver savings to the General Fund. Officers proposed that a maximum of £175,000 be also set aside for improving the whole life cycle building costs by further reducing energy and/or future maintenance costs.

A Risk Management Table was attached as an Appendix to the report, describing the risks associated with the project and the controls to be implemented to manage these, including the need to closely monitor the VAT implications over future financial years.

Subject to planning permission being granted, successful land appropriation on the Annexe being achieved, and the outcome of the bid for additional funding from Sport England, it was anticipated that the new leisure centre would be completed in late 2015. And, a revised project timeline including key milestones was attached as an Appendix to the report.

The meeting recognised the complexities involved in progressing such a project, taking account of the issues which had been raised through the consultation exercise, and the petition which had been presented to Council.

*** RESOLVED -**

- (1) That the progress report on the development of the new Queen's Park Sports Centre (QPSC) be noted.
- (2) That the core facilities of the new QPSC, as detailed in paragraph 4.16 of the report, be approved.
- (3) That the appointment of Morgan Sindall to 'Develop and Construct' the new QPSC on the Annexe, and the entering into of the required legal agreements by the Head of Governance, be approved.
- (4) That a further report be submitted to Cabinet of fully-costed measures for improving the whole life cycle building costs for the new leisure centre, subject to an expenditure limit of £175,000.
- (5) That the Head of Environment or nominee be authorised to submit a bid to the Sport England Strategic Facilities Fund for additional funding to enhance the facilities at the new QPSC.
- (6) That the Head of Governance, in consultation with the Head of Environment, be authorised to enter into the Collaboration Agreement and Lease with Chesterfield College in return for a capital contribution of £2.5m and an ongoing revenue contribution

REASON FOR DECISION

To enable the Council to meet its Corporate Plan key project of building a new facility to replace the existing Queen's Park Sports Centre.

CHESTERFIELD BOROUGH COUNCIL FORWARD PLAN
FOR THE FOUR MONTH PERIOD 1 JUNE 2014 TO 30 SEPTEMBER 2014

This is formal notice under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 of key decisions to be made on behalf of the Council. As far as possible and in the interests of transparency, the Council will seek to provide at least 28 clear days notice of new key decisions (and many new non-key decisions) that are listed on this document. Where this is not practicable, such key decisions will be taken under urgency procedures. Decisions which are expected to be taken in private (at a meeting of the Cabinet or by an individual Cabinet Member) are marked "private".

This Forward Plan sets out the details of the 'key' and other major decisions which the Council expects to take during the next four month period. The Plan is rolled forward every month and is available to the public 28 days before the beginning of each month.

A 'Key' Decision is defined as:

Any executive decision which is likely to result in the Council incurring significant expenditure or the making of savings where there is:

- a decision to spend £50,000 or more from an approved budget, or
- a decision to vire more than £10,000 from one budget to another, or
- a decision which would result in a saving of £10,000 or more to any budget head, or
- a decision to dispose or acquire any interest in land or buildings with a value of £50,000 or more, or
- a decision to propose the closure of, or reduction by more than ten (10) percent in the level of service (for example in terms of funding, staffing or hours of operation) provided from any facility from which Council services are supplied.

Any executive decision which will have a significant impact in environmental, physical, social or economic terms on communities living or working in one or more electoral wards. This includes any plans or strategies which are not within the meaning of the Council's Policy Framework set out in Article 4 of the Council's Constitution.

The law and the Council's Constitution provide for urgent key decisions to be made, even though they have not been included in the Forward Plan in accordance with Rule 15 (General Exception) and Rule 16 (Special Urgency) of the Access to information Procedure Rules.

The Forward Plan has been extended to now include details of any significant issues to be considered by the Executive Cabinet, full Council and Overview and Scrutiny Committee. It is hoped that this will better meet the needs of elected Members, Officers and the public. They are called "non key decisions". In addition the plan contains details of any reports which are to be taken in the private section of an Executive meeting.

Anyone wishing to make representations about any of the matters in the schedule below may do so by contacting the officer listed. Copies of the Council's Constitution and agenda and minutes for all meeting of the Council may be accessed on the Council's website: www.chesterfield.gov.uk.

Notice of Intention to Conduct Business in Private

Whilst the majority of the business at Cabinet meetings will be open to the public and media to attend, there will inevitably be some business to be considered that contains, for example, confidential, commercially sensitive or personal information. This is formal notice under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 that the Cabinet meetings shown on this Forward Plan will be held partly in private because some of the reports for the meeting will contain either confidential information or exempt information under Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it.

A list of the reports which are expected to be considered at this meeting in private are set out in a list on this Forward Plan. They are marked "private", including a number indicating the reason why the decision will be taken in private under the categories set out below:

- (1) information relating to any individual
- (2) information which is likely to reveal the identity of an individual
- (3) information relating the financial or business affairs of any particular person (including the authority holding that information)
- (4) information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
- (5) Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
- (6) Information which reveals that the authority proposes (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment.
- (7) Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

If you would like to make representations about any particular decision to be conducted in private at this meeting then please email: democratic.services@chesterfield.gov.uk. Such representations must be received in advance of 5 clear working days before the date Cabinet meeting itself, normally by the preceding Monday. The Council is required to consider any representations received as to why an item should not be taken in private and to publish its decision.

It is possible that other private reports may be added at shorter notice to the agenda for the Cabinet meeting or for a Cabinet Member decision.

Cabinet meetings are held at the Town Hall, Chesterfield, S40 1LP, usually starting at 10.30 am on Tuesdays, but subject to change in accordance with legal notice periods.

Huw Bowen
Chief Executive



Decision No	Details of the Decision to be Taken	Decision to be taken by	Relevant Portfolio Holder	Earliest Date Decision can be Taken	Proposed Consultees	Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated	Private
Key Decisions									
Key Decision 296	Careline Consortium - Update on the current position regarding potential partnership arrangements with DCC.	Cabinet	Executive Member - Housing	17 Jun 2014	Assistant Executive Member	Meeting.	Service Manager - Housing Services	Julie McGrogan Tel: 01246 345135 julie.mcgrogan@chesterfield.gov.uk	Public
Key Decision 321	Review of Allocations Policy - Welfare Reform	Cabinet	Executive Member - Housing	8 Jul 2014	Assistant Executive Member	Meetings	Service Manager - Housing Services	Julie McGrogan Tel: 01246 345135 julie.mcgrogan@chesterfield.gov.uk	Public
Key Decision 329	Local Plan: Sites and Boundaries Development Plan document - to agree preferred options for public consultation.	Cabinet	Deputy Leader & Executive Member for Planning	4 Jun 2014		Meetings	Head of Regeneration	Alan Morey Tel: 01246 345371 alan.morey@chesterfield.gov.uk	Public

Key Decision No	Details of the Decision to be Taken	Decision to be taken by	Relevant Portfolio Holder	Earliest Date Decision can be Taken	Proposed Consultees	Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated	Private
Key Decision 337	THI Scheme Project Evaluation - to receive a final evaluation of the THI project for Chesterfield Town Centre.	Cabinet	Deputy Leader & Executive Member for Planning	4 Jun 2014		Meetings	Head of Regeneration	Paul Staniforth Tel: 01246 345781 paul.staniforth@chesterfield.gov.uk	Public
Key Decision 339	Proposals for future use of the former garage site of Hady Lane	Cabinet	Executive Member - Housing	17 Jun 2014	Assistant Executive Member	Meetings.	Business Planning & Strategy Manager	Alison Craig Housing Tel: 01246 345156 alison.craig@chesterfield.gov.uk	Public
Key Decision 340	Caravan and Mobile Home Park Licensing	Cabinet	Executive Member - Housing	17 Jun 2014	Assistant Executive Member	Meetings.	Business Planning and Strategy Manager - Housing Services	Laurie Thomas Tel: 01246 345256 laurie.thomas@chesterfield.gov.uk	Public
Key Decision 348	Strategic Housing Market Assessment	Cabinet	Executive Member - Housing	20 May 2014	Assistant Executive Member	Meeting.	Business Planning and Strategy Manager - Housing Services	James Crouch Tel: 01246 345150 james.crouch@chesterfield.gov.uk	Public

Key Decision No	Details of the Decision to be Taken	Decision to be taken by	Relevant Portfolio Holder	Earliest Date Decision can be Taken	Proposed Consultees	Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated	Private
Key Decision 355	Proposed Sports Pavilion for Eastwood Park	Cabinet	Executive Member - Environment	4 Jun 2014	Assistant Executive Member	Meeting	Head of Environment	John Ramsey Tel: 01246 345097 john.ramsey@chesterfield.gov.uk	Public
Key Decision 369	Costings Associated with Construction of the New Sports Centre (L000)	Cabinet	Executive Member - Leisure, Culture and Tourism	4 Jun 2014	Assistant Executive Member	Meeting	Head of Environment	Darran West Tel: 01246 345751 darran.west@chesterfield.gov.uk	Exempt 3 Contains financial information
Key Decision 370	Appropriation of Land at Queen's Park Annexe for the Construction of the New Sports Centre (R320)	Cabinet	Executive Member - Leisure, Culture and Tourism	4 Jun 2014	Assistant Executive Member	Meeting	Head of Environment	Darran West Tel: 01246 345751 darran.west@chesterfield.gov.uk	Public
Key Decision 389	Staveley Area Action Plan	Cabinet	Deputy Leader & Executive Member for Planning	4 Jun 2014		Meetings	Head of Regeneration	Neil Johnson Tel: 01246 345241 neil.johnson@chesterfield.gov.uk	Public
Key Decision 390	Chesterfield Waterside GPF Loan	Cabinet	Leader & Executive Member for Regeneration	4 Jun 2014		Meetings	Head of Regeneration	Neil Johnson Tel: 01246 345241 neil.johnson@chesterfield.gov.uk	Exempt 3 Financial information

Key Decision No	Details of the Decision to be Taken	Decision to be taken by	Relevant Portfolio Holder	Earliest Date Decision can be Taken	Proposed Consultees	Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated	Private
Key Decision 395	Review of Arts and Venues Policies and Strategies - a review 12 months after their adoption and their impact	Cabinet	Executive Member - Leisure, Culture and Tourism	4 Jun 2014	Assistant Executive Member	Meetings	Head of Regeneration	Anthony Radford Tel: 01246 345339 anthony.radford@chesterfield.gov.uk	Public
Key Decision 397	Review of the Museum's Acquisitions, Rationalisation and Disposal Policies	Cabinet	Executive Member - Leisure, Culture and Tourism	4 Jun 2014	Assistant Executive Member	Meeting	Head of Regeneration	Alyson Barnes alyson.barnes@chesterfield.gov.uk	Public
Key Decision 398	Sale of CBC Land/Property	Deputy Leader & Executive Member for Planning	Deputy Leader & Executive Member for Planning	20 May 2014		Meeting.	Head of Kier	Matthew Sorby Tel: 01246 345800 matthew.sorby@chesterfield.gov.uk	Exempt 3 Contains financial information
Key Decision 399	Housing Revenue Final Accounts 2013/14	Cabinet	Executive Member - Housing	17 Jun 2014	Assistant Executive Member	Meeting	Head of Housing	Steve Spencer Tel: 01246 345454 steve.spencer@chesterfield.gov.uk	Public

Key Decision No	Details of the Decision to be Taken	Decision to be taken by	Relevant Portfolio Holder	Earliest Date Decision can be Taken	Proposed Consultees	Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated	Private
Key Decision 400(1)	Portfolio Accounts 2013/14 - Leader and Executive Member for Regeneration	Cabinet	Leader & Executive Member for Regeneration	17 Jun 2014		Meeting	Head of Finance	Helen Fox Tel: 01246 345452 helen.fox@chesterfield.gov.uk	Public
Key Decision 400(2)	Portfolio Accounts 2013/14 - Deputy Leader and Executive Member for Planning	Cabinet	Deputy Leader & Executive Member for Planning	17 Jun 2014		Meeting	Head of Finance	Helen Fox Tel: 01246 345452 helen.fox@chesterfield.gov.uk	Public
Key Decision 400(3)	Portfolio Accounts 2013/14 - Executive Member for Governance and Organisational Development	Cabinet	Executive Member - Governance and Organisational Development	17 Jun 2014	Assistant Executive Member	Meeting	Head of Finance	Helen Fox Tel: 01246 345452 helen.fox@chesterfield.gov.uk	Public
Key Decision 400(4)	Portfolio Accounts 2013/14 - Executive Member Leisure, Culture and Tourism	Cabinet	Executive Member - Leisure, Culture and Tourism	17 Jun 2014	Assistant Executive Member	Meeting	Head of Finance	Helen Fox Tel: 01246 345452 helen.fox@chesterfield.gov.uk	Public

Key Decision No	Details of the Decision to be Taken	Decision to be taken by	Relevant Portfolio Holder	Earliest Date Decision can be Taken	Proposed Consultees	Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated	Private
Key Decision 400(5)	Portfolio Accounts 2013/14 - Executive Member for Environment	Cabinet	Executive Member - Environment	17 Jun 2014	Assistant Executive Member	Meeting	Head of Finance	Helen Fox Tel: 01246 345452 helen.fox@chesterfield.gov.uk	Public
Key Decision 400(6)	Portfolio Accounts 2013/14 - Customers and Communities	Cabinet	Executive Member - Customers and Communities	17 Jun 2014	Assistant Executive Member	Meeting	Head of Finance	Helen Fox Tel: 01246 345452 helen.fox@chesterfield.gov.uk	Public
Key Decision 400(7)	Portfolio Accounts 2013/14 - Housing General Fund	Cabinet	Executive Member - Housing	17 Jun 2014	Assistant Executive Member	Meeting	Head of Finance	Helen Fox Tel: 01246 345452 helen.fox@chesterfield.gov.uk	Public
Key Decision 401	General Fund Revenue and Capital Final Accounts 2013/14	Cabinet	Deputy Leader & Executive Member for Planning	17 Jun 2014		Meeting	Head of Finance	Barry Dawson Tel: 01246 345451 barry.dawson@chesterfield.gov.uk	Public
Key Decision 402	Treasury Management Report for 2013/14	Cabinet	Deputy Leader & Executive Member for Planning	17 Jun 2014	Standards Committee	Meeting	Head of Finance	Helen Fox Tel: 01246 345452 helen.fox@chesterfield.gov.uk	Public
Key Decision 403	Security DSO Final Accounts 2013/14 & Business Plan 2014/15	Cabinet	Deputy Leader & Executive Member for Planning	17 Jun 2014		Meeting	Head of Finance	Steve Spencer Tel: 01246 345454 steve.spencer@chesterfield.gov.uk	Exempt 3 Contains Financial Information

Key Decision No	Details of the Decision to be Taken	Decision to be taken by	Relevant Portfolio Holder	Earliest Date Decision can be Taken	Proposed Consultees	Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated	Private
Key Decision 404	Building Cleaning Final Accounts 2013 and Business Plan 2014/15	Cabinet	Executive Member - Environment	17 Jun 2014	Assistant Executive Member	Meeting	Head of Finance	Steve Spencer Tel: 01246 345454 steve.spencer@chesterfield.gov.uk	Exempt 3 Contains Financial Information
Key Decision 405	Spirepride Final Accounts 2013/14 and Business Plan 2014/15	Cabinet	Executive Member - Environment	17 Jun 2014	Assistant Executive Member	Meeting	Head of Finance	John Hassall john.hassall@chesterfield.gov.uk	Exempt 3 Contains Financial Information
Key Decision 406	Operational Services I.S.P. Final Accounts 2013/14 and Business Plan 2014/15	Cabinet	Executive Member - Housing	17 Jun 2014	Assistant Executive Member	Meeting	Head of Finance	Steve Spencer Tel: 01246 345454 steve.spencer@chesterfield.gov.uk	Exempt 3 Contains Financial Information
Key Decision 407	PCVU Window and Door Assembly Factory Final Accounts 2013/14 and Business Plan 2014/15	Cabinet	Executive Member - Housing	17 Jun 2014	Assistant Executive Member	Meeting	Head of Finance	Steve Spencer Tel: 01246 345454 steve.spencer@chesterfield.gov.uk	Exempt 3 Contains Financial Information

Page 21 of 26

Key Decision No	Details of the Decision to be Taken	Decision to be taken by	Relevant Portfolio Holder	Earliest Date Decision can be Taken	Proposed Consultees	Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated	Private
Key Decision 408	Corporate Management Structure	Joint Cabinet and Employment & General Committee	Leader & Executive Member for Regeneration	4 Jun 2014	All portfolio holders	Meetings	Chief Executive	Huw Bowen Chief Executive Tel: 01246 345308 huw.bowen@chesterfield.gov.uk	Exempt 1, 3, 5 Relates to individuals and financial information
Key Decision 409 Page 22	Funding to Voluntary and Community Organisations 2014/15 - Service Level Agreements	Cabinet	Executive Member - Customers and Communities	20 May 2014	Assistant Executive Member	Meeting	Head of Regeneration	Laurie Thomas Tel: 01246 345256 laurie.thomas@chesterfield.gov.uk	Public
Key Decision 410	Stock Condition Survey	Cabinet	Executive Member - Housing	8 Jul 2014	Assistant Executive Member	Meetings	Business Planning and Strategy Manager - Housing Services	Alison Craig Housing Tel: 01246 345156 alison.craig@chesterfield.gov.uk	Public
Key Decision 411	Parkside Update and Appointment of Developer	Cabinet	Executive Member - Housing	29 Jul 2014	Assistant Executive Member	Meetings	Business Planning and Strategy Manager - Housing Services	Alison Craig Housing Tel: 01246 345156 alison.craig@chesterfield.gov.uk	Public

Key Decision No	Details of the Decision to be Taken	Decision to be taken by	Relevant Portfolio Holder	Earliest Date Decision can be Taken	Proposed Consultees	Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated	Private
Key Decision 412	Proposed Budget for the Linacre Road Site, Ashgate	Cabinet	Deputy Leader & Executive Member for Planning	4 Jun 2014	Executive Member for Housing Assistant Executive Member Housing	Meeting	Head of Kier Asset Management	Linda Martin Tel: 01246 345445 linda.martin@chesterfield.gov.uk	Exempt 3 Contains financial information
Key Decision 413	Local Government Association Peer Challenge - findings and action plan	Cabinet	Deputy Leader & Executive Member for Planning	4 Jun 2014		Meeting	Corporate Management Team	Donna Reddish Tel: 01246 345307 donna.reddish@chesterfield.gov.uk	Public
Key Decision 414	Former Chesterfield Cylinders/Whitebank Close Sports Ground - To make recommendations to secure a sustainable future for the sports ground.	Cabinet	Executive Member - Leisure, Culture and Tourism	4 Jun 2014	Assistant Executive Member	Meeting.	Report of Head of Environment & Kier Asset Management	Andy Pashley Tel: 01246 345099 andy.pashley@chesterfield.gov.uk	Exempt 3 Contains information relating to financial or business affairs of the Authority

Key Decision No	Details of the Decision to be Taken	Decision to be taken by	Relevant Portfolio Holder	Earliest Date Decision can be Taken	Proposed Consultees	Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated	Private
Key Decision 415	Performance Outturn for 2013/14 - To consider performance management information for 2013/14 and plans for 2014/15.	Cabinet	Deputy Leader & Executive Member for Planning	17 Jun 2014		Meetings	Report of Head of Business Transformation	Donna Reddish Tel: 01246 345307 donna.reddish@chesterfield.gov.uk	Public
Key Decision 416	Fire Risk Assessments	Cabinet	Executive Member - Housing	17 Jun 2014	Assistant Executive Member for Housing	Meeting	Head of Housing	Alison Craig Housing Tel: 01246 345156 alison.craig@chesterfield.gov.uk	Public
Key Decision 417	Economic Development Unit Staffing	Joint Cabinet and Employment & General Committee	Leader & Executive Member for Regeneration	17 Jun 2014	Executive Member for Governance & Organisational Development Assistant Executive Member for Governance & Organisational Development	Meeting.	Report of Head of Regeneration	Lynda Sharp, Laurie Thomas Tel: 01246 345256 lynda.sharp@chesterfield.gov.uk, Tel: 01246 345256 laurie.thomas@chesterfield.gov.uk	Public

Key Decision No	Details of the Decision to be Taken	Decision to be taken by	Relevant Portfolio Holder	Earliest Date Decision can be Taken	Proposed Consultees	Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated	Private
Private Items -Non Key/ Significant but non-Key									
Key Decision 363	Application for Home Repairs Assistance	Executive Member - Housing	Executive Member Housing - Executive Member decisions	12 May 2014	Assistant Executive Member	Meeting	Head of Housing	Laurie Thomas Tel: 01246 345256 laurie.thomas@chesterfield.gov.uk	Exempt 1, 3 Info. relating to an individual Info. relating to financial affairs
Non Key Decision									
Non-Key 24	List of Buildings of Local Interest - to consider the list of nominated buildings and agree an assessment panel and process	Deputy Leader & Executive Member for Planning	Deputy Leader & Executive Member for Planning	2 Jun 2014	Consultation with property owners	Meeting	Head of Regeneration	Paul Staniforth Tel: 01246 345781 paul.staniforth@chesterfield.gov.uk	Public
Key Decision Non-Key 27	Surveillance Policy	Cabinet	Executive Member - Governance and Organisational Development	20 May 2014	Assistant Executive Member	Meeting.	Head of Governance	Amanda Walker Tel: 01246 345311 amanda.walker@chesterfield.gov.uk	Public

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CABINET MEETING

20th May, 2014

DELEGATION REPORT

DECISIONS TAKEN BY LEAD MEMBERS

Leader (Joint Board with NEDDC and Bolsover DC)

Decision Record No.	Subject	Delegation Reference	Date of Decision
61/13/14	Minutes	R080L	10th March, 2014
<p>Decision</p> <p>That the notes and Records of Decision of the Joint Board meeting held on 14th January, 2014 be noted.</p>			
<p>Reason for Decision</p> <p>To note progress on joint working.</p>			
62/13/14	North Eastern Derbyshire Strategic Employment Partnership Update	R080L	10th March, 2014
<p>Decision</p> <p>(1) That progress of work undertaken to date be acknowledged.</p> <p>(2) That the case study attached to the report be approved, and used as publicity for other developers and construction companies, to maximise employment and training opportunities within north eastern Derbyshire.</p>			

Decision Record No.	Subject	Delegation Reference	Date of Decision
<p>Reason for Decision</p> <p>To ensure that employment and skills opportunities are maximised for residents across north eastern Derbyshire.</p>			
63/13/14	BCN Consultancy (Building Control) - Update	R080L	10th March, 2014
<p>Decision</p> <p>That the current financial position of BCN as at the end of February 2014, and as shown in the report, be noted.</p>			
<p>Reason for Decision</p> <p>To effectively manage BCN in accordance with legislation and the legal agreement for the joint working consortium.</p>			
64/13/14	Joint Scrutiny Panel - Extract from Minutes of 21st November, 2013 relating to BCN	R080L	10th March, 2014
<p>Decision</p> <p>That the Joint Scrutiny Panel be provided with regular updates on the Derbyshire-wide review of building control services.</p>			
<p>Reason for Decision</p> <p>To acknowledge the concerns of the Joint Scrutiny Panel.</p>			

Deputy Leader and Executive Member for Planning

Decision Record No.	Subject	Delegation Reference	Date of Decision
65/13/14	New Lease of Premises at Stonegravels Lane	T160L	19th March, 2014
<p>Decision</p> <p>(1) That approval be given to a letting for 15 years, with rent reviews at the end of the 3rd, 5th and 10th years on terms set out within the report.</p> <p>(2) That delegated authority be granted to the Head of Governance to agree any late amendments to the proposed lease.</p>			
<p>Reason for Decision</p> <p>1. The letting will secure a substantial income stream for 15 years whilst at the same time addressing the urgently required maintenance.</p> <p>2. If the Council do nothing WMPW will vacate within 3 years with the loss of rental revenue. The 3 adjacent units they also currently occupy would also be vacated. The Council would be left with a substantial building which would have a limited future.</p>			
66/13/14	Fifteen Year Lease of Unit 10, The Pavements	J420L	23rd April, 2014
<p>Decision</p> <p>(1) That a fifteen year lease of Unit 10, The Pavements, Chesterfield, be granted.</p> <p>(2) That the Head of Governance be granted delegated authority to deal with any late amendments to the terms of the lease.</p>			

Decision Record No.	Subject	Delegation Reference	Date of Decision
<p>Reason for Decision</p> <p>The letting will secure at least a five, ten or fifteen year income stream. Financially the Council will benefit from not having to pay empty business rates. The letting will secure a strong tenant. At present there are four vacant units on the mall.</p>			
67/13/14	Sale of Former Area Office, High Street, Staveley	G260L	28th April, 2014
<p>Decision</p> <p>(1) That the freehold disposal of the former Staveley Area Office and car park at High Street, Staveley, be approved on the terms set out in the report.</p> <p>(2) That the Head of Governance be granted delegated authority to agree late amendments to the sale.</p>			
<p>Reason for Decision</p> <p>1. The sale will secure a one off capital receipt.</p> <p>2. The value achieved is considered to be above market value.</p>			

Executive Member for Housing

Decision Record No.	Subject	Delegation Reference	Date of Decision
68/13/14	Home Repair Assistance Application (HRA34)	H000L	24th March, 2014
<p>Decision</p> <p>That Home Repairs Assistance of up to £22,109 be approved, based on the costs outlined in this report.</p>			
<p>Reason for Decision</p> <ol style="list-style-type: none"> 1. To contribute to the Council's objective of increasing the number of decent homes across all tenures. 2. To ensure the sustainability of home adaptations for a severely disabled person and to enable her to continue to live independently 3. To contribute to the Council's Affordable Warmth Strategy, HECA Strategy and carbon reduction targets. 			
69/13/14	Home Repair Assistance Application (HRA12)	H000L	24th March, 2014
<p>Decision</p> <p>That Home Repairs Assistance of up to £17,267 be approved based on the costs outlined in this report.</p>			

Decision Record No.	Subject	Delegation Reference	Date of Decision
<p>Reason for Decision</p> <ol style="list-style-type: none"> 1. To contribute to the Council's objective of increasing the number of decent homes across all tenures. 2. To ensure the sustainability of home adaptations for a severely disabled person and enable her to continue to live independently. 3. To contribute to the Council's Affordable Warmth Strategy, HECA Strategy and carbon reduction targets. 			
70/13/14	Construction, Design and Management Co-ordinator Service	H000L	28th April, 2014
<p>Decision</p> <p>That the Housing Services Manager - Business Planning and Strategy be authorised to appoint the Construction, Design and Management Co-ordinator services of IGL Services Ltd to undertake CDM-C Services on notifiable projects.</p>			
<p>Reason for Decision</p> <p>To meet the Council's statutory obligations under the Construction, Design and Management Regulations 2007.</p>			

Executive Member for Customers and Communities

Decision Record No.	Subject	Delegation Reference	Date of Decision
71/13/14	Application for financial assistance from Brimington Village Circle	S340L	25th March, 2014
<p>Decision</p> <p>That £1,000 be given in financial assistance to the Brimington Village Circle from the Minor Grants budget, on the understanding that Chesterfield Borough Council will not be approached for any funding for maintenance in future years.</p>			
<p>Reason for Decision</p> <p>To support a local association to obtain a live fir tree to be planted on Brimington village green.</p>			
72/13/14	May Day Gala 2014	S370L	28th April, 2014
<p>Decision</p> <p>That financial assistance of £800.00 be granted.</p>			
<p>Reason for Decision</p> <p>To continue the Council's support for the May Day Gala.</p>			

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FOR PUBLICATION

FUNDING TO VOLUNTARY AND COMMUNITY ORGANISATIONS 2014/15 - SERVICE LEVEL AGREEMENTS (S000)

MEETING: 1. CABINET
 2. EXECUTIVE MEMBER FOR CUSTOMERS
 AND COMMUNITIES.

DATE: 1. 20TH MAY 2014
 2. 6TH MAY 2014

REPORT BY: HEAD OF REGENERATION

WARD: ALL

COMMUNITY ALL
FORUM:

KEY DECISION 409
REFERENCE

FOR PUBLICATION

BACKGROUND PAPERS FOR PUBLIC n/a
REPORTS:

1.0 **PURPOSE OF REPORT**

1.1 To seek members' agreement to Service Level Agreements contained within the report.

2.0 **RECOMMENDATIONS**

2.1 The level of funding for Service Level Agreements (SLAs) be maintained at the 2013/14 level to all organisations. A total fund of £266,160 for 2014/15.

2.2 The SLA Schedule 1 table, for each organisation, attached at Appendix 2 to the report, be approved for inclusion within the SLAs for 2014/15.

2.3 That a review be undertaken on funding awarded to groups via SLAs, and outcomes to be reported back to Cabinet by the end of 2014.

3.0 BACKGROUND

- 3.1 In previous years funding has been available to voluntary and community organisations in the form of Small Grants, i.e. less than £5,000, and the delivery of services through Service Level Agreements (formerly Large Grants).
- 3.2 The 2013/14 small grant programme was administered through an application process and the entire budget committed.
- 3.3 Since 2007 the small grants programme has been maintained with total available funding of £22,370 and a maximum grant rate of £5,000. The small grants fund will no longer be available from 2014/15 onwards, resulting in a saving of £22,370 as agreed as part of the budget setting exercise approved by full Council on 27th February 2014. All applicants have been notified and directed towards LINKS for advice regarding opportunities for alternative funding. Advice was also available regarding the application process for two new CBC funding sources – Community Assembly Minor Grants and the Community Chest.
- 3.4 Organisations holding SLAs with CBC for 2013/14 attended an annual review meeting in early 2014 as specified in their Service Level Agreement, to check their progress against schedule 1 of the SLA. Each organisation has completed an annual review report – see appendix 1. In addition, six monthly monitoring has been undertaken.
- 3.5 With the next annual review, due in late autumn 2014, organisations holding SLAs with CBC will be required to ensure their activities match the CBC Corporate Plan.

4.0 SERVICE LEVEL AGREEMENTS

- 4.1 Members agreed in November 2007 that large grant funding should be delivered through Service Level Agreements. This format enables an annual review of the delivery of services to which the Council contributes, without the need for organisations to complete full application forms. Schedule 1 of the SLA provides details of the activities to be delivered with clear outputs and milestones identified against which the service can be monitored.
- 4.2 The Schedule 1 for each SLA was updated in time for the January 2014 review meetings and as such does not reflect the recently agreed Corporate Plan but refers directly to the Council's Corporate Plan 2012-15. Each organisation has identified those outcomes, measures and targets to which they can contribute and have also provided a bespoke list of measures and targets appropriate to the activity of their organisation but which also contribute towards the Council's overall

aims. It is proposed that the review of funding awarded to groups via SLAs planned for 2014/15 will at the same time review the Schedule 1 template and make the necessary amendments to bring it into line with the CBC Corporate Plan.

- 4.3 All recipients have submitted an Annual Progress Report outlining achievements during 2013/14 and attended an annual review meeting which has helped to inform the SLAs for 2014/15. Annual Progress Reports are attached at Appendix 1. As previously stated, for the coming financial year each organisation has completed a revised schedule 1 to reflect activities planned, attached at Appendix 2.
- 4.4 Any failure by any organisation to pass the financial test, or future ability to fulfil their SLA, will be considered within the annual review in late autumn 2014
- 4.5 It is proposed that the overall level of funding for SLAs be maintained, for all organisations for the period 2014/15 as detailed below.

Table 1

SLAs	13/14 Actual	14/15 Proposed
CAB	133,750	133,750
Law Centre	46,330	46,330
Shopmobility	24,210	24,210
DUWC	44,090	44,090
Links	17,780	17,780
Total	£266,160	£266,160

5.0 RISK MANAGEMENT

5.1 Risk Management

Description of the Risk	Impact	Likelihood	Mitigating Action	Resultant likelihood	Resultant Impact
Funding to voluntary and community organisations could impact on other Council services given the limited financial flexibility the Council faces.	H	M	This funding is considered in the context of the Council's budget setting process and has been approved within the 2014/15 budget; however, a review will take place during the financial year to determine	M	L

			availability of funding for future years as pressure on Council finances grows.		
There is a risk that there may be disagreement regarding the content of the SLAs with individual organisations	M	L	Annual review meetings and regular monitor mean that a good dialogue exists between the Council and the organisations funded and agreement on targets can be reached satisfactorily.	L	L
The level of funding may not be sufficient to meet the increased demand for advice in the current economic climate. This will lead to long waiting times for residents to receive the advice they need.	M	M	This is a risk for the organisations as well as the Council and has been managed well by the advice agencies. Measures such as relocating to the Town Hall will help to mitigate this risk by provide economies of scale to the organisations involved.	M	L

6.0 **FINANCIAL CONSIDERATIONS**

- 6.1 The financial implications are set out within the report. The proposed budget for SLAs to the voluntary and community sector of £266,160 was incorporated within the overall Council budget report approved in February.
- 6.2 As a result of the ongoing financial pressures placed on the Council, a review of all funding allocated to groups via SLAs will be undertaken during 2014/15 to inform future year's budgets.
- 6.3 All applicants, with the exception of Links, have passed the Council's financial test. Links have more than 50% of their average annual spend in reserves. However, in line with Charities Commission guidance, this

is considered to be good practice in terms of financial management for third sector organisations.

7.0 PUBLIC RELATIONS AND MEDIA CONSIDERATIONS

7.1 The review of funding to the voluntary and community sector will need to be managed sensitively as there will undoubtedly be concerns from the organisations currently receiving funding. A strategy for communicating with current funding recipients will be prepared as part of the review process.

8.0 EQUALITIES CONSIDERATIONS

8.1 An Equality Impact Assessment (EIA) was prepared as part of the previous review of Grants to Voluntary and Community Groups and has been refreshed to take into account the changes in funding available as described in this report.

8.2 The EIA will be reviewed again as part of the planned review of funding to voluntary and community organisations to take place during 2014/15 and where possible mitigating action taken to reduce any negative impact.

9.0 RECOMMENDATIONS

9.1 The level of funding for Service Level Agreements (SLAs) be maintained at the 2013/14 level to all organisations. A total fund of £266,160 for 2014/15.

9.2 The SLA Schedule 1 table, for each organisation, attached at Appendix 2 to the report, be approved for inclusion within the SLAs for 2014/15.

9.3 That a review be undertaken on funding awarded to groups via SLAs, and outcomes to be reported back to Cabinet by the end of 2014.

10.0 REASON FOR RECOMMENDATIONS

10.1 To ensure that the future delivery of funding to Voluntary and Community Groups meets the priorities of the Council and the needs of the residents of Chesterfield within a realistic and sustainable budget.

M. HAYDEN
HEAD OF REGENERATION

Further information on this matter can be obtained from Laurie Thomas/Lynda Sharp (Ext. 5256).

Officer recommendation supported/not supported/modified as below or Executive Member's recommendation/comments if no officer recommendation.

S.L. Blank.

Signed _____ Executive Member

Date 6.5.14

Consultee Executive Member/Assistant Executive Member comments (if applicable)/ declaration of interests

Chesterfield Citizens Advice Bureau

Annual Report – Progress on Service Level Agreement 2013/14 (April-December)

Summary of Progress to date:

- Dealt with 14,938 enquiries
- Advised 4103 people `new` to bureau
- Positive outcomes on cases; on course to exceed dealing with over £4 million debts and helping people obtain benefit/financial gains exceeding £3.5million.
- Maintained strong accessible generalist service, outreach in GP surgeries, Staveley with specialist work in welfare benefits, debt, money skills, fuel poverty and mental health advocacy
- We have been `trialing` additional weekly advice sessions on money and fuel poverty issues
- Expect to be `on target` or `over target` on all measures and milestones by year end
- CAB Preventative Money Skills (financial exclusion) project funded by Big Lottery Fund for four years after funder recognizes it was “much needed”. Project is relevant to local challenges to household finances posed by economic downfall and welfare reform. One to one and group sessions targeting vulnerable people including homeless, offenders and young families. We have also given financial inclusion briefings to local authority staff and NHS health trainers who `problem spot` on the frontline.
- Legal Aid was cut from April 2013 for many areas of social welfare law, including housing, employment, benefits, debt and immigration. Some Chesterfield CAB services for debt and welfare benefits (2.5 posts) were funded by legal aid. At the same time major changes have started to the welfare benefits system and a range of other social rights and will gather pace in the next two years. We have re-structured and resource permitting will maintain and enhance priority services
- 2 Social policy reports released highlighting problems of the Bedroom Tax and hardship caused by the unfair withdrawal of Tax Credits.

Problem Trends in advice work this year to date:

- high cost of living is putting unbearable pressure on many in our community leading to debt
- Rising cost of utilities with consequent affordability issues particularly evident
- Many people we help are struggling even when in work. Low wages and `zero hours` contracts of employment give little security or certainty of income
- Hardship caused by Bedroom tax and the welfare reforms
- High incidence of people left without money because of unfair benefit decisions/sanctions relating to Jobseekers Allowance and work capability testing of sickness benefits (Employment Support Allowance)
- Use of payday loans/debts to meet ongoing living costs
- Effect on mental and physical wellbeing of hardship

1. Cohesive community with equality of access- inclusive borough where everyone feels valued and has fair and equal access to local services.

General:

Above target. We will finish the year well above target with over **19,000** enquiries dealt with and assisting **5500 people**. It is likely that numbers of people assisted and individual enquires will have shown an increase on the previous year. Targets for debt managed and benefits income gained will have been surpassed. Amount of debt rescheduled is expected to be **£4,500, 000** .Benefits gained is expected to be **£ 3,500,000**. It should be noted that even with increases there is an issue of capacity to meet the demand for our services.

Discrimination advice; on target. We expect to be close to or on target for dealing with **100** discrimination enquiries. The most common form of discrimination advice enquiry remains around some employer's negative attitudes to pregnancy and disability. Discrimination is also evident in benefit enquiries with needs of people with mental health problems. This is particularly evident in people's vulnerability to poor work capability assessments for benefits and also their views not being considered fully by service providers. We are continuing to ensure that we have a diverse board drawn from all sectors of the community

Social Policy activity: Above target. We are well above target for this activity. Chesterfield CAB's most recent policy reports include "**Pillow Talk**". This shows HMRC trying to crack down on fraud when couples separate. Innocent people have been caught in the crossfire with vital tax credits payments worth up to a hundred pounds a week withdrawn unfairly for months on end. Devastating consequences arise as families miss out on essential payments needed to meet normal household bills. Our other report, "**The Gathering Storm**" looks at the local impact of the governments housing benefit reduction through under occupation charge (bedroom tax). There is a real danger that the under occupation charge will leave a legacy of cold homes, broken families, missed household payments and debt. We launched the report at an Impact event held at the Winding Wheel in November 2013.

Payday Lending Scandal- We have contributed to the review of payday loans both individually and through national Citizens Advice. Evidence from Chesterfield has seen people obtaining payday loans when clearly unable to repay finance over a short period. With enormous interest rates, this has led to burgeoning debt and payday lenders emptying bank accounts to get their money. This campaign has led to better, if not yet fully comprehensive, regulation of this sector.

2. A community with decent homes for all-a place where everyone has access to a decent affordable home

Advice on housing and community support

Above target. By year end, we expect to have dealt with over **900** enquires concerning Housing support issues/services

Provision of advice to households in fuel poverty

Above Target. In the year 2013/14, we will have dealt with over **800** enquiries concerning advice to people in fuel poverty. Advice may include benefit check, changing supplier, social tariffs, negotiating over fuel debt, accessing charitable support, referral for energy efficiency advice. In the year, we have continued to secure funding for a limited Fuel poverty project as part of our Big Lottery Funded Money Skills Project. The project has produced a range of successful outcomes including access to cheaper energy, avoidance of disconnection, energy efficiency advice, applications to charitable trusts.

3. A working and learning Community –a thriving borough where everyone has access to the jobs, support they need

Thriving town and employment opportunities

Above Target. Amount of debt rescheduled is expected to be **£4,500, 000**. Benefits gained are expected to be **£ 3,500,000 for the year**.

Above target .By yearend, we will have dealt with over **3000** enquiries from people living in the designated areas. The bureau continues to strive to ensure that its services are used by the people in greatest need. Our statistics show that these enquiries are overwhelmingly likely to be focused around benefits, debts and general money issues.

Learning opportunities

We will be **above target** on the provision of volunteering opportunities and range of opportunities offered. We are now offering additional roles in reception, administration, training, fuel poverty, preventative money skills, casework, social policy and gateway (triage) assessments. People receive appropriate training and work to identifiable role specifications. This has meant that we have been able to maintain our extended opening hours and become more accessible for the community

4. A safe healthy and active community-a healthy, safe borough where the community is free from crime

Above Target. See information above on fuel poverty. The expansion of CAB advice direct at GP surgeries has led to improved access advice and to health improvements. Making advice available in doctors' surgeries, health centre's, clinics has been shown to significantly improve people's health and well-being. Good advice helps tackle non-clinical problems, like low income and debt, relieves the stress and anxiety that often underscore a patient's clinical symptoms. Improve support for Carers and vulnerable people. By the year we expect to have dealt with **2,400** enquiries concerning entitlement and assistance with claims for disability and carers benefits.

Other Information

Active partnerships with other voluntary and statutory organizations: Member of Advice Derbyshire Consortium. .Member of Financial Inclusion Derbyshire Financial Capability Group. These groups are presently joining up as part of the `Fairer Derbyshire ` initiative. We attended a conference in November 2013 to help set strategic financial inclusion measures for that. Engagement with Local Authority –currently Welfare reform strategy and previous work from Affordable warmth strategy, private sector housing strategy. Social Policy work. We are part of a Consumer Empowerment Partnership with other advice agencies and Trading Standards. We have strengthened our links with North East Derbyshire CAB and are working on several joint projects including the provision of Money Advice to ex-offenders in conjunction with the probation service. We are currently working through Advice Services Transitional fund to strengthen joint working with Chesterfield Law Centre, Derbyshire Unemployed Workers Centre and North East Derbyshire CAB. This is currently focusing on developing volunteer casework skills/training to enhance debt and welfare benefits advice. We are also working on a joint electronic referral scheme with the aim of reducing waiting times for specialist debt and benefits advice. The group is also working jointly on a `pennies and pounds` project to improve financial inclusion of older people.

January 28, 2014

Appendix

Examples of the Value of Advice

1. Income maximization and holistic advice can play a key role in securing better wellbeing. This is illustrated in the case below:

A single woman over pension age lives in a property she owns outright. She has mental health problems that mean she has significant care needs. Struggling on a small income from state pension and a works pension, money worries have been exacerbating her health issues. A CAB adviser helped her make claims for the benefits Attendance Allowance and pension credit, increasing her annual income by £3400. The adviser also assisted the woman to negotiate reducing her monthly energy payments by a third and helped her obtain a warm home discount that she was previously unaware of being entitled to.

2. Debt rescheduled and written off plays key roles in assisting people manage their financial affairs and avoid homelessness and corrosive impact of debt. This is illustrated in the case below:

A single woman has been left with debts of £40,000 following mortgage possession and relationship breakdown. She lives in private rented housing with 3 children. Her only income comes from basic minimum state benefits: Income Support, Child benefit, Child Tax Credit, Housing benefit and council tax support. She has been to her GP with stress due to demands from her creditors. With no disposable income, we have assisted her to go bankrupt including applying to a charity that provided the bankruptcy fee. Free from debt, she is now in control of her finances and looking to get back into employment.



DUWC

2013 Report to Chesterfield Borough Council

Derbyshire Unemployed Workers' Centres won this years *Derbyshire Times* Community Spirit Award following nominations from members of the public. Justine Bark, Andrew Parkes and Colin Hampton accepted the Award at a ceremony held at the Chesterfield Football Club PROACT stadium. The fact that the organisation is held in such esteem by the people who use our services is a great boost to staff and volunteers. There can hardly be a family in North and East Derbyshire that hasn't been touched by redundancy, unemployment and problems with the statutory organisations responsible for benefits and tax credits. Many of them have accessed our advice, support and representation. No one knows when illness might strike or jobs come under threat. It is at these times that the community sector is most needed and why it is so valued by the people of Derbyshire.

Back in 2008 we would have roughly **250** appeals tribunals waiting to be heard. At the end of September 2013 we had **1122** appeals tribunals pending. This is an increase of nearly 500%. **757** are for Employment and Support Allowance which continues to be the dominant issue coming through our doors in Chesterfield, Brimington and Staveley. Appeals tribunals are times consuming and take our front line workers away from the office or outreach bases face to face enquires, putting a huge strain on our ability to keep our services open and accessible. We dealt with over **12000** enquiries from over **8500** people in 2013. **3214** people made enquiries from the Chesterfield Borough Area.

We are working with a number of partners on the Pennies and Pounds Project to help older people access advice.

We continue to conduct research and to work with the CABs and Law Centre on social policy work raising issues of both local and national concern.

Chesterfield and District Shopmobility Ltd

Additional report for Chesterfield Borough Council Jan 2014

We continue to provide a valuable town centre and extended service within our Derbyshire catchment area for those with a mobility need whether short or long term.

Having to address and review the financial viability of our services provided and funding available we continue with income generation and a high profile publicity campaign to increase awareness with new and old customers take up of our services reflect the local and national financial situation and has stabilized to an acceptable level of provision.

Our affordable servicing-repair and breakdown facility continues to be a benefit to Members who have their own equipment and also use town hospital and leisure services.

Recently we are pleased to have sustained trusted trader status.

With a reduction of staff hours and restructure of work patterns, the town centre service has continued with no change of provision for our customers.

We continue to develop our good working relationships with statutory and voluntary organisations by providing work placements and a high level of voluntary opportunities available essential within the running of our services.

The service hours provided by our dedicated team of volunteers equate to approximately £30,000 over the last 12 months. We would not be able to operate at this level without the input from our volunteers.

This enables our customers to carry out local daily life activities e.g.

Shopping	Social Activities	Doctor appointments	Prescription pick up
Council payments	Social service visits	Family activity	Leisure and parks

Income Generation

Income generation has been by the following and has made this level of service sustainable –

- Membership fees
- Daily fees
- Short term loans
- Long term loans
- Raffles and store collections
- Donations
- Community events
- Sale of redundant stock
- Service and repair

- Contracted services

Future town centre plans

Our aim is to structure our leisure and shopping facility in line with the developments of Chesterfield town centre facilities and the local leisure needs of our customers.

We have extended the permitted town centre area to include the new retail sites in line with requests of our customers and continue to respond to the changing needs of the local communities of our Derbyshire catchment area also visitors to Chesterfield who have mobility needs.

Colin Mitchell

Chairperson

28/1/14

Chesterfield Law Centre

Introduction

Chesterfield Law Centre continues to deliver high quality legal services to individuals and communities across Chesterfield Borough. A detailed review of the year's activities (1.9.2012 – 31.8.2013) can be found in the Law Centre's annual report, widely distributed across the Borough.

The Law Centre's core service delivers specialist legal advice and representation around:

- Debt,
- Discrimination,
- Employment,
- Housing,
- Homelessness,
- Housing related debt,
- Immigration,
- Mortgage Rescue Scheme and
- Tackling hate and harassment

Despite the biggest reforms to legal aid since its introduction 50 years ago coming into effect in April 2013, Chesterfield Law Centre has managed to continue to provide free legal advice, assistance and representation to individuals and families on low incomes across Derbyshire.

Who do we help

The Law Centre is open 35 hours a week. Most people's first contact is telephone, although an increasing number of people contact us by email via our website as well as by text phone and in person.

Initial legal advice relates to-

Housing 27.5%	Family 8%
Employment 29.5%	Hate & Harassment 1%
Immigration 1.5%	Welfare Benefits 2%
Debt 12.5%	Other 13.5%
Consumer 4.5%	

Outcomes achieved for clients –

- managed/secured over £0.75 million for our clients
- concluded 92% cases successfully
- made representation 73.5% of our clients at court/tribunal

- managed or written off debt for 57% of our clients
- secured award/compensation for 51% of our employed clients
- prevented homelessness for 75.5% of our clients who are mortgagees
- prevented homelessness for 72% tenants and their families.

Partnership work

The Law Centre continues to build on its range of successful collaborations. Of particular note are

- We continue to collaborate with Chesterfield Citizens Advice Bureau, Derbyshire Unemployed Workers Centres and other Chesterfield-based charities around joint service delivery and exploring possibility of co-location.
- Secured partnership funding via – Managing Demand 4 advice (North Eastern Derbyshire Advice Partnership, Improving Services Together (Derbyshire Districts Advice Partnership) and Managing Money Better (North Eastern Derbyshire Advice Partnership).

Feedback from clients and users

Feedback from clients who have used the service demonstrate that there is a high level of satisfaction with the services (over 96% report being satisfied) with clients reporting positively about the impact of the service including reduction of stress and anxiety and improvement to health.

Volunteers

During this period, there have been 17 volunteers involved in Law Centre's management committee, recruited and trained 7 volunteers to become diagnostic assessors and are currently training 9 new volunteers from other advice agencies to become volunteer caseworkers. We have enabled 61% of volunteers to move into paid work or access other learning or volunteering opportunities.

Governance

The Law Centre is a registered charity and company limited by guarantee. Its Board is made up of 24 people (all volunteers), local people representing community groups and representatives of local authority funders. The Board is an active group with a range of experience and skills suited to its role. The Board oversees the work of the Law Centre including the Law Centre's performance, management, finances and forward planning. The Board is elected at the Law Centre's annual general meeting.

CHESTERFIELD BOROUGH COUNCIL
LINKS: THE CHESTERFIELD & N.E. DERBYSHIRE CVS & ACTION LTD

Links provides support to voluntary organisations and community groups operating in the local government districts of Chesterfield and North East Derbyshire. Links also leads projects and works in partnership across a wider area of Derbyshire.

Progress against targets has been good.

A Sustainable Community

- Advised groups on legal structures and on leases (including allotment leases) plus one potential asset transfer.
- Attended 2 Community Assemblies Liaison meetings and met with Wendy Blunt twice re involvement of community groups and information re Community Chest.

A Cohesive Community with equality of access to services

- Given one to one advice to groups and attended CBC Equalities Advisory Group and DPF.
- Attendance at Communities Assemblies Liaison Group.
- Involvement in Big Local Interim Steering Group covering Hasland & Grassmoor and administering grants to conduct community questionnaire.

A Community with Decent Homes for All

- Pilot of Derbyshire Race Equality Network as a consultative business model for CBC – the pilot is now complete but has not been taken up by CBC.

A Working and Learning Community

- Advised potential social enterprises at funding surgeries and via contracts advice.
- One to one advice to groups including an in depth social return on Investment model for the Volunteer Centre.

A Safe, Healthy and Active Community

- Advice given to groups including BME, learning disabilities, disability and mental health groups.
- Advice given to art groups.

APPENDIX 2 – SERVICE LEVEL AGREEMENT SCHEDULE 1 FOR EACH ORGANISATION

Service Level Agreement between Chesterfield Borough Council and Chesterfield Citizens Advice Bureau

Schedule 1 – Work Programme for Service Delivery

Details of activity undertaken/to be undertaken in 2014/15, the Outcomes; Measures and Targets; Milestones; and, Actions and Achievements to date against Outcomes, Measures and Targets

CBC Corporate Plan Aims 'Our aspiration for Chesterfield Borough is to be ...'	CBC Corporate Plan Outcomes 'In 3 years from now, the Borough will look and feel like this	CBC Measures and Targets - 'We will know we're achieving our outcomes by measuring progress on the following ...'	Additional Agreed Measures and Targets	Milestones	Actions and achievements to date
<p>Page 51</p> <p>1. A Sustainable Community – A clean, green, and attractive Borough, where our open spaces and built heritage are valued.</p>	<p>1.1 Our environment will be cleaner and greener</p> <p>1.2 The quality and biodiversity of our parks and open spaces will be improved</p> <p>1.3 There will be improved community</p>	<p><i>Please refer to the Council's Corporate Plan 2011-14 and identify any Measures and Targets you feel your organisation can contribute towards in the coming year</i></p>	<p><i>Please identify any other measures and targets you could use to help deliver the Council's Corporate Plan Outcomes as identified in the second column</i></p>	<p><i>Please identify key dates/actions/events expected in the coming year to help deliver measures and targets.</i></p>	<p><i>Please leave blank – this column will need to be completed for monitoring purposes half way through the financial year</i></p>

	<p>use of our parks.</p> <p>1.4 Our built heritage will be protected and enhanced.</p> <p>1.5 More of the Borough's waste will be recycled.</p>				
<p>2. A Cohesive Community with equality of access to services – An inclusive Borough, where everyone feels valued and has equal and fair access to local services.</p>	<p>2.1 Our services will be accessible to our communities.</p> <p>2.2 We will be recognised as an Equalities leader.</p> <p>2.3 Opportunities will have been maximised to reduce economic inequality.</p>	<p>2.2/2.3 Increased awareness of Financial Exclusion help and advice. Target: year on year increase. 2013/14 baseline.</p>	<p>2.1: 18,000 enquiries dealt with per year 5000 new clients per year.</p> <p>100 discrimination enquiries dealt with annually</p> <p>2.2/2.3 :provision of 4 talks/training sessions on financial exclusion- 80% more aware of FE help and advice</p> <p>2.2/ 2.3: 1001000 enquiries from designated LSOAs- Rother, Loundsley Green, Middlecroft and Poolsbrook ,Old</p>	<p>Deliver quality advice on issues of discrimination</p> <p>27.5 hours generalist advice per week,45 weeks per year</p> <p>Deliver Citizens Advice Fair Strategy (fair ,accessible, inclusive, relevant underpinning service delivery and planning</p> <p>Provision of advice/support to enable people to seek, gain and maintain employment</p>	

	<p>2.4 There will be improved opportunities for community engagement.</p>	<p>2.4 % of people who feel they can influence decisions in their locality. Target 35% by March 2015.</p> <p>2.4 % satisfied with opportunities for participation in local decision making. Target: year on year increase</p>	<p>Whittington Barrowhill and New Whittington, St Helens and Dunston</p> <p>2.3: £3 million of benefits gained for clients;£3 million of debt rescheduled</p> <p>2.4 2 social policy reports, events delivered per annum</p>	<p>People contributing to social policy work to influence their community and their own lives</p>	
<p>3. A Community with Decent Homes for All – A place where everyone</p>	<p>3.1 More of our community will be satisfied with the</p>	<p>3.1 Satisfaction with local area as a place to live. Target: 85% by March</p>	<p>3.1: 18,000 enquiries dealt with per year 5000 new clients per</p>	<p>Provision of quality advice and casework to enable people to</p>	

<p>has fair access to a decent and affordable home.</p>	<p>Borough as a place to live.</p> <p>3.2 More homes will be Decent across all tenures.</p> <p>3.3 There will be fair access to suitable housing which address community needs across all tenures.</p> <p>3.4 Good progress will have been made in tackling fuel poverty and increasing energy efficiency.</p> <p>3.5 More empty properties will have been brought back into use.</p>	<p>2015</p> <p>3.2 % decent Council homes. Target: 90% by March 2015</p> <p>3.2 Local authority tenants' satisfaction with landlord services. Target: 80% by March 2015</p> <p>3.3 Net additional homes provided. Target: 530 homes by March 2015</p> <p>3.3 Number of affordable homes delivered (gross). Target: 120 homes by March 2015</p> <p>3.4 Introduce new measures and establish a baseline to identify energy efficiency levels in the private sector</p>	<p>year</p> <p>3.2/3.3 500 housing enquiries dealt with annually</p> <p>3.4 500 fuel poverty enquiries dealt with annually</p>	<p>resolve their problems, maximise household income to improve their health and wellbeing</p> <p>Provision of quality advice on housing and community support</p> <p>27.5 hours generalist advice per week, 45 weeks per year</p> <p>Provision of advice to households and individuals in fuel poverty</p>	
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<p>4. A Working and Learning Community – A thriving Borough, where everyone has access to the jobs, training and the support they need.</p>	<p>4. .1 There will be a growing and diverse business community</p> <p>4.2 The town and local centres will be thriving and attractive.</p> <p>4.3 We will strive to achieve more opportunities for local people of all ages to work and learn.</p> <p>4.4 The Borough will have a national profile as a visitor and business destination.</p>	<p>4.1/4.4 New business registration rate. Target: Increased to above the regional average by March 2015.</p> <p>4.1/4.4 New business survival rate. Target: Consistently above regional average by March 2015</p> <p>4.3 Overall number of employment opportunities in the area. Target: Year on year improvement until March 2015.</p> <p>4.3 Jobs secured by local people on schemes with local labour agreements. Target: 50% of jobs secured by March 2015.</p>	<p>4.1 18,000 enquiries dealt with per year 5000 new clients per year. £3 million of debt rescheduled £3 million of benefits gained for clients</p> <p>4.3 Maintain volunteer activity -28 advisers, 12 board members, 5 other roles. Offer 12 training opportunities for new volunteers per annum</p>	<p>Income maximisation through advice on welfare benefits, tax credits and debt/money advice services</p> <p>27.5 hours generalist advice per week,45 weeks per year</p> <p>Provision of a range of volunteer activities for the local community</p>	
<p>5. A Safe, Healthy and Active Community – A healthy and safe</p>	<p>5.1 Health inequalities will have reduced in the 20% most</p>	<p>5.1 A 20% reduction in the Index of Inequalities for Life Expectancy</p>	<p>5.1/5.3 18,000 enquiries dealt with per year</p>	<p>Provision of quality advice and casework to enable people to</p>	

<p>Borough, where the community is free from the fear of crime.</p>	<p>disadvantaged areas by 2016.</p> <p>5.2 Participation in sport and recreation will have increased; particularly amongst 'hard to reach' groups and the quality of our leisure centres will have improved.</p> <p>5.3 Our communities will be safer and fear of crime will be lower.</p> <p>5.4 Our cultural offer will have improved and we will have increased opportunities for community engagement in arts and culture.</p> <p>5.5 We will have a more effective local response to extreme winter weather events</p>	<p>(Under 75's). Target - a reduction of 217 premature deaths over 5 years (during the period 2009/10-2015/2016)</p> <p>5.3 12 month cumulative count of serious acquisitive crimes. Target: 3.5% reduction by March 2015.</p> <p>5.3 12 month cumulative count of assault with less serious injury crime. Target: 3.5% reduction by March 2015.</p> <p>5.3 % residents feeling safe. Target 95% during day and 35% at night by March 2015</p>	<p>5000 new clients per year.</p> <p>£3 million of debt rescheduled</p> <p>£3 million of benefits gained for clients</p> <p>1000 enquiries from designated LSOAs- Rother, Loundsley Green, Middlecroft and Poolsbrook , Old Whittington Barrowhill and New Whittington, St Helens and Dunston</p>	<p>resolve their problems, maximise household income to improve their health and wellbeing</p> <p>27.5 hours generalist advice per week, 45 weeks per year</p>	
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Service Level Agreement between Chesterfield Borough Council and Chesterfield Law Centre

Schedule 1 – Work Programme for Service Delivery

Details of activity undertaken/to be undertaken in 2014/15, the Outcomes; Measures and Targets; Milestones; and, Actions and Achievements to date against Outcomes, Measures and Targets

CBC Corporate Plan Aims 'Our aspiration for Chesterfield Borough is to be ...'	CBC Corporate Plan Outcomes 'In 3 years from now, the Borough will look and feel like this	CBC Measures and Targets - 'We will know we're achieving our outcomes by measuring progress on the following ...'	Additional Agreed Measures and Targets	Milestones	Actions and achievements to date
<p>1. A Sustainable Community – A clean, green, and attractive Borough, where our open spaces and built heritage are valued.</p>	<p>1.1 Our environment will be cleaner and greener</p> <p>1.2 The quality and biodiversity of our parks and open spaces will be improved</p> <p>1.3 There will be improved community use of our parks.</p> <p>1.4 Our built heritage will be protected and enhanced.</p> <p>1.5 More of the Borough's waste will be</p>	<p>1.5 Chesterfield Law Centre has a detailed environmental policy. A section of this policy details how recycling will be encouraged</p> <p>Target of 25% of waste to be recycled</p>	<p>Use of recycled paper products wherever suitable</p> <p>Promotion of paperless service wherever appropriate</p>	<p>- Recycling bins in each office</p>	

	recycled.				
<p>2. A Cohesive Community with equality of access to services – An inclusive Borough, where everyone feels valued and has equal and fair access to local services.</p>	<p>2.1 Our services will be accessible to our communities.</p> <p>2.2 We will be recognised as an Equalities leader.</p> <p>2.3 Opportunities will have been maximised to reduce economic inequality.</p> <p>2.4 There will be improved opportunities for community engagement.</p>		<p>350 specialist legal cases opened in period 1500 one off enquiries dealt with</p> <p>Hard outcomes to include Prevention of homelessness, improved housing conditions or security, management of debt, retaining jobs or achieving compensation for loss of job Soft outcomes include Increased knowledge of rights, improved confidence or self esteem, reduction of stress and anxiety</p>	<p>Report via case management system on numbers of cases opened and closed in period, with analysis of outcomes</p>	
<p>3. A Community with Decent Homes for All – A place where everyone has fair access to a decent and affordable home.</p>	<p>3.1 More of our community will be satisfied with the Borough as a place to live.</p> <p>3.2 More homes will be</p>		<p>Provision of housing advice and representation with aims of improving access to housing and prevention of homelessness</p>		

	<p>Decent across all tenures.</p> <p>3.3 There will be fair access to suitable housing which address community needs across all tenures.</p> <p>3.4 Good progress will have been made in tackling fuel poverty and increasing energy efficiency.</p> <p>3.5 More empty properties will have been brought back into use.</p>		<p>including provision of duty representation scheme at County Court</p>		
<p>4. A Working and Learning Community – A thriving Borough, where everyone has access to the jobs, training and the support they need.</p>	<p>4.1 There will be a growing and diverse business community.</p> <p>4.2 The town and local centres will be thriving and attractive.</p> <p>4.3 We will strive to achieve more opportunities for local people of all ages to</p>	<p>4.3 Provision of volunteering opportunities (including accredited training and work experience in supportive environment) aimed at people facing barriers to work</p>	<p>At least 10 volunteers involved in management committee</p> <p>10 new volunteers recruited</p> <p>15 local volunteers complete accredited training</p>		

	<p>work and learn.</p> <p>4.4 The Borough will have a national profile as a visitor and business destination.</p>		<p>20 local volunteers contribute at least 4 hours a week each</p> <p>30% of volunteers will move on into paid work or access other learning or volunteering opportunities</p>		
<p>5. A Safe, Healthy and Active Community – A healthy and safe Borough, where the community is free from the fear of crime.</p>	<p>5.1 Health inequalities will have reduced in the 20% most disadvantaged areas by 2016.</p> <p>5.2 Participation in sport and recreation will have increased; particularly amongst 'hard to reach' groups and the quality of our leisure centres will have improved.</p> <p>5.3 Our communities will be safer and fear of crime will be lower.</p> <p>5.4 Our cultural offer will have improved and we will have increased</p>		<p>Provision of specialist legal advice and representation on social welfare law</p> <p>Provision of support to victims of hate crime and harrassment</p>	<p>50% of clients (who complete an end of case questionnaire) report an improvement in health or well being</p> <p>2 local events to promote best practice</p>	

	<p>opportunities for community engagement in arts and culture.</p> <p>5.5 We will have a more effective local response to extreme winter weather events</p>				
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**Service Level Agreement between Chesterfield Borough Council and Chesterfield and District Shopmobility
Schedule 1 – Work Programme for Service Delivery**

Details of activity undertaken/to be undertaken in 2014/15, the Outcomes; Measures and Targets; Milestones; and, Actions and Achievements to date against Outcomes, Measures and Targets

CBC Corporate Plan Aims 'Our aspiration for Chesterfield Borough is to be ...'	CBC Corporate Plan Outcomes 'In 3 years from now, the Borough will look and feel like this	CBC Measures and Targets - 'We will know we're achieving our outcomes by measuring progress on the following ...'	Additional Agreed Measures and Targets	Milestones	Actions and achievements to date
<p align="center">Page 62</p> <p>1. A Sustainable Community – A clean, green, and attractive Borough, where our open spaces and built heritage are valued.</p>	<p>1.1 Our environment will be cleaner and greener</p> <p>1.2 The quality and biodiversity of our parks and open spaces will be improved</p> <p>1.3 There will be improved community</p>	<p><i>Please refer to the Council's Corporate Plan 2011-14 and identify any Measures and Targets you feel your organisation can contribute towards in the coming year</i></p> <p><i>1.1 Shopmobility recycles waste and our equipment is environmentally friendly.</i></p> <p><i>1.2 Shopmobility promotes the use of parks, tracks, trails and open spaces by our members.</i></p> <p><i>1.3 Our long term loan</i></p>	<p><i>Please identify any other measures and targets you could use to help deliver the Council's Corporate Plan Outcomes as identified in the second column</i></p> <p><i>Provision of mobility scooters and equipment in chesterfield borough to access services.</i></p> <p><i>Increase membership and repair facility to promote independence</i></p> <p><i>Provide appropriate</i></p>	<p><i>Please identify key dates/actions/events expected in the coming year to help deliver measures and targets.</i></p> <p><i>Monitor on a six monthly programme</i></p> <p><i>By post, telephone and reception feedback forms</i></p> <p><i>Promote safety</i></p>	<p><i>Please leave blank – this column will need to be completed for monitoring purposes half way through the financial year</i></p>

	<p>use of our parks.</p> <p>1.4 Our built heritage will be protected and enhanced.</p> <p>1.5 More of the Borough's waste will be recycled.</p>	<p><i>members use parks on a regular basis this promotes their independence.</i></p> <p><i>1.4 Our members use our equipment to visit places of historical interest within the borough.</i></p> <p><i>1.5 Shopmobility actively promotes recycling</i></p>	<p><i>equipment that meets our customer needs.</i></p> <p><i>Increase membership</i></p> <p><i>Increase daily use by 2%</i></p> <p><i>Increase repair facility to 35 per month.</i></p> <p><i>Review customer needs e.g. safety and operation of equipment for example right or left operation.</i></p> <p><i>Evaluate town centre service, improve and monitor all service provision.</i></p>	<p><i>awareness at all times.</i></p> <p><i>Monitor safety checks at point of hire and signed reminder of safety instructions, carried out</i></p> <p><i>Questioner on reception re customer need.</i></p> <p><i>Raise awareness at local events and local hire</i></p>	<p><i>Monitor 6 monthly</i></p>
<p>2. A Cohesive Community with equality of access to services – An inclusive Borough, where everyone feels valued and has equal and fair access to local services.</p>	<p>2.1 Our services will be accessible to our communities.</p> <p>2.2 We will be recognised as an Equalities leader.</p> <p>2.3 Opportunities will have been maximised to reduce economic inequality.</p>	<p><i>2.1 Shopmobility provides the means to access council services by disabled people</i></p> <p><i>2.2 Shopmobility operates an active equal opportunity policy for staff, volunteers, and customers.</i></p> <p><i>2.3 Our service is at an affordable level to enable members to access all</i></p>	<p><i>Provide services within local communities by road shows and leaflet/publicity campaigns, target 4 events 5% target increase in scooter hire at events.</i></p> <p><i>Promote with existing and new membership by poster and leaflet</i></p>	<p><i>Promote our services that provide (long term loans) independence and combat isolation within local communities</i></p> <p><i>Target 4 events</i></p>	

	<p>2.4 There will be improved opportunities for community engagement.</p>	<p><i>local retail services. 2.4 The independence our services provide opportunities for disabled people to access communities.</i></p>	<p><i>campaign 5% target increase in membership Promote chesterfield Shopmobility to the wider community.</i></p> <p><i>Promote safety awareness with membership and the general public</i></p> <p><i>Carry out safety checks at point of hire and members sign the reminder of safety instructions.</i></p> <p><i>Postal community questioner available to local centres and on reception. Raise safety awareness at local events.</i></p>	<p><i>Monitor daily use and collate data from membership catchment area.</i></p> <p><i>Target 2% membership Increase. Repair/breakdown facility 20 per month.</i></p>	
<p>3. A Community with Decent Homes for All – A place where everyone has fair access to a</p>	<p>3.1 More of our community will be satisfied with the Borough as a place to</p>	<p><i>3.1 Use of our services brings about satisfaction and improved self-esteem therefore</i></p>	<p><i>Update all long/short term loan provision to meet individual need. Consult with</i></p>		

decent and affordable home.	<p>live.</p> <p>3.2 More homes will be Decent across all tenures.</p> <p>3.3 There will be fair access to suitable housing which address community needs across all tenures.</p> <p>3.4 Good progress will have been made in tackling fuel poverty and increasing energy efficiency.</p> <p>3.5 More empty properties will have been brought back into use.</p>	<p><i>satisfaction within the home environment.</i></p> <p>3.2</p> <p>3.3 A mobility equipment access survey is carried out this determines the needs of our members within the home and community.</p> <p>3.4 <i>all our scooters and power chairs are electric and charged overnight to sustain energy efficiency. All batteries are recycled.</i></p>	<p><i>members to meet their needs in the town centre and borough.</i></p>	<p><i>Monitor 6 monthly</i></p>	
<p>4. A Working and Learning Community – A thriving Borough, where everyone has access to the jobs, training and the support they need.</p>	<p>4.1 There will be a growing and diverse business community.</p> <p>4.2 The town and local centres will be thriving and attractive.</p> <p>4.3 We will strive to</p>	<p><i>4.1 we provide a placement pathway to the work environment including volunteering.</i></p> <p>4.2</p> <p>4.3 <i>Our opportunities for</i></p>		<p><i>Monitor bimonthly</i></p>	

	<p>achieve more opportunities for local people of all ages to work and learn.</p> <p>4.4 The Borough will have a national profile as a visitor and business destination.</p>	<p><i>voluntary and work placements cover all ages.</i></p> <p><i>Our customers come from all areas national and international. We are affiliated to the National Federation of Shopmobility.</i></p>			
<p>5. A Safe, Healthy and Active Community – A healthy and safe Borough, where the community is free from the fear of crime.</p>	<p>5.1 Health inequalities will have reduced in the 20% most disadvantaged areas by 2016.</p> <p>5.2 Participation in sport and recreation will have increased; particularly amongst ‘hard to reach’ groups and the quality of our leisure centres will have improved.</p> <p>5.3 Our communities will be safer and fear of crime will be lower.</p> <p>5.4 Our cultural offer will have improved and we will have increased</p>	<p><i>5.1 The services we provide combat isolation within local communities and provide the opportunity for social inclusion within the town and further afield.</i></p> <p><i>5.2 Our long term loan service provides access to leisure centres and the health benefits available.</i></p> <p><i>5.3 we operate a full health and safety policy, including equipment cleansing procedures to combat cross infections possible with constant use of our equipment.</i></p> <p><i>We operate a policy of</i></p>	<p><i>Provide statically information for chesterfield borough council to assist with the catchment area for disabled people using chesterfield and visiting locally.</i></p>		

	<p>opportunities for community engagement in arts and culture.</p> <p>5.5 We will have a more effective local response to extreme winter weather events</p>	<p><i>safety including driving tests and crime reduction instructions to our members also the use of white water marking.</i></p> <p><i>Our unique breakdown service provides our members with a safe option of recovery if broken-down in the community including a replacement scooter for safe return home.</i></p> <p>5.4 5.5 <i>We monitor weather conditions daily and in extreme weather conditions operate a shopping prescient service only. This enables members to continue with essential shopping and social activity.</i></p>	<p><i>Monitor 6 monthly</i></p> <p><i>Monitor 6 monthly</i></p> <p><i>Monitor daily.</i></p>		
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Service Level Agreement between Chesterfield Borough Council and Links: the Chesterfield & N.E. Derbyshire CVS & Action Ltd

Schedule 1 – Work Programme for Service Delivery

Details of activity undertaken/to be undertaken in 2014/15, the Outcomes; Measures and Targets; Milestones; and, Actions and Achievements to date against Outcomes, Measures and Targets

CBC Corporate Plan Aims 'Our aspiration for Chesterfield Borough is to be ...'	CBC Corporate Plan Outcomes 'In 3 years from now, the Borough will look and feel like this	CBC Measures and Targets - 'We will know we're achieving our outcomes by measuring progress on the following ...'	Additional Agreed Measures and Targets	Milestones	Actions and achievements to date
<p>Page 68</p> <p>1. A Sustainable Community – A clean, green, and attractive Borough, where our open spaces and built heritage are valued.</p>	<p>1.1 Our environment will be cleaner and greener</p> <p>1.2 The quality and biodiversity of our parks</p>	<p><i>Please refer to the Council's Corporate Plan 2011-14 and identify any Measures and Targets you feel your organisation can contribute towards in the coming year</i></p> <p>Satisfaction with Parks and Open Spaces</p>	<p><i>Please identify any other measures and targets you could use to help deliver the Council's Corporate Plan Outcomes as identified in the second column</i></p> <p>One to one advice to 5 groups p.a. including advice on CBC Community Chest</p>	<p><i>Please identify key dates/actions/events expected in the coming year to help deliver measures and targets.</i></p> <p>Initial advice on legal structures, leases, asset transfer, community right to bid and funding for</p>	<p><i>Please leave blank – this column will need to be completed for monitoring purposes half way through the financial year</i></p>

	<p>and open spaces will be improved</p> <p>1.3 There will be improved community use of our parks.</p> <p>1.4 Our built heritage will be protected and enhanced.</p> <p>1.5 More of the Borough's waste will be recycled.</p>			<p>Friends of groups and other community associations.</p>	
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 66</p> <p>2. A Cohesive Community with Equality of access to services – An inclusive Borough, where everyone feels valued and has equal and fair access to local services.</p>	<p>2.1 Our services will be accessible to our communities.</p> <p>2.2 We will be recognised as an Equalities leader.</p> <p>2.3 Opportunities will have been maximised to reduce economic inequality.</p> <p>2.4 There will be improved opportunities for community</p>	<p>Progress towards excellent level of the Equalities Framework.</p> <p>Increased awareness of Financial Exclusion help and advice</p>	<p>One to one advice to 10 groups p.a. plus involvement in CBC Equality & Diversity Forum & DPF & Big Local if funded.</p>	<p>Support and encourage equalities groups to take part in CBC Equality & Diversity Forum.</p> <p>Continue paid consultancy for Big Local Hasland & Grassmoor if Work Plan approved by Big Local Trust</p>	

	engagement.				
<p>3. A Community with Decent Homes for All – A place where everyone has fair access to a decent and affordable home.</p>	<p>3.1 More of our community will be satisfied with the Borough as a place to live.</p> <p>3.2 More homes will be Decent across all tenures.</p> <p>3.3 There will be fair access to suitable housing which address community needs across all tenures.</p> <p>3.4 Good progress will have been made in tackling fuel poverty and increasing energy efficiency.</p> <p>3.5 More empty properties will have been brought back into use.</p>	<p>Could facilitate involvement and consultation with equalities groups if funding available</p>	<p>Discuss with housing department whether funding available</p>	<p>Initial discussions by December 2014 if funding available</p>	
<p>4. A Working and Learning Community – A thriving Borough,</p>	<p>4.1 There will be a growing and diverse business community.</p>	<p>Contribute via advice on social enterprise, mutuals and tenders</p>	<p>One to one advice to 2 potential social enterprises p.a.</p>		

<p>where everyone has access to the jobs, training and the support they need.</p>	<p>4.2 The town and local centres will be thriving and attractive.</p> <p>4.3 We will strive to achieve more opportunities for local people of all ages to work and learn.</p> <p>4.4 The Borough will have a national profile as a visitor and business destination.</p>	<p>Contribute via social value clauses in contracts</p>	<p>One to one advice to 5 groups p.a.</p>		
<p>5. A Safe, Healthy and Active Community – A healthy and safe Borough, where the community is free from the fear of crime.</p>	<p>5.1 Health inequalities will have reduced in the 20% most disadvantaged areas by 2016.</p> <p>5.2 Participation in sport and recreation will have increased; particularly amongst 'hard to reach' groups and the quality of our leisure centres will have improved.</p> <p>5.3 Our communities</p>	<p>Contribute via advice to groups</p> <p>Contribute via advice to groups particularly hard to reach groups</p>	<p>One to one advice to 20 groups p.a.</p> <p>One to one advice to 25 groups p.a.</p>		

	<p>will be safer and fear of crime will be lower.</p> <p>5.4 Our cultural offer will have improved and we will have increased opportunities for community engagement in arts and culture.</p> <p>5.5 We will have a more effective local response to extreme winter weather events</p>	<p>Contribute via advice to arts groups etc</p>	<p>One to one advice to 5 groups p.a.</p>		
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Service Level Agreement between Chesterfield Borough Council and Derbyshire Unemployed Workers' Centres

Schedule 1 – Work Programme for Service Delivery

Details of activity undertaken/to be undertaken in 2014/15, the Outcomes; Measures and Targets; Milestones; and, Actions and Achievements to date against Outcomes, Measures and Targets

CBC Corporate Plan Aims 'Our aspiration for Chesterfield Borough is to be ...'	CBC Corporate Plan Outcomes 'In 3 years from now, the Borough will look and feel like this	CBC Measures and Targets - 'We will know we're achieving our outcomes by measuring progress on the following ...'	Additional Agreed Measures and Targets	Milestones	Actions and achievements to date
<p align="left">Page 73</p> <p>1. A Sustainable Community – A clean, green, and attractive Borough, where our open spaces and built heritage are valued.</p>	<p>1.1 Our environment will be cleaner and greener</p> <p>1.2 The quality and biodiversity of our parks and open spaces will be improved</p> <p>1.3 There will be</p>	<p><i>Please refer to the Council's Corporate Plan 2011-14 and identify any Measures and Targets you feel your organisation can contribute towards in the coming year</i></p>	<p><i>Please identify any other measures and targets you could use to help deliver the Council's Corporate Plan Outcomes as identified in the second column</i></p>	<p><i>Please identify key dates/actions/events expected in the coming year to help deliver measures and targets.</i></p>	<p><i>Please leave blank – this column will need to be completed for monitoring purposes half way through the financial year</i></p>

	<p>improved community use of our parks.</p> <p>1.4 Our built heritage will be protected and enhanced.</p> <p>1.5 More of the Borough's waste will be recycled.</p>				
<p>2. A Cohesive Community with Quality of access to Services – An inclusive Borough, where everyone feels valued and has equal and fair access to local services.</p>	<p>2.1 Our services will be accessible to our communities.</p> <p>2.2 We will be recognised as an Equalities leader.</p> <p>2.3 Opportunities will have been maximised to reduce economic inequality.</p> <p>2.4 There will be improved opportunities for community engagement.</p>	<p>Provision of face to face welfare rights advice at three sites within the Borough.</p> <p>Provision of advice in the home and over the telephone where appropriate.</p>	<p>Ensuring no barriers to use of DUWC services.</p> <p>Targeting 'hard to reach' groups:</p> <p>Advice provided at three sites – Central, Brimington, Staveley.</p> <p>Targets: 3000 cases to be dealt with in total 12 home visits to be carried out.</p> <p>250 cases dealt with by telephone</p>	<p>. Advice provided at three sites – Central, Brimington, Staveley.</p> <p>Targets: 3,000 cases to be dealt with in total 12 home visits to be carried out.</p> <p>250 cases dealt with by telephone</p> <p>.</p>	
<p>3. A Community with Decent Homes for All –</p>	<p>3.1 More of our community will be</p>	<p>Fewer households living in poverty due to</p>	<p>Households assisted with Housing/Council</p>	<p>Target: 400 households advised</p>	

<p>A place where everyone has fair access to a decent and affordable home.</p>	<p>satisfied with the Borough as a place to live.</p> <p>3.2 More homes will be Decent across all tenures.</p> <p>3.3 There will be fair access to suitable housing which address community needs across all tenures.</p> <p>3.4 Good progress will have been made in tackling fuel poverty and increasing energy efficiency.</p> <p>3.5 More empty properties will have been brought back into use.</p>	<p>unclaimed benefits and credits.</p>	<p>Tax benefit claims.</p> <p>Income maximisation advice contributes to reduction in fuel poverty.</p> <p>Target: 400 households advised on Housing and Council Tax benefits.</p>	<p>on Housing and Council Tax benefits.</p>	
<p>4. A Working and Learning Community – A thriving Borough, where everyone has access to the jobs, training and the support they need.</p>	<p>4.1 There will be a growing and diverse business community.</p> <p>4.2 The town and local centres will be thriving and attractive.</p>	<p>Money brought into the local economy as a result of income maximisation advice, therefore supporting local businesses.</p>	<p>Volunteering opportunities offered to Chesterfield residents providing training and work experience.</p> <p>Targets: Total of £2</p>	<p>Targets: Total of £2 million is brought into north Derbyshire in new benefit and credit claims to be potentially spent in Chesterfield.</p>	

	<p>4.3 We will strive to achieve more opportunities for local people of all ages to work and learn.</p> <p>4.4 The Borough will have a national profile as a visitor and business destination.</p>		<p>million is brought into north Derbyshire in new benefit and credit claims to be potentially spent in Chesterfield.</p> <p>Total of 10 volunteers resident in Chesterfield contribute to DUWC service delivery.</p> <p>Close links continue with Chesterfield Volunteer Centre.</p>	<p>Total of 10 volunteers resident in Chesterfield contribute to DUWC service delivery.</p>	
<p>Ps 9. A Safe, Healthy and Active Community – A healthy and safe Borough, where the community is free from the fear of crime.</p>	<p>5.1 Health inequalities will have reduced in the 20% most disadvantaged areas by 2016.</p> <p>5.2 Participation in sport and recreation will have increased; particularly amongst 'hard to reach' groups and the quality of our leisure centres will have improved.</p> <p>5.3 Our communities will be safer and fear of crime will be lower.</p>	<p>Health inequalities tackled by ensuring households are claiming disability, ill health and caring benefits.</p>	<p>Those seeking help from DUWC are also signposted to other organisations for additional health based assistance e.g. Trust, Asbestos Support Team.</p> <p>Target: 1000 households advised on DLA/IB/CA/IIDB/ESA claims.</p>	<p>Engagement with and help to develop Chesterfield's May Day Festival.</p>	

	<p>5.4 Our cultural offer will have improved and we will have increased opportunities for community engagement in arts and culture.</p> <p>5.5 We will have a more effective local response to extreme winter weather events</p>				
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FOR PUBLICATION

CHESTERFIELD BOROUGH COUNCIL'S SURVEILLANCE POLICY (B000)

MEETING:	1. CABINET 2. EXECUTIVE MEMBER FOR GOVERNANCE AND ORGANISATIONAL DEVELOPMENT
DATE:	1. 20 MAY 2014 2. 12 MAY 2014
REPORT BY:	HEAD OF GOVERNANCE
WARD:	ALL
KEY DECISION REFERENCE (IF APPLICABLE):	Non-Key Decision 27

FOR PUBLICATION

BACKGROUND PAPERS FOR PUBLIC REPORTS: None

1.0 **PURPOSE OF REPORT**

- 1.1 To seek Cabinet approval to amendments made to the Surveillance Policy, necessitated by the amendments made to the Regulation of Investigatory Powers Act 2000 by the Protection of Freedoms Act 2012.

2.0 **RECOMMENDATION**

- 2.1 That Cabinet approve the amended Surveillance Policy (attached at Appendix 1),
- 2.2 That Cabinet agree its dissemination to relevant officers to ensure compliance with legislation.

3.0 **BACKGROUND**

- 3.1 The Regulation of Investigatory Powers Act 2000 (RIPA) was enacted following the Human Rights Act 1998. Its purpose is to protect human rights by providing a statutory basis for surveillance exercises to ensure the legality of the investigatory activity, thus making public authorities less vulnerable to challenges under the Human Rights Act for breaches of Article 8 – breaches of the right to family life and privacy. Surveillance activity must only be carried out where it is considered necessary and proportionate or it may be in breach of Article 8.
- 3.2 Briefly, the Surveillance Policy sets out an explanation of the human rights principles underpinning investigatory work and provides guidance for officers on making an application for authorisation to carry out Directed Surveillance, and, on being given an authorisation, the requirements for carrying out the investigation and ultimately terminating the authorisation. Directed Surveillance is carried out so that the person subject to it is not aware that it is taking place. The Policy specifies the senior officers with responsibility to assess applications and grant authorisations. The importance of having an up to date Policy and procedures is highlighted by the programme of inspections of local authorities carried out at approximately three year intervals by an officer of the Office of Surveillance Commissioners. Policy and procedures are reviewed and a report made to the Chief Executive with any recommendations for changes.
- 3.3 RIPA was substantially amended by the Protection of Freedoms Act 2012. In summary, the 2012 Act (which came into force in November 2012) reduced the powers available to local authorities.
- 3.4 Firstly, it provided that RIPA authorisations could only be used for preventing or detecting more serious crimes which are punishable by at least 6 months' imprisonment or concern sales of alcohol or tobacco to children, thus preventing authorisations for 'low level offences' such as littering, dog fouling or fly-posting. This Council had not used Directed Surveillance for such offences, but dealt with them (as it does now) by overt non-secret surveillance.
- 3.5 Secondly, the 2012 Act required authorisations given by Council appointed officers to be approved by a Magistrate. It is therefore necessary for the procedural changes to be set out in the Surveillance Policy.

4.0 **FINANCIAL IMPLICATIONS**

4.1 There are no specific implications arising from the contents of this report. However, the changes to RIPA mean that it will probably be much less frequently used by the Council, and no authorisations have been made since the restriction to serious crimes was made.

5.0 **LEGAL IMPLICATIONS**

5.1 There are none arising from the contents of the report.

6.0 **EQUALITIES IMPLICATIONS**

6.1 A full Equality Impact Assessment was undertaken for the previous version of the Policy. This EIA has been revisited and considered to remain relevant. The proposed changes do not adversely affect any protected characteristics.

7.0 **RISKS AND UNCERTAINTIES**

7.1 This report concerns the accuracy of advice and procedural information made available to officers carrying out investigatory work. All policies adopted by the Council have to be published and made available for public scrutiny.

Description of risk	Likelihood	Impact	Mitigating Action
An out-dated and materially incorrect policy being accessed by officers, members of the public or being in place during inspection of the Council's procedures by an officer of the OSC.	M	H	Publicise the adoption of a new version of the Policy and its availability on the intranet to officers. Provide legal guidance and assistance to investigatory officers as required or requested.

8.0 **RECOMMENDATION**

8.1 That Cabinet approve the amended Surveillance Policy (attached at Appendix 1)

8.2 That Cabinet agree its dissemination to relevant officers to ensure compliance with the legislation.

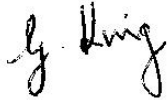
9.0 **REASON FOR RECOMMENDATION**

9.1 To provide clear guidance and assistance to staff who are considering the use of surveillance procedures in the investigation of crime.

SARA T. GOODWIN
HEAD OF GOVERNANCE

You can get more information about this report from Amanda Walker, Solicitor, Local Government & Regulatory Law Team (345309/ 345311)

Officer recommendation supported/not supported/modified as below or Executive Members' recommendation/comments if no Officer recommendation.



Signed

Executive Member

Date: 12.5.14

Consultee Executive Member/Support Member comments (if applicable)

CHESTERFIELD BOROUGH COUNCIL
SURVEILLANCE POLICY

1 Why does the Council need a Surveillance Policy?

All public bodies like the Council must comply with The Human Rights Act 1998 (HRA). That act confers the right to respect for private and family life, home and correspondence (Article 8).

The Regulation of Investigatory Powers Act 2000 (RIPA) provides a framework for intrusive investigative procedures carried out by various authorities as part of their normal functions. This is to ensure that such procedures are carried out in a way that complies with the Human Rights Act. RIPA procedures were substantially changed by the Protection of Freedoms Act 2012.

The Office of Surveillance Commissioners carries out inspections of local authority procedures and policies, and oversees the exercise by public authorities of their powers under the Act.

2 What does RIPA cover?

RIPA aims to ensure that when public bodies carry out investigations:

- they respect the privacy of individuals and
- that there is an interference with privacy only where the law permits it and there is a clear public interest justification.

RIPA controls the use of various methods of investigation, in particular the use of:

- covert surveillance
- covert human intelligence sources (“CHIS” – see paragraph 12 below) and
- accessing communication data.¹

If the activities proposed by investigating officers fall within the definitions then this policy and guidance must be followed.

¹ The Act itself states that it regulates: “the interception of communications, the acquisition and disclosure of data relating to communications, the carrying out of surveillance, the use of covert human intelligence sources and the acquisition of the means by which electronic data protected by encryption or passwords may be encrypted or accessed.”

If investigating officers have any doubts about the application or meaning of this policy, they should seek advice from CBC Legal Services before proceeding.

The Act covers public bodies ranging from the Police and Secret Services to district councils. The Council's use of RIPA will deal mainly with carrying out surveillance and, possibly, some use of covert human intelligence sources. The changes to RIPA by the Protection of Freedoms Act 2012 took effect on 1st November, 2012. These are described in more detail in this Policy but in summary:

- RIPA authorisations must be approved by a Magistrate.
- Authorisations can only be given for preventing or detecting more serious crimes which are punishable by at least 6 months' imprisonment or concern sales of alcohol or tobacco to children.

The Council may not seek authorisation for directed surveillance to investigate disorder that does not involve criminal offences or to investigate low level offences such as littering, dog fouling or fly-posting.

3 Human Rights Principles

RIPA requires compliance with the following human rights principles in investigatory work:

- Is the proposed action lawful?
- Is the proposed action proportionate?
- Is the proposed action necessary?
- Is the proposed action non-discriminatory?

Codes of Practice have been published by the Home Office and this Surveillance Policy is intended to establish procedures to ensure Council officers are able to carry out their jobs without risking claims that their actions are breaching any person's rights to respect for their private and family life. **RIPA should be seen as assisting the Council by providing a statutory defence against such claims.**

The requirements of RIPA and the HRA impact on all officers of the Council but mainly those who undertake investigatory or enforcement activities, including Housing Benefits, Environmental Health, Planning and Internal Audit.

Surveillance plays a necessary part in modern life. It is used not just in the targeting of criminals but as a means of protecting the public from harm and preventing crime.

4 Restrictions on Surveillance

Council officers may **only** authorise or engage in:

- covert surveillance,
- CHIS, and
- access to communication data

where it is:

- necessary for the “prevention or detection of crime or disorder” (and the criminal offences concerned are punishable by a maximum term of at least 6 months’ imprisonment OR are related to underage sales of tobacco or alcohol). Examples of such offences are:-
 - dumping of dangerous waste
 - serious or serial benefit fraud
 - serious criminal damage
- and proportionate in what it seeks to achieve.

5 Definitions

“Surveillance” is:

- monitoring, observing or listening to persons, their movements, their conversations or other activities or communications;
- recording anything monitored, observed or listened to in the course of surveillance; and
- surveillance by or with the assistance of a surveillance device.

Surveillance can be general (not directed at an individual or group) or **covert**. Only covert surveillance is covered by RIPA.

Types of Surveillance

Surveillance may be **overt** or **covert**.

Overt Surveillance

RIPA is not concerned with **overt** surveillance. Most of the surveillance carried out by or on behalf of the Council will be overt. That is, there will be nothing secretive, clandestine or hidden about it. In many cases, officers will simply be behaving in the same way as a normal member of the public (e.g. in the case of most test purchases), and/or will be going about Council business openly (e.g. a Council officer walking through one of the Council’s housing estates or inspecting Council land).

Similarly, surveillance will be **overt** if the subject has been told that it will happen (e.g. where a noisemaker is warned, preferably in writing, that noise will be recorded if it continues, or where an premises licence is issued subject to conditions, and the licensee is told that officers may visit without notice or identifying themselves to the licence holder to check that licence conditions are being met).

Covert (or 'hidden') Surveillance

However, covert surveillance is carried out in a manner calculated to ensure that the person subject to the surveillance is not aware it is or may be taking place. That is, it is done **secretly**.

Directed Surveillance

Directed Surveillance is surveillance which is:-

- covert;
- NOT **intrusive surveillance** (see definition below) –
- not carried out as an immediate response to events which would otherwise make seeking authorisation under the Act not reasonably practicable (e.g. spotting something suspicious and continuing to observe it) and
- undertaken for the purpose of a **specific investigation or operation** and
- in a manner **likely to obtain private information** about a person (whether or not that person is specifically targeted). (Private information is any information about a person's family or private life – see definition below).

Private information

Private information is defined in section 26(10) of the 2000 Act as including any information relating to a person's private or family life. The concept of private information should be broadly interpreted to include an individual's private or personal relationship with others, and can include running of business affairs. Family life should be treated as extending beyond the formal relationships created by marriage.

6 Effect of Valid Authorisations

An authorisation will provide lawful authority for a public authority to carry out covert surveillance. A covert surveillance operation will not always require an authorisation. However, authorisation is required where the purpose of the covert surveillance (wherever it takes place) is to obtain private information about a person, whether or not that person is the target of the investigation or operation.

The key issue in Directed Surveillance is the targeting of an individual with the likely effect of gaining private information (as defined above).

7 CCTV

RIPA does not cater for the use of overt CCTV surveillance systems, as members of the public are aware that such systems exist. General use of CCTV does not require authorisation. However, if CCTV is used for a covert pre-planned operation to follow an individual already identified then an authorisation should be sought for Directed Surveillance.

8 Intrusive Surveillance

This **cannot** be carried out by the Council and only relates to investigations as described below.

Covert surveillance is intrusive if it:

- is carried out in relation to anything taking place on any residential premises or in any private vehicle;
- **involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device (i.e. any apparatus designed or adapted for use in surveillance and will include cameras, tape recorders etc.**

However, surveillance carried out in relation to residential premises by use of a device (i.e. a camera) which is not in or on the premises **is not intrusive** (although it will be directed) unless it is of the same quality of information as would be obtained if the equipment was in the premises.

9 Examples of Types of Surveillance

<i>Type of Surveillance:</i>	<i>Examples:</i>
<u>Overt</u>	<ul style="list-style-type: none">• Street Warden, Enforcement Officer or Ranger on routine patrol• Sign-posted Town Centre CCTV cameras (in normal use)• Recording noise coming from outside the premises after the occupier has been warned that this will occur if the noise persists.

<p><u>Directed must be RIPA authorised</u></p>	<ul style="list-style-type: none"> • Officers follow an individual or individuals over a period, to establish whether s/he is working when either claiming benefit or whilst off sick from employment • Test purchases where the officer has hidden camera or other recording device to record information that might include information about the private life of a shop-owner, e.g. where s/he is suspected of running his business in an unlawful manner
<p><u>Intrusive - the Council cannot do this!</u></p>	<ul style="list-style-type: none"> • Planting a listening or other device ('bug') in a person's home or in their private vehicle or using a sophisticated listening device outside a person's home or in their private vehicle that will provide results equivalent to being 'on-site.

- Going onto residential premises to take action to address an immediate nuisance, where it would not be reasonably practicable for an authorisation to be sought, is not covert surveillance (it might breach Article 8 (right to privacy) but would come within the permitted derogations provided the action could be shown to be proportionate to the harm being caused).

10 Communications Data

What is communications data?

The Regulation of Investigatory Powers (Communications Data) Order 2010 extends to local authorities certain powers set out within RIPA to access **communications data**.

Communications data includes information relating to the use of a **communications service** but does not include the contents of the communications itself (see section 21(4) RIPA ² for the detailed definition of "communications data").

² (a) any traffic data comprised in or attached to a communication (whether by the sender or otherwise) for the purposes of any postal service or telecommunication system by means of which it is being or may be transmitted;
(b) any information which includes none of the contents of a communication (apart from any information falling within paragraph (a)) and is about the use made by any person— (i) of any postal service or telecommunications service; or (ii) in connection with the provision to or use by any person of any telecommunications service, of any part of a telecommunication system;
(c) any information not falling within paragraph (a) or (b) that is held or obtained, in relation to persons to whom he provides the service, by a person providing a postal service or telecommunications service.

Traffic Data is (a) any data identifying, or purporting to identify, any person, apparatus or location to or from which the communication is or may be transmitted, (b) any data identifying or selecting, or purporting to identify or select, apparatus through which, or by means of which, the communication is or may be transmitted, (c) any data comprising signals for the actuation of apparatus used for the purposes of a telecommunication system for effecting (in whole or in part) the transmission of any communication, and (d) any data identifying the data or other data as data comprised in or attached to a particular communication,

but that expression includes data identifying a computer file or computer program access to which is obtained, or which is run, by means of the communication to the extent only that the file or program is identified by reference to the apparatus in which it is stored.

Local authorities are allowed to access certain types of communications data **only for the purposes of the prevention or detection of crime or the prevention of disorder.**

The types of data concerned are as follows:

Subscriber (“Customer”) data

being any information, which does not include any of the contents of a communication, about the use made by any person of a postal or telecommunications service. In respect of a telecommunications service provider this is normally referred to as the “billing information”). This will include:

- Name of subscriber
- Address for billing, delivery or installation
- Contact telephone numbers
- Abstract personal data provided by the subscriber e.g.
- demographic information
- Subscriber account information e.g. billing arrangements
- including bank, credit/debit card details Other services provided to the customer

Service data being any other information held by the service provider relating to the persons to whom the service is provided. (This is normally referred to as “**subscriber information**”). This will include:

- The period during which the customer used the service Information about forwarding services provided by telecommunication service providers and re-direction services provided by postal service providers
- Itemised billing information
- Information on connection, disconnection and redirection Information on conference calls, call messaging, call waiting and call barring services
- Top-up details for pre-pay mobile phones including credit/debit cards used
- For postal items, records of registered, recorded or special delivery of postal items and the delivery or collection of parcels.

Access to communications data may be authorised by seeking the specialist services of the National Anti-Fraud Network of which the Council is a member.

(7) In this section— (a) references, in relation to traffic data comprising signals for the actuation of apparatus, to a telecommunication system by means of which a communication is being or may be transmitted include references to any telecommunication system in which that apparatus is comprised; and (b) references to traffic data being attached to a communication include references to the data and the communication being logically associated with each other; and in this section “data”, in relation to a postal item, means anything written on the outside of the item

11 Procedures for Authorising Directed Surveillance

11.1 Need for Proper Authorisation

It is crucial that **all directed surveillance, using a CHIS or accessing communications data** is properly authorised. The authorisation and supporting documents setting out the case will then form the basis of the application to a Magistrate for consideration and approval.

Failure to secure proper authorisation and to comply with this procedure could lead to evidence being excluded by the court, significant costs being awarded against the Council and complaints against the Council.

11.2 General rules on Authorisations

11.2.1 Necessity and Proportionality

Obtaining an authorisation under RIPA will ensure that there is a justifiable interference with an individual's rights to privacy only if the interference is necessary and proportionate.

11.2.1.1 Necessity

The person granting an authorisation must believe that the authorisation is necessary **for the purpose of preventing or detecting crime or of preventing disorder of the type that could involve criminal offences**. In order to be satisfied there must be an identifiable offence to prevent or detect before an authorisation can be given. **The offence must be of a sufficiently serious category.**

11.2.1.2 Proportionality

Then, if the activities are necessary, the person granting the authorisation must believe that they are proportionate to what is sought to be achieved by carrying them out: not the proverbial 'sledgehammer to crack a nut'. This involves balancing:

- the intrusiveness of the activity on the target and others who might be affected by it against
- the need for the activity in operational terms.

The activity will not be proportionate if it is excessive in the circumstances of the case or if the information which is sought could reasonably be obtained by other less intrusive means.

The HRA defines an action as proportionate if it:

- Impairs as little as possible the rights and freedoms of the individual concerned and of innocent third parties

- Is carefully designed to meet the objectives in question
- Is not arbitrary, unfair or based on irrational considerations

All such activity should be carefully managed to meet the objective in question and must not be arbitrary or unfair.

A potential model answer would make clear the four elements of proportionality had been considered:

- (a) balancing the size and scope of the operation against the gravity and extent of the perceived mischief.
- (b) explaining how and why the methods to be adopted will cause the least possible intrusion on the target and others,
- (c) that the activity is an appropriate use of the legislation and the only reasonable way, having considered all others, of obtaining the necessary result, and
- (d) evidencing what other methods have been considered and why they were not implemented.

11.2.3 Collateral Intrusion

Before authorising surveillance the authorising officer should also take into account the risk of intrusion into the privacy of persons other than those who are directly the subjects of the investigation or operation (collateral intrusion).

Measures should be taken, wherever practicable, to avoid or minimise unnecessary intrusion into the lives of those not directly connected with the investigation or operation.

An application for an authorisation should include an assessment of the risk of any collateral intrusion. The authorising officer should take this into account, when considering the proportionality of the surveillance.

Those carrying out the surveillance should inform the authorising officer if the investigation or operation unexpectedly interferes with the privacy of individuals who are not covered by the authorisation. When the original authorisation may not be sufficient, consideration should be given to whether the authorisation needs to be amended and re-authorised or a new authorisation is required.

11.2.4 Confidential Information

Particular care should be taken in cases where the subject of the investigation or operation might reasonably expect a high degree of privacy, or where confidential information is involved.

Confidential information consists of matters subject to legal privilege, confidential personal information or confidential journalistic material. So, for example, extra care should be given where, through the use of surveillance, it would be possible to acquire knowledge of discussions between a minister of religion and an individual relating to the latter's spiritual welfare, or where matters of medical or journalistic confidentiality or legal privilege may be involved.

In cases where through the use of surveillance it is likely that knowledge of confidential information will be acquired, the use of surveillance is subject to a higher level of authorisation by the Head of Paid Service (see Appendix 1).

11.3 Detailed Authorisation Procedures

11.3.1 Completing Application Forms

All procedures under RIPA must be documented on standard forms and records kept. This is necessary to show compliance with RIPA. Standard forms can be downloaded from the Home Office Security site at <http://security.homeoffice.gov.uk/ripa/publication-search/ripa-forms/>

The site also contains the Codes of Practice.

These forms are updated on the Home Office website from time to time so applicants must check the forms are current.

An applicant should complete the application form giving full details about the proposed surveillance and its duration. Particular care should be given to the following points:

11.3.2 Time Limit

A written authorisation granted by an authorising officer and approved by a Magistrate will take effect when signed by the Magistrate. It will automatically cease to have effect unless renewed or cancelled at the end of a period of three (3) months beginning with the day on which it took effect.

An authorising officer must set suitable review dates on which the authorisation can be formally reviewed with the applicant.

11.3.3 Application Details

- Why the action is being begun: why is it felt to be **necessary**?

- Why the action is **proportionate** to what it seeks to achieve: for instance could the required information reasonably be obtained by other means? It must be shown that there cannot be any other reasonable way of doing this. The questions to consider are:
- Is this excessive in relation to the offence? (For example, suspected theft from the workplace may merit surveillance at work but not at the person's home. The length of the investigation also needs to be proportionate.)
- Is there any less intrusive way of doing this and has it been thought through?
- What **collateral intrusion** is likely – other people and their Article 8 (1) rights (respect for private and family life, home and correspondence). Information about others should be minimised.
- Proportionality is **not** the same as necessity – there are separate boxes on the form for these two aspects.
- What action is to be authorised(i.e. observation or following, reference to any premises or vehicles involved and whether they are public or private) – describe the intended actions
- What information is sought from the action – for example, is there a breach of planning control?
- What is the likelihood of acquiring any religious or confidential material such as medical or financial records, legal documents etc.? **In such a case authorisation should be obtained only from the Head of Paid Service or (in his or her absence) any Head of Service who is trained in RIPA.**

The applicant should discuss the contents of the form with the authorising officer, who if satisfied should sign the form. The authorising officer must fill in the box for his comments, addressing the issues of necessity and proportionality.

11.3.4 Urgent Cases

These will be extremely rare and an urgent case may be one where delay may, in the authorising officer's opinion, jeopardise the operation for which authorisation is being given. A lack of forethought or planning does not constitute urgency. If out of hours access to a JP is required, the Council must make arrangements with HM Courts and Tribunals legal staff.

However, no RIPA authority is required an immediate response to events or situations where it is not reasonably practicable to obtain it, for instance, where criminal activity is observed during routine duties and officers conceal themselves to observe what is happening.

11.4 Action During the Surveillance Period.

Each surveillance should have a dedicated log-sheet for officers' use. This should be kept in chronological order detailing who is the subject of the surveillance, where it is and what happens. When notes cannot be written up at the time of surveillance it should be completed as soon as possible afterwards.

All alterations in the log sheet should be crossed through and initialled and then the corrected material written to the side in the normal manner. Correction fluid should not be used at any time. Completion of the log should ensure that no empty lines are left where additional material could be written in at a later date. These logs could be used in the event of a criminal prosecution and should be kept correctly, signed as true statements and secure at all times.

In all cases there is a duty of care to those observed. All details and approvals must be kept strictly confidential. The privacy of individuals must not be put at risk and unnecessary information should not be documented i.e. if the observed person was incidentally observed in a private context such as an extra-marital affair.

When photographs or videos are taken then a photographic log needs to be maintained and all negatives retained. Technology is available to alter photographs and the logs are important to prove the originality of the photographs/videos.

Log sheets should be kept locked with the rest of the supporting documents for a period of at least three years.

Time limits should be placed on any authorisation for surveillance. In all cases written authorisations last for three months and then must be renewed if deemed necessary, using the appropriate form. Authorisations must be cancelled when no longer necessary or appropriate. Authorising officers should keep diary reminders for cancellation/renewal dates.

11.5 Renewals

Any person who would be entitled to grant a new authorisation can renew an authorisation. However, it should be the person who originally granted the authorisation. Authorisations (other than oral authorisations in urgent cases) may be renewed more than once, provided they continue to meet the criteria for authorisation. Renewals must also be authorised by a Magistrate.

Authorisations may be renewed more than once; if necessary, and the renewal should be kept/recorded as part of the central record of authorisations.

11.6 Cancellations

The authorising officer who granted or last renewed the authorisation must cancel it if he is satisfied that the directed surveillance no longer meets the criteria upon which it was authorised. Where the authorising officer is no longer available, this duty will fall on the person who has taken over the role of authorising officer. If in doubt about who may cancel an authorisation, Legal Services must be consulted. There is no requirement for a Magistrate to consider cancellations.

12 Use of Covert Human Intelligence Sources (CHIS)

12.1 A person is a covert human intelligence source if he/she:

- establishes or maintains a personal or other relationship with a person either to use the relationship to obtain information or discloses information obtained as a result of such a relationship;
- the surveillance is covert if and only if it is carried on in a manner calculated to ensure that the persons subject to the surveillance are unaware that it is taking place.

Examples of use of a CHIS are the use of professional witnesses or in 'entrapment cases' when a person pretends to be a customer (but see paragraph 9 and below)

Other circumstances in which the Council could be considered to be using a covert human intelligence source is where a neighbour is requested to provide information about a neighbour and information is obtained not by personal observation as in the case of neighbour nuisance, but is information obtained through conversation with the neighbour under investigation such as personal relationships. This means that asking a neighbour for information regarding who is living in a property and the relationship between the parties would be using that person as a covert human intelligence source, which would need special authorisation.

Asking a neighbour to keep records of nuisance suffered by the neighbour would not be using a covert human intelligence source because the neighbour would not be relying on a relationship with the person under investigation to obtain information. However, every case should be considered on its merits. If it becomes apparent that information is being obtained in the course of a relationship, the neighbour may in reality be a CHIS and legal advice should be sought before acting on his/her information.

12.2 Juvenile Sources

Special safeguards apply to the use or conduct of a juvenile CHIS (i.e. under 18 year olds). On no occasion can a child under 16 years of age be

authorised to give information against his or her parents. The advice of Legal Services must be sought if the use of juveniles is being considered.

12.3 Vulnerable Individuals

A vulnerable individual is a person who is or may be in need of community care services by reason of mental or other disability, age or illness and who is or may be unable to take care of himself or herself, or unable to protect himself or herself against significant harm or exploitation.

A vulnerable individual will only be authorised to act as a source in the most exceptional of circumstances. The advice of Legal Services must be sought if the use of vulnerable individuals is being considered.

12.4 Test Purchases

Carrying out test purchases will not generally require the purchaser to establish a relationship with the supplier with the covert purpose of obtaining information and, therefore, the purchaser will not normally be a CHIS. For example, authorisation would not normally be required for test purchases carried out in the ordinary course of business e.g. walking into a shop and purchasing a product over the counter.

However, developing a relationship with a person in the shop, to obtain information about the sellers suppliers of an illegal product e.g. illegally imported products will require authorisation as a CHIS. Similarly, using mobile, hidden recording devices to record what is going on in the shop will require authorisation as directed surveillance. Note that a CHIS may be authorised to wear a hidden camera without the need for a separate directed surveillance authorisation.

The use of covert human intelligence source for a particular investigation must be subject to prior authorisation by a senior officer of a rank specified in Regulations made under RIPA. CBC's authorising officers are listed at the end of the document.

12.5 Appointment of a CHIS

A named officer (i.e. a 'Handler') will have day to day responsibility for dealing with the CHIS. That officer will:

- Fully recognise the Council has a duty of care to the CHIS, whose security safety and welfare is paramount,
- Undertake a risk assessment prior to the use of the CHIS to determine the risk to them and the likely consequences should their role become known,

- Take fully into account, at the outset, whether there will be ongoing security and welfare considerations related to the CHIS, once the authorisation has been cancelled, and
- Maintain a record of the use made by the CHIS, and regulate access to them, ensuring that the Regulation of Investigatory Powers (Source Records) Regulations 2000 are fully complied with.

A further named officer will have general oversight of the use made of the CHIS (i.e. a 'Controller').

13 Record Keeping – Central Record

The Council keeps a record of all authorisations; renewals, cancellations and rejections.

This is an electronic **Central Record** and is monitored by the RIPA Co-ordinator in the Local Government and Regulatory Law Team.

The record shows:

- the type of authorisation;
- the date the authorisation was given;
- name of the authorising officer; the unique reference number (URN) of the investigation or operation;
- the title of the investigation or operation, including a brief description and names of subjects, if known; whether the urgency provisions were used, and if so why.
- if the authorisation is renewed, when it was renewed and who authorised the renewal, including the name of the authorising officer;
- whether the investigation or operation is likely to result in obtaining confidential information as defined in this policy
- the date the authorisation was cancelled.

The Central Record is password protected, and access to it is strictly limited.

The Central Record is linked to scanned-in copies of RIPA documents themselves.

The Council will keep records for a period of 6 years from the ending of the authorisation. The Office of the Surveillance Commissioners (OSC) may at any time audit/review the Council's policies and procedures, and individual authorisations.

The Local Government and Regulatory Law Team will make arrangements for applications for approval by a Magistrate once an authorisation has been granted by a designated Council Authorising Officer.

The Magistrates' Court will make a copy of a RIPA authorisation, the original of which is to be retained by the Council.

14 Records maintained by the Investigating Department

The following original documents must be retained by the Local Government and Regulatory Law Team and copies kept by the relevant Head of Service:

- a copy of the Forms together with any supplementary documentation and notification of the approval given by the Authorising Officer;
- a record of the dates on which an authorisation or notice in relation to access to communications data was started and cancelled;
- the frequency of reviews prescribed by the Authorised Officer;
- a record of the result of each review of the authorisation;
- a copy of any renewal or an authorisation, together with supporting documentation submitted when the renewal was requested;
- the date and time when any instruction was given by the Authorised Officer;
- the Unique Reference Number for the authorisation (URN).

Each form will have a URN. which will be generated by the Central Record. **A URN should be requested by an applicant from the Local Government and Regulatory Law Team** before the application is made, so that authorised and rejected applications will be recorded.

The Central Record and all other records are to be kept **STRICTLY CONFIDENTIAL** and may only be disclosed by or with the written consent of Legal Services.

15 Responsibilities of Elected Members

New RIPA Codes of Practice in force from 6th April, 2010 recommend a scrutiny role for councillors in relation to RIPA. The recommendation is that, at least once a year, the Council's use of RIPA should be reviewed and its Surveillance Policy amended, if necessary, probably by Cabinet.

On a quarterly basis, members should scrutinise internal reports on the use of RIPA to ensure that it is being used consistently in accordance with the Council's policy. However, the Code of Practice emphasises that councillors should not be involved in making decisions on specific authorisations.

Appendix 1: Officers with RIPA Responsibilities

Authorising Officers where knowledge of confidential information is not likely to be acquired

An authorisation should not be granted by an officer directly involved in the surveillance because there should be an independent review of whether the surveillance is both necessary and proportionate.

Where an officer listed below considers that he or she is directly involved in the surveillance, the Head of Governance will nominate an alternative authorising officer from the list below.

All officers listed below will have been or will be trained in RIPA.

Planning	Head of Regeneration
Environmental Health	Head of Environment
Finance	Head of Finance
Other Services	Head of Governance

Authorising Officers in cases where knowledge of confidential information is likely to be acquired

The Head of Paid Service (Chief Executive) or (in his or her absence) any Head of Service who is trained in RIPA.

RIPA Senior Responsible Officer

The Head of Governance or other officer of equivalent level to be nominated by the Chief Executive to have responsibility for the integrity of the process in place within the Council for covert activity. The functions of this individual are as follows:

- (a) To ensure compliance with RIPA and relevant Codes of Practice.
- (b) To assess the risks that the Council is taking and to quality assure the work of the authorising officers.
- (c) To review authorisations to assess whether lessons can be learned from the tactics sought and/or granted.
- (d) To review whether the requirement for RIPA authorisation is being considered appropriately.
- (e) To support authorising officers and facilitate applications to a Magistrate for approval as soon as possible after an authorisation has been made.

- (f) To appraise the Chief Executive of the impact of covert activity and any risks that are being taken.
- (g) To engage with Commissioners and Inspectors when they conduct their inspections and if necessary implement post-inspection recommendations.
- (h) To facilitate members' review and scrutiny powers.
- (i) To liaise with the National Anti-Fraud Network where there is a need to access communications data in order to use the services of that organisation as an expert single point of contact for such data requests.

FOR PUBLICATION

STRATEGIC HOUSING MARKET ASSESSMENT (H000)

MEETING:	1. CABINET 2. EXECUTIVE MEMBER FOR HOUSING
DATE:	1. 20 TH MAY 2014 2. 14 TH APRIL 2014
REPORT BY:	HOUSING SERVICE MANAGER – BUSINESS PLANNING AND STRATEGY
WARD:	ALL
COMMUNITY ASSEMBLY:	ALL
KEY DECISION REFERENCE (IF APPLICABLE):	348

FOR PUBLICATION

1.0 PURPOSE OF REPORT

- 1.1 To provide Members with the results of the recent Strategic Housing Market Assessment.
- 1.2 To identify the implications for Chesterfield Borough Council's Planning and Affordable Housing Policies

2.0 RECOMMENDATIONS

- 2.1 That Members note the completion of the Strategic Housing Market Assessment and its findings.
- 2.2 That Members note that the implications of the study will be taken into account in the development of future planning and affordable housing policy.

3.0 **BACKGROUND**

3.1 In December 2012 Members approved spending by Chesterfield Borough Council of up to £25,000 on a jointly commissioned Strategic Housing Market Assessment (SHMA) with Bolsover and Bassetlaw District Councils. The cost was to be met by a combination of Housing Revenue Account, Forward Planning and North Derbyshire and Bassetlaw Housing Market Area funding.

3.2 The production of a SHMA is set out as a requirement within the National Planning Policy Framework as follows.

‘Local planning authorities should have a clear understanding of housing requirements in their area. They should:

Prepare a Strategic Housing Market Assessment (SHMA) to assess their full housing requirements, working with neighbouring authorities where housing market areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to require 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 for housing demand and the scale of housing supply necessary to meet this demand.’*

3.3 The completion of the SHMA will assist in:

- Developing a sound approach to planning policy for the mix of different sizes and types of households in an area.
- Identifying a required level of affordable housing and deciding how evidence of housing need translates into different sizes and types of affordable housing.
- Making decisions on issues like affordable housing allocation priorities, private sector renewal options and the valuation of new-build home ownership schemes such as shared ownership.
- Building an understanding of the different housing markets operating in the Borough.

3.4 The consultancy firm of GL Hearn were commissioned to undertake the SHMA in March 2013 and completed the work earlier this year. The work has cost £54,770 – significantly under the total allocated

budget across the four local authorities of £75,000.

- 3.5 The Housing Market Area Strategic Housing Market Assessment is attached as **Appendix 1** and the Chesterfield Borough Council Housing Market Assessment is attached as **Appendix 2**.

4.0 SUMMARY OF RESULTS AND IMPLICATIONS – PLANNING POLICY

- 4.1 Overall the SHMA identifies an objective assessment of need for housing of between 240-300 homes per annum, with a potentially higher level of housing need of around 345 homes per annum to support employment growth (of around 8%) over the plan period to 2031. The current requirement of 380 homes per annum in the adopted Local Plan: Core Strategy is therefore generous even accounting for economic growth aspirations.
- 4.2 The advantage of providing sites for more homes than are needed is that it provides flexibility and choice in the market which can help to increase delivery. However, if the market doesn't recover (the SHMA indicates that the market is flat, and expect levels of housing transactions to improve gradually, returning to pre-2007 levels only from 2016-18 onwards), the target of 380 per annum could make it more difficult to maintain a 5 year supply of deliverable sites in the short to medium term.
- 4.3 The lack of a 5 year supply could increase the risk of applications for housing being approved at appeal on unallocated sites. The SHMA evidence does provide an opportunity to consider revising the annual housing target. Officers would need to investigate the process under which this could be done, and a review of the housing target through the Local Plan: Sites and Boundaries is a possible option.
- 4.4 The continuing need for affordable housing supports the Local Plan: Core Strategy policy target of up to 30%. When drawing up the preferred sites for the Local Plan: Sites and Boundaries, it will be prudent to quantify the likely amount of affordable units to be gained from the allocated housing sites (although this will be a broad brush figure based on the CIL zones – each site will vary due to site considerations and viability).
- 4.5 The mix of types of homes (both affordable and market) can be built into policy requirements - either in an updated affordable and special needs housing SPD and/or the Local Plan: Sites and Boundaries. Although there is no policy recommendation in the SHMA for a target / proportion of homes to provide specialist housing for older people,

this is a policy area which the Council could decide to move forward with.

- 4.6 The SHMA indicates that there is a high level of in-commuting to higher paid jobs and a low level of appetite for aspirational homes from within the Borough. Therefore a decision will need to be made as to whether to simply provide for local needs, or to take account of the potential for delivery of larger aspirational housing which helps to diversify the housing mix in the Borough and to support economic regeneration and reduce in-commuting of higher earners. If the Council wishes to focus more specifically on meeting local needs the mix of market housing needed would be focused slightly more towards two and three bedroom homes, with lower expected delivery of larger homes with four or more bedrooms.

5.0 SUMMARY OF RESULTS AND IMPLICATIONS – AFFORDABLE HOUSING

- 5.1 The SHMA identifies a significant net need for 382 affordable homes per annum between 2013 and 2018. This reduces to 359 per annum once the development 'pipeline' is included in the supply. Looking at needs over the longer-term, a need for up to 212 homes per annum is identified (excluding affordable homes in the development pipeline). This provides a clear evidence base to support planning policies seeking new affordable housing.
- 5.2 The level of housing need reflects both lower incomes and a relative lack of supply of affordable homes (through re-lets, despite the above average stock levels). The Council might consider through the review of its Tenancy Strategy 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.
- 5.3 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 289 lettings to households per annum. Given the likely shortfall of supply of new affordable homes, the Council should consider how the role which the PRS plays in meeting housing need can be maximised.
- 5.4 The analysis indicates limited potential for shared ownership or 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 PRS) in getting on the housing ladder. This would be a policy decision and

should be considered in setting affordable housing policies.

- 5.5 The SHMA recommends that Chesterfield Borough Council should establish a policy for the mix of affordable housing within its Local Plan or through a SPD. This SHMA would support a policy seeking 90% of affordable housing as social and affordable rented housing; and 10% intermediate (equity-based) affordable housing.
- 5.6 The report recommends a strategic policy target seeking for 25-30% of new affordable homes to comprise 1-bedroom homes, 35-40% for 2-bedroom homes, 15-20% 3- bedroom homes and 10-15% with 4 or more bedrooms. These numbers 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.

6.0 EQUALITIES IMPACT ASSESSMENT (EIA)

- 6.1 The equalities impacts of all the proposals in the SHMA have been considered and assessed. A preliminary EIA has been undertaken and no negative impacts on protected groups have been identified. This is shown at **Appendix 3**.

7.0 RECOMMENDATIONS

- 7.1 That Members note the completion of the Strategic Housing Market Assessment and its findings.
- 7.2 That Members note that the implications of the study will be taken into account in the development of future planning and affordable housing policy.

8.0 REASONS FOR RECOMMENDATIONS

- 8.1 To contribute to delivering the Council's Corporate Priorities;
- To make Chesterfield a thriving Borough
 - To improve the quality of life for local people

You can get more information about this report from James Crouch (345150).

**A. CRAIG
HOUSING SERVICE MANAGER – BUSINESS PLANNING AND
STRATEGY**

Officer recommendation supported/not supported/modified as below or Executive Member's recommendation/comments if no officer recommendation.



Signed

Executive Member

Date 14.4.14

Consultee Executive Member/Support Member comments (if applicable)/declaration of interests

**APPENDIX 1: North Derbyshire and Bassetlaw Housing Market Area
Strategic Housing Market Assessment**

(Attached as a separate document)

**APPENDIX 2: Chesterfield Borough Council Strategic Housing Market
Assessment**

(Attached as a separate document)

**APPENDIX 3: Equality Impact Assessment - Preliminary Assessment
Form**

(Attached as a separate document)

North Derbyshire & Bassetlaw Strategic Housing Market Assessment

Final Report

November 2013

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

Contents

Section	Page
1 SUMMARY	13
2 INTRODUCTION	19
3 HOUSING STOCK AND SUPPLY TRENDS	29
4 HOUSING MARKET DYNAMICS	41
5 INCOMES AND AFFORDABILITY	67
6 DEMOGRAPHIC AND ECONOMIC CONTEXT	81
7 ASSESSING HOUSING REQUIREMENTS	105
8 AFFORDABLE HOUSING NEED	127
9 NEED FOR DIFFERENT SIZES OF HOMES	155
10 NEEDS OF SPECIFIC GROUPS	165
11 CONCLUSIONS AND RECOMMENDATIONS	183

LIST OF FIGURES

FIGURE 1: CHANGES IN HOUSEHOLDS BY TENURE, 2001-11	31
FIGURE 2: PROFILE OF DWELLING STOCK BY TYPE AT HMA LEVEL, 2011	32
FIGURE 3: SIZE OF HOMES, 2011	33
FIGURE 4: DWELLINGS BY COUNCIL TAX BAND, 2011	34
FIGURE 5: NET CHANGES IN HOUSING STOCK, 2001 – 2011	38
FIGURE 6: NET COMPLETIONS CHESTERFIELD HMA, 2001/2-2009/10	39
FIGURE 7: UNDERSTANDING HOUSING DEMAND	41
FIGURE 8: UK ECONOMIC GROWTH, 2007-2013	43
FIGURE 9: TRENDS IN GROSS MORTGAGE LENDING, UK	44
FIGURE 10: INTEREST RATES	45
FIGURE 11: MORTGAGE PAYMENTS AS A % OF MONTHLY INCOME	46

FIGURE 12:	MEDIAN HOUSE PRICE TRENDS, 1998 - 2007	48
FIGURE 13:	MEDIAN HOUSE PRICE TRENDS 2008 – 2012	49
FIGURE 14:	AVERAGE HOUSE PRICE BY TYPE, JAN-JUNE 2013	50
FIGURE 15:	CHANGE IN MEAN HOUSE PRICES BY TYPE, 2007-H1 2013	51
FIGURE 16:	INDEXED ANALYSIS OF SALES TRENDS (1998 – 2011), HOUSING MARKET AREAS	52
FIGURE 17:	HOUSING SALES INDEX 1998–2011	53
FIGURE 18:	SALES TRENDS BY TYPE IN BASSETLAW (2007 – 2011)	54
FIGURE 19:	SALES TRENDS BY TYPE IN BOLSOVER (2007 – 2011)	55
FIGURE 20:	SALES TRENDS BY TYPE IN CHESTERFIELD (2007 – 2011)	56
FIGURE 21:	SALES TRENDS BY TYPE IN NORTH EAST DERBYSHIRE (2007 – 2013)	57
FIGURE 22:	PROFILE OF SALES BY TYPE, JAN-JUNE 2013	57
FIGURE 23:	% ANNUAL GROWTH RATES IN PRIVATE RENTS, EAST MIDLANDS	60
FIGURE 24:	TREND IN BULK RESIDENTIAL LAND VALUES, 1983-2010	61
FIGURE 25:	SAVILLS RESIDENTIAL LAND PERFORMANCE (2002-2012)	62
FIGURE 26:	ENTRY-LEVEL PURCHASE PRICE BY LOCAL AUTHORITY	68
FIGURE 27:	MONTHLY PRIVATE RENTS BY LOCAL AUTHORITY	69
FIGURE 28:	DISTRIBUTION OF ANNUAL GROSS HOUSEHOLD INCOME	72
FIGURE 29:	MEDIAN HOUSEHOLD INCOME BY TENURE	73
FIGURE 30:	HOUSEHOLD SAVINGS	74
FIGURE 31:	HOUSEHOLD SAVINGS (NON OWNER-OCCUPIERS)	74
FIGURE 32:	AFFORDABILITY OF MARKET HOUSING BY AREA	76
FIGURE 33:	ECONOMIC STATUS OF HOUSEHOLD REFERENCE PERSON BY TENURE	79
FIGURE 34:	POPULATION TRENDS ACROSS THE HMA (1981 – 2011)	82
FIGURE 35:	POPULATION TRENDS BY AUTHORITY (1981 – 2011)	82
FIGURE 36:	POPULATION BY 5 YEAR AGE BAND – CHESTERFIELD HMA	83
FIGURE 37:	POPULATION 5 YEAR AGE BAND – LOCAL AUTHORITIES	84

FIGURE 38:	CHANGE IN POPULATION STRUCTURE IN BASSETLAW (2001 – 2011)	84
FIGURE 39:	CHANGE IN POPULATION STRUCTURE IN BOLSOVER (2001 – 2011)	85
FIGURE 40:	CHANGE IN POPULATION STRUCTURE IN CHESTERFIELD (2001 – 2011)	86
FIGURE 41:	CHANGE IN POPULATION STRUCTURE IN NORTH EAST DERBYSHIRE (2001 – 2011)	86
FIGURE 42:	CHANGE IN ETHNIC COMPOSITION (2001-2011)	88
FIGURE 43:	OCCUPATIONAL PROFILE – HMA LEVEL	90
FIGURE 44:	OCCUPATIONAL PROFILE ACROSS THE FOUR AUTHORITIES	91
FIGURE 45:	EMPLOYMENT RATE – HMA LEVEL	92
FIGURE 46:	ECONOMIC ACTIVITY, LOCAL AUTHORITY LEVEL	93
FIGURE 47:	UNEMPLOYMENT 2004-2012 (3 YEAR MOVING AVERAGE)	93
FIGURE 48:	JOBS DENSITY, 2007 AND 2011	95
FIGURE 49:	EARNINGS	96
FIGURE 50:	OVERVIEW OF METHODOLOGY	105
FIGURE 51:	ONS MIGRATION ASSUMPTIONS, 2011/12 TO 2030/31	108
FIGURE 52:	DISTRIBUTION OF POPULATION 2011 AND 2031 (PROJ 1 – SNPP)	109
FIGURE 53:	FORECAST POPULATION CHANGE BY AGE GROUP 2011 – 2031 (PROJ 1)	110
FIGURE 54:	PAST AND PROJECTED TRENDS IN AVERAGE HOUSEHOLD SIZE	111
FIGURE 55:	OVERVIEW OF BASIC NEEDS ASSESSMENT MODEL	128
FIGURE 56:	REASONS FOR UNSUITABLE HOUSING	129
FIGURE 57:	SUMMARY OF HOUSING MARKET MODEL	156
FIGURE 58:	AVERAGE BEDROOMS BY AGE OF SURVEY RESPONDENT (HOUSEHOLD LIVING IN MARKET HOUSING)	157
FIGURE 59:	SIZE OF HOUSING REQUIRED, 2013-31	160
FIGURE 60:	ETHNIC GROUP BY TENURE	166
FIGURE 61:	OCCUPANCY RATING (BEDROOMS) BY ETHNIC GROUP	166
FIGURE 62:	SUPPORT NEEDS HOUSEHOLDS: IMPROVEMENTS TO ACCOMMODATION & SERVICES	170

FIGURE 63:	HOUSEHOLD TYPE BY TENURE	177
FIGURE 64:	OVERCROWDED AND UNDER-OCCUPYING HOUSEHOLDS WITH CHILDREN	178
FIGURE 65:	MEDIAN HOUSEHOLD INCOME BY HOUSEHOLD TYPE	178

List of Tables

TABLE 1:	NUMBER OF HOUSEHOLDS IN EACH TENURE GROUP	23
TABLE 2:	TENURE, 2011	29
TABLE 3:	DETAILED TENURE PROFILE, 2011 (%)	30
TABLE 4:	PROFILE OF DWELLING STOCK BY TYPE ACROSS LOCAL AUTHORITIES, 2011	32
TABLE 5:	OVERCROWDING 2011	35
TABLE 6:	CHANGES TO OVERCROWDING AND UNDER-OCCUPATION USING THE OCCUPANCY RATING, 2001-11	36
TABLE 7:	VACANT AND SECOND HOMES, 2011	37
TABLE 8:	AVERAGE ANNUAL NET COMPLETIONS, 2001-8 AND 2009-12	39
TABLE 9:	MEDIAN HOUSE PRICES, Q3 2012	47
TABLE 10:	PERCENTAGE OF HOUSEHOLDS MOVING IN PAST TWO YEARS BY TENURE AND SIZE OF DWELLING	58
TABLE 11:	PRIVATE RENTERS AND LHA: HOUSEHOLD TYPES	59
TABLE 12:	TURNOVER OF PRIVATE TENANTS BY WHETHER OR NOT CLAIMING LHA	59
TABLE 13:	PRIVATE TENANTS CLAIMING LHA: PREVIOUS TENURE, THOSE MOVED IN LAST TWO YEARS	60
TABLE 14:	RESIDENTIAL LAND VALUES, JULY 2010	61
TABLE 15:	KNIGHT FRANK RESIDENTIAL DEVELOPMENT LAND INDEX – ENGLAND & WALES	62
TABLE 16:	REGIONAL LAND VALUES VS. FORMER PEAK	63
TABLE 17:	MAXIMUM LHA RATES PAYABLE BY SIZE AND BRMA	70
TABLE 18:	MONTHLY AVERAGE SOCIAL RENT LEVELS	70

TABLE 19:	COST OF AFFORDABLE RENTED HOUSING BY SIZE AND AREA (PER MONTH)	71
TABLE 20:	INDICATIVE INCOME REQUIRED TO PURCHASE/RENT WITHOUT ADDITIONAL SUBSIDY (2 BEDROOM)	71
TABLE 21:	AVERAGE INCOME BY LOCAL AUTHORITY	73
TABLE 22:	LENGTH OF RESIDENCE OF HOUSEHOLD BY TENURE	77
TABLE 23:	PREVIOUS TENURE BY CURRENT TENURE (HOUSEHOLDS MOVING IN PAST TWO YEARS)	78
TABLE 24:	WORKING STATUS OF HOUSEHOLD REFERENCE PERSON	78
TABLE 25:	WORKING STATUS BY LOCAL AUTHORITY	79
TABLE 26:	POPULATION, 2011	81
TABLE 27:	POPULATION BY ETHNIC GROUP	87
TABLE 28:	HIGHEST LEVEL OF QUALIFICATION, 2012 (RESIDENCE-BASED)	89
TABLE 29:	JSA CLAIMANT RATE (% POPULATION 16-64)	94
TABLE 30:	COMMUTING TO/ FROM BASSETLAW (2001 AND 2008)	97
TABLE 31:	COMMUTING TO/FROM BOLSOVER (2001 AND 2008)	98
TABLE 32:	OUT – COMMUTING FROM CHESTERFIELD (2001 AND 2008)	98
TABLE 33:	PLACE OF WORK FOR NORTH EAST DERBYSHIRE RESIDENTS: CHANGE OVER TIME	99
TABLE 34:	LOCATION OF EMPLOYMENT	100
TABLE 35:	LOCATION OF EMPLOYMENT BY SUB-AREA (NUMBERS)	101
TABLE 36:	LOCATION OF EMPLOYMENT BY SUB-AREA (PERCENTAGES)	102
TABLE 37:	2011-BASED INTERIM HOUSEHOLD PROJECTIONS	107
TABLE 38:	POPULATION GROWTH, 2011-31 – PROJ 1: SNPP	108
TABLE 39:	POPULATION CHANGE 2011 TO 2031 BY FIVE YEAR AGE BANDS (PROJ 1)	110
TABLE 40:	HOUSEHOLD GROWTH, PROJ 1 2011-31	111
TABLE 41:	PROJ 1 SNPP SUMMARY RESULTS – HMA	112
TABLE 42:	PROJ 1 SNPP SUMMARY RESULTS – LOCAL AUTHORITIES	112

TABLE 43:	PAST TRENDS IN NET IN-MIGRATION BY AUTHORITY, 2001-11	114
TABLE 44:	POPULATION ESTIMATES 2011 TO 2031	114
TABLE 45:	HOUSEHOLD ESTIMATES 2011 TO 2031	114
TABLE 46:	RESULTS OF MIGRATION SENSITIVITY ANALYSIS – SUMMARY TABLES	115
TABLE 47:	HEADSHIP RATES SENSITIVITY ANALYSIS – HOUSING NEED PER ANNUM, 2011-31	116
TABLE 48:	EMPLOYMENT GROWTH ASSUMPTIONS USED IN MODELLING (TOTAL JOBS)	118
TABLE 49:	EMPLOYMENT ESTIMATES 2011 TO 2031	119
TABLE 50:	POPULATION ESTIMATES 2011 TO 2031	119
TABLE 51:	SUMMARY OF PROJECTIONS 2011 TO 2031 – ANNUAL – HMA	121
TABLE 52:	SUMMARY OF PROJECTIONS 2011 TO 2031 – TOTAL – HMA	121
TABLE 53:	SUMMARY OF PROJECTIONS 2011 TO 2031 – ANNUAL - BASSETLAW	122
TABLE 54:	SUMMARY OF PROJECTIONS 2011 TO 2031 – TOTAL – BASSETLAW	122
TABLE 55:	SUMMARY OF PROJECTIONS 2011 TO 2031 – ANNUAL – BOLSOVER	123
TABLE 56:	SUMMARY OF PROJECTIONS 2011 TO 2031 – TOTAL – BOLSOVER	123
TABLE 57:	SUMMARY OF PROJECTIONS 2011 TO 2031 – ANNUAL – CHESTERFIELD	124
TABLE 58:	SUMMARY OF PROJECTIONS 2011 TO 2031 – TOTAL – CHESTERFIELD	125
TABLE 59:	SUMMARY OF PROJECTIONS 2011 TO 2031 – ANNUAL – NORTH EAST DERBYSHIRE	126
TABLE 60:	SUMMARY OF PROJECTIONS 2011 TO 2031 – TOTAL – NORTH EAST DERBYSHIRE	126
TABLE 61:	UNSUITABLE HOUSING AND TENURE	130
TABLE 62:	UNSUITABLE HOUSING BY LOCAL AUTHORITY	130
TABLE 63:	HOUSING NEED AND TENURE	131
TABLE 64:	BACKLOG OF HOUSING NEED	132
TABLE 65:	DERIVATION OF NEWLY ARISING NEED FROM NEW HOUSEHOLD FORMATION	133
TABLE 66:	DERIVATION OF NEWLY ARISING NEED FROM EXISTING HOUSEHOLDS	134

TABLE 67:	FUTURE NEED (PER ANNUM)	135
TABLE 68:	CURRENT SUPPLY OF AFFORDABLE HOUSING	136
TABLE 69:	ANALYSIS OF PAST HOUSING SUPPLY (LAST FIVE YEARS) –PER ANNUM	136
TABLE 70:	HOUSING NEEDS ASSESSMENT MODEL (2013-2018)	138
TABLE 71:	HOUSING NEED BY LOCAL AUTHORITY	139
TABLE 72:	SENSITIVITY OF ASSUMPTIONS IN HOUSING NEEDS MODELLING (PER ANNUM)	141
TABLE 73:	LONGER-TERM ESTIMATE OF AFFORDABLE HOUSING NEED (2013-31) – MAIN MODELLING ASSUMPTIONS (EXCLUDING PIPELINE)	142
TABLE 74:	LONGER-TERM ESTIMATE OF AFFORDABLE HOUSING NEED (2013-31) – ALTERNATIVE MODELLING ASSUMPTIONS (EXCLUDING PIPELINE)	143
TABLE 75:	ESTIMATED IMPACT OF THE UNDER-OCCUPATION CHARGE	145
TABLE 76:	ESTIMATED IMPACT OF LHA REFORMS	146
TABLE 77:	ESTIMATED IMPACT OF BENEFITS CAP	146
TABLE 78:	PROFILE OF NEED BY BEDROOMS	147
TABLE 79:	ESTIMATED NEED AND SUPPLY OF AFFORDABLE HOUSING BY BEDSIZE	148
TABLE 80:	ESTIMATED SIZE REQUIREMENT FOR ADDITIONAL AFFORDABLE HOUSING	148
TABLE 81:	AFFORDABLE HOUSING SIZE REQUIREMENTS	148
TABLE 82:	ESTIMATED SIZE REQUIREMENT FOR ADDITIONAL AFFORDABLE HOUSING FOR PRIORITY GROUPS	149
TABLE 83:	CATEGORIES OF AFFORDABLE HOUSING USED FOR ANALYSIS	151
TABLE 84:	SOCIAL RENTED AND INTERMEDIATE HOUSING NEEDS– PER ANNUM	152
TABLE 85:	SOCIAL RENTED AND INTERMEDIATE HOUSING NEEDS– PER ANNUM	153
TABLE 86:	MARKET HOUSING SIZE REQUIREMENTS (2013-31)	159
TABLE 87:	RECOMMENDED HOUSING MIX – HMA LEVEL	162
TABLE 88:	SUPPORT NEEDS CATEGORIES	167
TABLE 89:	HOUSEHOLDS WITH SUPPORT NEEDS BY SUB-MARKET	168
TABLE 90:	SUPPORT NEEDS HOUSEHOLDS WITH AND WITHOUT OLDER PEOPLE	168

TABLE 91:	SUPPORT NEEDS HOUSEHOLDS AND TENURE	169
TABLE 92:	SUPPORT NEEDS HOUSEHOLDS AND UNSUITABLE HOUSING	169
TABLE 93:	INCOME AND SAVINGS LEVELS OF SUPPORT NEEDS HOUSEHOLDS	169
TABLE 94:	PROJECTED CHANGE IN NUMBER OF HOUSEHOLDS WITH A SUPPORT NEED 2013 TO 2031	171
TABLE 95:	OLDER PERSON HOUSEHOLDS	172
TABLE 96:	OLDER PERSON HOUSEHOLDS BY SUB-MARKET	172
TABLE 97:	SIZE OF OLDER PERSON ONLY HOUSEHOLDS	173
TABLE 98:	OLDER PERSON ONLY HOUSEHOLDS AND TENURE	173
TABLE 99:	SIZE OF DWELLINGS (NUMBER OF BEDROOMS) FOR OLDER PERSON ONLY HOUSEHOLDS	174
TABLE 100:	OLDER PERSON ONLY HOUSEHOLDS - SIZE OF ACCOMMODATION AND TENURE	174
TABLE 101:	HOUSEHOLD TYPE ESTIMATES (PENSIONER-ONLY HOUSEHOLDS) 2013 AND 2031	175
TABLE 102:	NUMBER OF FAMILIES WITH CHILDREN	175
TABLE 103:	HOUSEHOLD TYPE BY SUB-MARKET	176
TABLE 104:	HOUSEHOLDS WITH CHILDREN IN UNSUITABLE HOUSING	177
TABLE 105:	WORKING STATUS OF YOUNGER PEOPLE	179
TABLE 106:	YOUNGER PERSON HOUSEHOLD TYPES	179
TABLE 107:	OVERCROWDED AND UNDER-OCCUPYING YOUNGER HOUSEHOLDS	180
TABLE 108:	TENURE OF YOUNGER HOUSEHOLDS	180
TABLE 109:	HOUSEHOLD SIZE OF RECENT FIRST-TIME BUYERS	181
TABLE 110:	AGE OF RECENT FIRST-TIME BUYERS	181
TABLE 111:	ASSESSED NEED FOR HOUSING, 2011-31	190
TABLE 112:	NET NEED FOR DIFFERENT TYPES OF AFFORDABLE HOUSING	193
TABLE 113:	RECOMMENDED AFFORDABLE HOUSING TENURE MIX	193
TABLE 114:	RECOMMENDED AFFORDABLE HOUSING SIZE MIX	194

Appendices

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

199

Quality Standards Control

The signatories below verify that this document has been prepared in accordance with our quality control requirements. These procedures do not affect the content and views expressed by the originator.

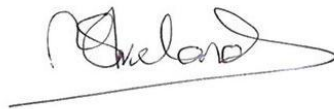
This document must only be treated as a draft unless it has been signed by the Originators and approved by a Business or Associate Director.

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Limitations

This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of GL Hearn; we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.

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.

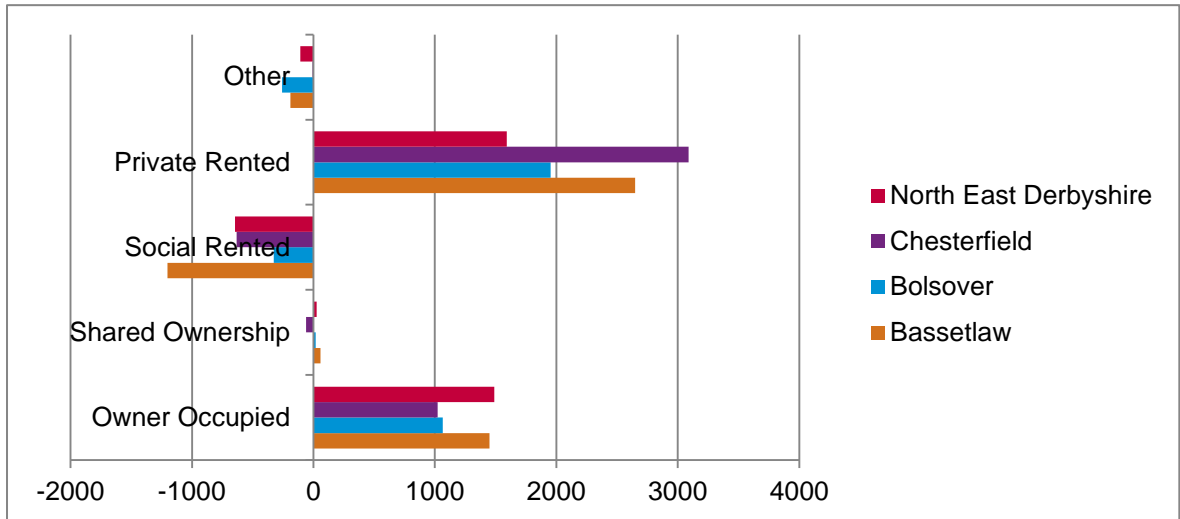
Table 3: Detailed Tenure Profile, 2011 (%)

%	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

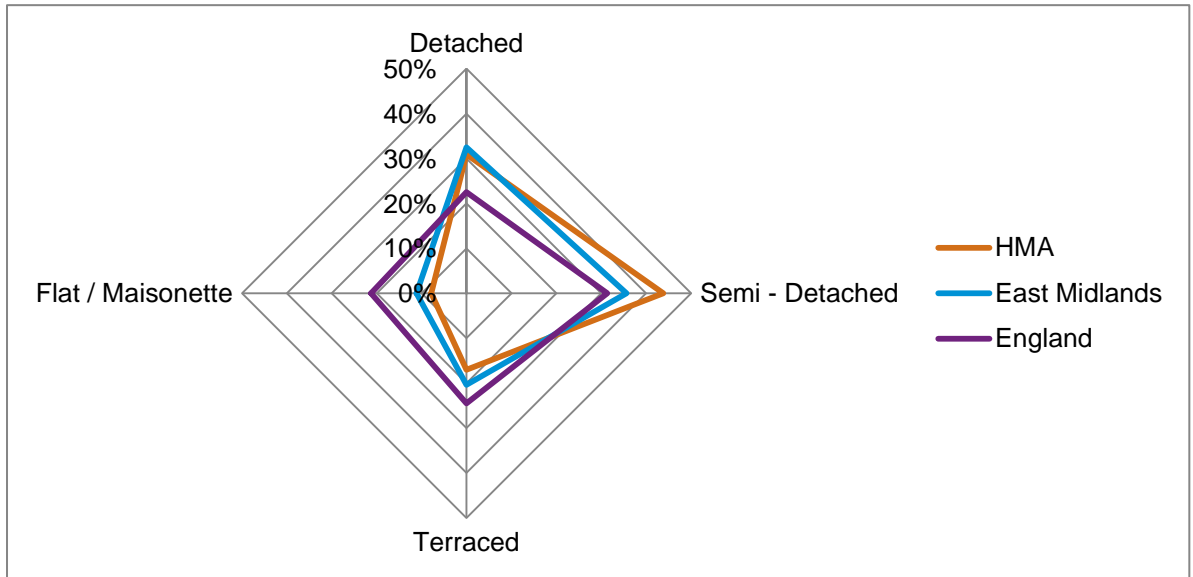
3.10 In terms of changes in the overall tenure profile, levels of private renting have increased by 5.1 percentage points on average across the HMA between 2001-11, whilst owner occupation has reduced by 1.5 points and social renting has decreased by 3.1 points. The private rented sector has increased 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:

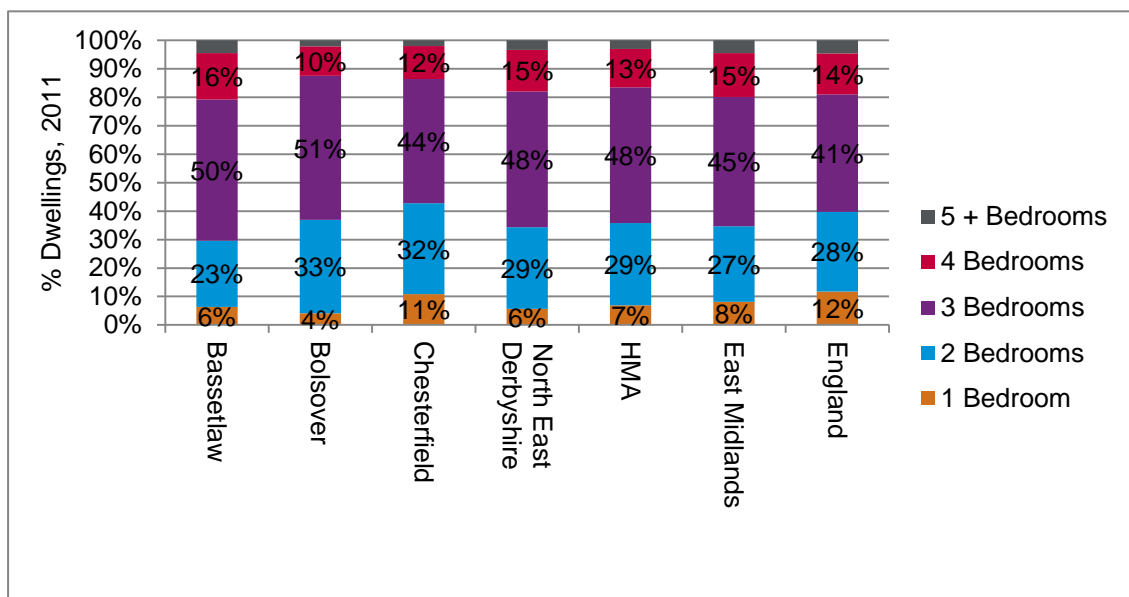
- 7% of houses have 1 bedroom;
- 29% have 2 bedrooms;
- 48% are 3 bedrooms;
- 13% have 4 bedrooms; and
- 3% have 5 or more bedrooms.

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

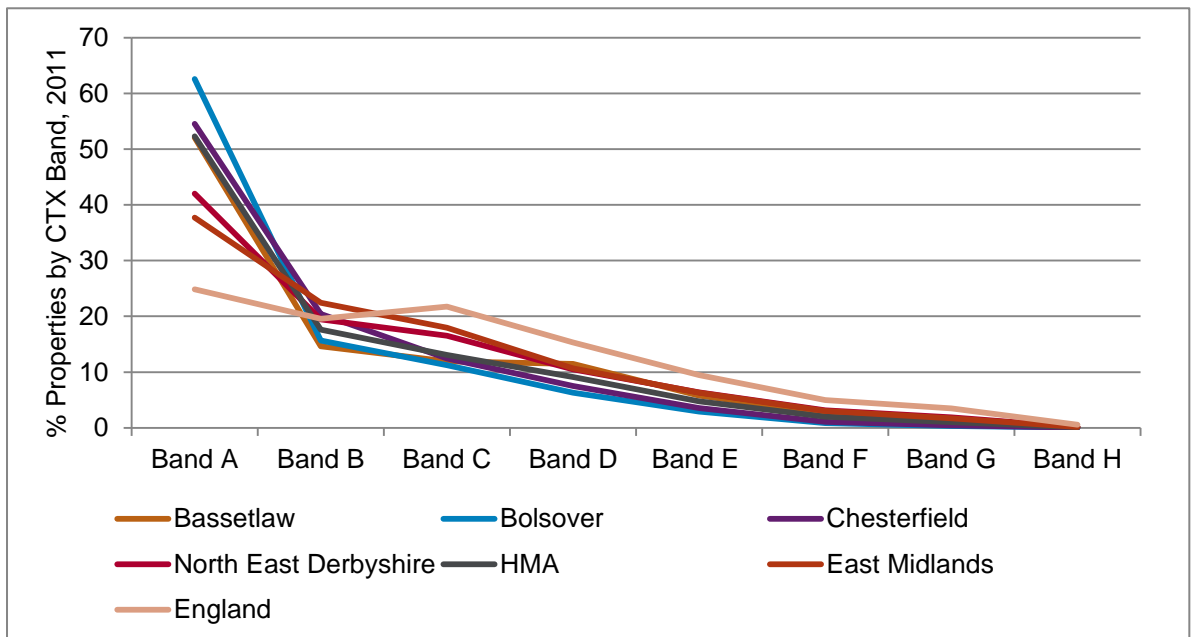


Source: Census 2011

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%

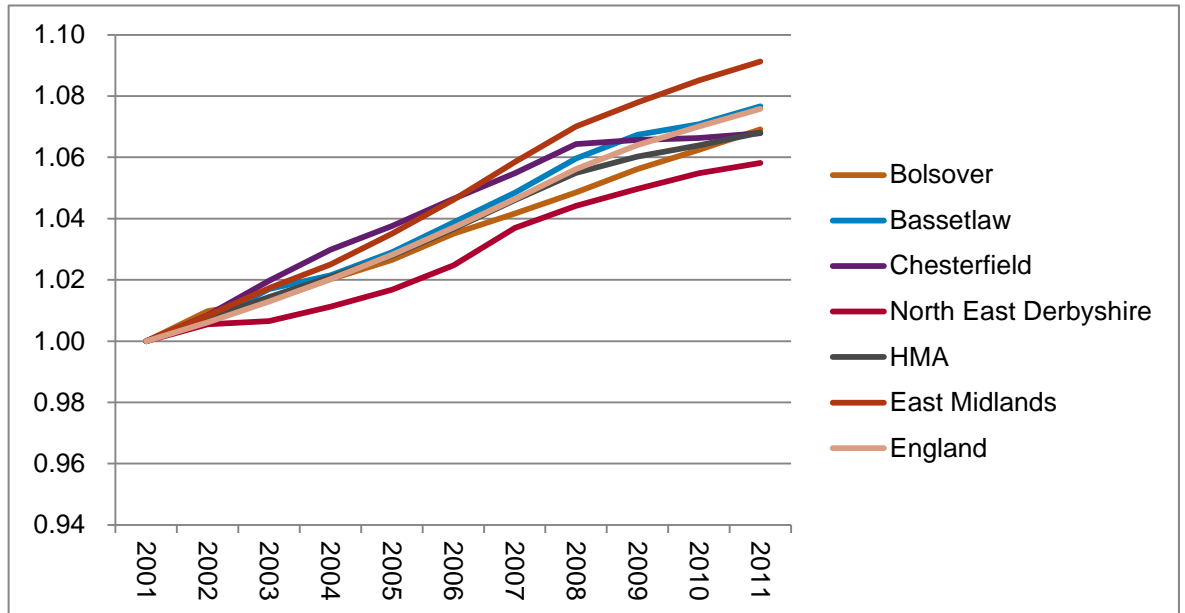
Source: 2011 Census

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

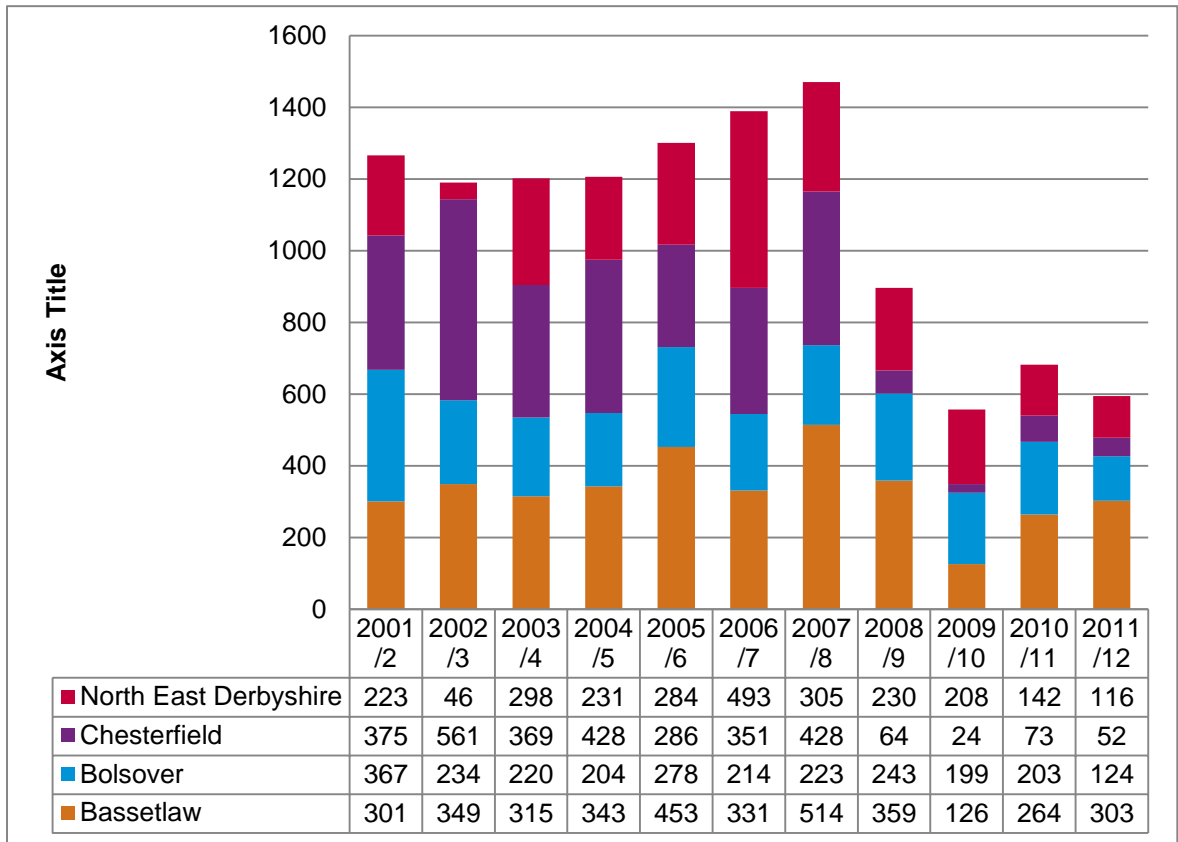


Source: CLG Table 125

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

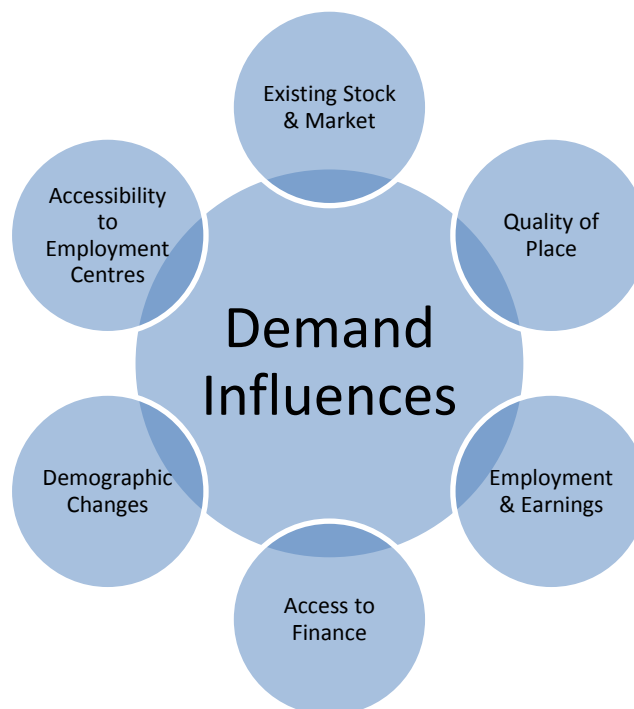
4.1 We have sought to analyse housing market dynamics using a combination of quantitative and qualitative research. This section initially reviews housing market dynamics including national and macro-economic drivers and local prices and sales performance. It then develops this to provide a local qualitative 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.

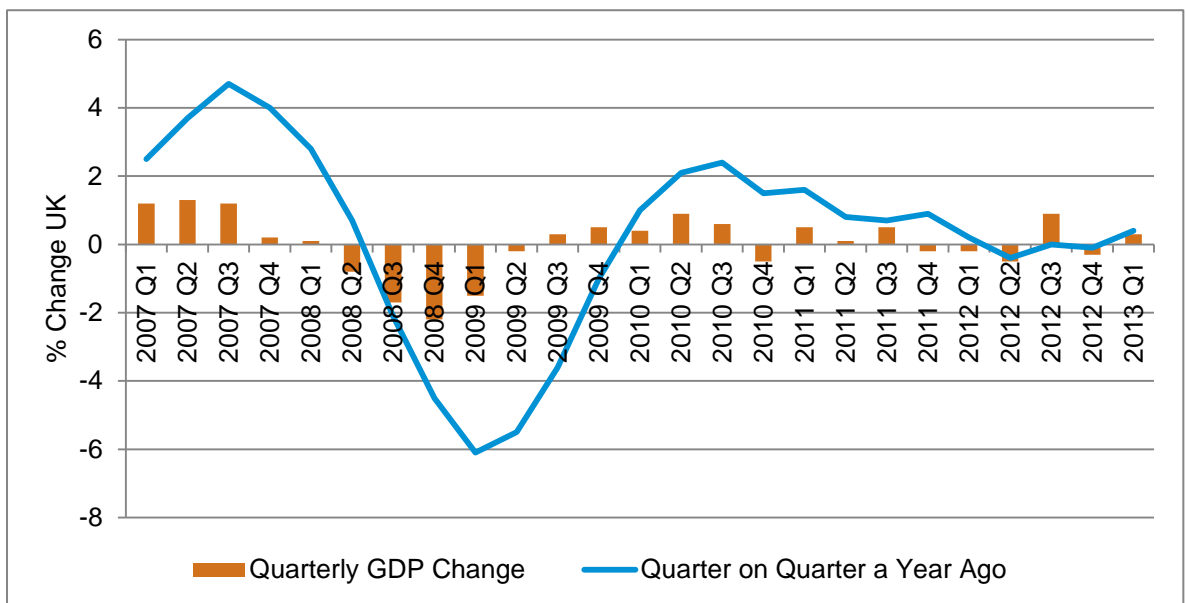
Understanding the Macro-Level Dynamics

- 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

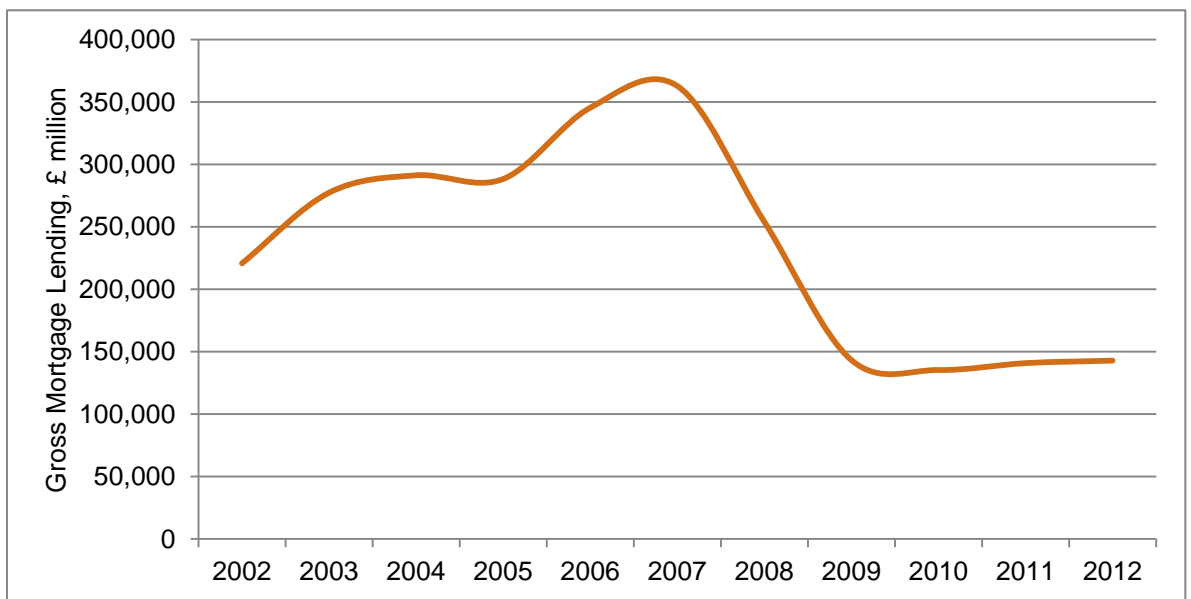
4.12 One of the key triggers to the recent economic difficulties on an international level was the ‘credit crunch.’ The downturn in the world economy was led by the sub-prime lending crisis in the United States. This resulted in a fundamental shift in the way banks lend money between themselves, through 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

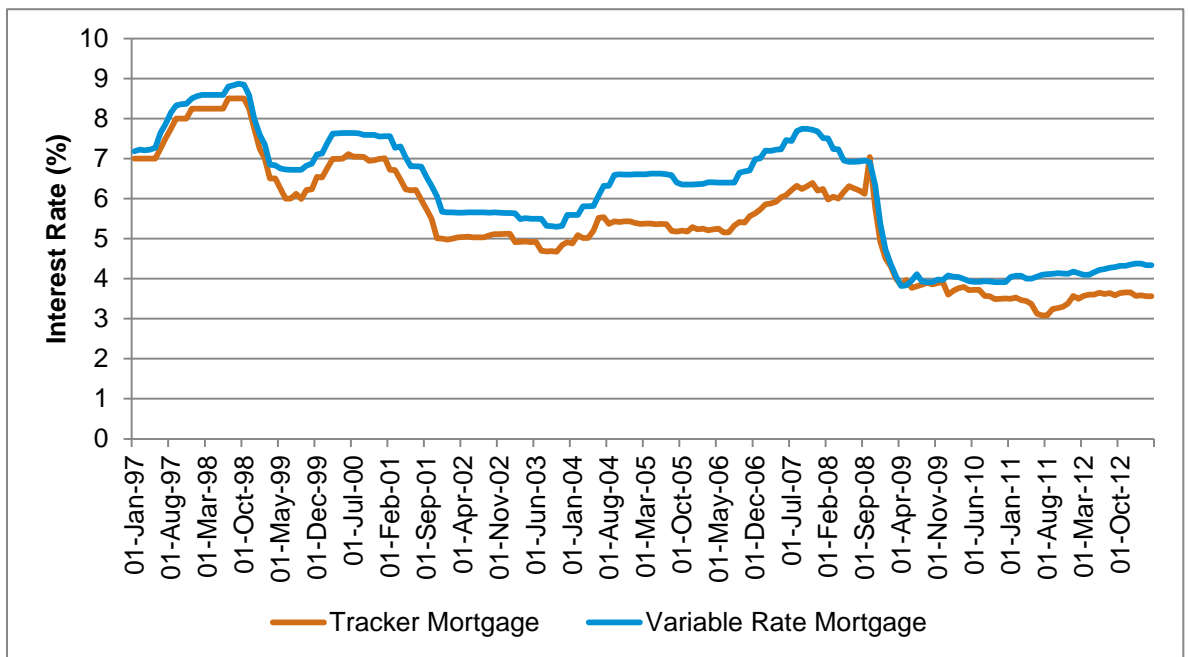
4.16 Key issues affecting the ability of households and investors to secure mortgage finance are:

- 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

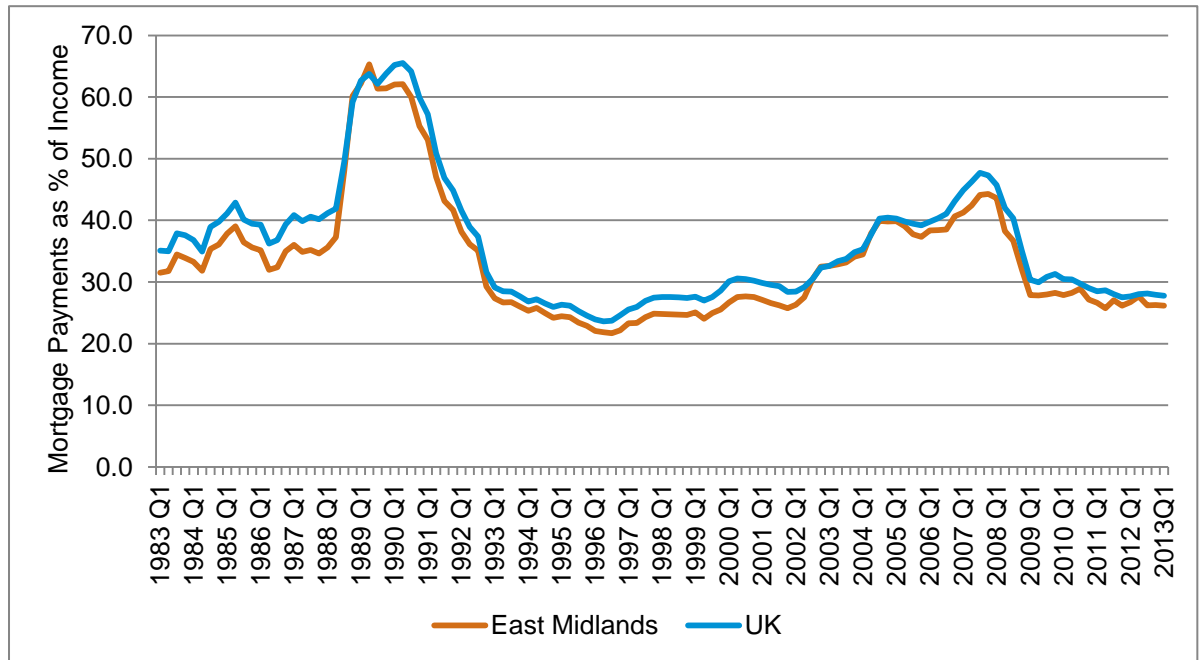
4.19 The persistence of low interest rates has helped to make monthly mortgage payments for first-time buyers the most affordable (at a national level) for almost eight years at 12.2% of income in January 2013 (consistent with a year previously), according to the Council for Mortgage Lenders.

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%

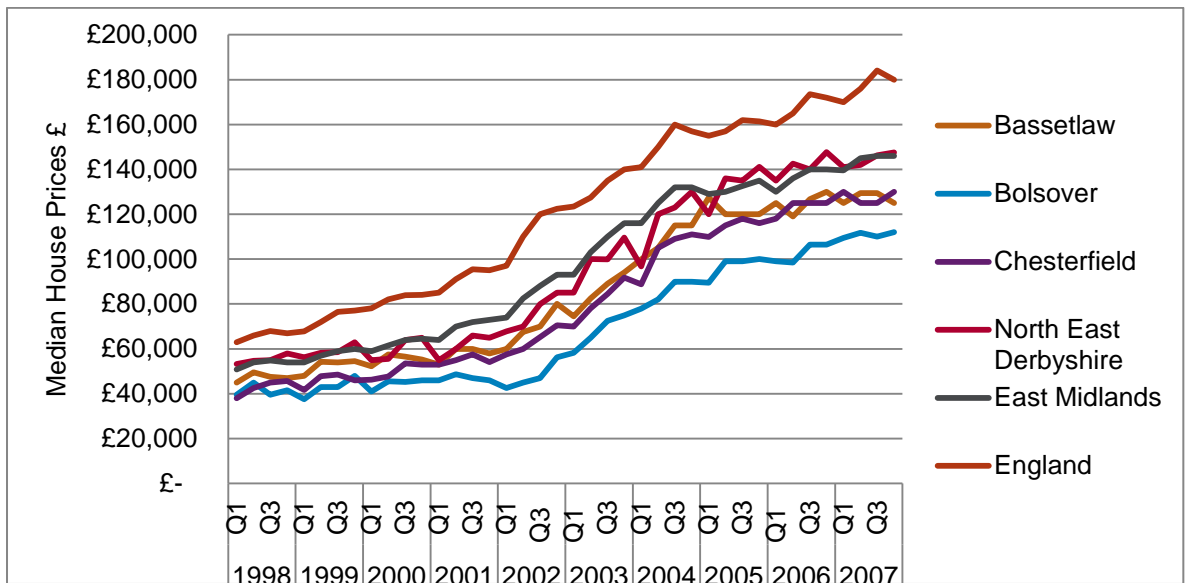
Source: CLG/ HMLR

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

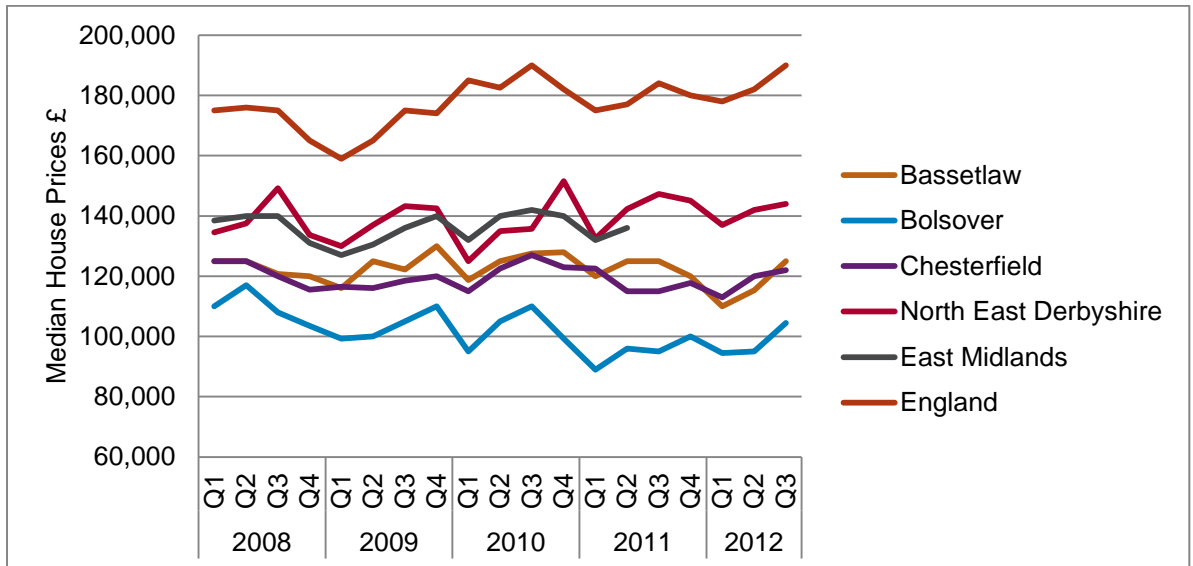
4.30 Since 2007 trends in house prices have been very different. Between 2007-12 period:

- 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



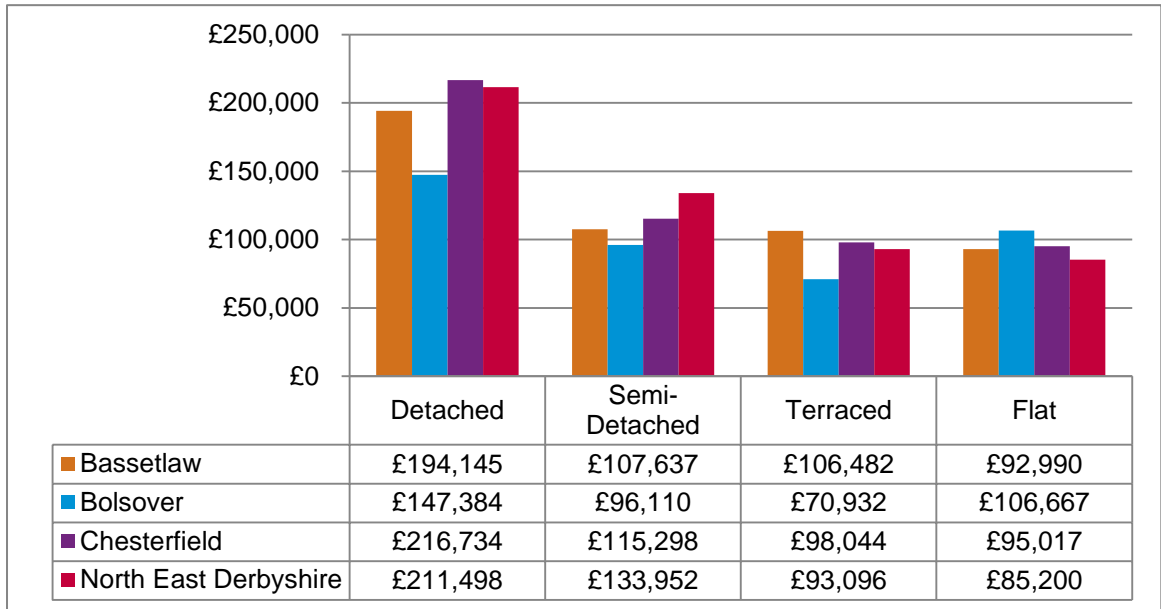
Source: CLG Table 582¹⁰

- 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

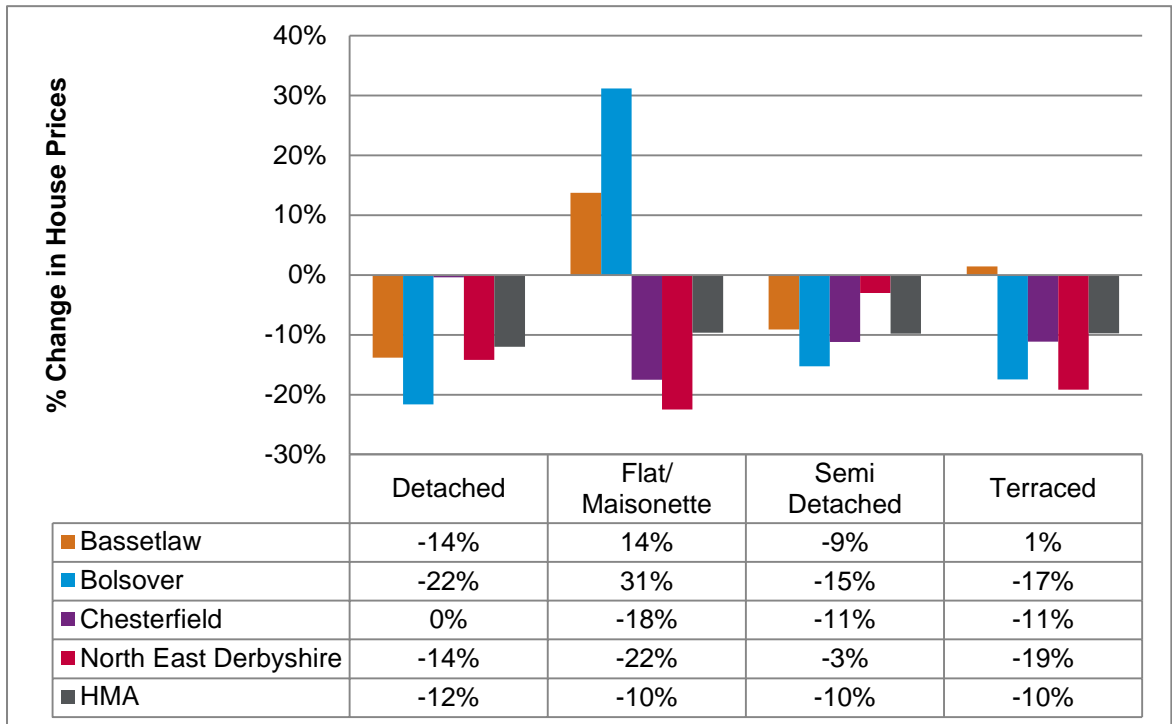
Figure 14: Average House Price by Type, Jan-June 2013



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.**

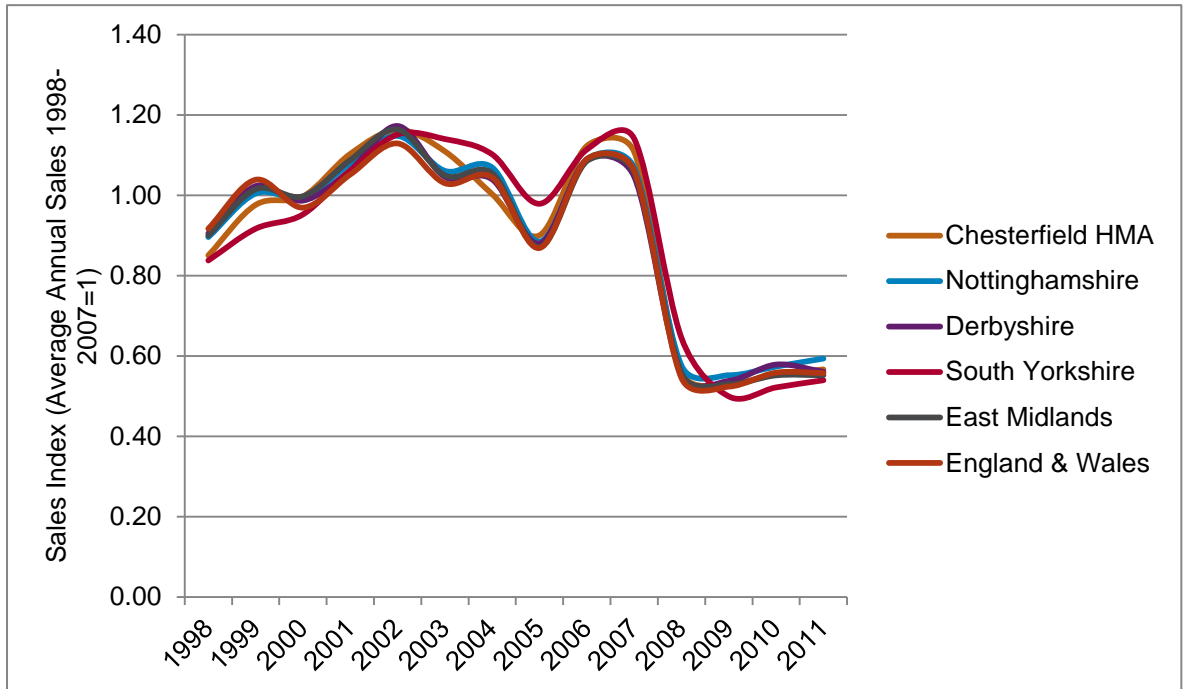
4.41 To help quantify trends in demand, we next consider sales trends. These provide an indication of effective demand for market housing.

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).

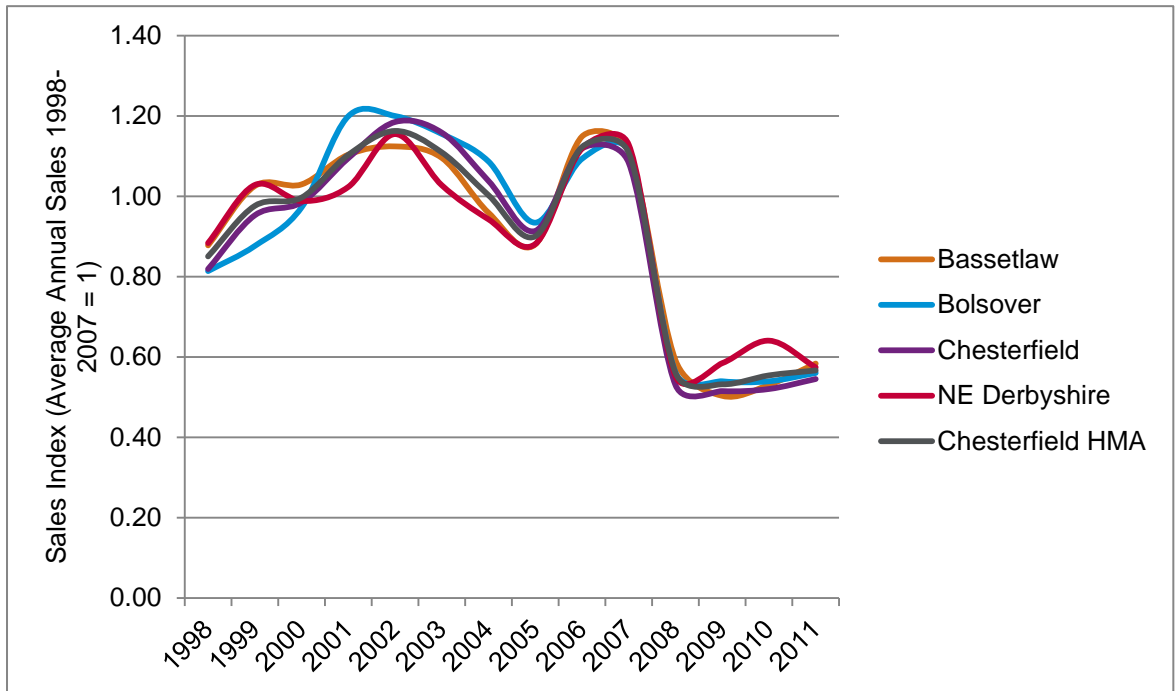
Figure 16: Indexed Analysis of Sales Trends (1998 – 2011), Housing Market Areas



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.

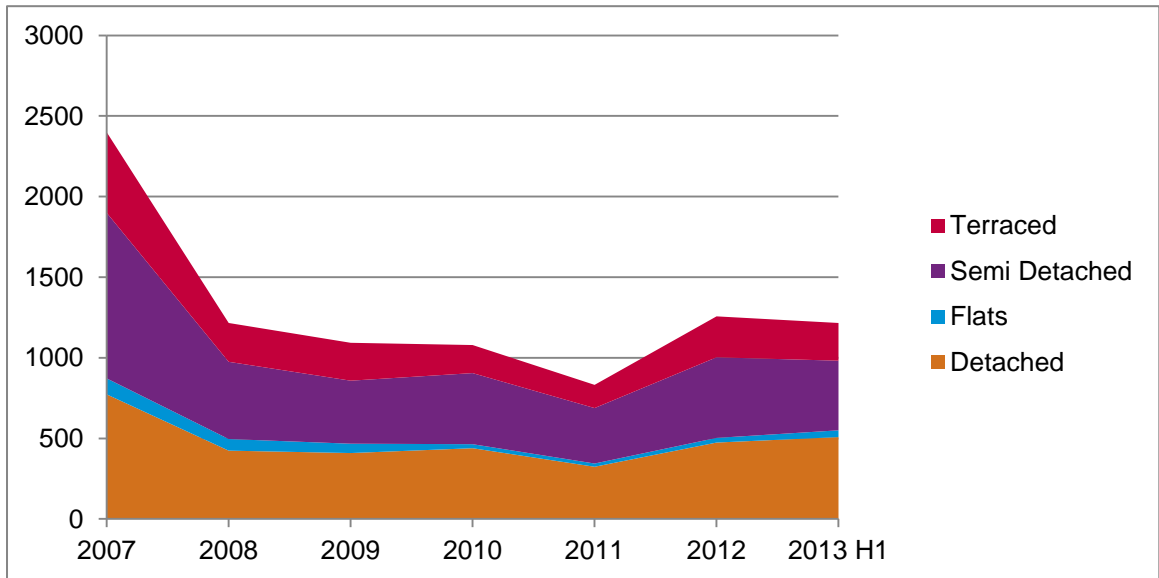
Bassetlaw

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

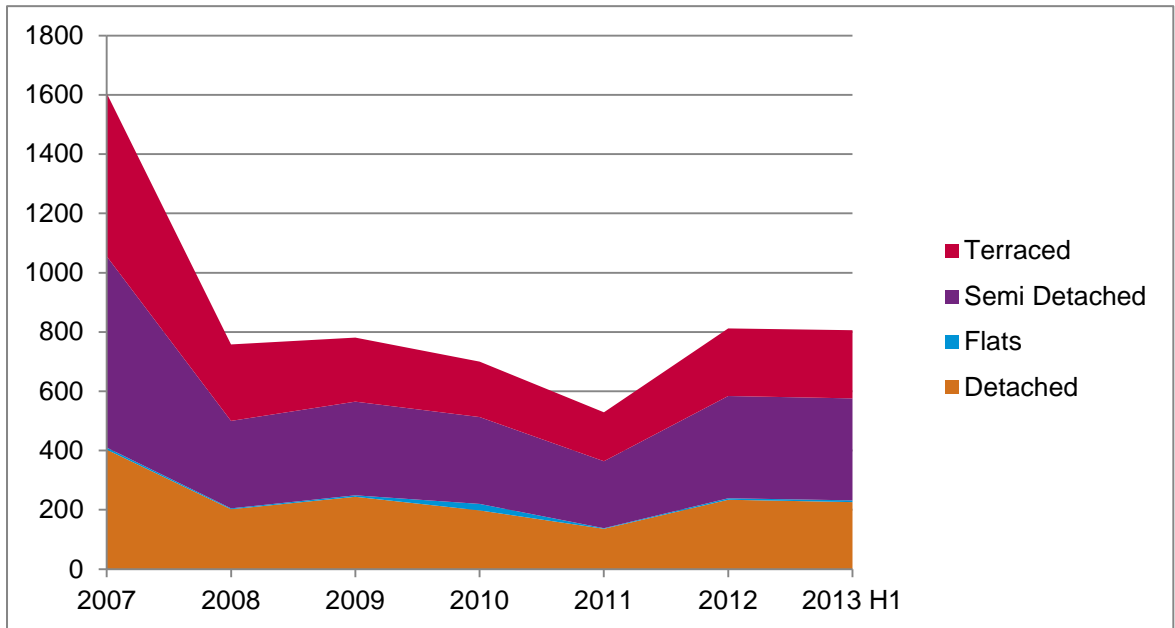
Bolsover

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)

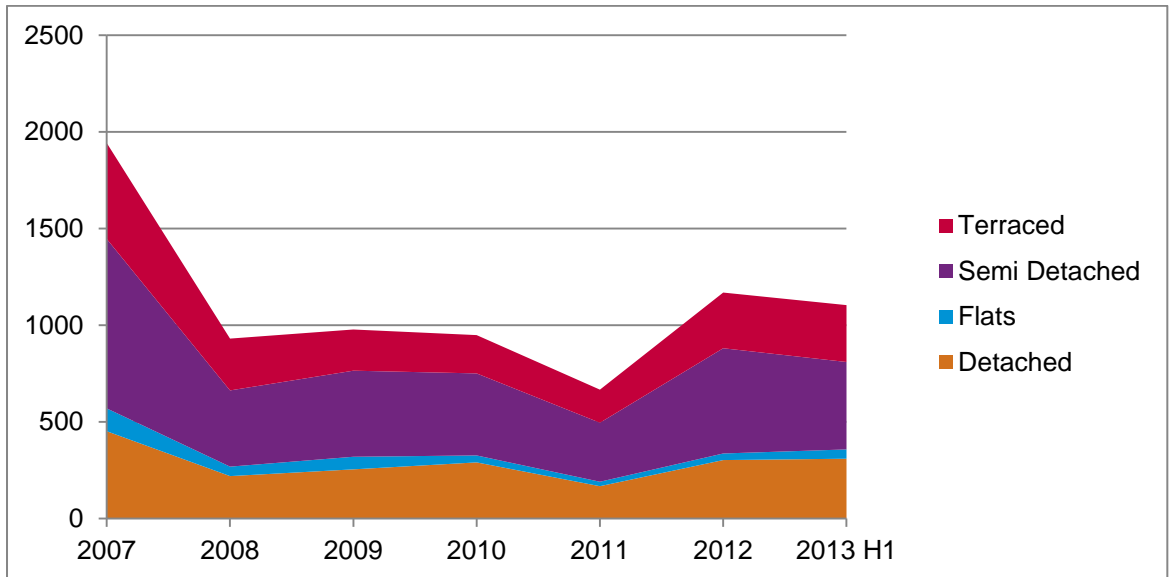


Source: Land Registry / Hi4em

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)

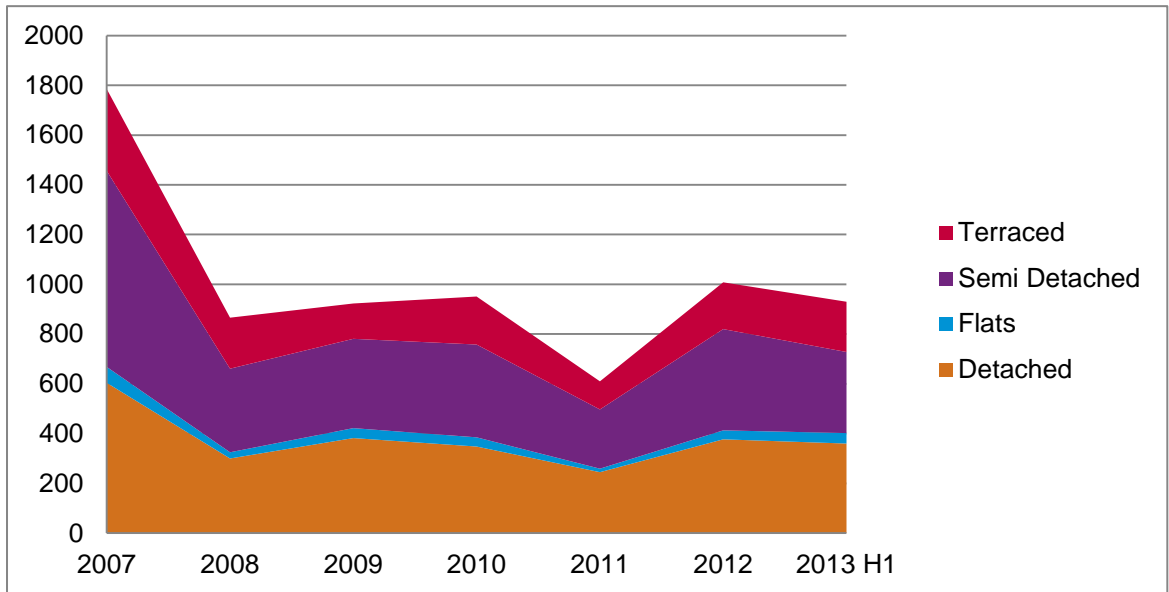


Source: Land Registry / Hi4em

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.

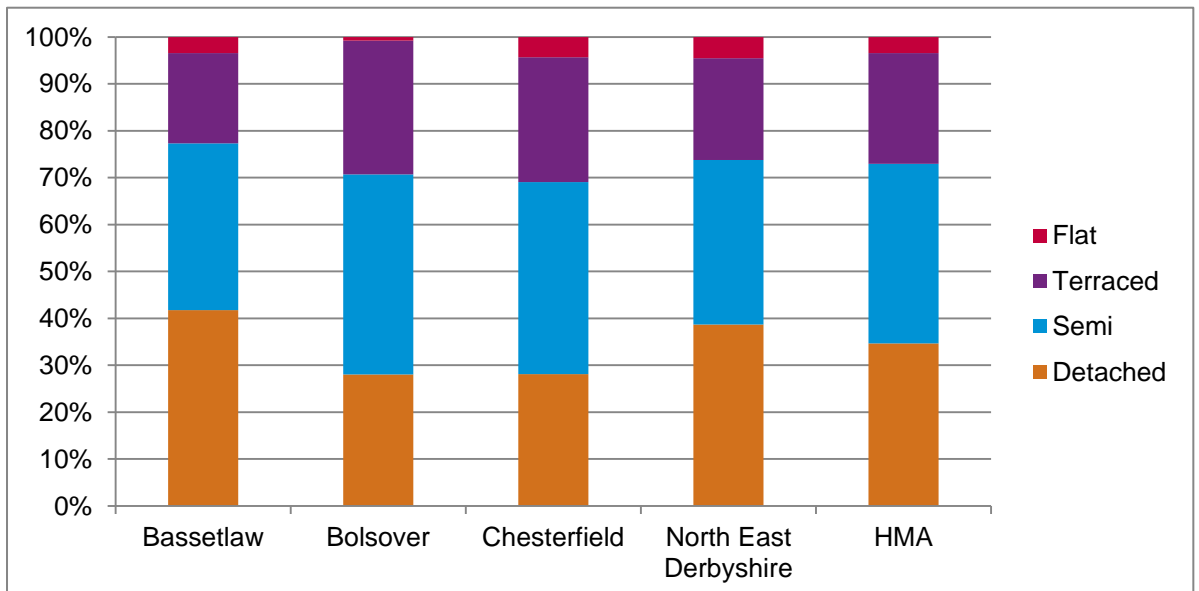
Figure 21: Sales Trends by Type in North East Derbyshire (2007 – 2013)



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.

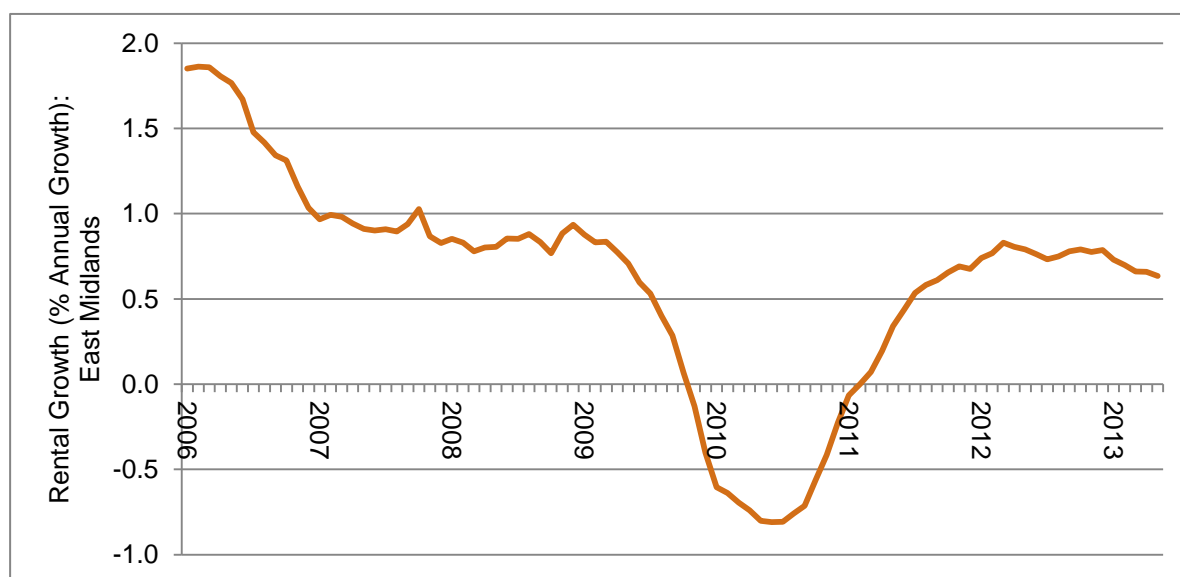
Table 13: Private tenants claiming LHA: Previous tenure, those moved in last two years

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

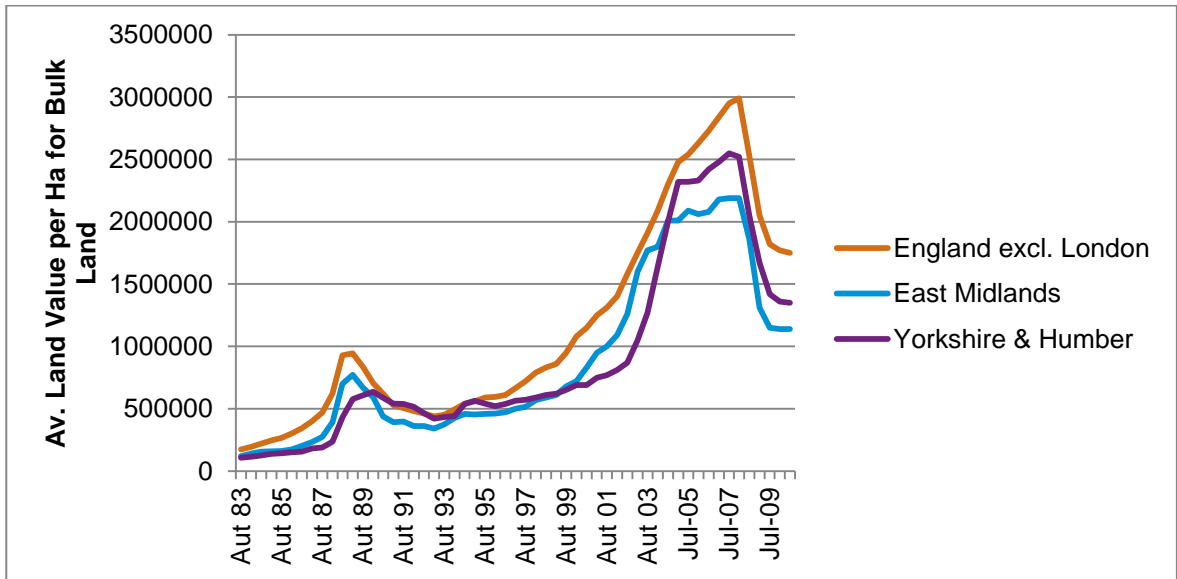
Land Values

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.

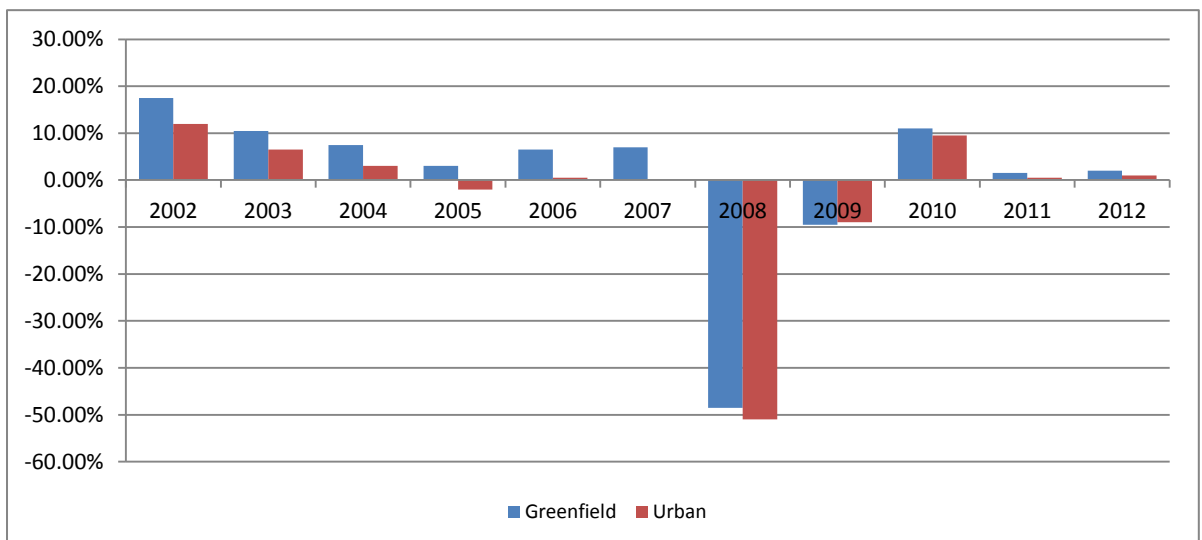
Table 15: Knight Frank Residential Development Land Index – England & Wales

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.

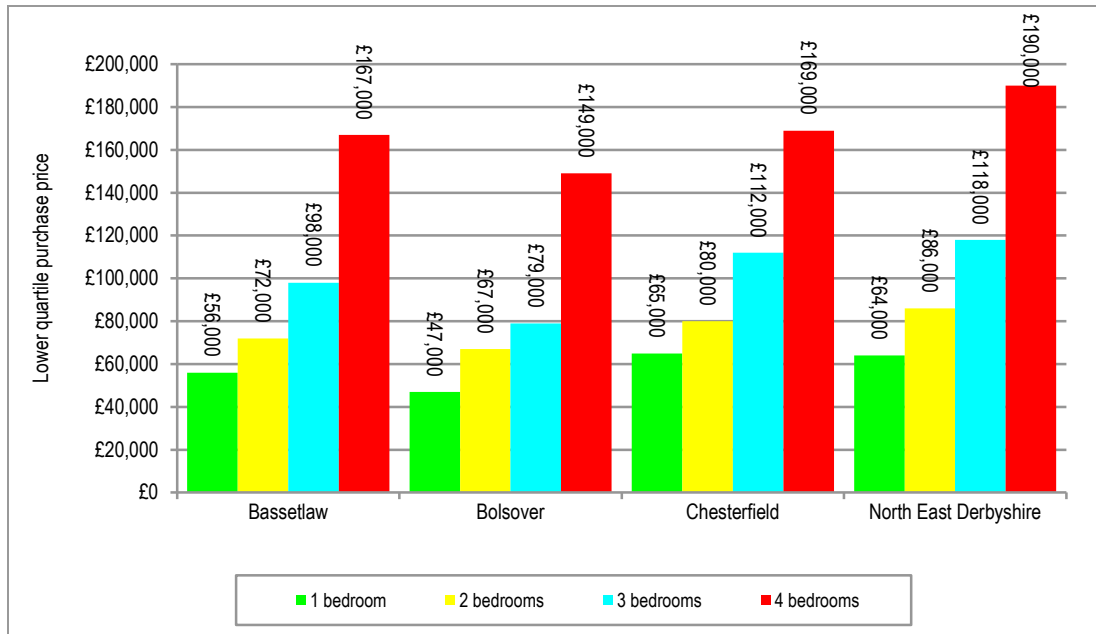
Entry-level Prices

- 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

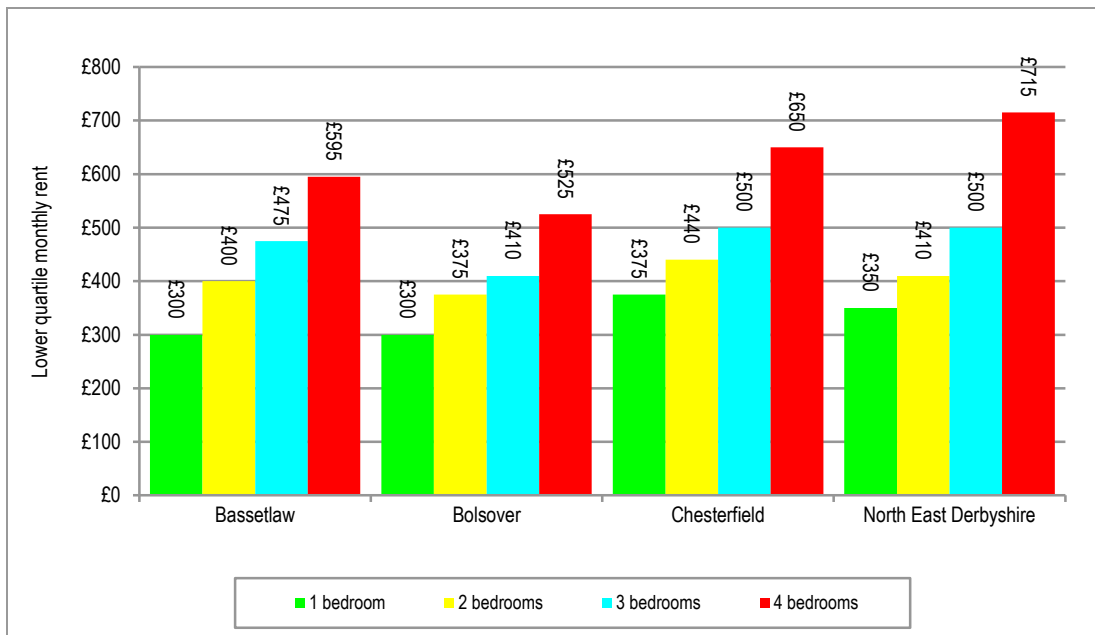


Source: Online Estate and Letting Agents Survey (July 2013)

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

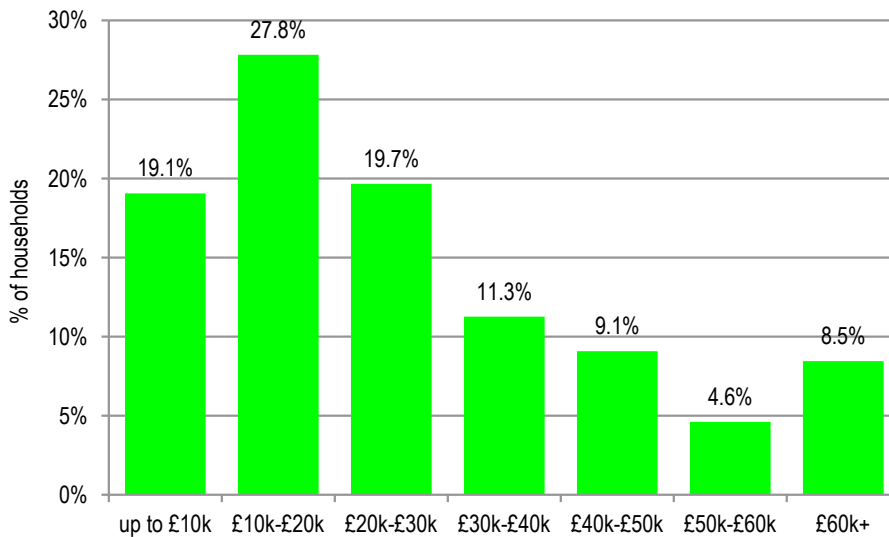
Source: Online Estate and Letting Agents Survey (October 2011) and CORE

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

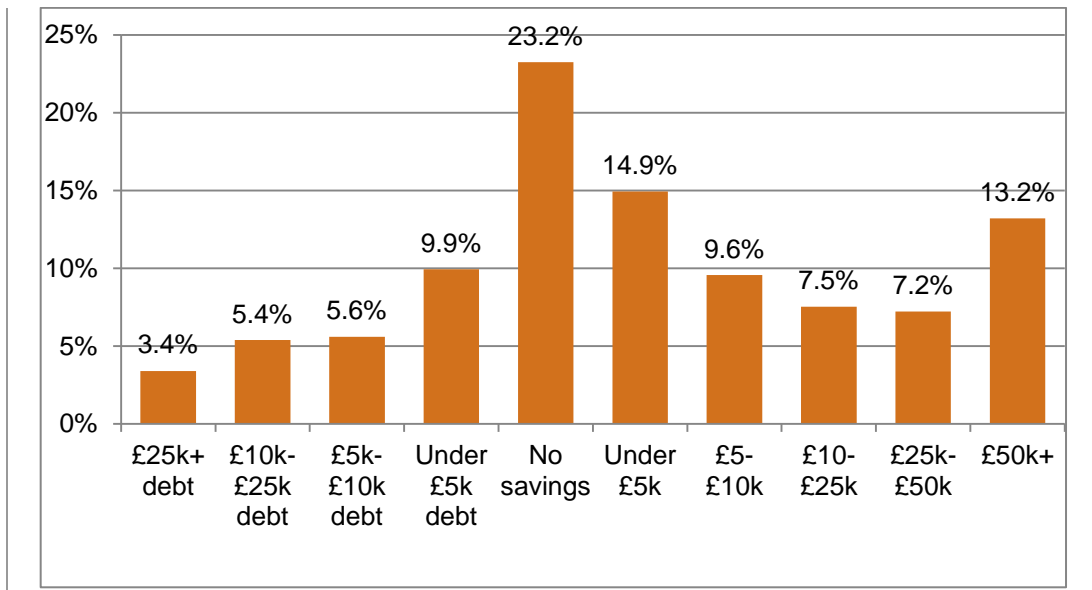
	Median income
Bassetlaw	£22,711
Bolsover	£19,897
Chesterfield	£20,438
North East Derbyshire	£21,891
HMA	£21,326

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.

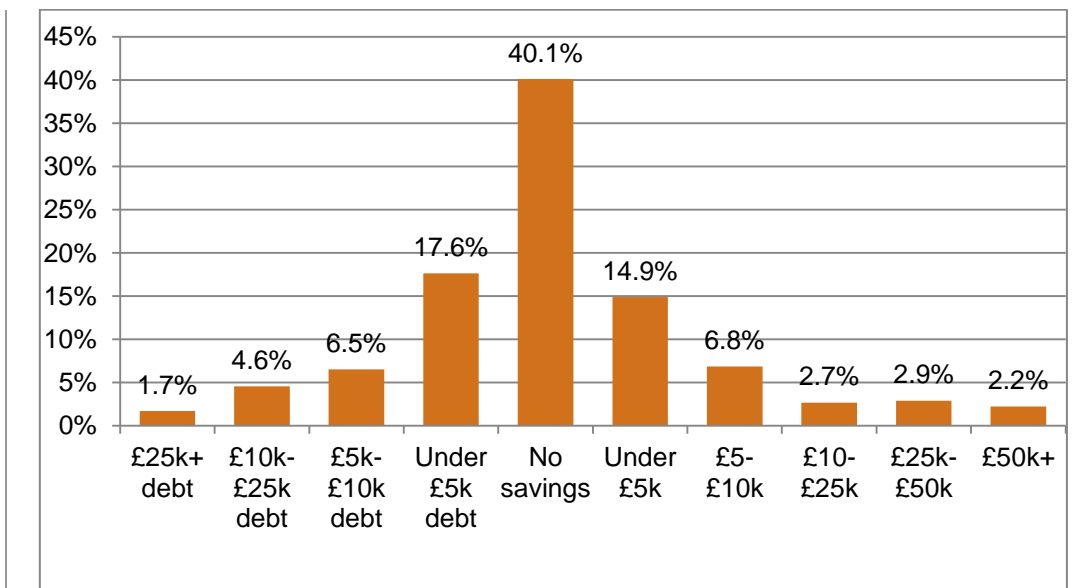
Figure 30: Household Savings



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.

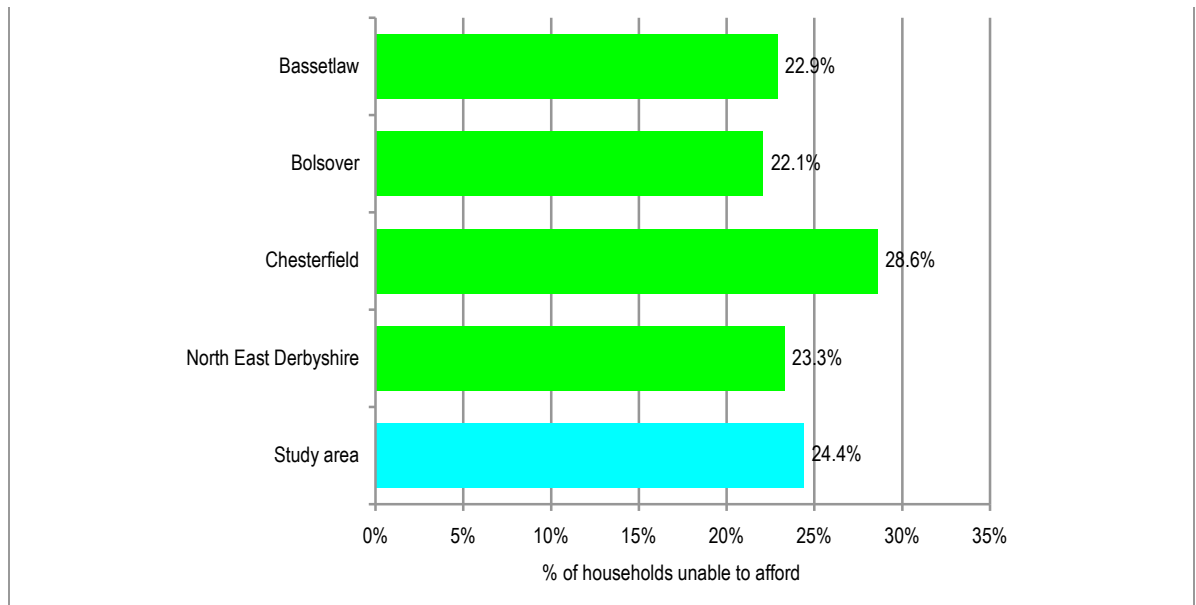
Assessing whether a household can afford market renting - A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than 25% of gross income.

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.

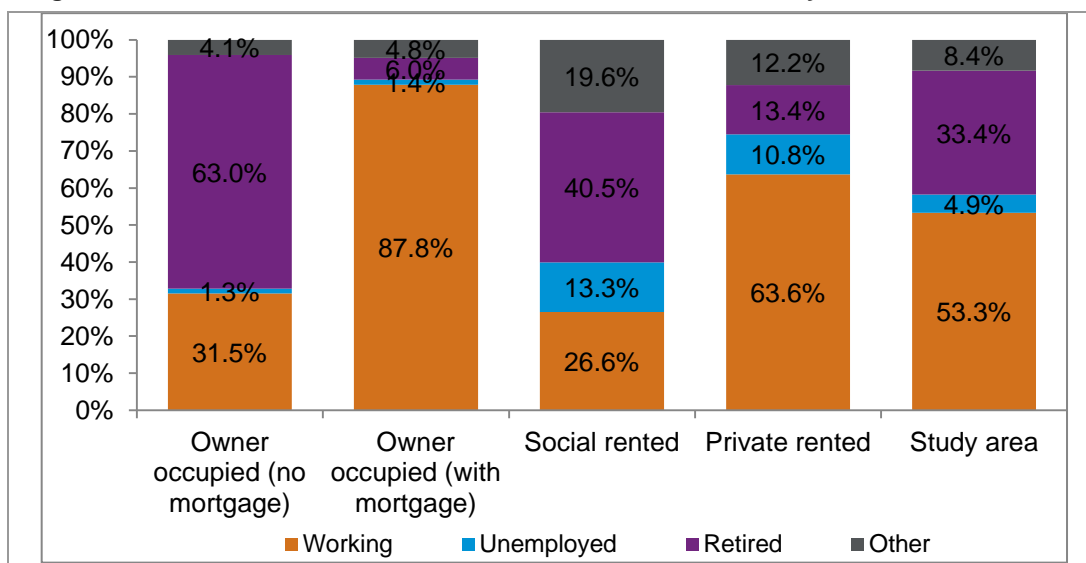
Table 24: Working status of household reference person

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.

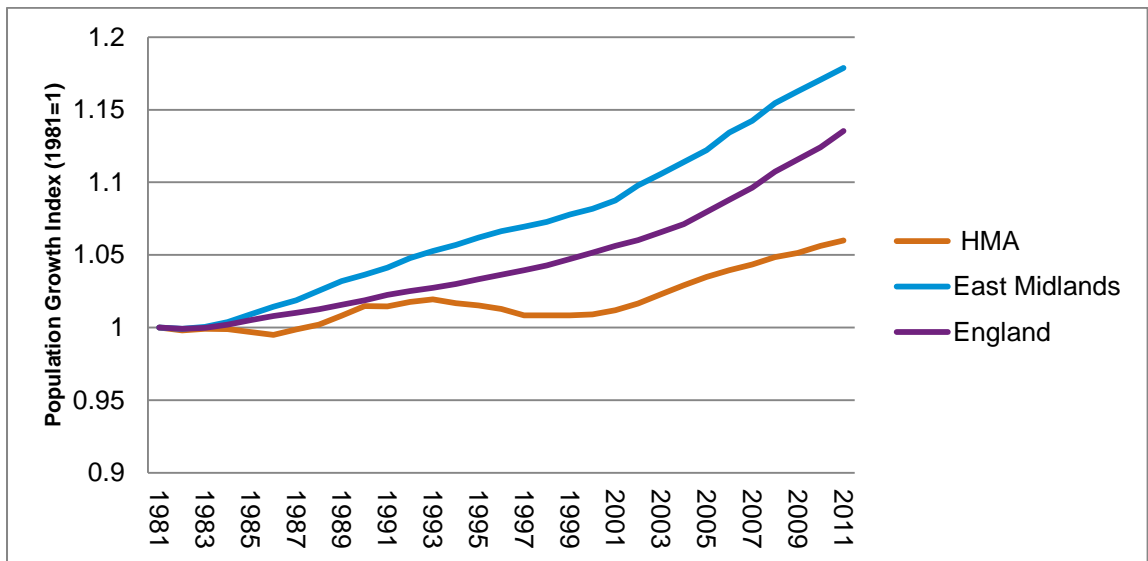
Table 26: Population, 2011

	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.

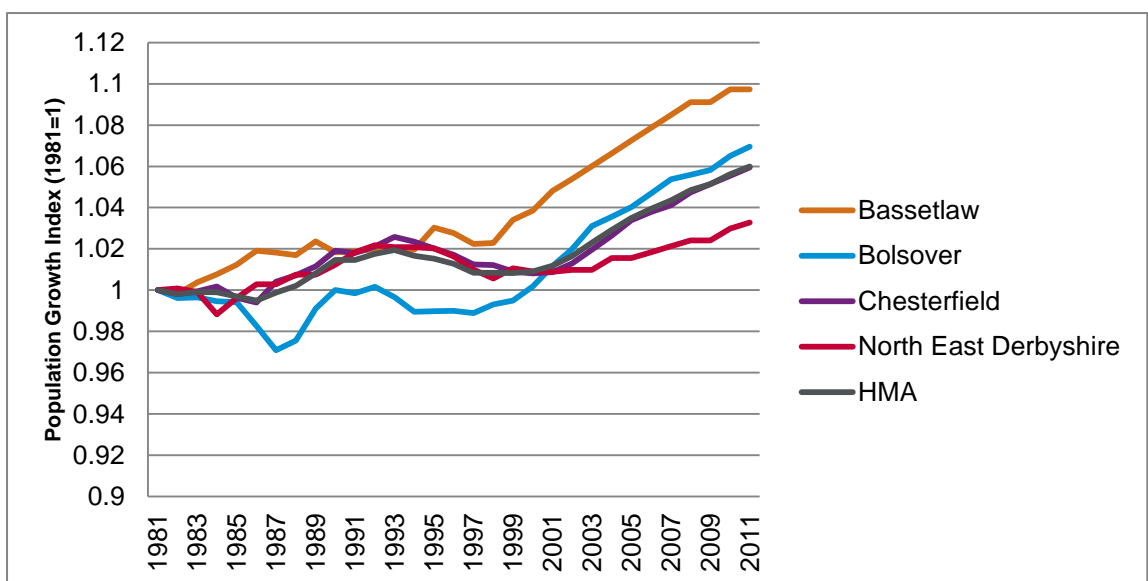
Figure 34: Population Trends across the HMA (1981 – 2011)



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)

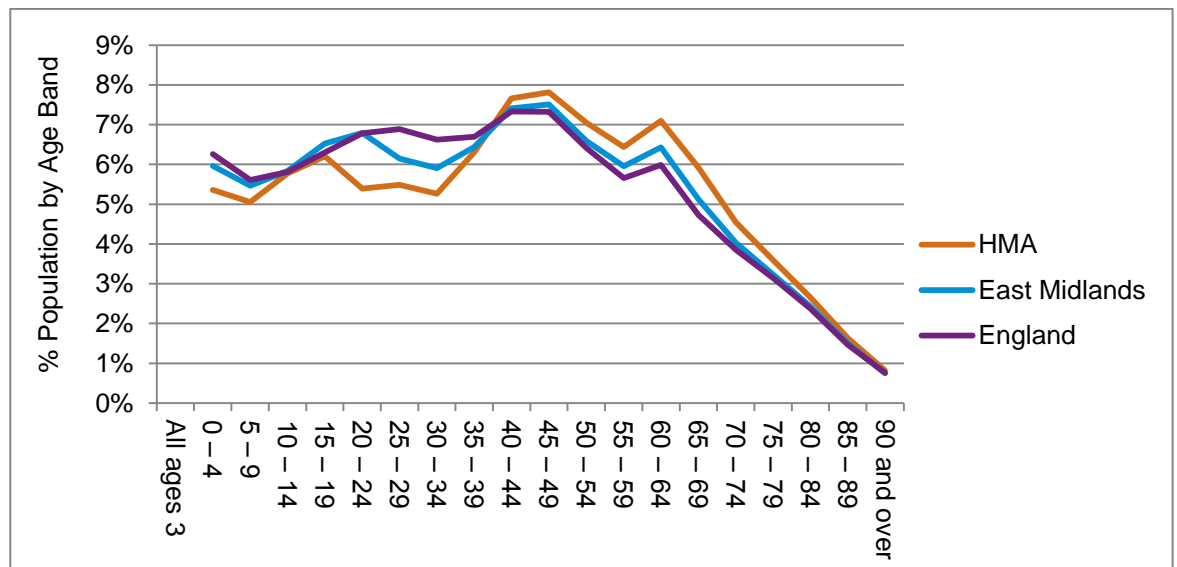


Source: ONS Mid-Year Estimates

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.

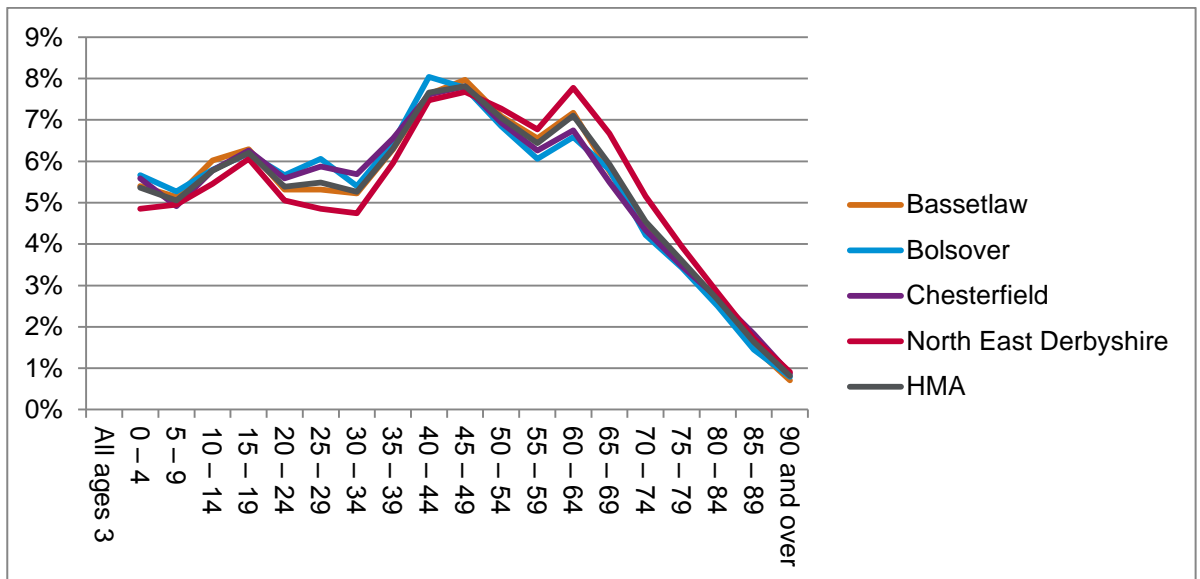
Figure 36: Population by 5 Year Age Band – Chesterfield HMA



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.

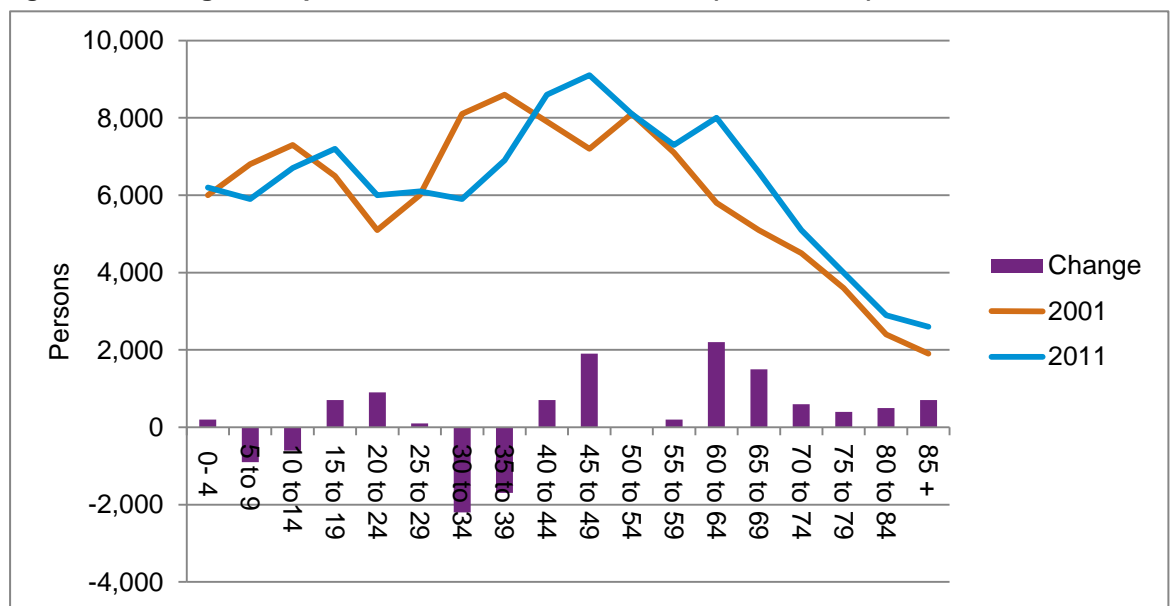
Figure 37: Population 5 Year Age Band – Local Authorities



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.

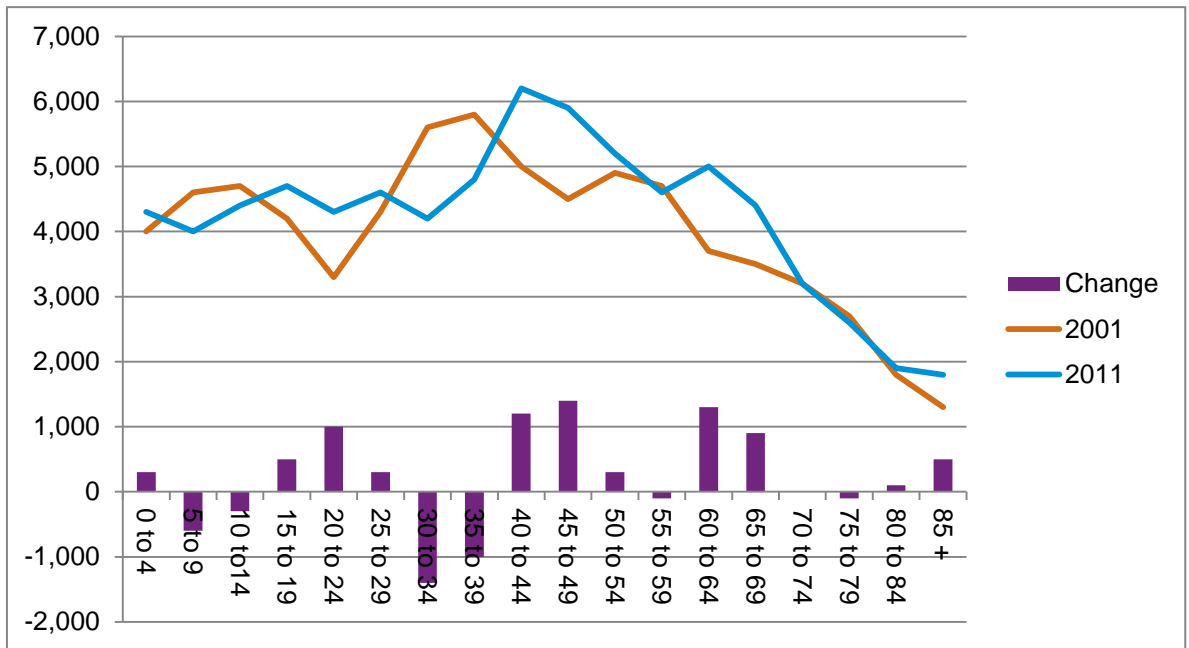
Figure 38: Change in Population Structure in Bassetlaw (2001 – 2011)



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).

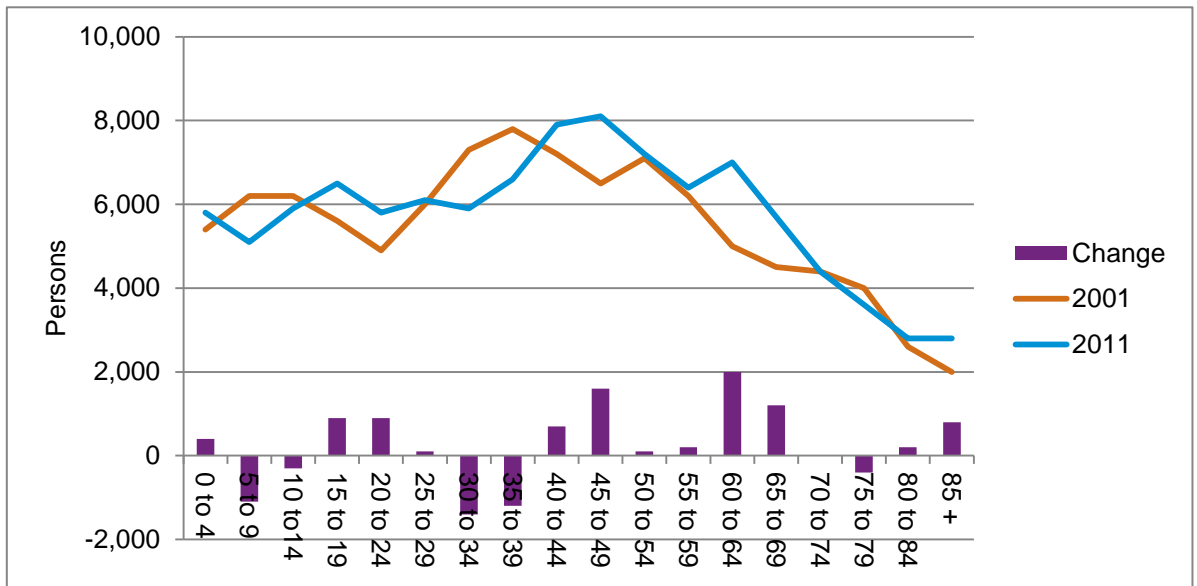
Figure 39: Change in Population Structure in Bolsover (2001 – 2011)



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.

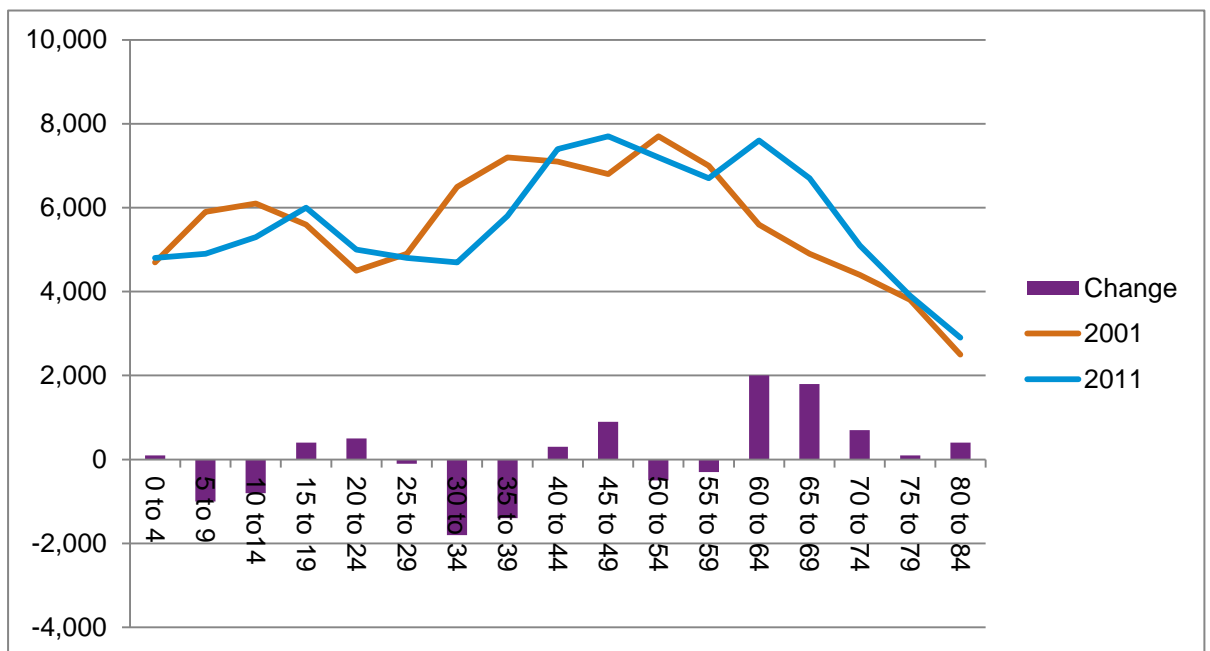
Figure 40: Change in Population Structure in Chesterfield (2001 – 2011)



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

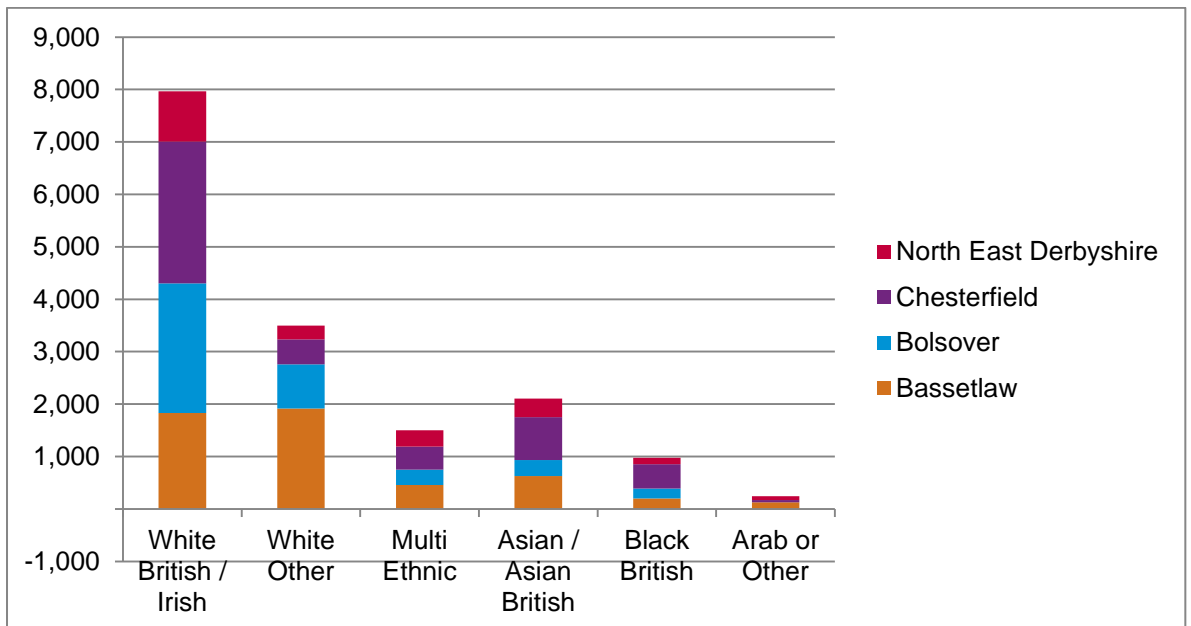
	White British / Irish	White Other	Multi Ethnic	Asian / Asian British	Black British	Arab / Other
Bassetlaw	94.9%	2.4%	0.9%	1.2%	0.5%	0.1%
Bolsover	96.7%	1.5%	0.7%	0.8%	0.4%	0.0%
Chesterfield	95.3%	1.3%	1.1%	1.6%	0.8%	0.2%
North East Derbyshire	97.3%	0.8%	0.8%	0.8%	0.3%	0.1%
HMA	96.9%	1.5%	0.9%	1.1%	0.5%	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%).

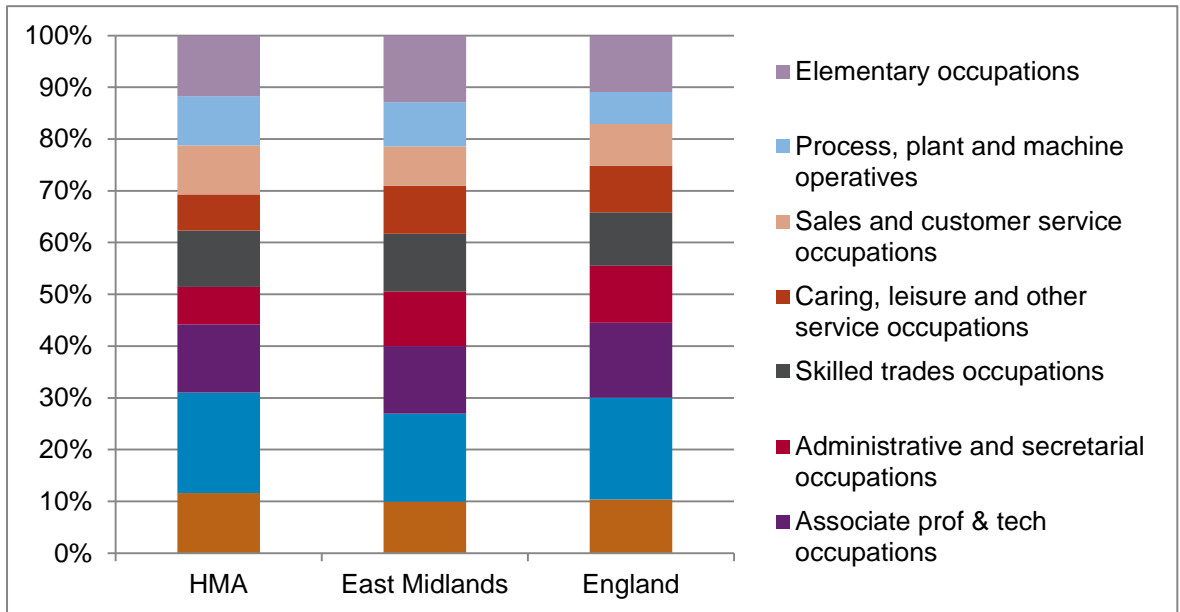
Table 28: Highest Level of Qualification, 2012 (Residence-based)

	% 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

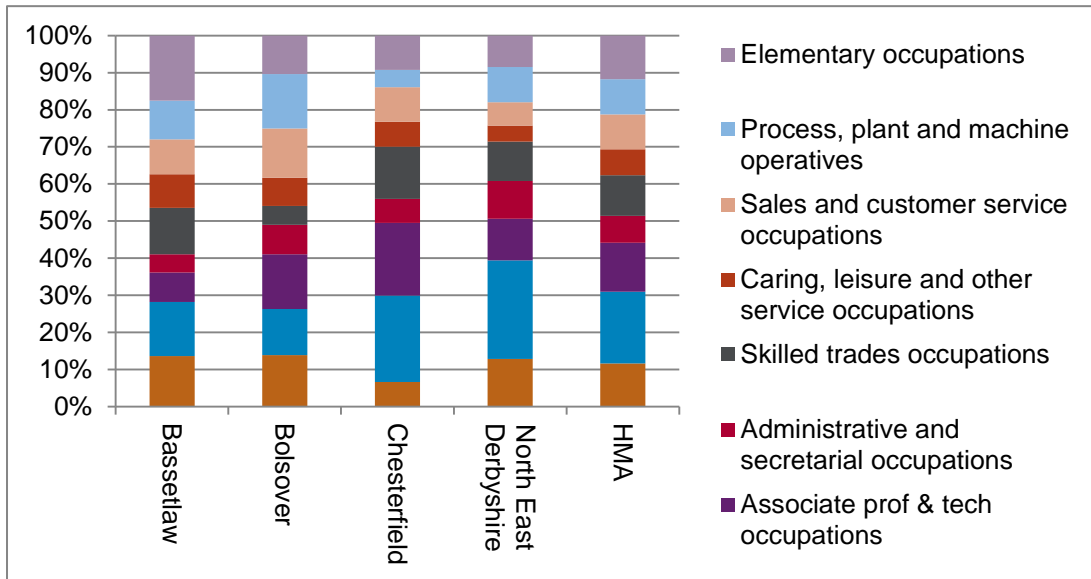


Source: Annual Population Survey

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

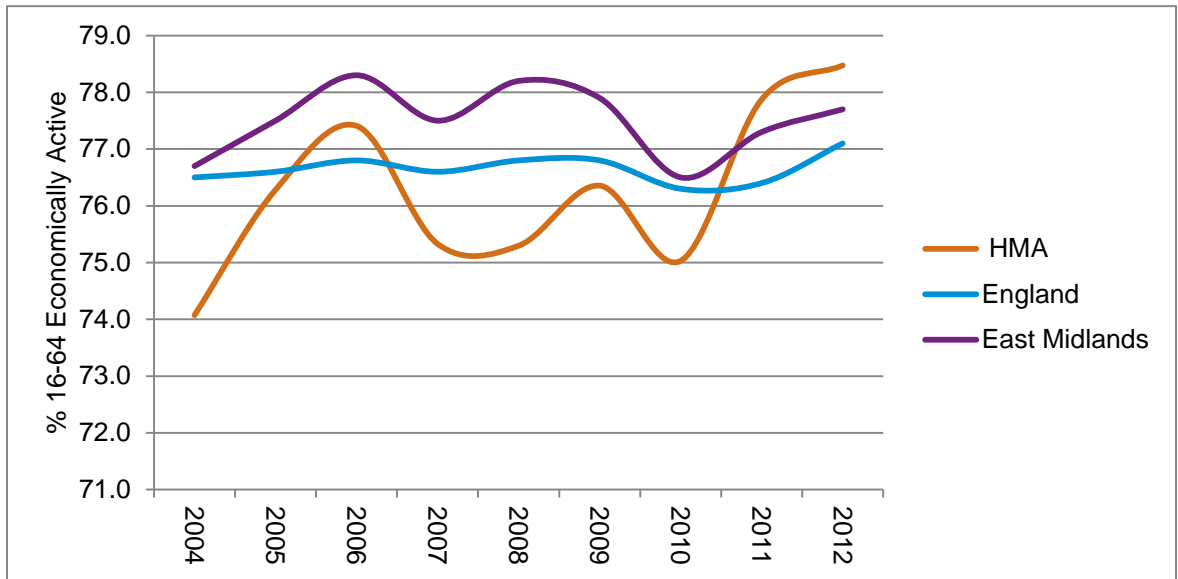


Source: Annual Population Survey

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.

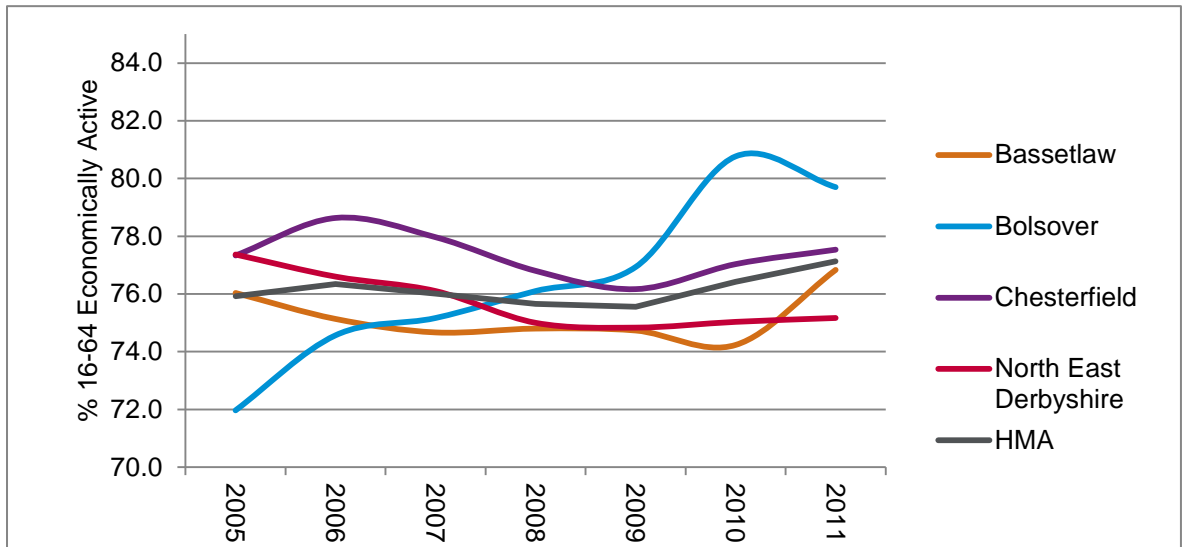
Figure 45: Employment Rate – HMA Level



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.

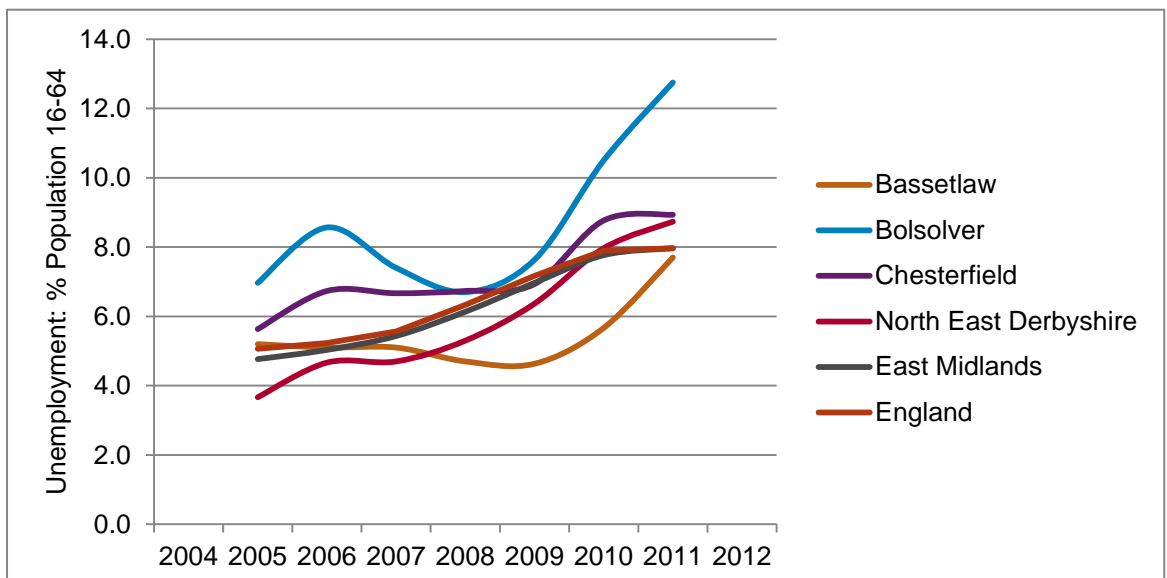
Figure 46: Economic Activity, Local Authority Level



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

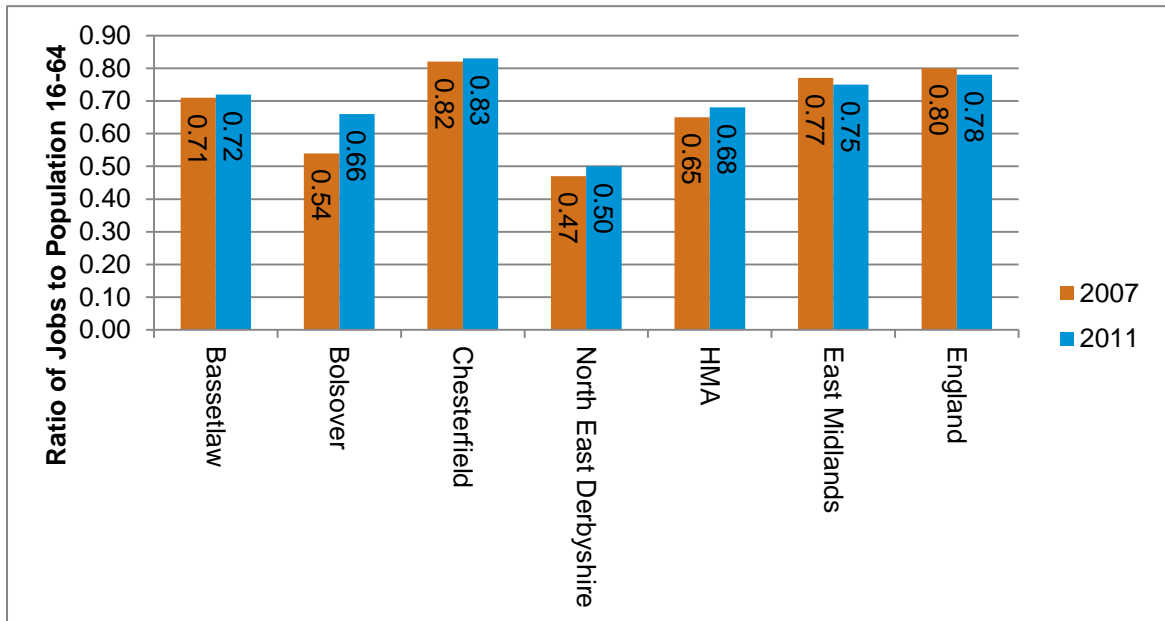
Source: NOMIS

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



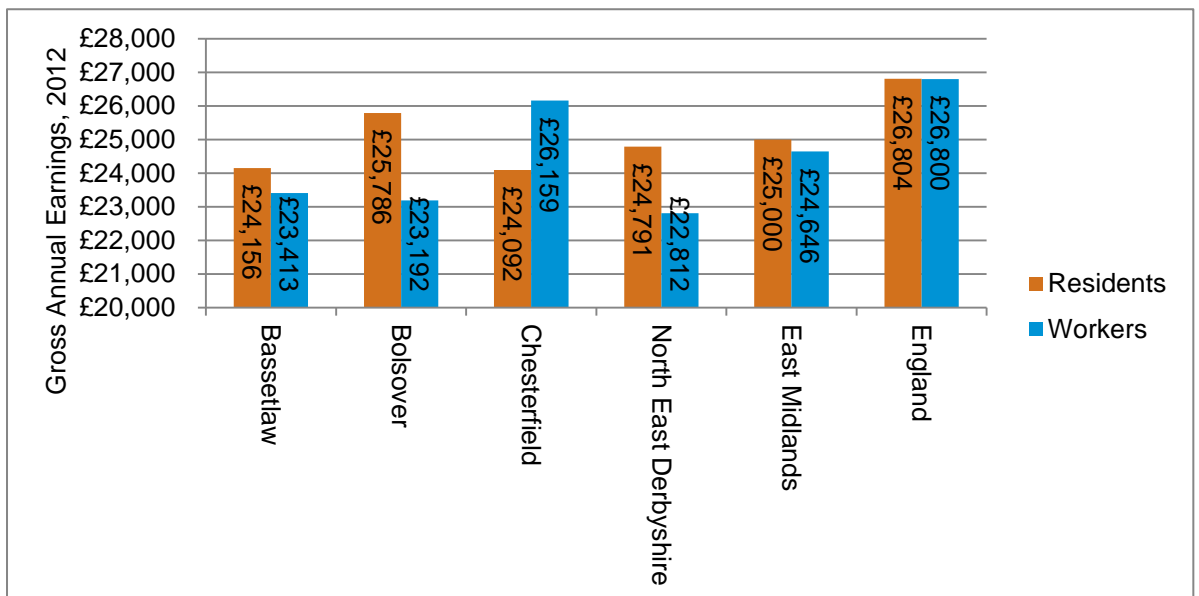
Source: NOMIS

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).

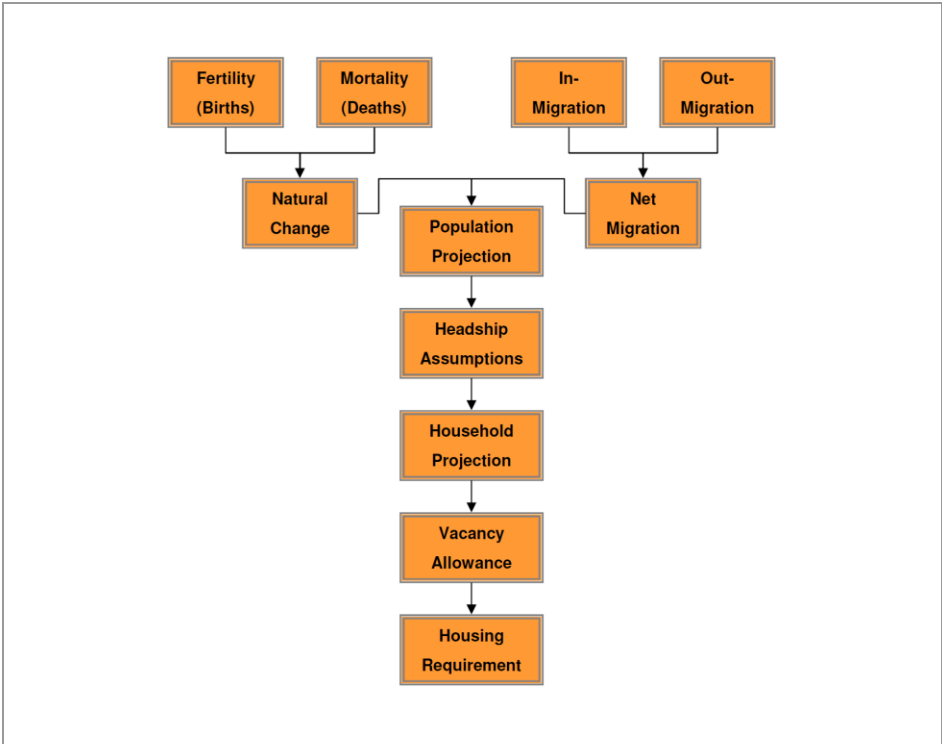
7 ASSESSING HOUSING REQUIREMENTS

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.

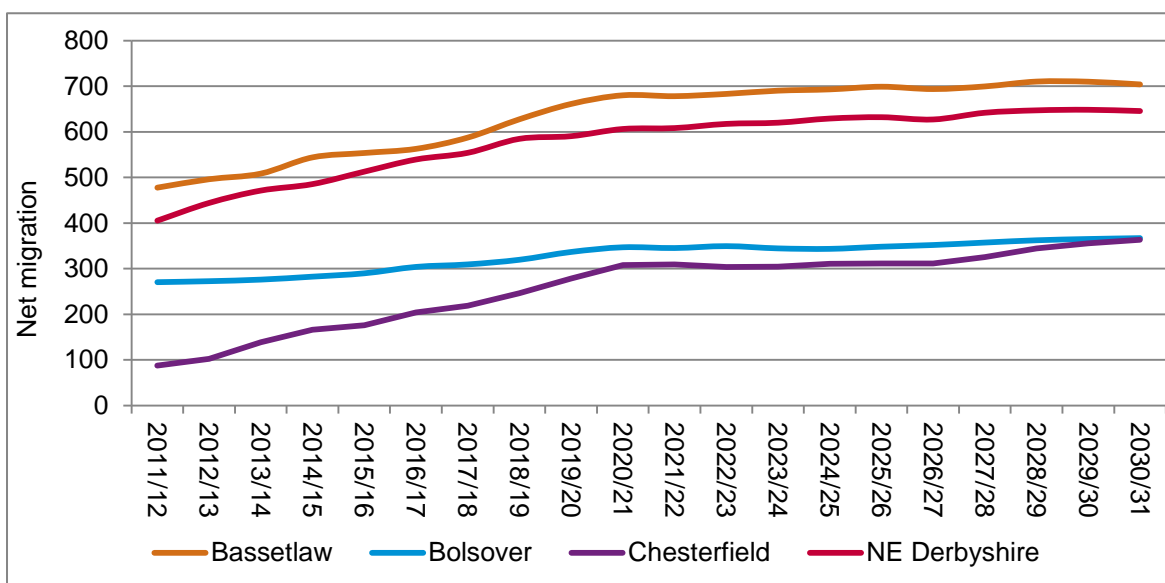
Extending the Projections to 2031

- 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.

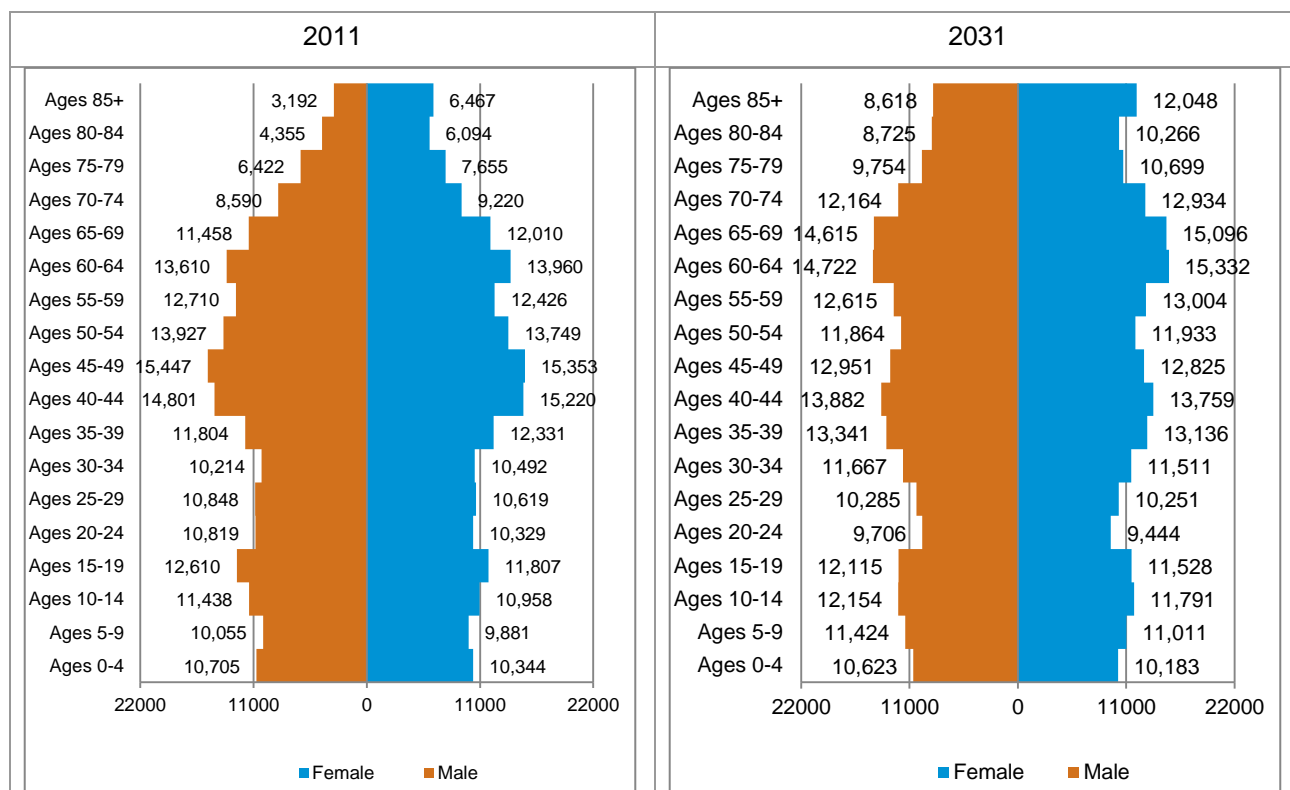
Table 38: Population Growth, 2011-31 – PROJ 1: SNPP

	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%.

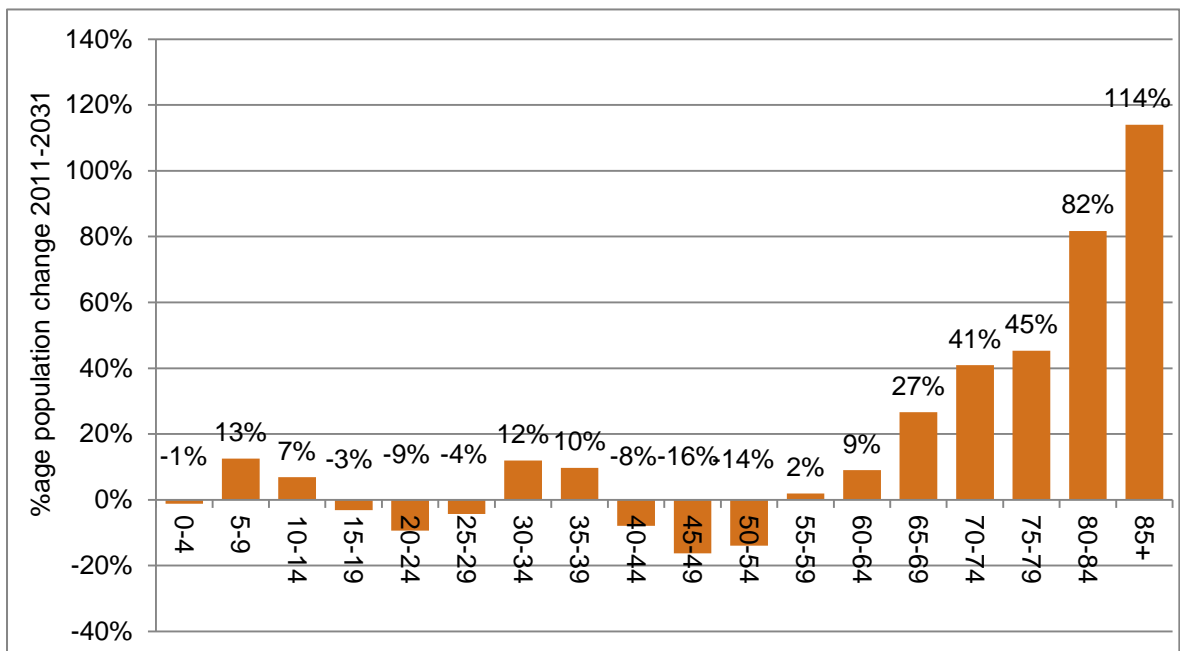
7.23 Looking at the other end of the age spectrum we can see that there are projected to be around 6% more people aged under 15 with small decreases seen for the 15-29 and 45-59 age groups.

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)



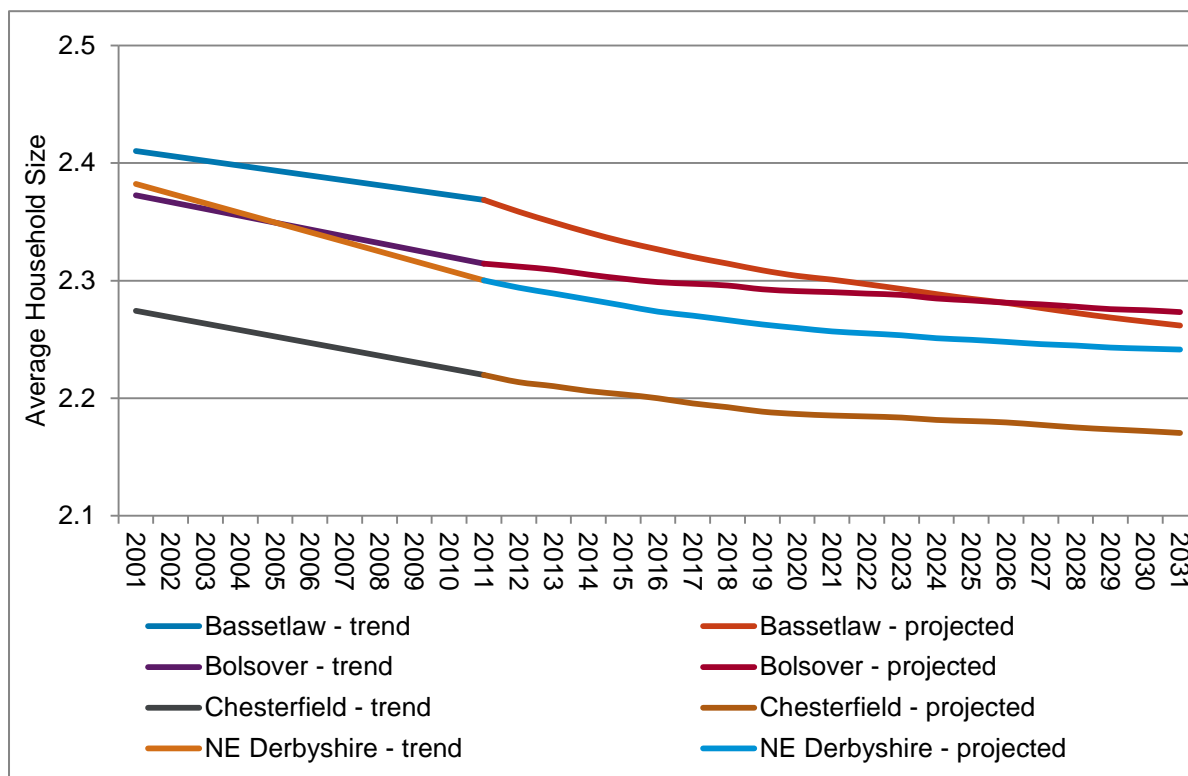
7.25 Next we need to project growth in households. For the purposes of this analysis we have used information contained in the 2011-based CLG household projections about the relationship between the total population in an age group and the number of household reference persons (HRPs) in that age group.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

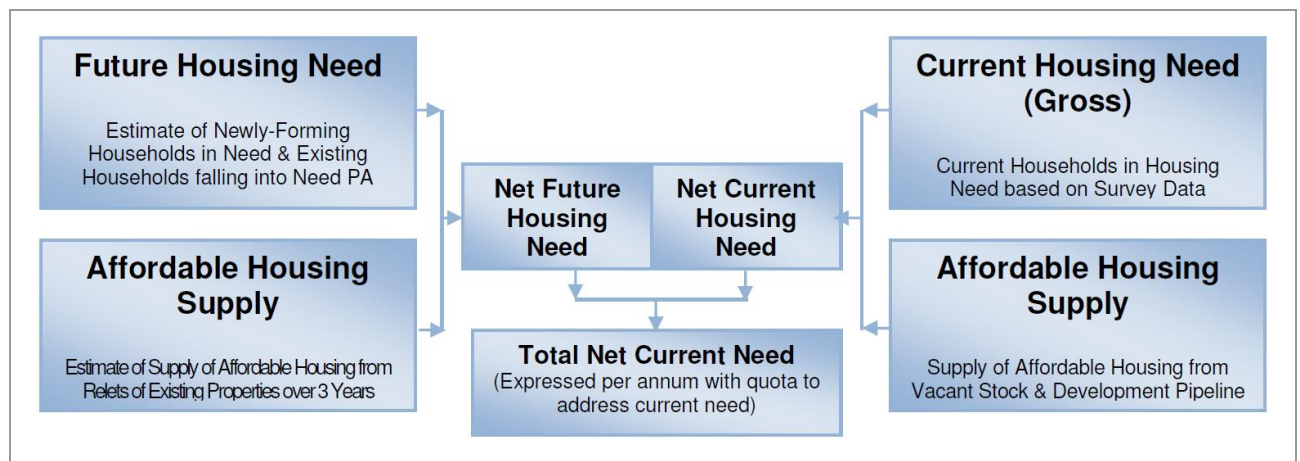
- 8.1 A key element of this report is an assessment of both current and future affordable housing need. Housing need in this context is defined as ‘the quantity of housing required for households who are unable to access suitable housing without financial assistance.’
- 8.2 Councils are required to provide 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

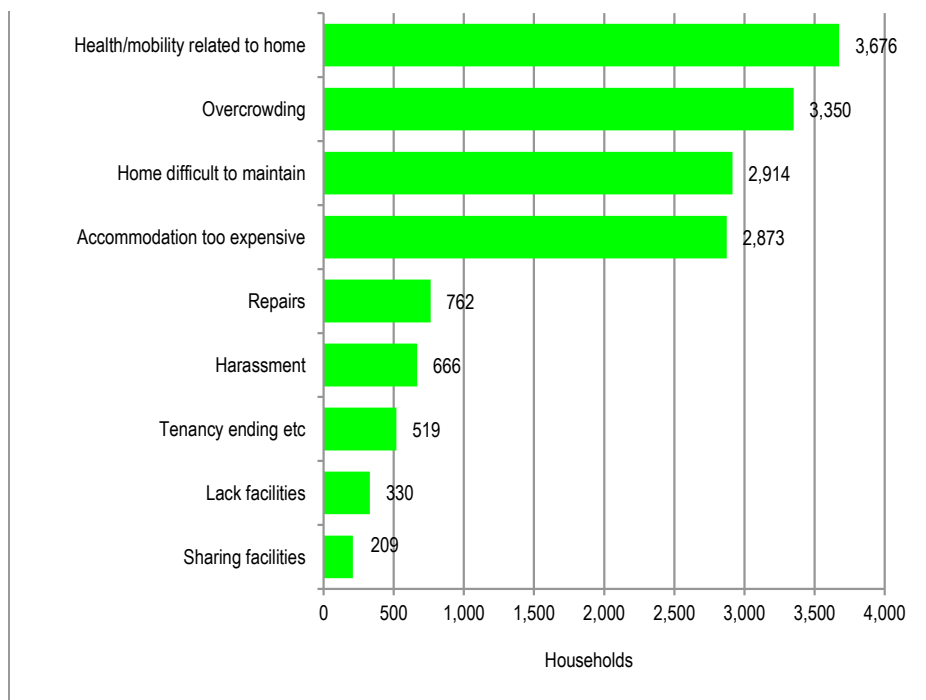
8.11 The first stage of the model assesses current need (sometimes termed the ‘backlog’ of housing need) at the time of the survey (2013). This entails an assessment of housing suitability and affordability to derive an estimate of total current affordable housing need (gross).

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%		
4+ bedrooms	8%-10%	19.4%	3.6%
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

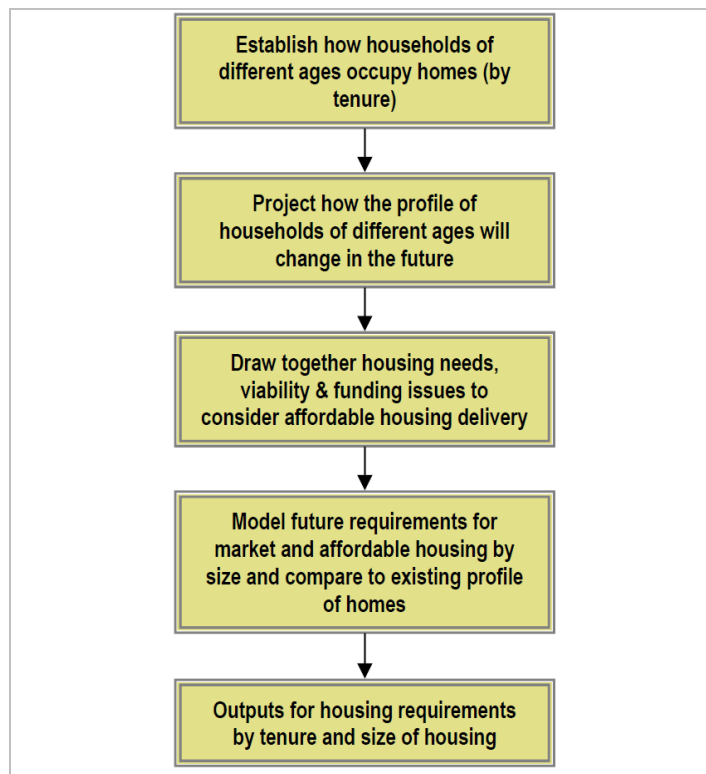
- 9.1 As discussed in Section 4, there are a range of factors which influence housing demand. These factors play out at different spatial scales and influence both the level of housing demand (in terms of aggregate household growth) and the nature of demand for different types, tenures and sizes of homes. 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

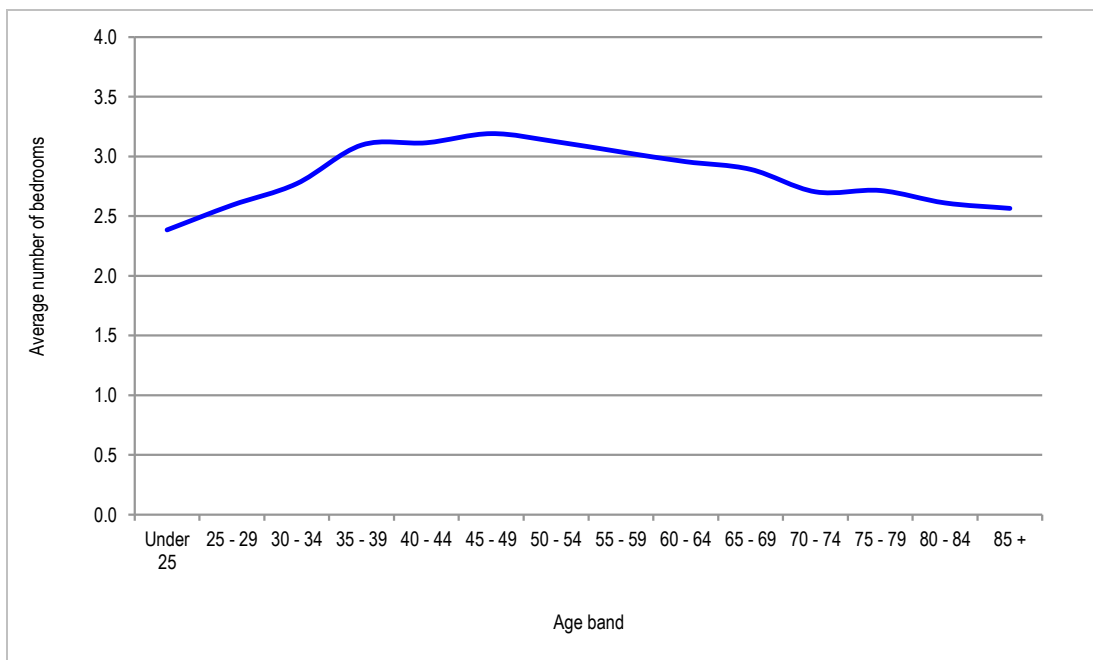
9.8 Whilst the demographic projections provide a good indication of how the population and household structure will develop it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that 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 influenced 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.

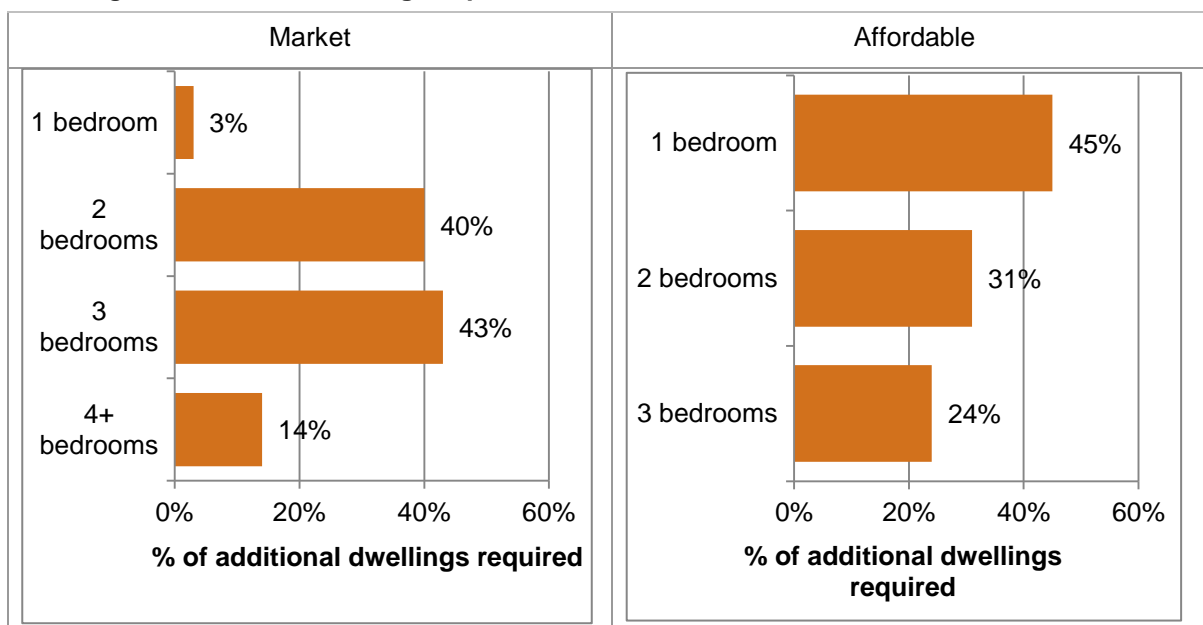
9.20 In the short-term the market evidence points towards demand within the sales market from households trading up or down; from investment purchases at the lower end of the market; and from a growing number of first-time buyers particularly supported by the Government's Help-to-Buy scheme.

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)

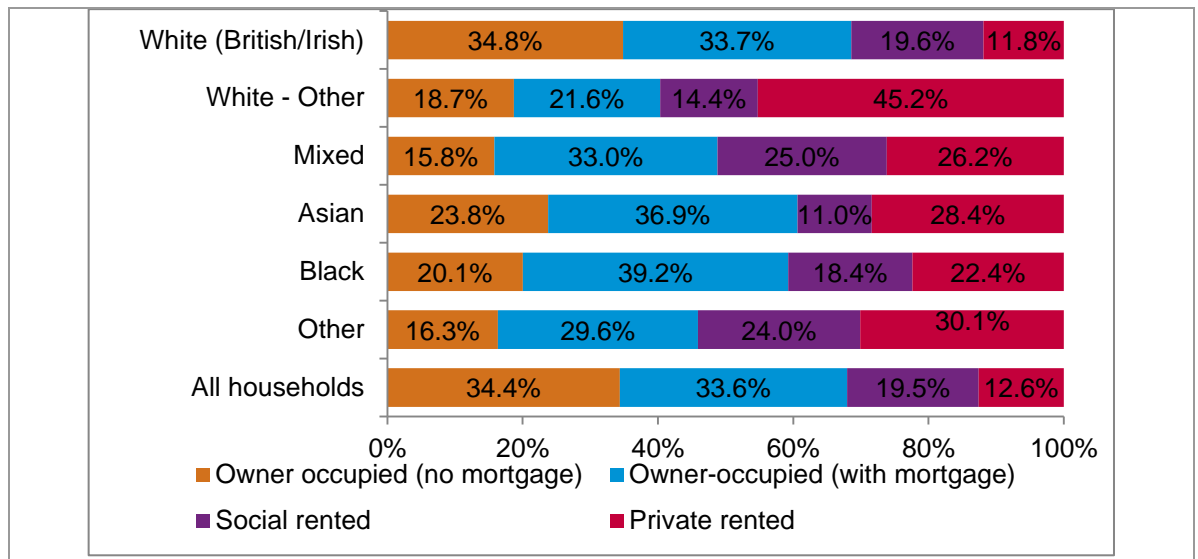
10.2 The draft Planning Practice Guidance on *Assessment of Housing and Economic Development Needs* identifies that planners should seek to consider the needs of specific households groups including facilities, older persons and households with disabilities. The analysis in this section seeks to do so.

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.

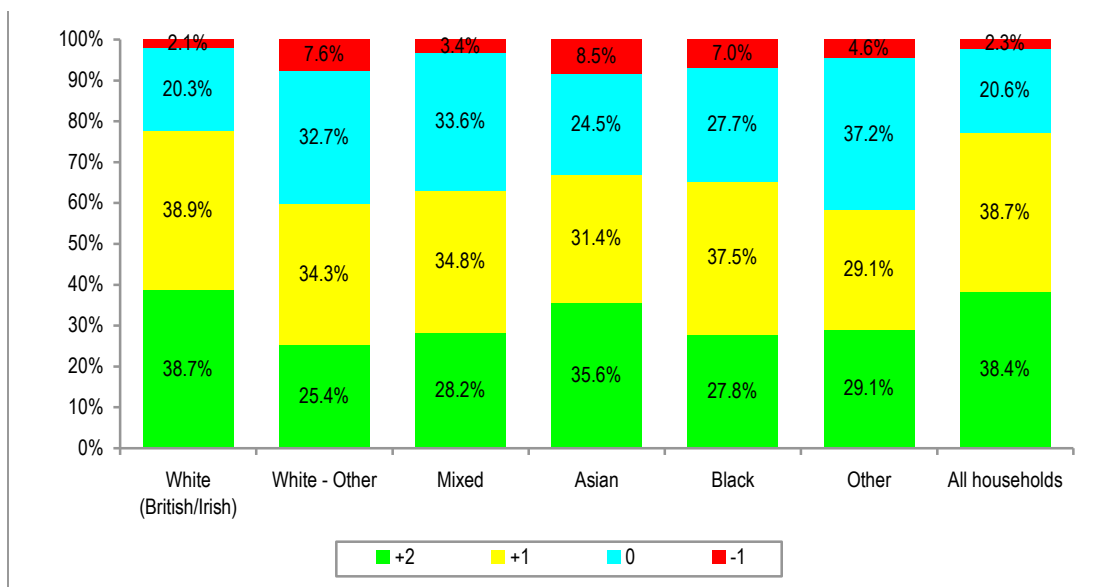
Figure 60: Ethnic Group by Tenure



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

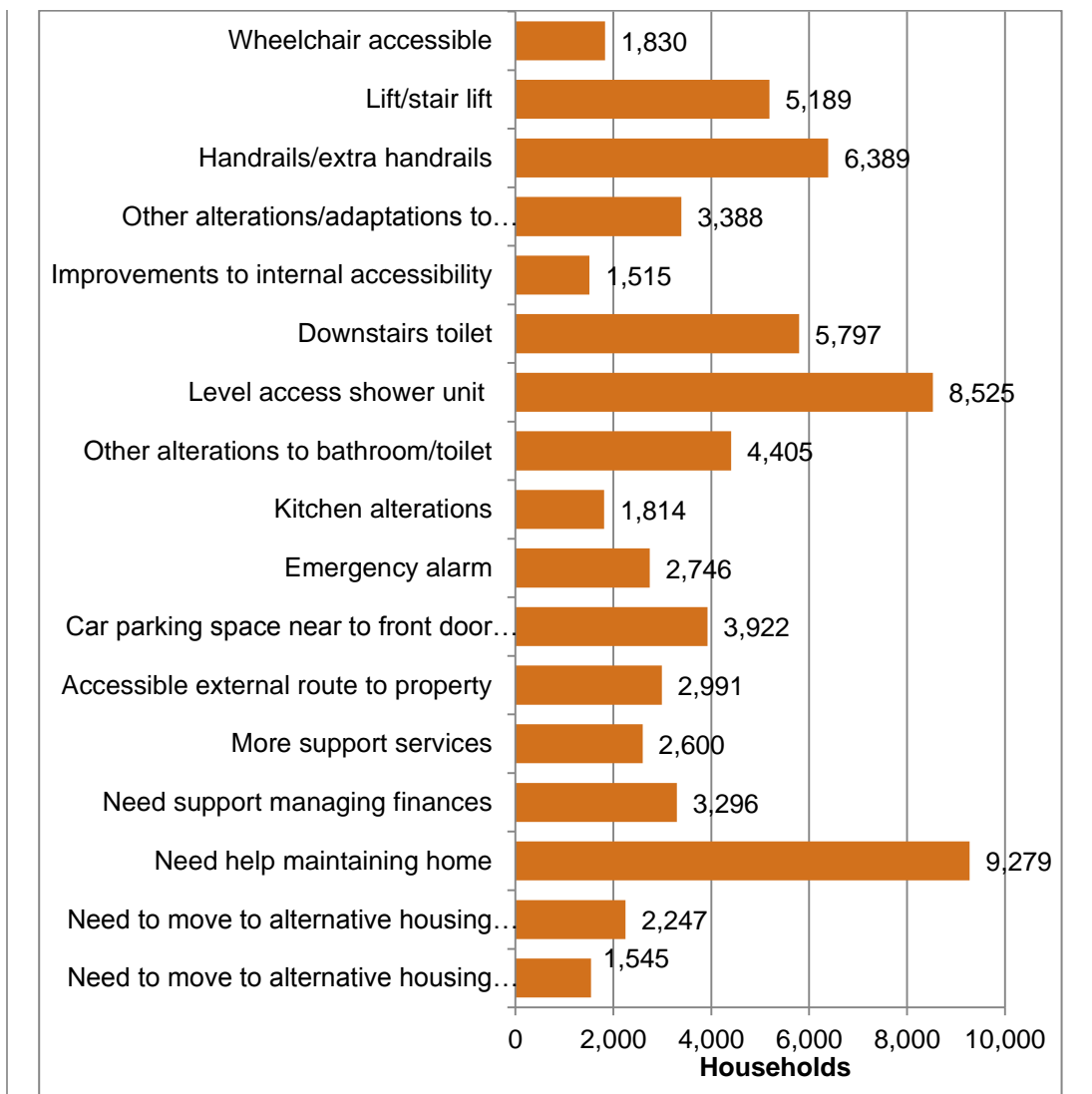
Support needs	Annual gross household income (median)	Average household savings (median)
Support needs	£12,861	£1,113
No support needs	£25,614	£1,239
All households	£21,326	£1,197

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.

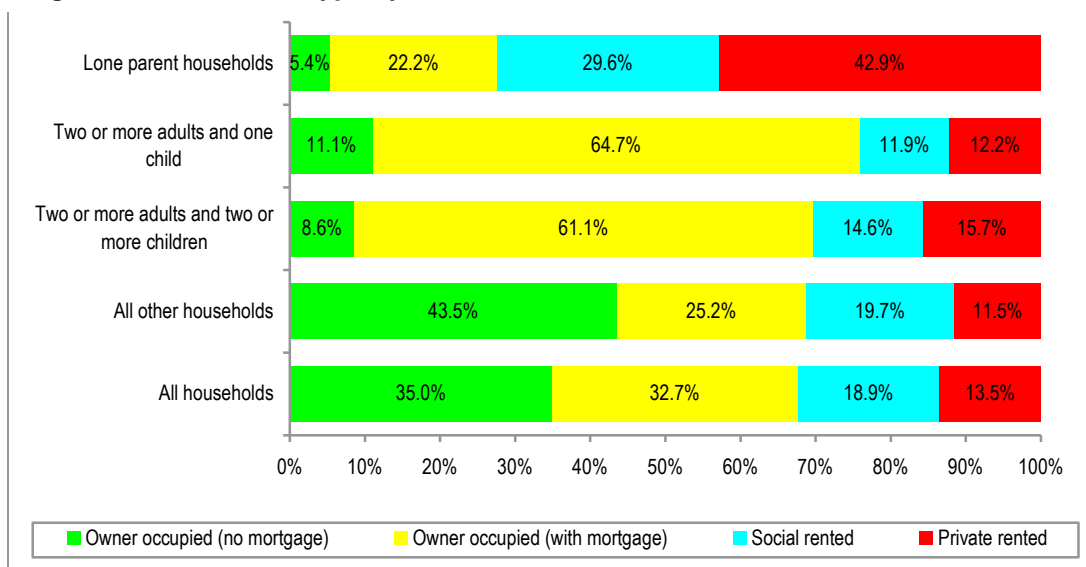
Table 103: Household Type by Sub-Market

		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.

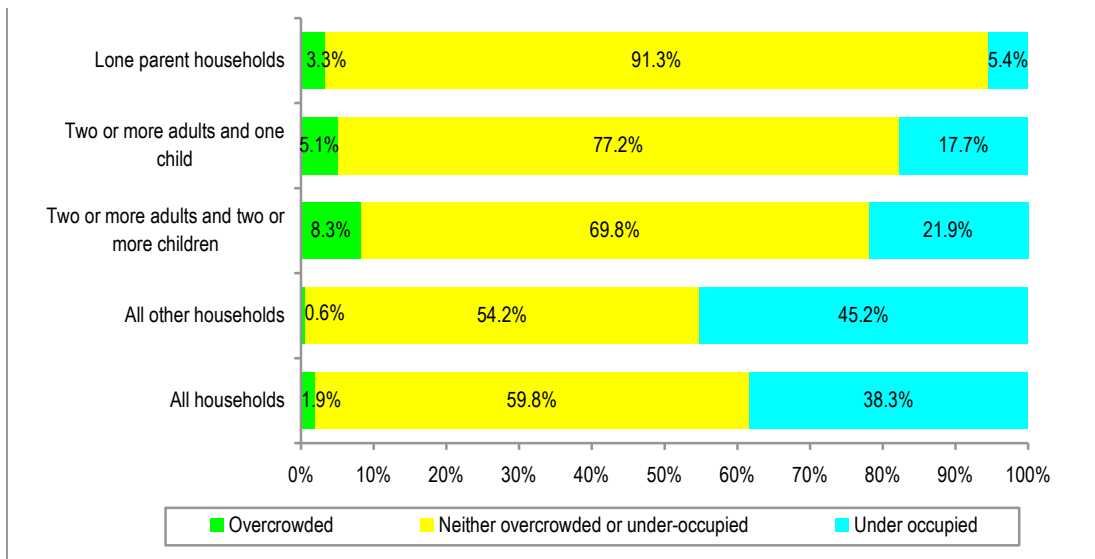
Table 104: Households with Children in Unsuitable Housing

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%).

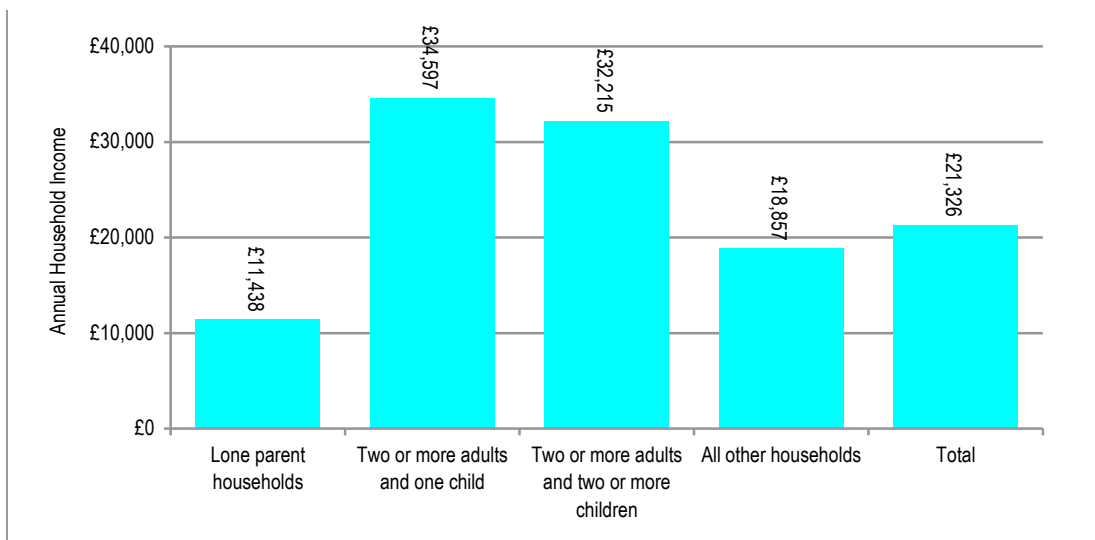
Figure 64: Overcrowded and Under-Occupying Households with Children



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 engages 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.

Strategic Housing Market Assessment: Chesterfield Report

Chesterfield Borough Council

Final Report

March 2014

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Contents

Section	Page
1 SUMMARY	11
2 INTRODUCTION	17
3 POLICY REVIEW	22
4 HOUSING STOCK AND SUPPLY TRENDS	32
5 HOUSING MARKET DYNAMICS	45
6 INCOMES AND AFFORDABILITY	65
7 DEMOGRAPHIC AND ECONOMIC CONTEXT	77
8 ASSESSING HOUSING REQUIREMENTS	95
9 AFFORDABLE HOUSING NEED	124
10 NEED FOR DIFFERENT SIZES OF HOMES	150
11 NEEDS OF SPECIFIC GROUPS	160
12 CONCLUSIONS AND RECOMMENDATIONS	180

List of Figures

FIGURE 1: TENURE PROFILE BY SUB-MARKET WITHIN CHESTERFIELD BOROUGH	35
FIGURE 2: PROFILE OF DWELLING STOCK BY TYPE FOR SUB-MARKETS IN CHESTERFIELD BOROUGH	36
FIGURE 3: SIZE OF HOMES, 2011	37
FIGURE 4: SIZE OF HOMES BY SUB-MARKET IN CHESTERFIELD BOROUGH	37
FIGURE 5: DWELLINGS BY COUNCIL TAX BAND, 2011	38
FIGURE 6: NET CHANGES IN HOUSING STOCK, 2001 – 2011	42
FIGURE 7: NET COMPLETIONS IN THE HMA, 2001/2-2009/10	42
FIGURE 8: UNDERSTANDING HOUSING DEMAND	45
FIGURE 9: UK ECONOMIC GROWTH, 2007-2013	47
FIGURE 10: TRENDS IN GROSS MORTGAGE LENDING, UK	48

FIGURE 11:	INTEREST RATES	49
FIGURE 12:	MORTGAGE PAYMENTS AS A % OF MONTHLY INCOME	50
FIGURE 13:	MEDIAN HOUSE PRICE TRENDS, 1998 – 2007	51
FIGURE 14:	MEDIAN HOUSE PRICE TRENDS 2008 – 2012	52
FIGURE 15:	AVERAGE HOUSE PRICE BY TYPE IN CHESTERFIELD BOROUGH AND OTHER PARTS OF THE HMA, 2013	53
FIGURE 16:	INDEXED ANALYSIS OF SALES TRENDS (1998 – 2010), HOUSING MARKET AREAS	54
FIGURE 17:	HOUSING SALES INDEX 1998–2011	55
FIGURE 18:	SALES TRENDS BY TYPE IN CHESTERFIELD BOROUGH (2007 – 2011)	56
FIGURE 19:	TRENDS IN SALES, CHESTERFIELD BOROUGH 2012-13	57
FIGURE 20:	% ANNUAL GROWTH RATES IN PRIVATE RENTS, EAST MIDLANDS	59
FIGURE 21:	ENTRY-LEVEL PURCHASE PRICE BY SUB-MARKET	66
FIGURE 22:	MONTHLY PRIVATE RENTS BY SUB-MARKET	67
FIGURE 23:	MEDIAN WEEKLY GROSS INCOME OF FULL-TIME EMPLOYED RESIDENTS (2002 AND 2010)	70
FIGURE 24:	RATIO OF LOWER QUARTILE HOUSE PRICE TO EARNINGS (1997-2012)	71
FIGURE 25:	DISTRIBUTION OF ANNUAL GROSS HOUSEHOLD INCOME	72
FIGURE 26:	MEDIAN HOUSEHOLD INCOME BY TENURE	72
FIGURE 27:	HOUSEHOLD SAVINGS	73
FIGURE 28:	HOUSEHOLD SAVINGS (NON OWNER-OCCUPIERS)	74
FIGURE 29:	THEORETICAL PROPORTION OF HOUSEHOLDS UNABLE TO AFFORD MARKET HOUSING BY SUB-MARKET	75
FIGURE 30:	POPULATION TRENDS BY AUTHORITY (1981 – 2011)	78
FIGURE 31:	POPULATION BY 5 YEAR AGE BAND –HMA	78
FIGURE 32:	CHANGE IN POPULATION STRUCTURE IN CHESTERFIELD BOROUGH (2001 – 2011)	79
FIGURE 33:	CHANGE IN ETHNIC COMPOSITION (2001-2011)	81
FIGURE 34:	ECONOMIC STATUS OF HOUSEHOLD REFERENCE PERSON BY TENURE	87

FIGURE 35:	ECONOMIC ACTIVITY, LOCAL AUTHORITY LEVEL	88
FIGURE 36:	UNEMPLOYMENT (% RESIDENTS 16-64), 2004-2012	89
FIGURE 37:	JOBS DENSITY (2011)	90
FIGURE 38:	EARNINGS	91
FIGURE 39:	OVERVIEW OF METHODOLOGY	95
FIGURE 40:	ONS MIGRATION ASSUMPTIONS, 2011/12 TO 2030/31	98
FIGURE 41:	NET COMPLETIONS 2001/2 TO 2010/11	102
FIGURE 42:	POPULATION STRUCTURE – CHESTERFIELD BOROUGH, 2011	103
FIGURE 43:	POPULATION AGE PROFILE (2011)	104
FIGURE 44:	ESTIMATED ANNUAL LEVEL OF MIGRATION BY FIVE-YEAR AGE BAND (2011-2031) – CHESTERFIELD BOROUGH	105
FIGURE 45:	TRENDS IN THE EMPLOYMENT RATE	106
FIGURE 46:	UNEMPLOYMENT RATES	107
FIGURE 47:	PROJECTED CHANGES IN EMPLOYMENT RATES – CHESTERFIELD BOROUGH	109
FIGURE 48:	PAST AND PROJECTED TRENDS IN AVERAGE HOUSEHOLD SIZE	110
FIGURE 49:	POPULATION CHANGE, 2011-2031	112
FIGURE 50:	DISTRIBUTION OF POPULATION 2011 AND 2031 (PROJ 1 – SNPP)	113
FIGURE 51:	FORECAST POPULATION CHANGE BY AGE GROUP 2011 – 2031	114
FIGURE 52:	EMPLOYMENT CHANGE, 2011-2031	116
FIGURE 53:	HOUSEHOLD CHANGE, 2011 – 2031	117
FIGURE 54:	OVERVIEW OF BASIC NEEDS ASSESSMENT MODEL	125
FIGURE 55:	REASONS FOR UNSUITABLE HOUSING	126
FIGURE 56:	SUMMARY OF HOUSING MARKET MODEL	151
FIGURE 57:	AVERAGE BEDROOMS BY AGE OF SURVEY RESPONDENT (HOUSEHOLD LIVING IN MARKET HOUSING)	152
FIGURE 58:	SIZE OF HOUSING REQUIRED, 2013-31	155
FIGURE 59:	ETHNIC GROUP BY TENURE	161

FIGURE 60:	OCCUPANCY RATING (BEDROOMS) BY ETHNIC GROUP	161
FIGURE 61:	SUPPORT NEEDS HOUSEHOLDS: IMPROVEMENTS TO ACCOMMODATION & SERVICES	165
FIGURE 62:	HOUSEHOLD TYPE BY TENURE	172
FIGURE 63:	OVERCROWDED AND UNDER-OCCUPYING HOUSEHOLDS WITH CHILDREN	173
FIGURE 64:	MEDIAN HOUSEHOLD INCOME BY HOUSEHOLD TYPE	174

LIST OF TABLES

TABLE 1:	SUB MARKETS	18
TABLE 2:	NUMBER OF HOUSEHOLDS IN EACH TENURE GROUP	19
TABLE 3:	TENURE, 2011	33
TABLE 4:	DETAILED TENURE PROFILE, 2011 (%)	34
TABLE 5:	DETAILED TENURE PROFILE, 2001 (%)	34
TABLE 6:	PROFILE OF DWELLING STOCK BY TYPE, 2011	35
TABLE 7:	OVERCROWDING 2011	39
TABLE 8:	OVERCROWDING, 2011 BY SUB-MARKET	39
TABLE 9:	VACANT AND SECOND HOMES, 2011	41
TABLE 10:	AVERAGE ANNUAL NET COMPLETIONS BETWEEN 2009-12 COMPARED TO 2001-8	43
TABLE 11:	% CHANGE IN HOUSING SALES 2007 – 2011 IN CHESTERFIELD BOROUGH	55
TABLE 12:	PERCENTAGE OF HOUSEHOLDS MOVING IN PAST TWO YEARS BY TENURE AND SIZE OF DWELLING	58
TABLE 13:	PRIVATE RENTERS AND LHA: HOUSEHOLD TYPES	58
TABLE 14:	TURNOVER OF PRIVATE TENANTS BY WHETHER OR NOT CLAIMING LHA	59
TABLE 15:	PRIVATE TENANTS CLAIMING LHA: PREVIOUS TENURE, THOSE MOVED IN LAST TWO YEARS	59
TABLE 16:	RESIDENTIAL LAND VALUES, JULY 2010	60
TABLE 17:	MAXIMUM LHA RATES PAYABLE BY SIZE AND BRMA	68

TABLE 18:	MONTHLY AVERAGE SOCIAL RENT LEVELS IN CHESTERFIELD BOROUGH	68
TABLE 19:	COST OF AFFORDABLE RENTED HOUSING BY SIZE AND SUB-MARKET (PER MONTH)	69
TABLE 20:	INDICATIVE INCOME REQUIRED TO PURCHASE/RENT WITHOUT ADDITIONAL SUBSIDY (2 BEDROOM)	69
TABLE 21:	AVERAGE INCOME BY SUB-MARKET	73
TABLE 22:	POPULATION, 2011	77
TABLE 23:	POPULATION BY ETHNIC GROUP, 2011	80
TABLE 24:	POPULATION BY ETHNIC GROUP – SUB-MARKETS	80
TABLE 25:	LENGTH OF RESIDENCE OF HOUSEHOLD BY TENURE	82
TABLE 26:	PREVIOUS TENURE BY CURRENT TENURE (HOUSEHOLDS MOVING IN PAST TWO YEARS)	83
TABLE 27:	REASONS FOR CHOOSING CURRENT RESIDENCE BY SUB-AREA	84
TABLE 28:	REASONS FOR HOUSEHOLD/FAMILY MEMBERS LEAVING THE BOROUGH IN PAST TWO YEARS	84
TABLE 29:	HIGHEST LEVEL OF QUALIFICATION, 2011	85
TABLE 30:	HIGHEST LEVEL OF QUALIFICATION	85
TABLE 31:	OCCUPATIONAL PROFILE – HMA LEVEL	86
TABLE 32:	OCCUPATIONAL PROFILE – SUB-MARKETS	86
TABLE 33:	WORKING STATUS OF HOUSEHOLD REFERENCE PERSON	87
TABLE 34:	WORKING STATUS BY SUB-MARKET	88
TABLE 35:	JSA CLAIMANT RATE, MARCH 2013 (% POPULATION 16-64)	89
TABLE 36:	LOCATION OF EMPLOYMENT	92
TABLE 37:	LOCATION OF EMPLOYMENT BY SUB-MARKET (NUMBERS)	93
TABLE 38:	LOCATION OF EMPLOYMENT BY SUB-MARKET(PERCENTAGES)	93
	LOCATION OF EMPLOYMENT	93
TABLE 39:	METHOD OF TRAVEL TO WORK BY SUB-AREA	94
TABLE 40:	PAST TRENDS IN NET IN-MIGRATION	99

TABLE 41:	EMPLOYMENT GROWTH ASSUMPTIONS USED IN MODELLING – CHESTERFIELD BOROUGH	101
TABLE 42:	POPULATION ESTIMATES 2011 TO 2031	112
TABLE 43:	POPULATION CHANGE 2011 TO 2031 BY FIFTEEN YEAR AGE BANDS	114
TABLE 44:	EMPLOYMENT ESTIMATES 2011 TO 2031	115
TABLE 45:	HOUSEHOLD ESTIMATES 2011 TO 2031	117
TABLE 46:	DWELLING REQUIREMENT WITH 3% VACANCY ALLOWANCE (TO 2031)	118
TABLE 47:	COMPARING ANNUAL DWELLING REQUIREMENTS FROM DIFFERENT SOURCES	121
TABLE 48:	UNSUITABLE HOUSING AND TENURE	126
TABLE 49:	UNSUITABLE HOUSING BY SUB-MARKET	127
TABLE 50:	HOUSING NEED AND TENURE	128
TABLE 51:	BACKLOG OF HOUSING NEED	128
TABLE 52:	DERIVATION OF NEWLY ARISING NEED FROM NEW HOUSEHOLD FORMATION	129
TABLE 53:	DERIVATION OF NEWLY ARISING NEED FROM EXISTING HOUSEHOLDS	131
TABLE 54:	FUTURE NEED (PER ANNUM)	131
TABLE 55:	CURRENT SUPPLY OF AFFORDABLE HOUSING	132
TABLE 56:	ANALYSIS OF PAST HOUSING SUPPLY (LAST FIVE YEARS) –PER ANNUM	133
TABLE 57:	HOUSING NEEDS ASSESSMENT MODEL FOR CHESTERFIELD BOROUGH (2013-2018)	134
TABLE 58:	HOUSING NEED BY SUB-MARKET	135
TABLE 59:	SENSITIVITY OF ASSUMPTIONS IN HOUSING NEEDS MODELLING	137
TABLE 60:	LONGER-TERM ESTIMATE OF AFFORDABLE HOUSING NEED	138
TABLE 61:	HOUSING-RELATED BENEFITS RECEIVED, CHESTERFIELD BOROUGH HOUSEHOLDS	141
TABLE 62:	HOUSEHOLD ‘SOLUTIONS’ TO AFFORDING HOUSING COSTS	142
TABLE 63:	PROFILE OF NEED BY BEDROOMS	143
TABLE 64:	ESTIMATED NEED AND SUPPLY OF AFFORDABLE HOUSING BY BEDSIZE	144

TABLE 65:	ESTIMATED SIZE REQUIREMENT FOR ADDITIONAL AFFORDABLE HOUSING (EXCLUDING DEVELOPMENT PIPELINE)	144
TABLE 66:	AFFORDABLE HOUSING SIZE REQUIREMENTS BY SUB-MARKET	144
TABLE 67:	CATEGORIES OF AFFORDABLE HOUSING USED FOR ANALYSIS	146
TABLE 68:	SOCIAL RENTED AND INTERMEDIATE HOUSING NEEDS– PER ANNUM	147
TABLE 69:	SOCIAL RENTED AND INTERMEDIATE HOUSING NEEDS– PER ANNUM	147
TABLE 70:	MARKET HOUSING SIZE REQUIREMENTS (2013-31)	154
TABLE 71:	SUPPORT NEEDS CATEGORIES	162
TABLE 72:	HOUSEHOLDS WITH SUPPORT NEEDS BY SUB-MARKET	163
TABLE 73:	SUPPORT NEEDS HOUSEHOLDS WITH AND WITHOUT OLDER PEOPLE	163
TABLE 74:	SUPPORT NEEDS HOUSEHOLDS AND TENURE	164
TABLE 75:	SUPPORT NEEDS HOUSEHOLDS AND UNSUITABLE HOUSING	164
TABLE 76:	INCOME AND SAVINGS LEVELS OF SUPPORT NEEDS HOUSEHOLDS	164
TABLE 77:	PROJECTED CHANGE IN NUMBER OF HOUSEHOLDS WITH A SUPPORT NEED 2013 TO 2031	166
TABLE 78:	ESTIMATES OF UNMET HOUSING NEED – SHORTFALL OF HOMES TO MEET THE NEEDS OF PEOPLE WITH PHYSICAL DISABILITIES	167
TABLE 79:	OLDER PERSON HOUSEHOLDS	167
TABLE 80:	OLDER PERSON HOUSEHOLDS BY SUB-MARKET	168
TABLE 81:	SIZE OF OLDER PERSON ONLY HOUSEHOLDS	168
TABLE 82:	OLDER PERSON ONLY HOUSEHOLDS AND TENURE	169
TABLE 83:	SIZE OF DWELLINGS (NUMBER OF BEDROOMS) FOR OLDER PERSON ONLY HOUSEHOLDS	169
TABLE 84:	OLDER PERSON ONLY HOUSEHOLDS - SIZE OF ACCOMMODATION AND TENURE	170
TABLE 85:	HOUSEHOLD TYPE ESTIMATES (PENSIONER-ONLY HOUSEHOLDS) 2013 AND 2031	170
TABLE 86:	NUMBER OF FAMILIES WITH CHILDREN	171
TABLE 87:	HOUSEHOLD TYPE BY SUB-MARKET	172
TABLE 88:	HOUSEHOLDS WITH CHILDREN IN UNSUITABLE HOUSING	173

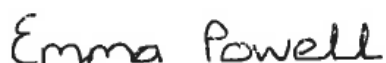
TABLE 89:	WORKING STATUS OF YOUNGER PEOPLE	175
TABLE 90:	YOUNGER PERSON HOUSEHOLD TYPES	175
TABLE 91:	OVERCROWDED AND UNDER-OCCUPYING YOUNGER HOUSEHOLDS	176
TABLE 92:	TENURE OF YOUNGER HOUSEHOLDS	176
TABLE 93:	HOUSEHOLD SIZE OF RECENT FIRST-TIME BUYERS	177
TABLE 94:	AGE OF RECENT FIRST-TIME BUYERS	177

Quality Standards Control

The signatories below verify that this document has been prepared in accordance with our quality control requirements. These procedures do not affect the content and views expressed by the originator.

This document must only be treated as a draft unless it has been signed by the Originators and approved by a Business or Associate Director.

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Limitations

This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of GL Hearn; we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.

1 SUMMARY

- 1.1 Chesterfield Borough falls within a housing market area which extends to include the adjoining districts of Bolsover, Bassetlaw and North East Derbyshire.
- 1.2 The Strategic Housing Market Assessment considers future housing need in the Borough and wider 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 will help to inform the development of planning and housing policies, and negotiations regarding housing mix on new development schemes.

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 Planning Planning Guidance issued by Government in March 2014 (and the draft published previously in August 2013).
- 1.4 The 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 the level or location of housing might require adjustment to take account of employment trends. 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 236 homes per annum in Chesterfield Borough to 2021. Extending this projection to 2031 this reduces moderately to an average of 211 homes per annum because of changes to the population's age structure over the 2021-31 decade which impacts on in- and out-migration and household sizes. Adjusting the household formation rates within the projections indicates that stronger household formation could result in a higher need for housing – of up to 270 homes per annum (based on household formation rates in the 2008-based household projections). The midpoint between these, which we consider to be the most robust projection based on past population trends indicates a need for 240 homes per year to 2031.

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

- 1.6 Market signals do not point towards a need for an upward adjustment to housing provision from this level. The HMA has some of the cheapest housing in the region. The median house price in Chesterfield Borough is £120,500. Lower quartile house prices in the Borough were 5.3 times earnings in 2012, which is below the national average of 6.6. Furthermore the average age of first-time buyers at 29 is relatively low compared to many parts of England.
- 1.7 Chesterfield is a larger employment centre, with evidence of some commuting (in net terms) into the Borough to work. The SHMA modelling indicates that in theory a potentially higher level of housing need of around 345 homes per annum might be needed to support economic growth. The SHMA does therefore conclude that there is a case for considering an upward adjustment to housing provision based on the demographic projections to support growth in the local workforce in the Borough to support forecast growth in jobs. However wider evidence does not point towards the economy being a particularly strong driver of the housing market across the HMA. In particular there is a strong potential to support economic growth through reducing out-commuting from the HMA as a whole.
- 1.8 A net need for 359 affordable homes per annum over the 2013-18 period is identified. This provides an indication of the level of affordable housing provision which would theoretically be necessary if all households in housing need were allocated an affordable home over this period. The assessed need is however sensitive to a number of factors including rates of new household formation, what proportion of income households are willing to spend on housing costs, and the period over which the current housing need (backlog) is addressed.
- 1.9 Whilst a high level of affordable housing need is identified, some of these households are however able to live in the private rented sector, supported by Local Housing Allowance; and whilst this is an imperfect solution and not recognised as affordable housing, taking this into account the affordable housing needs evidence per se does not provide a basis for adjusting upwards the overall housing need identified.
- 1.10 Overall the SHMA identifies an objective assessment of full need for housing of between 240-300 homes per annum. The lower end of this range reflects the demographic projections. The higher end is based on seeking to more positively support economic growth. Housing provision above this range would also be justified on the basis of seeking to attract investment and support the Borough's economic regeneration.
- 1.11 The Council's Core Strategy makes provision for 7,600 homes (380 per annum) over the 2011-2031 plan period. This level of provision proposed exceeds the objectively assessed need for housing established herein. This would be supported by the emphasis in paragraph 47 in the NPPF on

boosting housing supply, and can also be expected to support economic regeneration within the Borough. In particular this recognises that enhanced employment growth, particularly through delivery of development at Markham Vale, could create additional demand for housing.

What types of homes are needed?

- 1.12 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.
- 1.13 The SHMA profiles the Borough's current 'housing offer.' Three quarters of homes in the Borough have two- or three-bedrooms, with the most prevalent house type semi-detached properties (accounting for 45% of stock). The level of social rented housing is above average (accommodating 23% of households). Over the past decade however, the private rented sector has grown significantly – with over 3,000 more households living in the sector in 2011 than a decade previously (92% growth). 75% of homes fall in Council Tax Bands A and B. The market evidence points towards a price premium locally for detached properties relative to other house types, which is a reflection of their size.
- 1.14 Turnover of private rented properties is notably higher than in other tenures (with 47% turnover per annum). There is a clear role for policy to seek to encourage investment and improve standards within the Private Rented Sector. The Council already has an important enforcement role, and is working with sub-regional partners to promote standards through the East Midlands Landlords Accreditation Scheme.
- 1.15 At the time of writing, the housing market is relatively flat. Sales volumes have remained broadly flat over the last few years; and prices have slipped a little. House prices are comparable with other parts of the HMA.
- 1.16 The SHMA suggests that savings are a particular issue for younger households: for non-home owners in Chesterfield Borough just 17% 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. An estimated 2.5% of owner occupiers are in negative equity.
- 1.17 The SHMA recommends the following strategic mix of dwellings is sought; albeit that in applying these to individual development sites regard should be given 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.

Recommended Mix of Homes, 2011-31

	1-bed	2-bed	3-bed	4+ bed
Market	5-10%	35-40%	35-40%	15-20%
Affordable	25-30%	35-40%	20-25%	10-15%

- 1.18 Based on the existing stock profile and incomes, the SHMA recommends a mix of affordable housing with 90% comprising social and affordable rented homes, and 10% intermediate affordable housing. It points to a limited need for shared ownership or shared equity homes in the Borough.
- 1.19 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 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.
- 1.20 The analysis of an appropriate mix of dwellings should also inform the ‘portfolio’ of sites which are considered through the Site Allocations, Neighbourhood Plans and other planning documents. Equally it will be of relevance to affordable housing negotiations.
- 1.21 The SHMA recommends that the Council 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?

- 1.22 The SHMA analysis suggests that the population from Black and Minority Ethnic Groups has been growing but remains small. Currently 28% of households in Chesterfield Borough have support needs. The most common support needs are maintaining a home, installing level-access showers or handrails. However demographic trends are expected to lead to a growth in households with support needs by 2,100 over the 18 years to 2031. Housing support services, including provision of adaptations to properties, will need to be adequately resourced to take account of this.
- 1.23 A quarter of households in the Borough contain older persons. The number of households including people of pensionable age is expected to increase by a very substantial 4,200 to 2031 (an increase of 36%). 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. Provision of housing targeting older age groups can help to release family homes for other groups.

- 1.24 It will be important over the next 20 years that the Council continues 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 County Council) and through supporting development of specialist housing (including both public and private sector provision). Specialist housing should include extra care housing.

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 findings for Chesterfield Borough.
- 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.

Geographies

- 2.3 Chesterfield Borough forms part of the North Derbyshire and Bassetlaw Housing Market Area which comprises the local authorities of Bolsover, Bassetlaw, Chesterfield and North East Derbyshire.
- 2.4 There are economic links between this area and the wider Sheffield City Region. This area broadly divides into the more metropolitan 'core' which includes Sheffield, Rotherham and Doncaster; and then the more rural districts of north Derbyshire and north Nottinghamshire, with Barnsley to the north. Whilst there are commuting and migration relationships between the North Derbyshire and Bassetlaw HMA in the south and the South Yorkshire authorities in the north, migration flows show a stronger set of links within these areas, suggesting the existence of two separate housing market areas.
- 2.5 A detailed analysis of the definition of housing market and spatial interactions between areas is set out in the SHMA Overview Report. This report deals specifically with the findings for Chesterfield Borough.

Sub-Areas within Chesterfield Borough

- 2.6 We can identify two sub-market areas within the Borough. These sub-markets reflect the influence of surrounding areas in terms of areas of search of people moving home, commuting relationships and where people travel for shops and services.
- 2.7 The following sub-market areas have been defined and are used as a basis for analysis within this report:

Table 1: Sub Markets

Sub Market	Wards
Chesterfield Town	Dunston, Hasland, St Leonards, St Helens, Moor, West, Linacre, Walton, Holmebrook, Brockwell, Rother, Old Whittington, Loundsley Green
Staveley and Eastern villages	Lowgates and Woodthorpe, Middlecroft and Poolsbrook, Hollingwood and Inkersall, Brimington North, Brimington South, Barrow Hill and New Whittington

- 2.8 Chesterfield Town relates to the urban area of Chesterfield. The Staveley and Eastern Villages Sub-Market includes smaller settlements to the east and north-east of Chesterfield.
- 2.9 The Borough is bordered to the south, west and north by North East Derbyshire District; and to the east by Bolsover District.

Data Sources and the Household Survey

- 2.10 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

- 2.11 A postal survey of households in the Borough 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 in the Borough.
- 2.12 In total, 1,952 completed survey forms were returned from an initial sample of 10,000. This represents a response rate of 19.5%. Overall, some 4.1% of households in the Borough 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 Borough.

2.13 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 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.

2.14 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 47,180 households in the Borough at the time of the survey in mid-2013.

2.15 The table below shows an estimate of the current tenure split in the Borough along with the sample achieved in each group. The data shows that around 63% of households are owner-occupiers, 23% are in the social rented sector and the remaining 14% 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 job².

Table 2: Number of Households in each Tenure Group

Tenure	Total number of households	% of households	Number of returns	% of returns
Owner-occupied (no mortgage)	15,453	32.8%	793	40.6%
Owner-occupied (with mortgage)	14,264	30.2%	610	31.3%
Social rented	10,642	22.6%	372	19.1%
Private rented	6,821	14.5%	177	9.1%
Total	47,180	100.0%	1,952	100.0%

Source: Household Survey Data, 2011 Census

2.16 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.

2.17 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

² This differs slightly from the 2011 Census figures for the private rented sector shown later in the report. It includes those 'living rent free' and is an estimate of the size of the sector in 2013 rather than 2011.

amongst certain groups of the population (e.g. privately renting households in the table above) the application of a sophisticated weighting process, as has been used in this survey, removes any bias.

Stakeholder Consultation

- 2.18 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 Chesterfield Borough. Interviews were conducted in Spring 2013.
- 2.19 In addition a number of interviews have been undertaken with registered providers, local authority private rented sector enforcement and housing and planning officers.
- 2.20 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.

Report Status and Structure

- 2.21 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 POLICY REVIEW

3.1 In this section we review relevant strategic housing and planning policies, from a national to local level.

National Policy Framework

3.2 The Coalition Government has reformed the policy framework for planning for housing provision, revoking regional spatial strategies and returning responsibilities for determining policies for housing provision to local authorities. The East Midlands Regional Plan was revoked in April 2013. The primary legislation to support this is the 2011 Localism Act which now includes a 'duty to cooperate' on local authorities.

3.3 National policies for plan-making are set out within the *National Planning Policy Framework*³. 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)

3.4 The National Planning Policy Framework (NPPF) was published in March 2012. The Framework sets out 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 and indicate that development should be restricted.

3.5 The core evidence for housing requirements is intended to be a Strategic Housing Market Assessment (SHMA) for the housing market area. 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 for housing demand and the scale of housing supply necessary to meet this demand.

3.6 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 crosses administrative boundaries. The preparation of a Strategic Housing Market Assessment for

³ CLG (March 2012) *National Planning Policy Framework*

the housing market area is intended to be the primary means of determining policies for future housing provision.

- 3.7 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).
- 3.8 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 have been removed as are national brownfield development targets.
- 3.9 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.

Planning Practice Guidance

- 3.10 The Government published Practice Guidance on undertaking Strategic Housing Market Assessments in 2007.⁴ This report takes account of this particularly in respect of the detailed methodology for assessing affordable housing need set out therein.
- 3.11 New draft Guidance was issued by Government in August 2013 on ‘*Assessment of Housing and Economic Development Needs*’⁵ as part of its review of planning practice guidance. The final version was published as part of Planning Practice Guidance in March 2014. This is relevant to the

⁴ CLG (August 2007) *Strategic Housing Market Assessments, Practice Guidance*

⁵ CLG (August 2013) *Assessment of Housing and Economic Development Needs – Draft Guidance*

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.

- 3.12 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.
- 3.13 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).
- 3.14 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 rates 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.
- 3.15 The affordable housing needs evidence is also relevant, with the Guidance suggesting that the total affordable housing need should be considered in the context of its likely delivery as a 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.
- 3.16 In regard to economic evidence, the Guidance indicates that job growth and economic forecasts should be considered, and that plan makers may need to consider how the location of new housing or infrastructure development could be adjusted where there is evidence that labour supply could constrain economic growth or result in unsustainable commuting patterns. 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.
- 3.17 The 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 or the location of housing might need to be adjusted to support this?

3.18 This report draws on the Guidance in undertaking an objective assessment of need for housing. The Joint SHMA Report was prepared at a time when this Guidance had been published in draft form.

Changes to National Housing Policies

Housing Strategy for England

3.19 In November 2011 the Government published *Laying the Foundations: A Housing Strategy for England* (HM Government, Nov 2011). This outlines the Government's ambition to stimulate housebuilding, not least to support economic recovery. It identifies a number of initiatives to support this, including:

- [New-build Indemnity Scheme](#) – providing Government-backed 95% mortgages for new-build properties;
- [Growing Places Fund](#) – providing funding for infrastructure which unblocks housing and economic growth;
- [Initiatives to Kick-Start Stalled Developments](#) – including proposals to allow reconsideration of planning obligations; a 'Get Britain Building' Investment Fund to provide development finance; and 'build now, pay later' deals with public sector land; and
- [Custom Homes Programme](#) – with short-term project finance support to help unlock group custom build or self-build schemes.

3.20 The Strategy includes initiatives to support growth and investment in the Private Rented Sector, including new 'build-to-let' models and funding and a review of barriers to investment. It also indicates that the Government is looking at supporting greater innovation and competition between social landlords, including encouraging new private entrants to the sector, and potential new approaches to funding in the medium-term.

3.21 The Strategy also included proposals for [Reinvigorating the Right-to-Buy](#) by raising the discounts available to tenants, but with a commitment to build a new 'replacement' home for affordable rent for every home lost. It also identified a funding stream to support local authorities in [bringing empty homes back into use](#). The Reinvigorating Right-to-Buy scheme increases the discount cap to £75,000; and makes provision that receipts from sales will be retained by local authorities to deliver replacement provision.

3.22 The Get Britain Building Fund and Growing Places Fund provide funding to unblock stalled schemes. The Government is also advising local authorities to renegotiate existing S106

agreements where these provide a hindrance to development, including allowing developers to appeal decision for a three year period to April 2016.

3.23 Since the 2011 Housing Strategy the Government has introduced a number of additional measures to try to kick-start the housing market. Of particular relevance is the new “[Help to Buy](#)” scheme introduced in the 2013 Budget. This provides two schemes aimed at increasing the supply of low-deposit mortgages and new housing:

- [Help to Buy Equity Loan](#) – a new-build only scheme which expands the existing FirstBuy scheme to provide an equity loan of up to 20% of the value of a home through an equity loan. The scheme will run until April 2016 and buyers will require only a 5% deposit;
- [Help to Buy Mortgage Guarantee](#) – a similar scheme where buyers will require a 5% deposit and the Government will provide guarantees underpinning the 95% mortgage from a commercial lender. This scheme is available for both new-build and existing homes.

3.24 Moving forward these schemes could have a real impact at stimulating effective market demand for homes as they target some of the key challenges which have restricted access to owner occupation - difficulties for households in securing mortgage finance and high loan-to-value ratios.

Localism Act – Housing Reforms

3.25 The Localism Act has introduced a number of reforms affecting the management of social housing. These reforms are summarised below:

[Allocations Policies](#)

3.26 The Localism Act gives Councils greater flexibilities in deciding who qualifies to go onto housing waiting lists (through their allocations policies) and how they treat tenants who want rather than need to move. Local Authorities can thus revise their allocations policies, should they wish to do so, to prevent people with no ‘need’ for affordable housing from joining housing registers.

[Tenancies](#)

3.27 The Localism Act has introduced changes to social housing tenancies, giving both local councils and Registered Providers (RP’s) the flexibility to grant fixed term tenancies (as well as lifetime tenancies) should they decide to do so. New fixed term tenancies would continue to be at social rent levels and tenants would have the same rights as those with existing lifetime tenancies in terms of a right to repair or to buy/acquire. A minimum fixed-term tenancy in most cases would be for five years (with two year tenancies granted only in exceptional circumstances). Shorter tenancies are considered to be one way of making better use of the existing social housing stock in meeting housing need. Specific local policies are expected to be set out in local authority’s tenancy strategies.

- 3.28 The Government has also changed the rules on succession to make them consistent for all Council and RP tenants. The spouse or partner of a tenant who dies will have an automatic legal right to succeed, but will not have an automatic right to then pass on the property. This will not however affect joint tenancies or existing secure tenants.

Reform of Homelessness Legislation

- 3.29 Councils will be able to bring the statutory homelessness duty to an end with an offer of suitable private rented housing. People's right to refuse private rented accommodation will be withdrawn. This could potentially assist in the use of private sector housing stock in meeting affordable housing needs. Specific local policies are expected to be set out in local authority's tenancy strategies.
- 3.30 The Government has also recently introduced a new [nationwide home swap scheme](#) to support mobility in the social sector. In terms of social housing finance, the Localism Act also introduces 'self-financing' which allows Councils to keep money from rents to spend on upkeep, investment and management of their housing stock. It has also made changes to the regulation of the social housing sector.

Welfare Reforms

- 3.31 The Welfare Reform Act received Royal Assent in March 2012. This introduces the following:
- Household Benefit Cap;
 - Planned introduction of Universal Credit (combining current existing benefits);
 - Linking Local Housing Allowance (LHA) rates to CPI; and
 - Size criteria for calculating Housing Benefit in the Social Rented Sector.

"Bedroom Tax"

- 3.32 The Welfare Reform Act introduces restrictions on how much Housing Benefit working-age households in social rented properties can claim from April 2013, based on the size of the household. Housing Benefit has been previously based on the size of the property rather than the household. This change will particularly impact on working-age households who are under-occupying homes. The Government estimates that the change of policy will impact on 670,000 households nationally – 32% of all working-age households in receipt of Housing Benefit. The average cost to affected households will be a reduction in Housing Benefit of £13 per week in 2013/14. The policy change is focused on reducing the Government's benefit bill, increasing mobility in the social rented sector and making better use of the existing social housing stock.

Shift towards Universal Credit

- 3.33 Universal Credit, which brings together existing benefits into a single payment, is due to be phased in from October 2013. A movement towards universal credit to provide one streamlined payment is likely to end the payments of housing benefit directly to landlords in some instances. Coupled with the caps on growth in LHA levels, this may over time make tenants on benefits less attractive to landlords. It could result in some moderating of growth in benefit claimants in the private rented sector, although this will depend on overall dynamics within the sector.

Changes to Local Housing Allowance

- 3.34 Low income households living in the Private Rented Sector are able to claim Local Housing Allowance (LHA) to assist in meeting their housing costs. LHA is determined in relation to rents in the Broad Rental Market Area (BRMA) in which a property lies.
- 3.35 In April 2011 the Government changed how LHA is calculated, shifting this from median rents in the BRMA to the 30th percentile. It has also introduced caps on LHA payments: £250 a week for a 1 bed property or shared accommodation, £290 a week for a 2-bed property, £340 a week for a 3-bed property and £400 a week for properties with 4 or more bedrooms.
- 3.36 The Welfare Reform Act also indicates that increases in LHA rates from 2013 will be restricted to growth in inflation as measured by the Consumer Price Index (CPI). Rates will also be set annually rather than monthly. This can be expected to exert a downward pressure on rents, particularly in areas where LHA claimants form a significant proportion of the private rented sector market, and may encourage some LHA claimants to move to cheaper areas.

Planning and Housing Policies in Chesterfield

- 3.37 The development plan for Chesterfield Borough Council comprises the [Core Strategy](#) with a plan period of 2011-2031 and the saved policies in the [2006 Replacement Chesterfield Borough Local Plan](#). The emerging [Local Plan Sites and Boundaries DPD](#) will also comprise part of the development plan and also cover a period up to 2031.
- 3.38 Core Strategy Policy CS1 states that at least 7,600 new dwellings must be built in Chesterfield Borough between 2011 and 2031. The policy also sets out that 43% of housing growth will be distributed to Chesterfield sub-regional centre (including Chatsworth Road District Centre and Whittington Moor District Centre); a further 26% of growth is to be in Staveley and Rother Valley Corridor strategic site. The regeneration priority areas (Barrow Hill, Duckmanton, Mastin Moor, Poolsbrook, Rother Ward) are proposed for 15% growth and the local service centres of (Brimington, Hasland and HolmeHall) are set for 11%. Staveley Town Centre is identified to receive 4% of housing growth and the remaining 1% should be in local centres.
- 3.39 The Council's [Housing Strategy](#) (April 2013) sets out that the strategic housing priorities are: to increase the supply of high quality sustainable homes; make better use of the borough's existing housing stock; deliver a quality housing and housing support service; and encourage a quality, thriving private housing sector. The Housing Strategy states that the shortage of affordable housing in all tenures is a major challenge. Although the nature of the problem has shifted from headline prices to borrowing constraints on would-be purchasers the gap between supply and need is

growing, exacerbated by the loss of social housing through Right to Buy, which may see resurgence in the plan period. The Strategy concludes that the delivery of affordable homes in Chesterfield will not be sufficient unless major new build activity is undertaken.

- 3.40 This brings us to the Council's [Tenancy Strategy](#) (Jan 2013). This outlines that the Borough's social housing stock is not under pressure as a larger than average supply of social rented homes enables Chesterfield to have a relatively low applicant to letting ratio of 2.2. The Council recommends that flexible fixed term tenancies are only used for general needs tenants and certain vulnerable groups, such as pensioners in supported accommodation and disabled persons in adapted accommodation, should be granted life-time secure or assured tenancies. The Council does not expect that any RP will offer a fixed term tenancy of less than five years. The council accepts the introduction of affordable rents to fund new affordable housing development. The Tenancy Strategy welcomes the flexibility to discharge the Council's homelessness duty through the offer of suitable property in the private rented sector.

Key Findings and Policy Implications

- The NPPF requires local planning authorities to meet objectively-assessed need for market and affordable housing. The Council's Core Strategy sets a housing target for development of at least 7,600 new dwellings Chesterfield Borough between 2011 and 2031.
- The Coalition Government has introduced a range of housing reforms. The Council's Tenancy Strategy outlines how a number of these will be applied locally, outlining that in considering development or switching of properties to affordable rent it is important that local incomes are considered. It also puts a number of controls in place affecting the granting of fixed-term tenancies by registered providers, and outlines that the Council will not grant fixed-term tenancies for its stock.
- The implementation of the 'Bedroom Tax' could in the short-term increase levels of housing need, and particularly need for smaller properties from working-age households, as the benefits which some households can claim reduces. However in the longer-term this could increase the turnover within the social housing stock.

4 HOUSING STOCK AND SUPPLY TRENDS

4.1 The Council in developing a new Local Plan is looking over the period to 2031. 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.

4.2 In this section we profile the Borough's current housing offer, considering the profile of stock of different types, sizes and tenures of homes and how this has been changing.

Geography of the Borough

4.3 Chesterfield Borough sits in the north-east corner of Derbyshire, in the middle of the housing market area, enveloped by the authority of North East Derbyshire to the north, west and south. Bolsover is to the east; and the Yorkshire authority of Sheffield further north. The borough is based around the town of Chesterfield and includes Staveley town to the east and the eastern villages of Barrowhill, Mastin Moor, Poolsbrook and Duckmanton. The borough occupies around 25 square miles and has a high population density.

4.4 Chesterfield railway station is on a main line to London and the M1 passes through the east side of the borough where junction 29A is located. In common with much of the rest of the housing market area, the Borough is a former mining and industrial area. Chesterfield borough has experienced a long and difficult period of structural economic change. The economy of the borough as a whole has seen considerable investment and regeneration activity, but there remain significant pockets of deprivation.

4.5 Chesterfield town is a significant market town and sub-regional service centre. Its diverse economy has its roots in manufacturing enabled by the canal and railway networks supplying goods and machinery to support the mining and engineering industries. There are also major service sector employers such as the Council, the district general hospital and the Chesterfield College. There is also a large retail, leisure and professional services sector.

4.6 The development of the local economy is a key driver for the housing market. This is influenced by traditional industries closing or re-locating plus the economic growth that is occurring within and close to the Borough including at Markham Vale (M1 J29a) (which falls partly within Chesterfield Borough and partly in Bolsover District and North East Derbyshire District) and the established sites at Holmewood/Heath (M1 J29) which is within North East Derbyshire District.

- 4.7 The Borough also contains the town of Staveley to the east. This is a market town that is now mainly residential but has an industrial legacy relating to mining and the chemical industry. The area is linked by road to the Markham Vale development and M1 J29a and this is perceived locally as key to its economic development and future housing offer.
- 4.8 A key objective for the future is for new economic activity and employment opportunities to be focussed where the regeneration benefits can be maximised, particularly in the Staveley and Rother Valley Corridor and along the A61 Corridor where there is significant need for work and training.

Tenure Profile

- 4.9 There were just under 46,800 homes in Chesterfield Borough in 2011. 23.2% of the housing stock is in public sector ownership, of which the majority is owned by the Council (20.2%). This is notably above the regional average.

Table 3: Tenure, 2011

	Local Authority	Housing Association	Other Public Sector	Total Public Sector	Private Sector	Total Dwellings
Chesterfield Borough	9,781 20.2%	1,392 2.9%	74 0.2%	11,247 23.2%	37,250 76.8%	48,490 100.0%
HMA	30,221 17.1%	4,230 2.4%	272 0.2%	34,723 19.7%	141,590 80.3%	176,300 100.0%
East Midlands	185,713 9.4%	128,267 6.5%	4,052 0.2%	318,032 16.1%	1,653,510 83.9%	1,971,520 100.0%
England	1,725,905 7.5%	2,319,511 10.1%	63,237 0.3%	4,108,653 17.9%	18,867,000 82.1%	22,976,000 100.0%

Source: CLG, Table 100

- 4.10 A more detailed picture of the housing stock can be seen in the table below. Levels of owner occupation in Chesterfield Borough (63.1%) are below the HMA average (67.6%) and levels across the East Midlands.
- 4.11 The level of social renting in Chesterfield Borough (23.2%) is higher than the HMA (19.5%), which itself is higher than the East Midlands average (15.8%) and England average (17.7%).
- 4.12 The level of private renting (12.4%) is higher than average in the HMA (11.3%) and lower compared with the East Midlands (14.9%) and England (16.8%). The relatively modest size of the private rented sector in Chesterfield and HMA is likely to be influenced by the relative affordability of homes for sale in the HMA and the level of social rented stock.

Table 4: Detailed Tenure Profile, 2011 (%)

%	Owner Occupied	Shared Ownership	Social Rented	Private Rented	Other
Chesterfield Borough	63.1	0.3	23.2	12.4	1
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)

4.13 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. Within the HMA, the owner occupied sector has reduced in size the most in Chesterfield Borough (-2.5pp over the decade).

4.14 The private rented sector has been the key growth sector in the housing market across both the HMA and in the Borough over the 2001-11 period. It has increased in size by 5.4 percentage points over this period across the HMA and has increased the most in Chesterfield by 6.2 percentage points.

Table 5: Detailed Tenure Profile, 2001 (%)

	Owner Occupied	Shared Ownership	Social Rented	Private Rented	Other
Chesterfield Borough	65.6	0.5	26.3	6.2	1.2

Source: Census (2001)

4.15 At a more local level, home ownership in 2011 is highest in the Staveley and Eastern Villages Sub Market (64%). The proportion of shared ownership is slightly higher in the Chesterfield Town Sub Market (1.1%) than in the Staveley and Eastern Villages Sub Market (0.7%).

4.16 The proportion of social renting is highest in the Staveley and Eastern Villages Sub-Market (25.0%) compared with Chesterfield Town, where the proportion of social renting is 22.3%. Chesterfield Town Sub-Market has a slightly higher proportion of private rented housing (13.4%) than in the Staveley and Eastern Villages Sub-Market (10.2%).

Figure 1: Tenure Profile by Sub-Market within Chesterfield Borough



Source: Census (2011)

House Types

- 4.17 The HMA as a whole has a housing offer focused particularly towards semi-detached housing, with a low proportion of flats relative the national profile. Semi-detached homes are the most prevalent house type in the Borough. The proportion of flats (12%) is above the HMA average, whilst detached homes (24%) are below the HMA average.

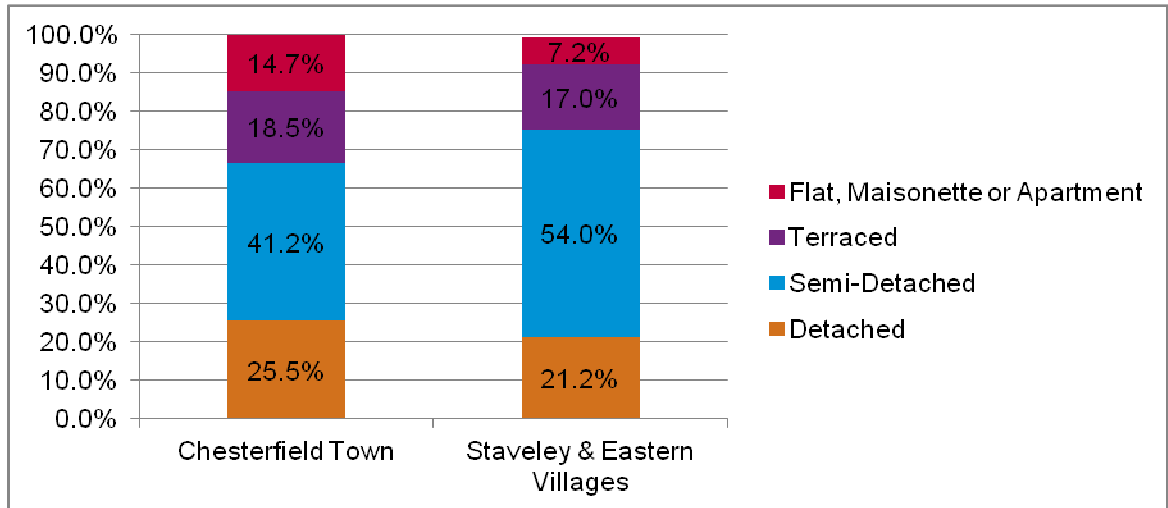
Table 6: Profile of Dwelling Stock by Type, 2011

% Dwellings	Detached	Semi - Detached	Terraced	Flat / Maisonette
Chesterfield Borough	24%	45%	18%	12%
HMA	31%	44%	17%	8%
East Midlands	33%	36%	20%	11%
England	23%	31%	25%	21%

Source: Census (2011)

- 4.18 Within Chesterfield Borough, the proportion of detached housing is highest in the Chesterfield Town Sub-Market (25.5%). The Chesterfield Town Sub-Market also has a higher proportion of flats (14.7%), whilst the Staveley and Eastern Villages Sub-Market area has a higher proportion of semi-detached properties (54%). Across both sub-markets between 17-18% of dwellings are terraced homes.

Figure 2: Profile of Dwelling Stock by Type for Sub-Markets in Chesterfield Borough

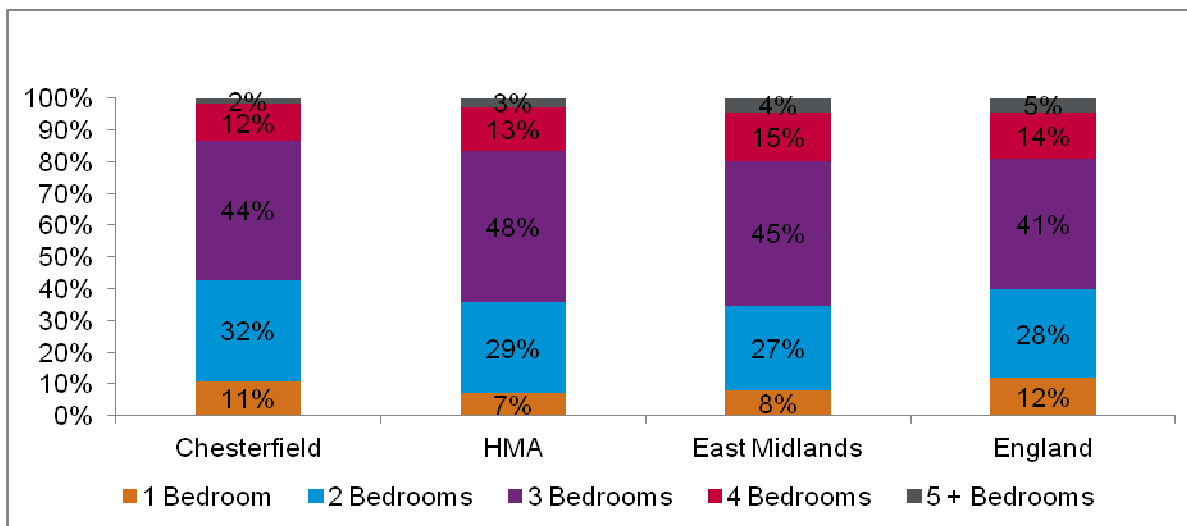


Source: Census (2011)

Housing Size

- 4.19 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. Overall over three-quarters of properties have two or three bedrooms.
- 4.20 Chesterfield Borough has a higher than average proportion of 1 and 2 bedroom homes but has a lower than average proportion of 3 and 4 bedroomed dwellings relative to the East Midlands average, which is consistent with the higher than average proportion of flats in Chesterfield Borough. The Borough's housing offer is focused towards lower and mid-market housing. The proportion of larger properties with four or more bedrooms (14%) is notably below the regional average (19%).

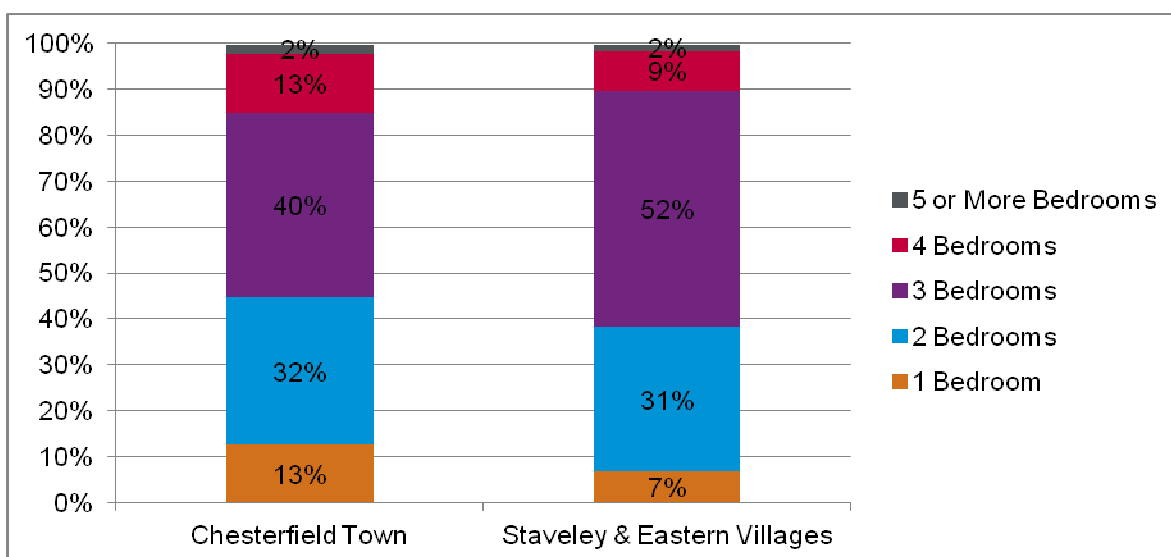
Figure 3: Size of Homes, 2011



Source: Census (2011)

4.21 Chesterfield Town Sub-market has a higher proportion of smaller 1 – 2 bedroom dwellings at 45% and also of larger 4 bedroom or more dwellings at 15%. It is 37% and 11% respectively in the Staveley and Eastern Villages Sub-Market. This is consistent with there being a higher proportion of both flatted and detached properties in the Chesterfield Town Sub-Market. The proportion of 3 bed dwellings is higher in the Staveley and Eastern Villages Sub-Market (52%) in accordance with the higher level of semi-detached properties in this area.

Figure 4: Size of Homes by Sub-Market in Chesterfield Borough



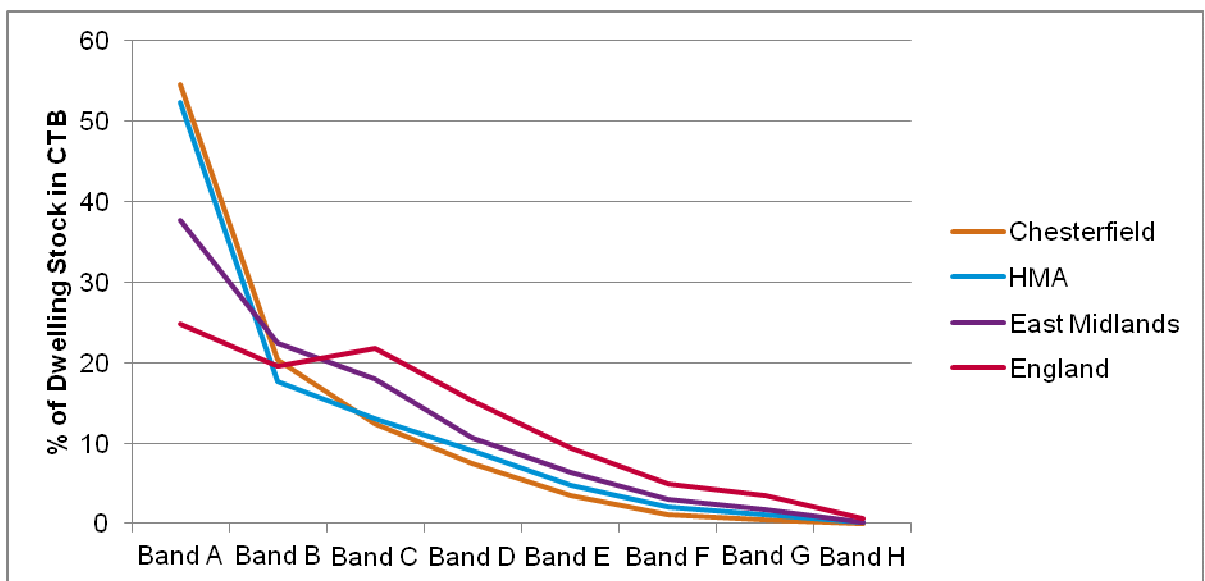
Source: Census (2011)

- 4.22 Of housing within the social rented sector, the 2011 Census data shows that 33% of properties in the Borough had 1 bedroom, 33% had 2 bedrooms, 31% had 3 bedrooms and 3% of properties had four or more bedrooms. The Borough (relative to other areas) has a relatively high proportion of 3-bed stock.

Dwellings by Council Tax Band

- 4.23 Chesterfield Borough has the second highest proportion of properties in Bands A and B of the districts within the HMA at 75%, just less than neighbouring Bolsover (78%). Just 5% of properties are in Council Tax Bands E and above. This is partly a reflection of housing costs, and partly a reflection of a housing mix with a low proportion of stock in the Borough with 4 or more bedrooms.

Figure 5: Dwellings by Council Tax Band, 2011



Source: Census (2011)

Changes in the Use of Housing

Overcrowding

- 4.24 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’.

- 4.25 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.
- 4.26 Census data also computes a measure of overcrowding using occupancy ratings. The Census method is 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.
- 4.27 The table below shows the estimated number and proportion of households who were overcrowded in 2011 using the bedroom standard. The HMA has lower levels of overcrowding (2.3%) than the regional (3.3%) and England (4.8%) average. This is true for Chesterfield Borough as well, with just 2.5% of households overcrowded using the bedroom standard.
- 4.28 Across the HMA a significant 77% of households are under-occupied, consistent with the regional average. Many households seek more rooms than they traditionally need to so that they have separate rooms for children, rooms for friends and relatives to come to stay and have extra storage space. This is particularly the case in the owner occupied sector where a household can choose to occupy a larger home than they might need where they can afford to do so.

Table 7: Overcrowding 2011

	Overcrowded Households	% Overcrowded	% Under-occupied
Chesterfield Borough	1,172	2.5%	72%
HMA	3,905	2.3%	77%
East Midlands	61,644	3.3%	77%
England	1,060,967	4.8%	69%

Source: Census (2011)

- 4.29 The table below shows that, within Chesterfield Borough, levels of overcrowding are low across both sub-markets.

Table 8: Overcrowding, 2011 by Sub-Market

	Overcrowded Households	% Overcrowded	% Under-occupied
Chesterfield Town	796	2%	71%
Staveley & Eastern Villages	376	3%	74%

Source: Census (2011)

Vacant and Second Homes

4.30 The level of homes with 'no usual residents' in Chesterfield Borough is in line with the HMA at 3.6% of the dwelling stock. This compares to 3.4% across the HMA and 4.0% across the East Midlands. Within the Borough, the data shows a slightly higher proportion of homes with no usual resident in Chesterfield Town.

Table 9: Vacant and Second Homes, 2011

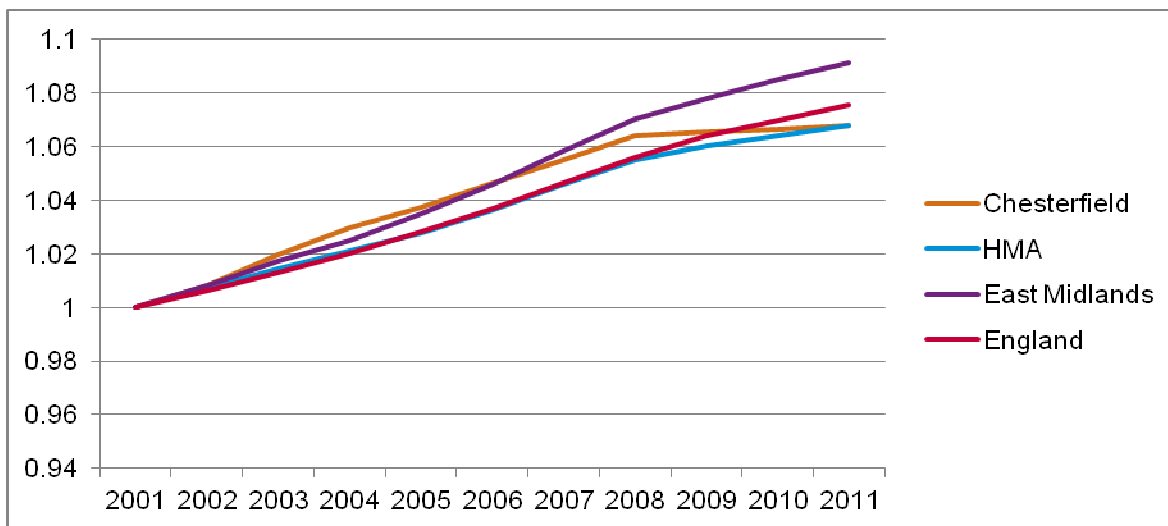
	Household Spaces with No Usual Residents	All Households Spaces	% Vacancy
Chesterfield Town	1,275	33,699	3.8%
Staveley & Eastern Villages	471	14,843	3.2%
Chesterfield Borough	1,746	48,542	3.6%
HMA	6,043	176,377	3.4%
East Midlands	78,224	1,973,828	4.0%
England	980,729	23,044,097	4.3%

Source: Census (2011)

Housing Supply Trends

4.31 The figure below shows growth in dwelling stock in the HMA and constituent authorities over the 2001-11 decade. Over this period the housing stock grew by 6.8% across the HMA, which was below both the East Midlands (9.1%) and England (7.6%) average. The housing stock also grew by 6.8% in Chesterfield Borough over this decade. However, the housing stock in Chesterfield Borough has seen the lowest growth in the HMA since 2008 at just 0.3%. This is likely to be a reflection in part of the particular impact of the market downturn on the flatted market (linked both to the occupier profile which is focused more towards younger buyers and investors and issues affecting scheme viability).

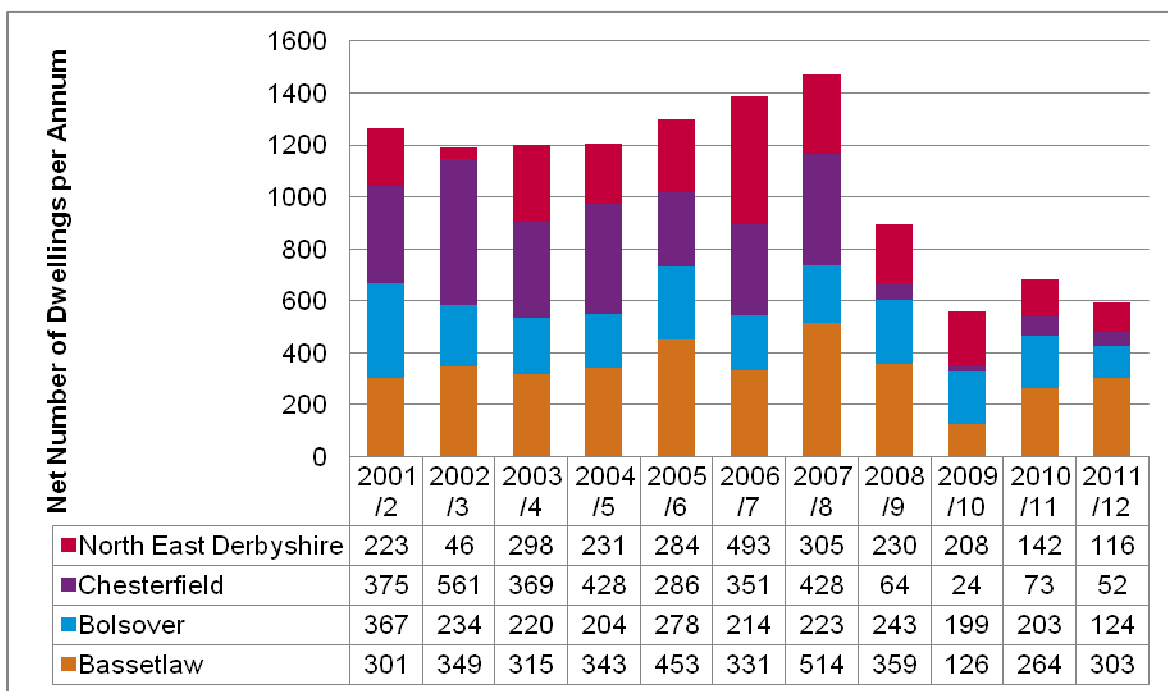
Figure 6: Net Changes in Housing Stock, 2001 – 2011



Source: CLG Table 125

4.32 The profile of net housing completions (2001-2012) is shown below in Figure 7. Net completions in Chesterfield Borough have varied between 24-561 per annum over the last decade. In healthy market conditions completions generally have been around 300-450 homes per annum.

Figure 7: Net Completions in the HMA, 2001/2-2009/10



Source: Council Completions Data

- 4.33 Table 12 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. Completions in Chesterfield Borough have declined the most (-86%) relative to the other three authorities.

Table 10: Average Annual Net Completions between 2009-12 compared to 2001-8

Net Completions	2001-8	2009-12	% Change
Chesterfield Borough	357	50	-86%
HMA Total	1289	611	-53%

Source: Council Completions Data

- 4.34 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

- The level of social rented housing in the Borough (and the wider HMA) are above the national average. The tenure profile has however been changing – with the private rented sector being the key growth sector over the 2001-11 decade with a 6.2 percentage point increase in the households which it accommodates.
- Overall the Borough's housing offer is focused towards two- and three-bedroom properties. A high 75% of properties are in Council Tax Bands A and B. The Borough also has an above average level of flatted stock (12%) and conversely there is currently a low level of properties with four or more bedrooms (14%). Where the market will support delivery of larger homes, there would be a good policy case to support this to help diversify the housing stock and attract wealth to the local economy.
- Within the Borough there is a greater proportion of flats and terraced stock within Chesterfield Town. In Staveley and the Eastern Villages the housing offer is particularly focused on three-bed properties (accounting for 53% of homes); whilst social renting is also higher (at 25%) than in Chesterfield Town.
- Supply overall has grown at a similar rates to the HMA as a whole, but has been low over the period since 2008. Housebuilding has fallen significantly – by over 50% - since the onset of the credit crunch in 2008 across the HMA and this has been seen to the greatest extent in Chesterfield Borough (with an 86% fall in annual completions).

5 HOUSING MARKET DYNAMICS

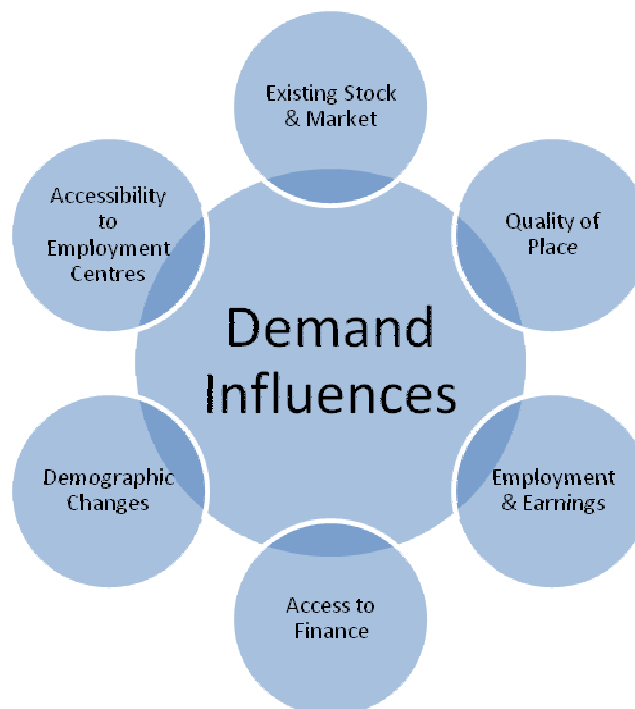
5.1 We have sought to analyse housing market dynamics using a combination of quantitative and qualitative research. This section initially reviews housing market dynamics including national and macro-economic drivers and local prices and sales performance. It then develops this to provide a local qualitative 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

5.2 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 8).

Figure 8: Understanding Housing Demand



Source: GL Hearn

- 5.3 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).
- 5.4 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 affects affordability).
- 5.5 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.
- 5.6 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.
- 5.7 These factors influence the demand profile and pricing, against a context in which households compete within the market for housing.
- 5.8 At a local level, this means that the housing market (in terms of the profile of buyers) tends to be influenced by and reinforced 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.
- 5.9 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.

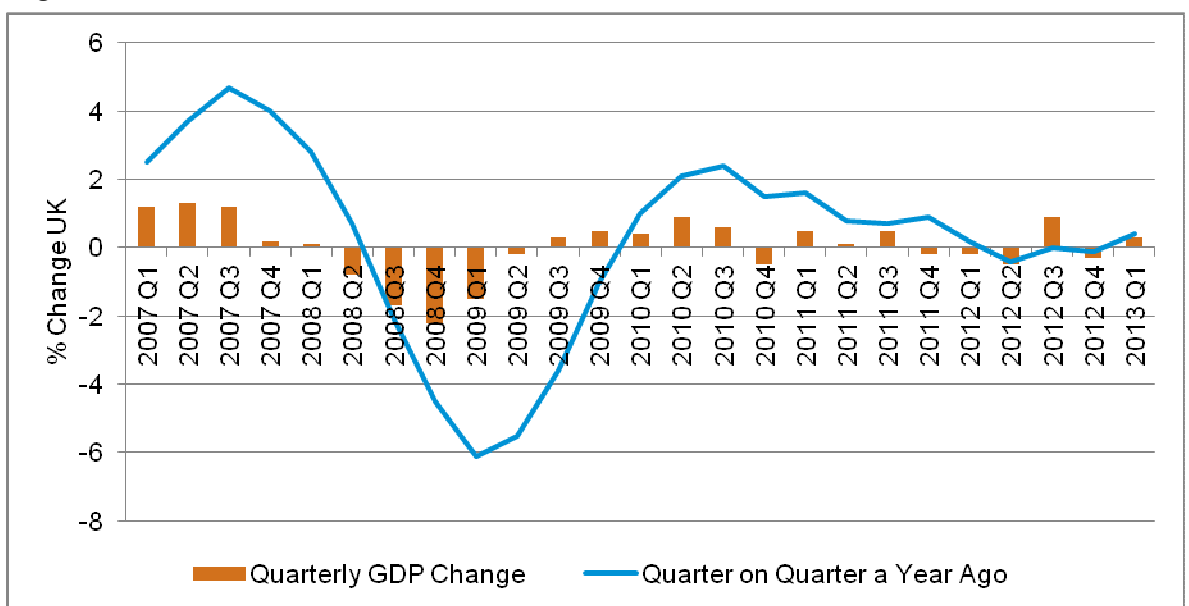
Understanding the Macro-Level Dynamics

- 5.10 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).

5.11 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 significantly 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 9 indicates during the course of 2012 there was minimal growth in the UK economy.

Figure 9: UK Economic Growth, 2007-2013



Source: ONS

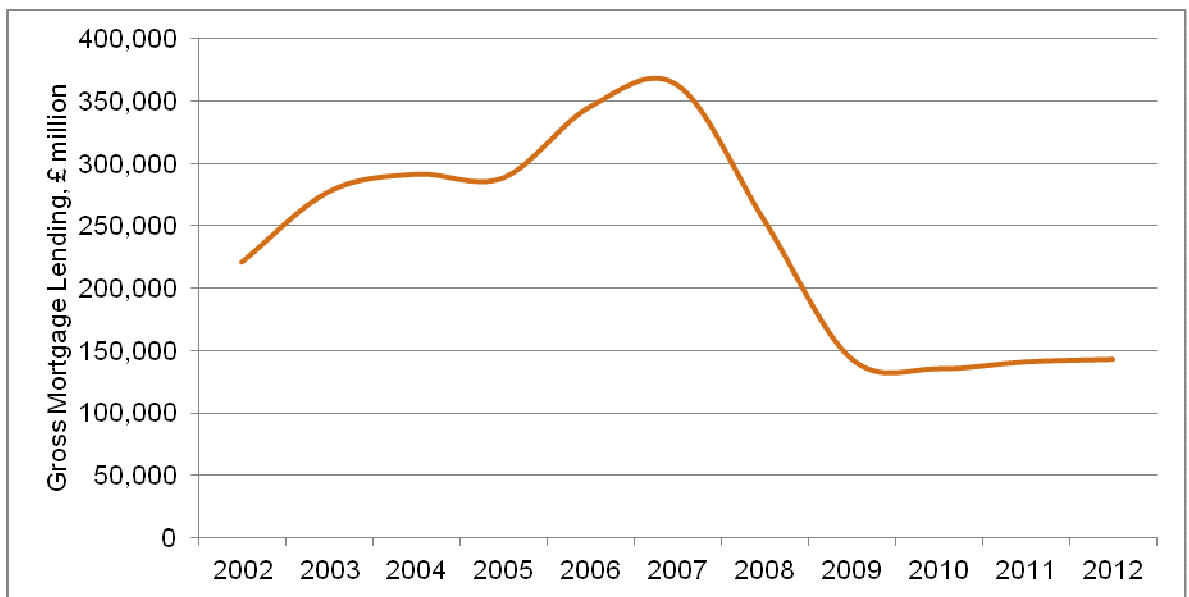
5.12 One of the key triggers to the recent economic difficulties on an international level was the ‘credit crunch.’ The downturn in the world economy was led by the sub-prime lending crisis in the United States. This resulted in a fundamental shift in the way banks lend money between themselves, through wholesale money markets, and to their customers (including home purchasers, landlords and developers).

5.13 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.

5.14 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.

5.15 Overall there has virtually no evident recovery in lending since 2010. The trend in gross lending in 2012 was flat, as Figure 10 shows.

Figure 10: Trends in Gross Mortgage Lending, UK



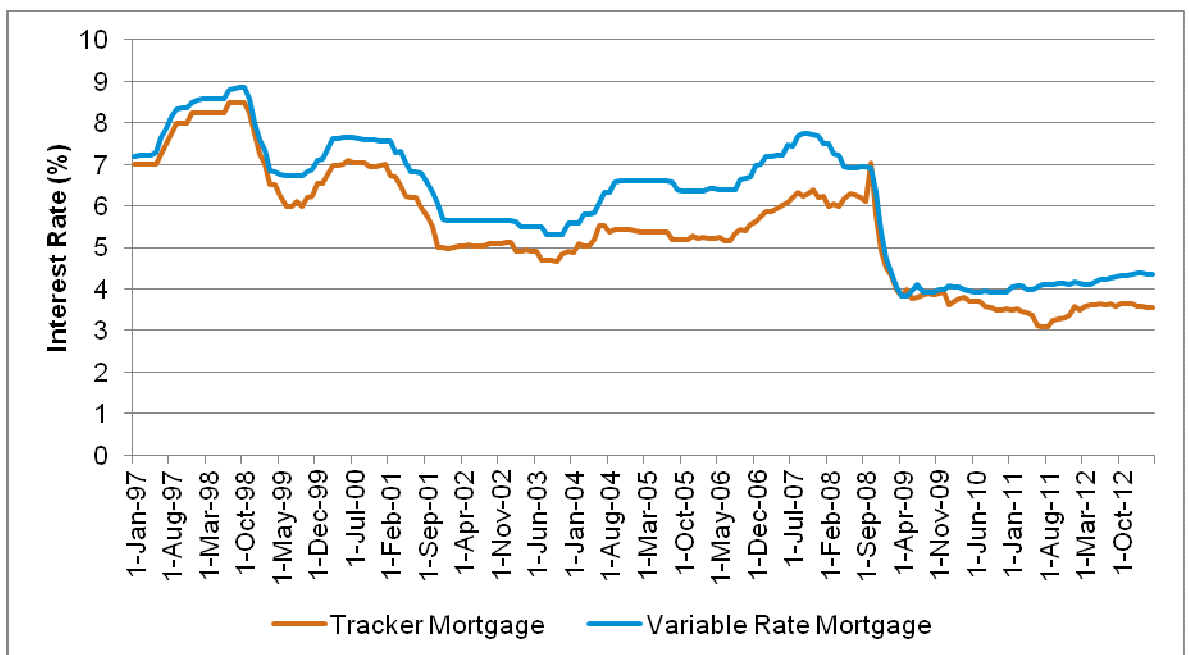
Source: Council for Mortgage Lenders

5.16 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.

- 5.17 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 11 tracks interest rates over the period since 2007. Interest rates over most of this period have been low by historical standards.
- 5.18 Indeed, since March 2009, the Bank of England Base Rate has been just 0.5% - as low as it has ever been. This compares for instance to a Base Rate of between 10.4% - 13.4% in 1991.

Figure 11: Interest Rates

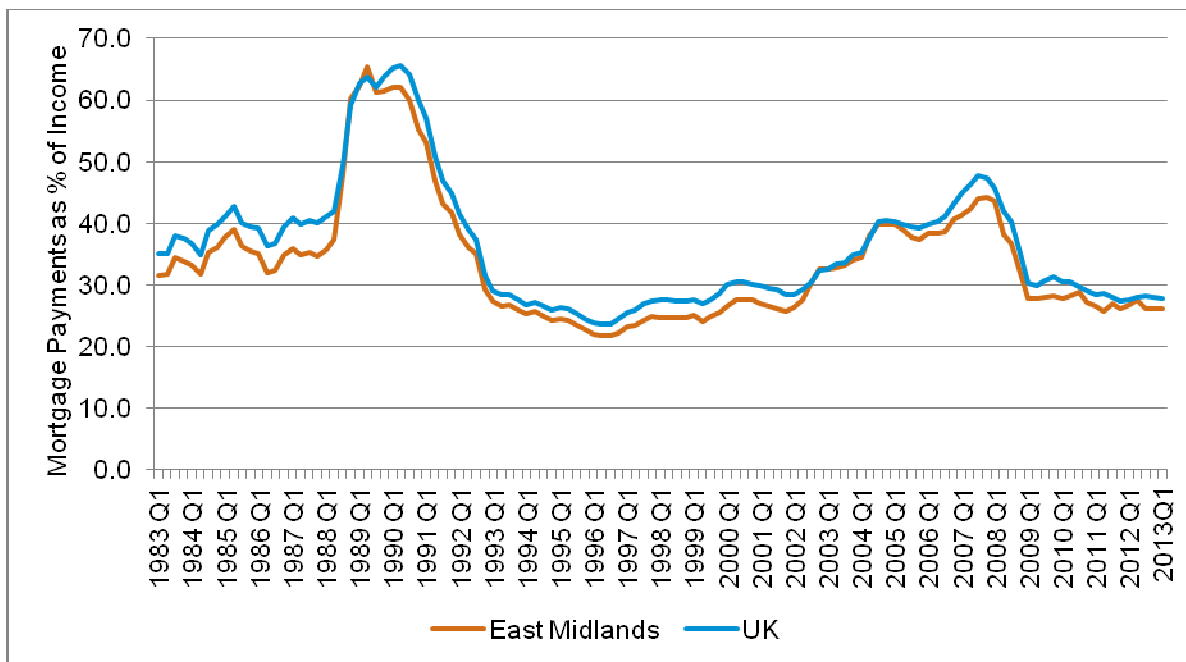


Source: Bank of England Statistics

- 5.19 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.
- 5.20 Figure 12 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.
- 5.21 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 12: Mortgage Payments as a % of Monthly Income



Source: Halifax House Price Index

- 5.22 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.
- 5.23 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.
- 5.24 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 for rented homes from a combination of demographics, limited new-build and restrictions on home purchases.
- 5.25 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.⁶ The trend in mortgage arrears is also downwards.

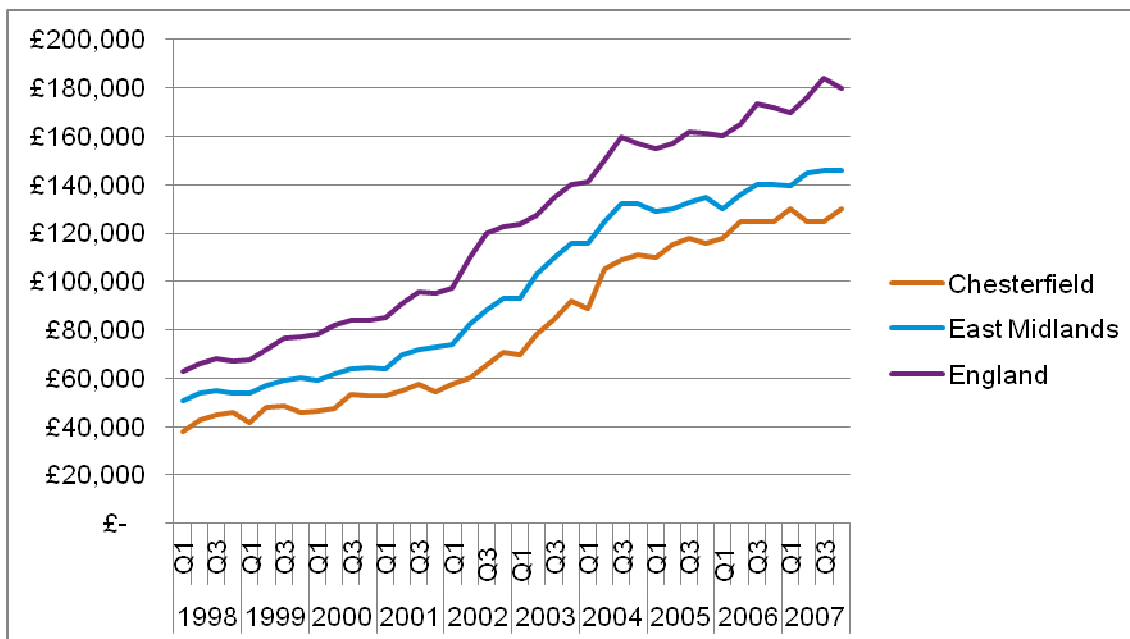
Local Market Dynamics

5.26 House prices in Chesterfield Borough are below the national average: in Q3 2012 the average house price in the Borough was £122,000. This was 2% below the HMA average, 13% below the Derbyshire average of £140,000 and 36% below the national average of £190,000.

House Price Trends

5.27 Figure 13 profiles the house prices from 1998 – 2007 (the pre-recession decade) in Chesterfield Borough, the East Midlands and England. Median House prices increased by 242% (£92,000) in Chesterfield Borough. Price growth over this period in Chesterfield Borough was higher than across the East Midlands (188%) and across England (186%) linked to its relatively low base. House price increases were particularly strong between 2002 and 2006.

Figure 13: Median House Price Trends, 1998 – 2007



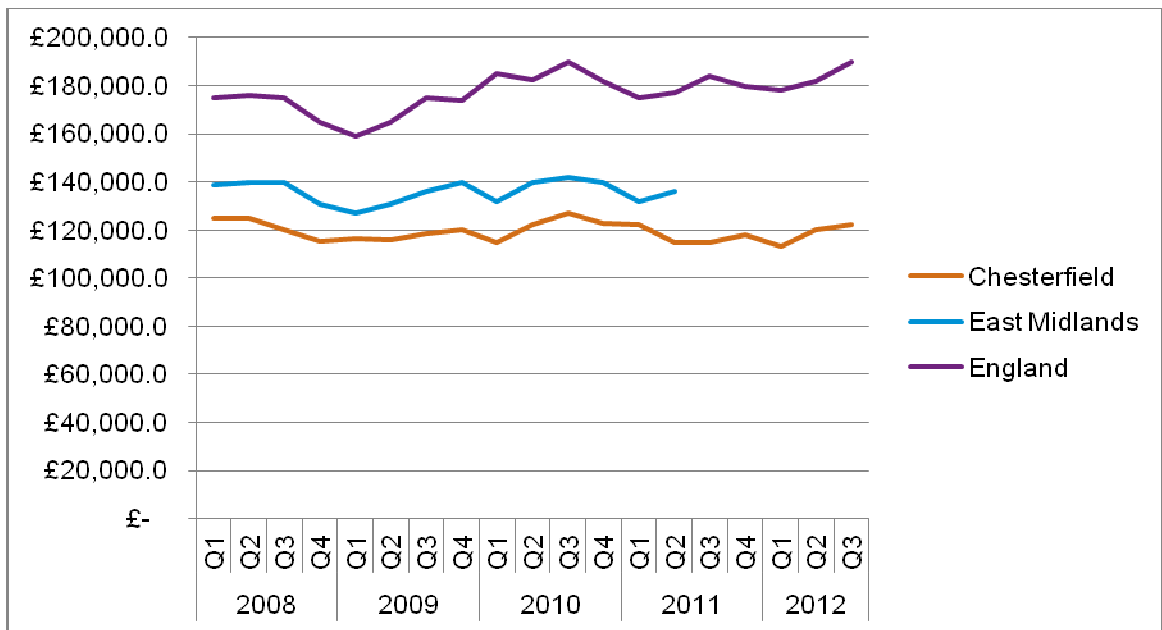
Source: CLG Table 582 – Median House Prices (Quarterly)

5.28 Since 2007 trends in house prices have been very different. Between 2007-12 house prices have decreased by -2% in Chesterfield Borough (losing £3,000 in value). This compares with a 9% increase in house prices in England as a whole, with the average house price increasing by

⁶ <https://www.cml.org.uk/cml/media/press/3422>

£15,000 between Q1 2008 and Q3 2012. Chesterfield Borough’s house prices are lower than those in many parts of the East Midlands and in real terms (stripping out inflation), housing has fallen in value, reflecting higher supply than demand over the 2008-12 period.

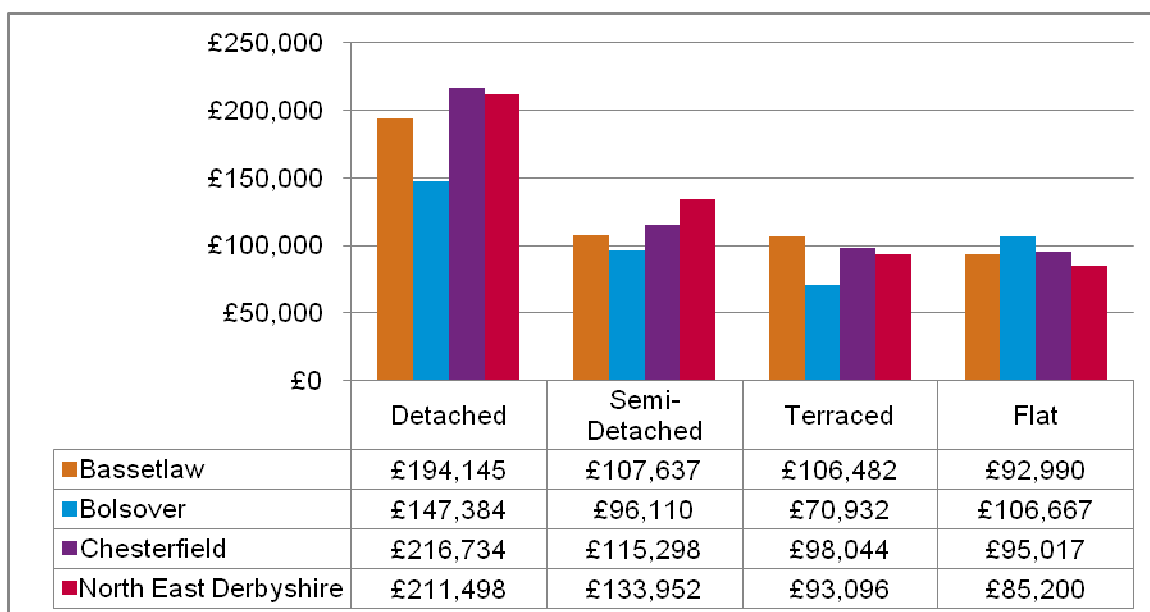
Figure 14: Median House Price Trends 2008 – 2012



Source: CLG Table 582 – Median House Prices (Quarterly)

- 5.29 Average house prices are influenced by the mix of homes sold. Figure 15 profiles average prices of properties sold in 2011 by type drawing on information from Hi4em.
- 5.30 Using price paid data from the Land Registry, the median price of a home sold between October November 2013 was £120,500. This suggests that house prices over the last year have remained flat. The lower quartile house price over this period was recorded at £95,250.
- 5.31 The analysis indicates that average house prices are higher for detached and terraced properties compared with other local authorities in the HMA suggesting higher demand for these types of properties. Semi-detached and flatted properties also perform well compared with the other HMA local authorities.

Figure 15: Average House Price by Type in Chesterfield Borough and other parts of the HMA, 2013



Source: Hi4em / Land Registry, 2013

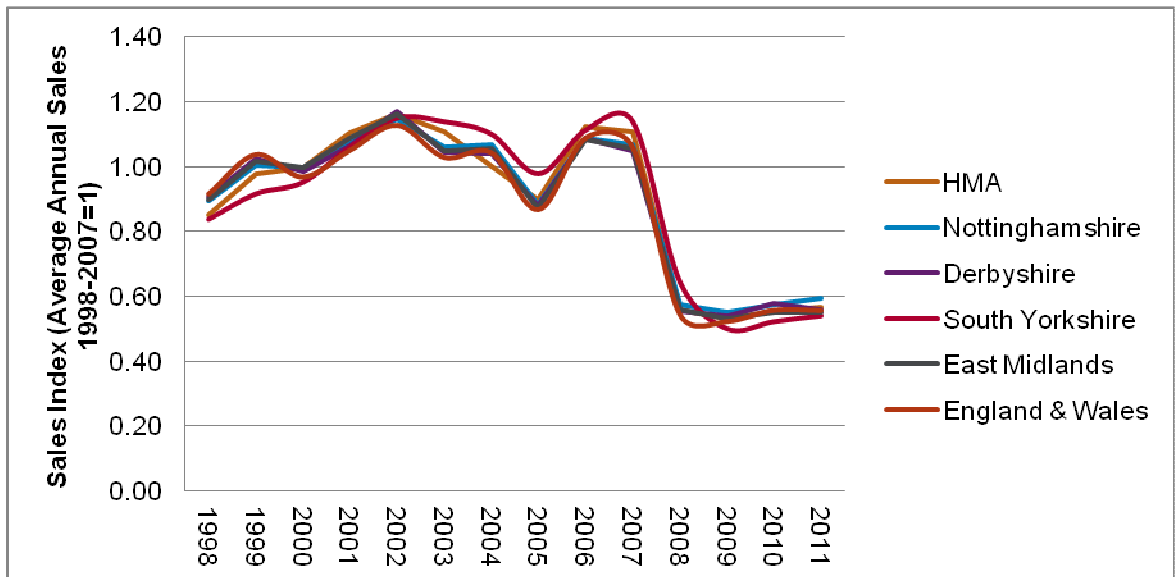
5.32 The analysis of house price trends allows us to understand the supply/demand balance for housing. It indicates that demand has been relatively subdued and moderately exceeded by supply over the last few years – “a buyers’ market” – resulting in generally falling values of homes in real terms. The analysis highlights a premium on detached properties, and suggests higher relative demand in Chesterfield Borough compared with the HMA average.

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

Sales Trends

5.34 We use an approach of benchmarking sales performance against long-term trends to assess relative demand. Figure 16 benchmarks annual sales across the HMA and wider geographies over the 1998-2011 period. 2011 is the latest data currently available consistently. It uses an index where 1 is the average annual sales over the 1998-2007 decade (prior to the credit crunch) equivalent to average sales in the pre-recession period.

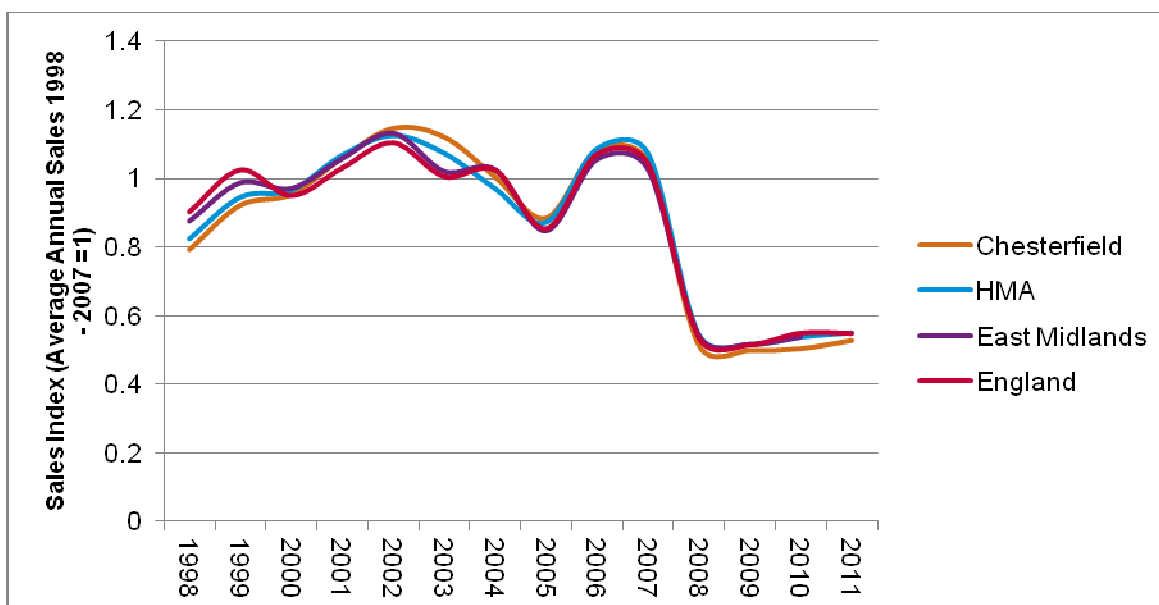
Figure 16: Indexed Analysis of Sales Trends (1998 – 2010), Housing Market Areas



Source: HM Land Registry/ CLG Table 588

- 5.35 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 moderately lesser extent by the market downturn.
- 5.36 The 43% reduction in sales across the HMA compares to 41% across Nottinghamshire, 44% across Derbyshire and a significant 46% in South Yorkshire.
- 5.37 Figure 17 indicates that we have seen a very similar trend in sales/ effective demand in Chesterfield Borough since 1998 (49% down on the pre-2007 annual average). This illustrates the impact of macro-economic factors on the market.

Figure 17: Housing Sales Index 1998–2011



Source: CLG Table 588

5.38 We next turn to provide an assessment of sales trends in Chesterfield Borough and consider the trends across different house types.

5.39 Turning to the percentage change in sales, there has been a decrease in the number of sales across all of the different housing types between 2007 and 2011. As shown by the table below, this decrease has been most pronounced for flatted properties (-81% of sales) and least pronounced in detached housing (-63%). 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.

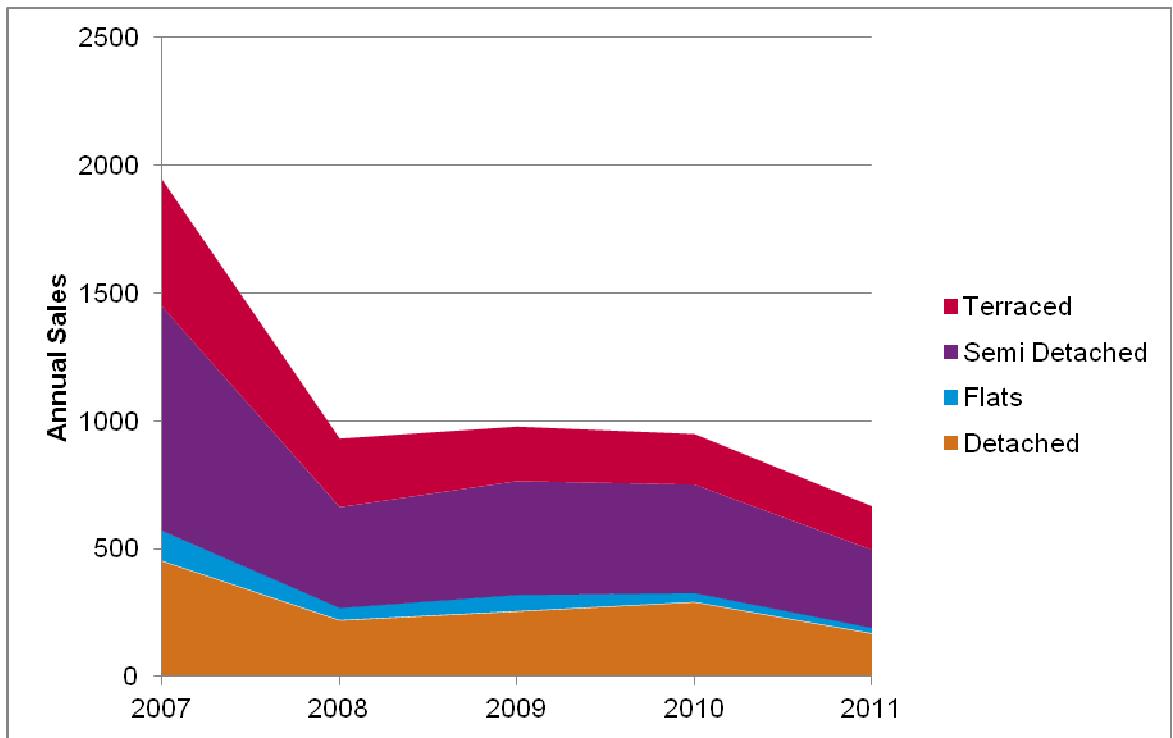
Table 11: % Change in Housing Sales 2007 – 2011 in Chesterfield Borough

	2007	2011	% Change
Detached	452	168	-63%
Flats	118	23	-81%
Semi Detached	876	305	-65%
Terraced	496	171	-66%
All Properties	1,942	667	-66%

Source: Land Registry / Hi4em

5.40 In Chesterfield Borough, sales of market housing between 2007 and 2011 were dominated by houses with limited sales of flats as shown by Figure 18 below. Compared to Bassetlaw and North East Derbyshire, the proportion of terraced and semi-detached sales is greater.

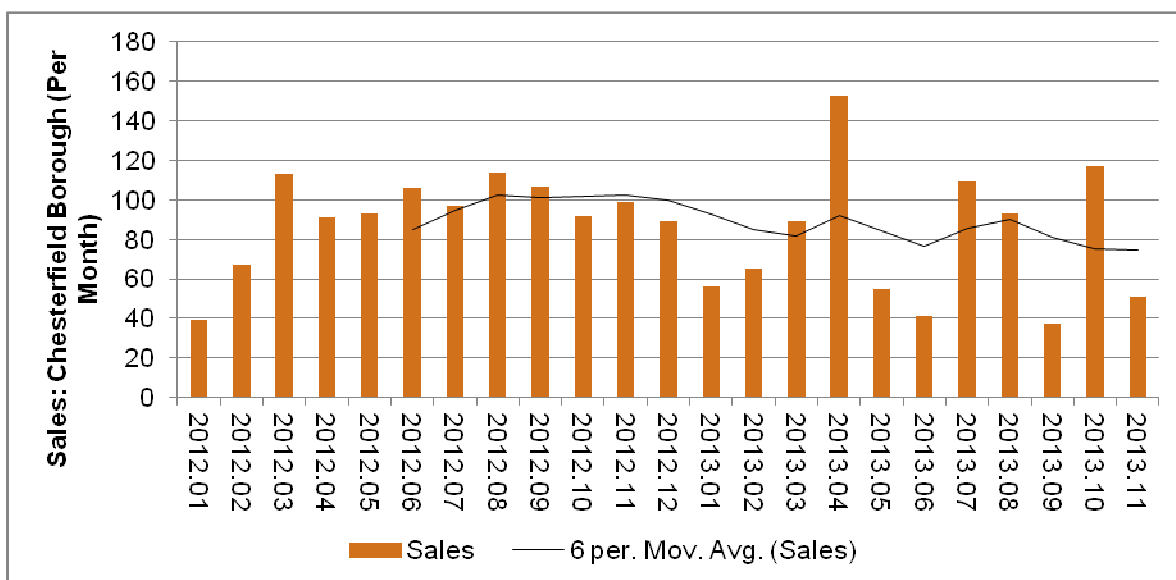
Figure 18: Sales Trends by Type in Chesterfield Borough (2007 – 2011)



Source: Land Registry / Hi4em

5.41 We have sought to update the analysis considering sales trends over the period since January 2012. This is shown below. It demonstrates that whilst we have seen some months with stronger sales, **overall the trend in sales volumes in 2012 and 2013 in the Borough has remained flat.**

Figure 19: Trends in Sales, Chesterfield Borough 2012-13



Source: HM Land Registry/ GLH

The Private Rented Sector

- 5.42 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.
- 5.43 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 Chesterfield Borough the Census shows about 12% of its households as private renters (5,813 households). This represents a 53% increase when compared with figures from the 2001 Census (an additional 3,089 households).
- 5.44 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.
- 5.45 It can be seen that some **47% of households in the Private Rented Sector have moved within the past two years** compared to 8% of owner-occupiers and 22% 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 four times the figure for four bedroom accommodation.

Table 12: 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	18.1%	30.0%	61.1%	34.9%
2 bedrooms	12.1%	17.9%	46.7%	21.3%
3 bedrooms	6.7%	14.0%	37.3%	10.5%
4+ bedrooms	4.8%	-	50.7%	7.5%
TOTAL	8.1%	21.7%	46.9%	16.8%

Source: Household Survey Data

5.46 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 2,060 households in the private rented sector claiming LHA, and these households constitute 30% of all households in this tenure.

5.47 Table 13 shows the types of households resident in the two different parts of the Private Rented Sector. The table shows that over a quarter of private rented households claiming LHA are lone parents and in total 38% contain children. Private renters not claiming LHA are dominated by childless couples (32%) and single non-pensioners (28%) although this latter group also has a high proportion of claimants.

Table 13: Private Renters and LHA: Household Types

Household Type	LHA		No LHA		Total	
	H'holds	%	H'holds	%	H'holds	%
Single pensioners	175	8.5%	241	5.1%	416	6.1%
Two or more pensioners	133	6.5%	242	5.1%	375	5.5%
Single non-pensioners	516	25.0%	1,331	28.0%	1,847	27.1%
Childless couple	136	6.6%	1,526	32.0%	1,662	24.4%
Other multi-adult	307	14.9%	350	7.4%	657	9.6%
Lone parent	594	28.9%	238	5.0%	832	12.2%
Two or more adults, one child	64	3.1%	255	5.4%	320	4.7%
Two or more adults, two or more children	134	6.5%	579	12.2%	713	10.4%
Total	2,060	100.0%	4,762	100.0%	6,821	100.0%

Source: Household Survey Data

5.48 Table 14 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 37.5% of LHA claimants in the private rented sector have moved in the past two years, this compares with 51% of non-benefit tenants.

Table 14: Turnover of private tenants by whether or not claiming LHA

	LHA	No LHA	Total
Number moving in past two years	773	2,428	3,202
Number of households	2,060	4,762	6,821
% moved in last two years	37.5%	51.0%	46.9%

Source: Household Survey Data

5.49 Table 15 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.

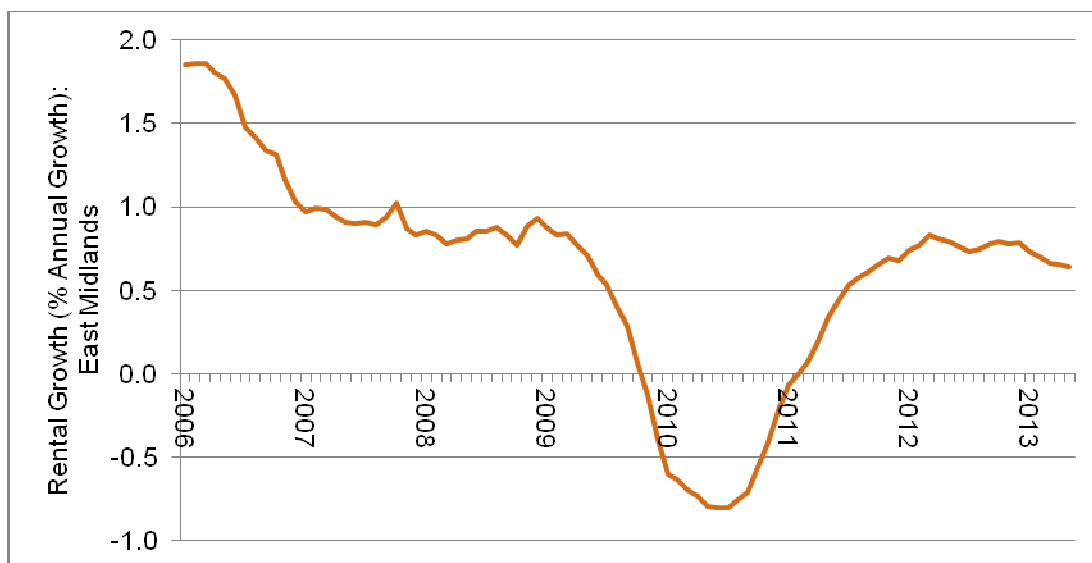
Table 15: Private tenants claiming LHA: Previous tenure, those moved in last two years

Previous tenure	LHA		No LHA		Total	
	H'holds	%	H'holds	%	H'holds	%
Owner occupied	85	11.0%	500	20.6%	585	18.3%
Social Rented	113	14.6%	184	7.6%	297	9.3%
Private Rented	504	65.2%	1,174	48.3%	1,677	52.4%
Newly forming	71	9.2%	571	23.5%	642	20.1%
Total	773	100.0%	2,428	100.0%	3,202	100.0%

Source: Household Survey Data

5.50 Published VOA data on rental trends is not currently available for Chesterfield Borough over a sustained period. Figure 20 shows monthly growth rates in private rentals for the East Midlands. The analysis shows that we have seen some weakening of rental growth during 2013.

Figure 20: % Annual Growth Rates in Private Rents, East Midlands



Source: ONS Monthly Private Rental Index

Land Values

5.51 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.

Table 16: 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

Source: HCA/ VOA

5.52 The Council's Community Infrastructure Levy (CIL) Land Value Appraisal Study Supplementary Report (October 2013) identifies residential land values in the Borough varying between £600,000 - £1,300,000 per hectare.

Feedback from Estate & Letting Agents

- 5.53 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.
- 5.54 The analysis is qualitative 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.

Servicing the Market

- 5.55 The following observations contribute to an understanding of the Borough's housing sub markets. All agents are centrally based in Chesterfield Town Centre.
- 5.56 There is an apparent disconnection between Chesterfield based agents and developing new build markets near M1 J29A, with few of the Chesterfield agents marketing properties on these sites.

New-Build Market

- 5.57 Interviews were undertaken in relation to two sites in Chesterfield Borough. Barratts' development 'Saltergate' is on the site of the old Chesterfield F.C. ground which has relocated to within a leisure and retail complex just north of the Town Centre. Asking prices range from £150,000 (2 bedrooms) to £310,000 (4 bedrooms). The agent said that sales are mostly to local people who value the location and the short walk to town centre services and the quality of local schools. The agent noted that many of the small number of outsiders purchasing were in fact returning to their home town after several years' absence.
- 5.58 Barratts' '*The Spires*' is located to the south of the Town Centre adjacent to a new retail park and leisure complex. The site has been under development since 2006 and the last phase of 150 homes is under construction. Asking prices range from £131,000 (2 bedrooms) to £183,000 (4 bedrooms). Again, the agent confirmed that 90% of sales on the current phase were to local people. The site is a short walk to the Town centre and the mainline railway station with regular services to Sheffield, Derby and London (2 hours). The agent believed that most households had employment in the towns retail and service sector. The agent spoke of the challenges facing earlier phases of development, citing strong interest from investors in the early phases and the crucial role played by the FirstBuy and NewBuy schemes. The agent was also confident that 'Help to Buy' would assist

many people to buy into the current phase however reservations and production levels meant that the requirement to complete within 4 months could not be met at the moment. The agent made a very strong case for why first time buyers should consider new build over second hand homes.

- 5.59 It was also noted that Miller Homes has made a start on a site North of Chesterfield Town Centre. Furthermore, the Chesterfield Waterside site North West of the train station will start to be developed from 2014.

Sales Market for Resale Properties

- 5.60 Two agencies were interviewed who acted as both sales and lettings agents. They explained that higher value residential areas were mostly to the west of the Town Centre. Older terraced housing could be found along the A61 (North and South) but overall most parts of the borough had a broad range of house types and sizes.
- 5.61 Both agents said that prices had slipped a little this year and they were working 'very hard' to get asking prices.
- 5.62 50% of sales were to local people. The internet was of considerable importance in attracting outsiders. Agents said that interest was from all over the country and was strongly associated with employment relocation. Investor interest was steady but marginal and was not limited to cheaper housing. Agents stated that there was limited out migration from Sheffield.

Private Rented Sector

- 5.63 Agents stated that there was a small student market but this was managed directly by landlords. Most landlords had portfolios of only one or two dwellings. Agents highlighted that many were reluctant landlords awaiting the opportunity to sell. That said many were debt free and were generating good returns relative to other investment opportunities (5-8%). Rents remained at last year's levels with landlords forgoing relets at slightly higher rents in favour of retaining existing tenants and avoiding relet costs.
- 5.64 A large number of letting agencies were observed in the business quarter and there was little evidence of direct lettings advertised in shop windows or local newspapers. However there is some evidence that house sharing is becoming established in Chesterfield. Our search for vacancies on www.spareroom.co.uk revealed a significant supply of single rooms from approximately £50 p.w. and double rooms from £60 per week. Our search revealed 43 vacancies which is considerably more than other towns in the HMA. These figures are indicative of the market in spare rooms. Other websites were examined but aggregating vacancies might be misleading due to double counting vacancies. We have noted the tendency for university cities such as Sheffield to have a larger spare

room or house share market. We have highlighted the spare room market as the evidence across our studies suggests that this is a growing lifestyle choice amongst young people especially young professionals not wanting to commit to home ownership or are unable to access it. It offers the student shared housing model to ex-students and can result in the cheapest and most flexible way of living in their area of choice.

Key Findings and Policy Implications

- The housing market in Chesterfield Borough has remained relatively flat. The median house price in November 2013 at £120,500 remains 7% below levels at the peak of the market in 2007 (£130,000).
- The market evidence points to the local housing market being significantly affected by poor economic conditions in recent years. Sales volumes for market homes in 2011 were 49% below the pre-2007 average in the Borough. More recent evidence suggests that sales volumes have remained broadly flat during 2012 and 2013 suggesting that the recovery in market conditions nationally is not being felt locally. This has been confirmed by local stakeholders. Economic recovery and growth will be an important driver in achieving a sustained recovery in the housing market.
- The market for flatted properties has been affected to the greatest extent, particularly as the demand profile for these is more associated with first-time and younger buyers; with demand for larger semi-detached and detached homes holding up moderately better. However no parts of the market have been immune.
- Our analysis points to the impact of macro-economic factors – of constraints on access to mortgage finance, the savings households require to access mortgage finance and the wider poor macro-economic environment – as the key underpinning drivers. High inflation has also restricted growth in earnings (with real earnings falling since 2008) and inhibited households' ability to save a deposit for a home in recent years.
- As we stand in 2013 the market has been relatively flat and this was confirmed by the stakeholder consultation. There are some positive signs – some improvement in mortgage products including some return to 90% or more loan-to-value ratios; a gradual growth in buy-to-let investment. 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. However the economic fundamentals remain poor and at a local level there does not appear to have been any substantive strengthening of sales volumes; whilst prices have also remained flat. Moving forwards, this points to a slow recovery phased over a number of years, rather than a bounce back in demand.
- Overall we consider that market signals provide little evidence of a notable supply-demand imbalance for housing arising. The evidence instead points towards more modest housing demand in relative terms compared to other parts of the region (and country).

6 INCOMES AND AFFORDABILITY

Introduction

- 6.1 Assessing the affordability of market housing in an area is crucial to understanding the sustainability of the housing market. Poor affordability can result in the loss of employees from an area, an increase in poverty and a high number of households requiring assistance with their housing either via a social rented property or through Housing Benefit (Local Housing Allowance). This can also result in a loss of mix and balance in the population within the area.
- 6.2 This section initially looks at housing costs. It then reviews secondary data about local income levels and also uses CLG information about price:income ratios to put affordability in Chesterfield Borough into a national context. This is identified as an indicator of supply-demand balance which should be considered in assessing whether levels of housebuilding need to rise.
- 6.3 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 discussed in the previous section.

Entry Level Housing Costs

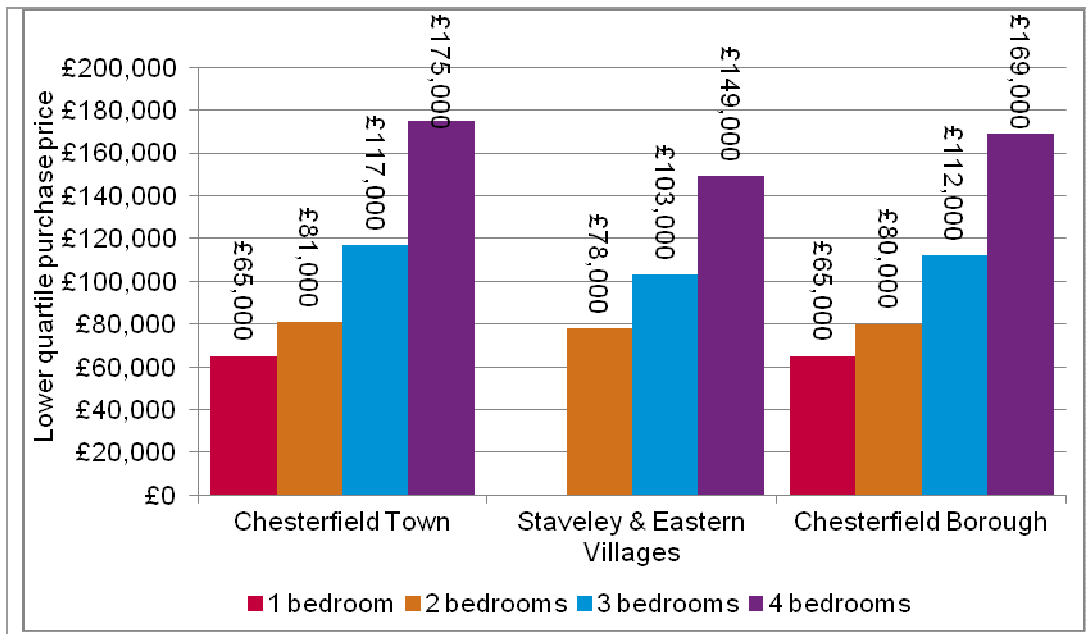
- 6.4 To fully understand the affordability of housing it is necessary to collect data on the cost of housing by number of bedrooms. This ensures that it is possible to assess the ability of households to afford market housing of the size required by that particular household as determined by the bedroom 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 of these areas based on lower quartile figures.

Entry-level Prices

- 6.5 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 Guidance, 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 study area it was estimated that on average properties achieve around 93% of their asking price.

6.6 The entry-level price for owner-occupied property across the two sub-markets is presented in Figure 21. The data indicates that prices in Staveley and the Eastern Villages are slightly lower than in Chesterfield Town. Across the whole Borough prices are estimated to start at about £65,000 for a one bedroom home and rising to about £170,000 for a lower quartile four bedroom property.

Figure 21: Entry-level Purchase Price by Sub-Market

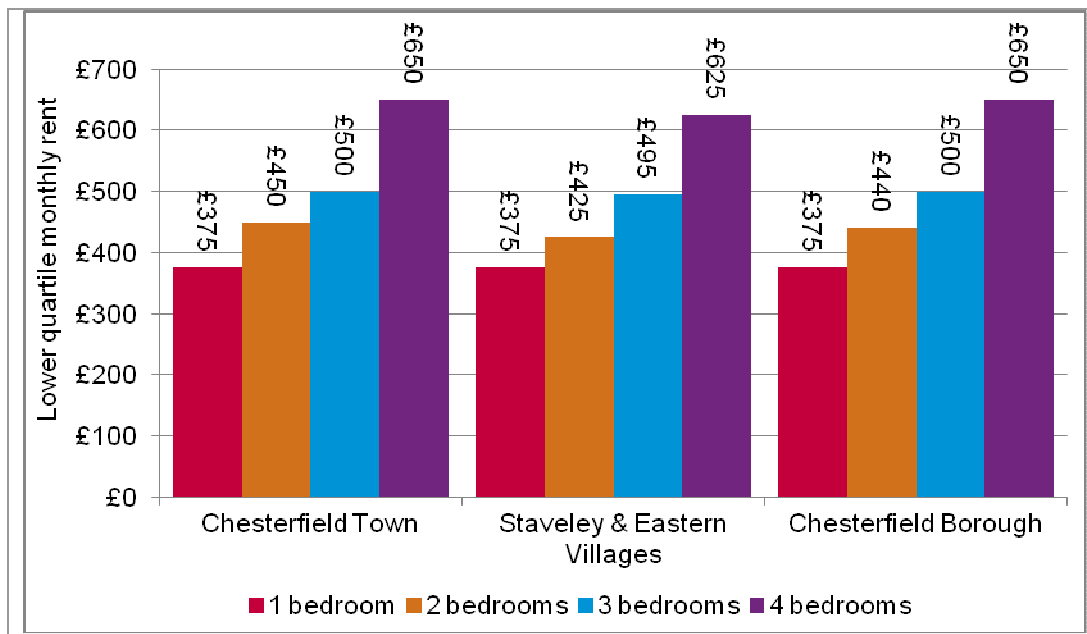


Source: Online Estate and Letting Agents Survey (July 2013)

Entry-level Private Rents

6.7 A similar survey was carried out for private rented properties with information for the two sub-markets shown in the figure below. Generally the variation in rent levels between areas was quite slight with no clear trend emerging. For the whole Borough the range of rent levels goes from £375 per month for a one bedroom home up to £650 per month for four bedrooms.

Figure 22: Monthly Private Rents by Sub-Market



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

6.8 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 Borough. 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. Chesterfield Borough is entirely within the Chesterfield Broad Rental Market Area (BRMA) although the boundaries of this area extend beyond the Borough into Bolsover and North East Derbyshire.

6.9 Table 17 shows the maximum LHA rates (by size of property). 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
Room only	£210
1 bedroom	£350
2 bedrooms	£425
3 bedrooms	£487
4 bedrooms	£650

Source: VOA data (July 2013)

Cost of Affordable Housing

- 6.10 Traditionally the main type of affordable housing available in an area is social rented housing and 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 in Chesterfield Borough

Size	Monthly Rent
1 bedroom	£285
2 bedrooms	£311
3 bedrooms	£323

Source: CORE data for 2012/13

- 6.11 Recent changes in affordable housing provision have seen the introduction of a new tenure 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)'. The tenure is initially only being trialled for four years and so this situation may change in the future.
- 6.12 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.

- 6.13 Table 19 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 notably higher than current social rents. However in the case of one- and two-bedroom homes the difference is more marginal.

Table 19: Cost of Affordable Rented Housing by Size and Sub-Market (per month)

Sub-Market/ Property size	Chesterfield Town	Staveley & Eastern Villages
1 bedroom	£300	£300
2 bedrooms	£360	£340
3 bedrooms	£400	£396
4 bedrooms	£520	£500

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

Gaps in the Housing Market

- 6.14 Table 20 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)

Sub-Market	Entry-level purchase price	Entry-level private rent	Affordable rent	Average RP rent
Chesterfield Town	£23,100	£21,600	£17,300	£14,900
Staveley & Eastern Villages	£22,300	£20,400	£16,300	£14,900

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.

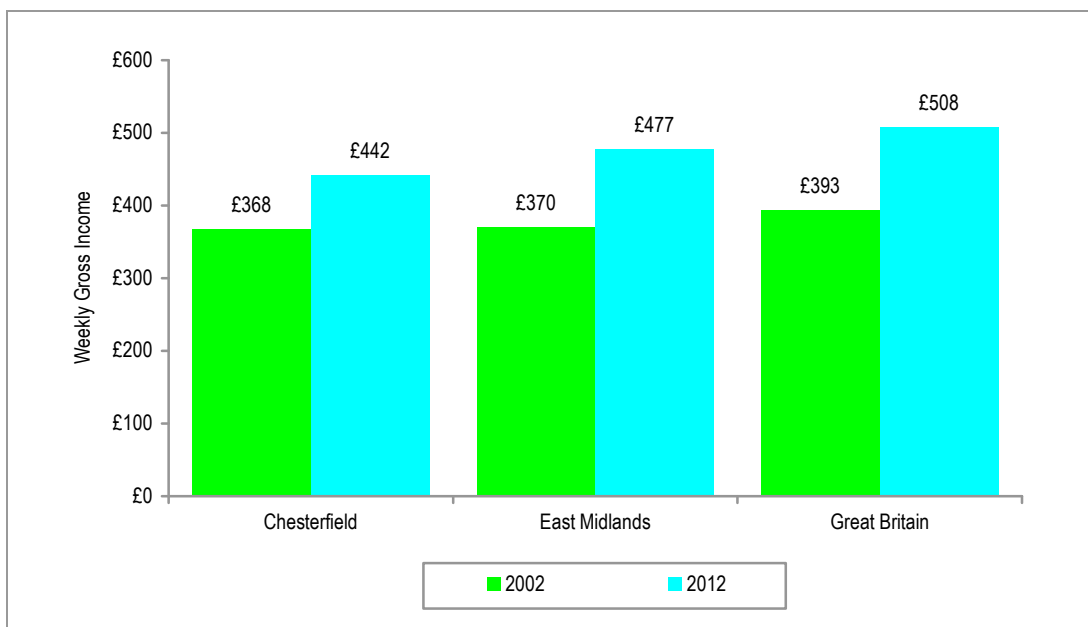
House Price to Income Ratios

Individual Incomes (using Secondary Data)

6.15 Income has a crucial effect on the level of choice a household has when determining their future accommodation. Figure 23 shows the median annual income of people in full-time employment from the Annual Survey of Hours and Earnings (ASHE) for 2002 and 2012. It shows that in all areas income levels are noticeably higher in 2012 than 2002.

6.16 However for both years Chesterfield Borough shows lower average incomes than for the East Midlands and Great Britain. Incomes in Chesterfield Borough also appear to have been rising at a slightly slower rate than seen in other areas - although this may be influenced by the survey based nature of the ASHE. In 2002 the average income in Chesterfield Borough was 94% of the national average. This proportion has dropped to 87% in 2012. Earnings of those in full-time work are on average 13% below the national average.

Figure 23: Median Weekly Gross Income of Full-Time Employed Residents (2002 and 2010)



Source: Annual Survey of Hours and Earnings – from NOMIS website

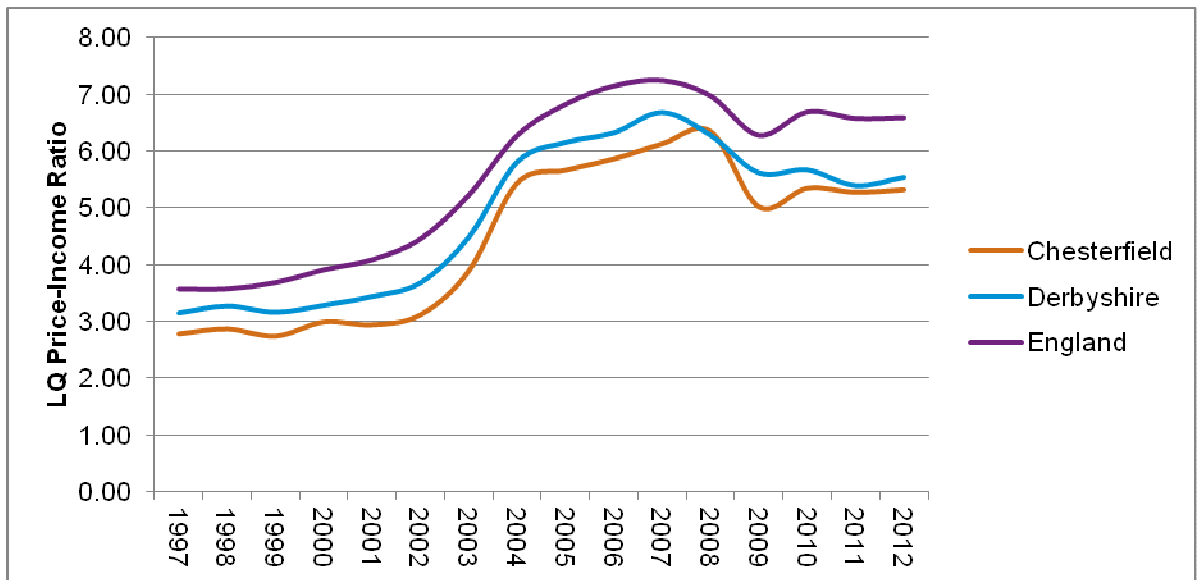
Price: Income Ratios

6.17 Figure 23 below shows the ratio of lower quartile house prices to lower quartile earnings for Chesterfield Borough and selected other areas. House prices grew significantly faster than earnings over the 2003-5 period in Chesterfield and nationally. The ratio has however fallen since 2008 indicating that affordability has improved using this measure. Furthermore the scale of improvement in Chesterfield (and Derbyshire more widely) has been significantly greater than at a national level.

6.18 In 2012 the lower quartile price-income ratio in Chesterfield Borough was 5.3 compared to 5.5 across Derbyshire and 6.6 across England.

6.19 Whilst savings are likely to continue to be a factor in influencing households' ability to purchase a home, the evidence does not suggest that there is a justification for an overall increase in housing supply to bring about an improvement in the affordability of market homes.

Figure 24: Ratio of Lower Quartile House Price to Earnings (1997-2012)



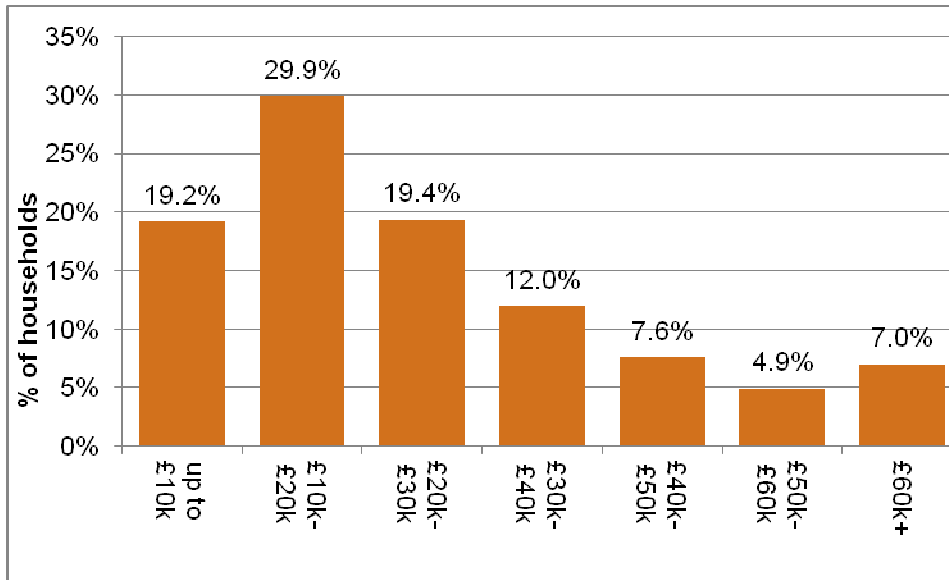
Source: CLG Live Tables (Table 576)

Household Incomes

6.20 Survey results for household income estimate the average mean gross household income level to be £25,691 per annum in the Borough, including households without any members in employment. The median income is noticeably lower than the mean, at £20,438 per annum.

6.21 Figure 25 shows the distribution of income in the Borough. It is clear that there is a significant range of incomes, **with half of households having an income of less than £20,000**, and around 12% an income in excess of £50,000.

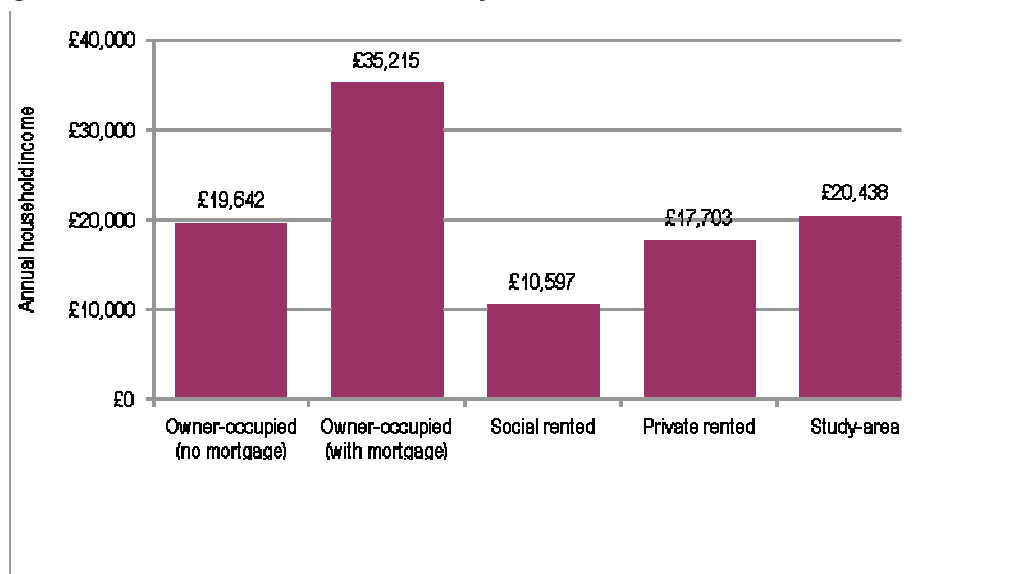
Figure 25: Distribution of Annual Gross Household Income



Source: Household Survey Data

6.22 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 26: Median household Income by Tenure



Source: Household Survey Data

6.23 Table 21 shows how average household incomes vary by Sub-Market. The table shows that there is no real difference between locations with average incomes of around £20,400 in both defined sub-areas.

Table 21: Average Income by Sub-Market

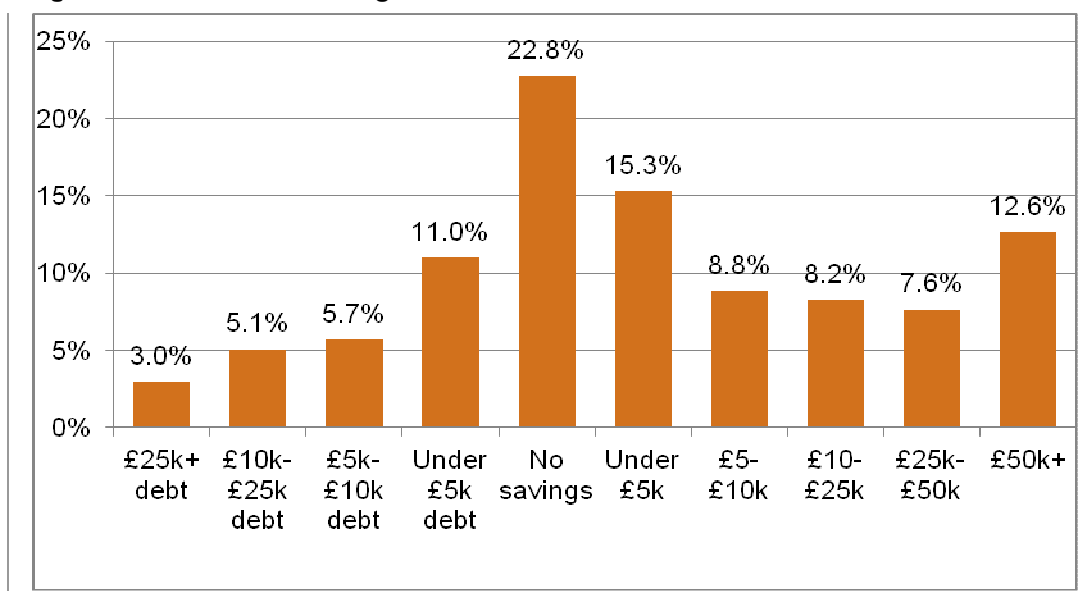
Sub-Market	Median income
Chesterfield Town	£20,444
Staveley & Eastern Villages	£20,427
BOROUGH	£20,438

Source: Household Survey Data

Household Savings/Debt and Equity

6.24 Households were also asked to indicate levels of savings and debt (excluding mortgage debt). The average (mean) household has £8,445 in savings (median of £1,128) – these figures include levels of both savings and debt. Figure 27 below shows the distribution of savings in the Borough. **An estimated 24.8% of households indicated that they were in debt with a further 22.8% having no savings.** At the other end of the scale it is estimated that 12.6% of households have savings of £50,000 or more.

Figure 27: Household Savings

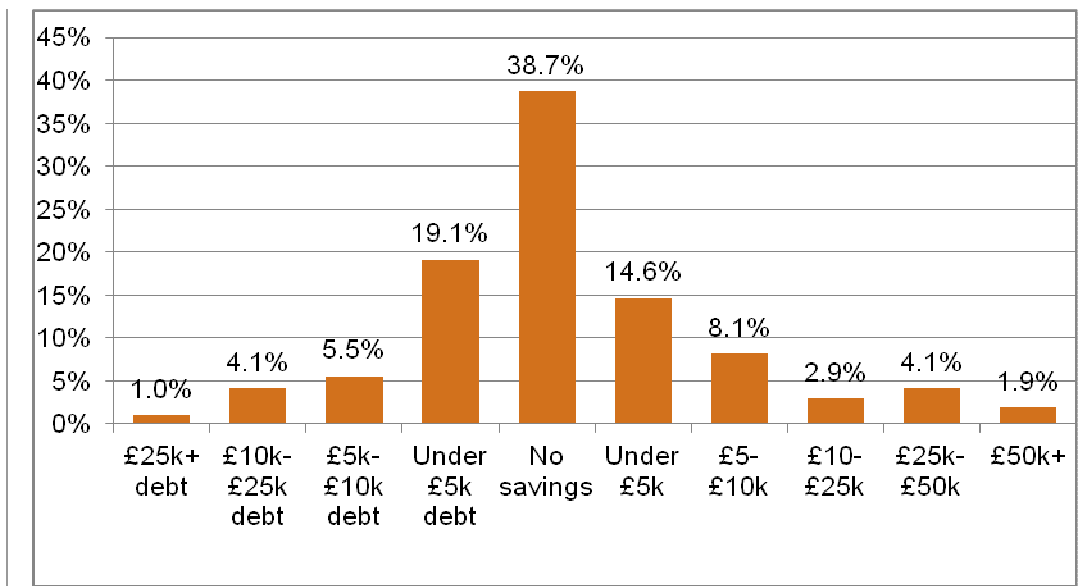


Source: Household Survey Data

6.25 Analysis has also been carried out to look at the level of savings for owner and non-owners separately with the figure below showing the distribution of savings for non-owners. Key things to arise from this analysis are the higher proportion of non-owners in debt (29.7% compared with 21.7% of owners and 24.8% of all households) and the very low proportions with any reasonable

level of savings (over £5,000) – **only 17.0% of non-owners have more than £5,000 of savings** compared with 49.3% of owners and 37.2% of all households.

Figure 28: Household Savings (Non Owner-Occupiers)



Source: Household Survey Data

6.26 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 £105,900, with a median of £102,600. It is estimated that **2.5% of owner-occupiers (744 households) are in negative equity**. This may affect the ability of these households to move home.

6.27 In addition to the information collected about income, savings and equity the survey form asked households whether they had and the amount of any other financial resources which could be used towards a deposit on a property. The vast majority (90.2%) of households stated that they had no further access to financial resources other than those already analysed.

Affordability of Housing in the Borough

6.28 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.

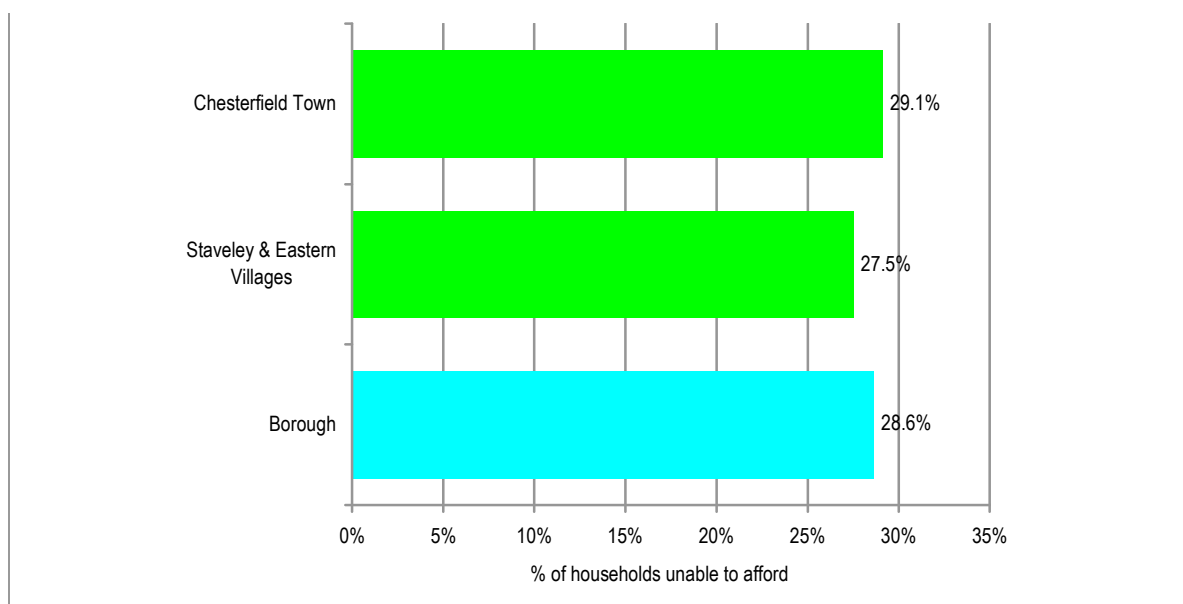
6.29 The affordability criteria used can be summarised as:

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.

- 6.30 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.
- 6.31 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.
- 6.32 Figure 28 shows the current affordability of market housing by area in regard to the proportion of households who are unable to afford market housing. This is the theoretical affordability of households as the analysis considers all households in the study area 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 relatively little difference between locations. Overall the analysis estimates that 28.6% of households across the Borough are unable to access market housing without some form of subsidy (such as Housing Benefit).

Figure 29: Theoretical Proportion of Households unable to Afford Market Housing by Sub-Market



Source: Household Survey Data

Key Findings and Policy Implications

- Entry-level house prices in Chesterfield Borough are 5.3 times lower quartile incomes, however this ratio has fallen since 2008 (quite dramatically). However this has been offset to some extent by the loan-to-value ratios and lending criteria required to secure mortgage finance meaning that there has been little effective improvement in the affordability of market housing since 2009. This situation is however starting to improve but does not as yet appear to be feeding through to sales volumes.
- Price-income ratios are however relatively low compared to many parts of England, and the analysis does not point to a need to increase housing supply to address affordability. The issue is one more of a need to improve incomes and address part-time and under-employment. Half of households have an annual income under £20,000.
- The reductions in house prices mean that there are now an estimated 740 households in the Borough (2.5% of all owners) in negative equity.
- For house purchase, levels of savings are a key constraint to obtaining mortgage finance. For those households who are not current home owners, 30% are in debt, 39% have no savings and just 17% have savings of more than £5,000. Savings are a key constraint for young households looking to buy their first home.

As a result there is a risk that over the next decade, a dichotomy will develop in the housing market between those with equity in existing homes, and the non home-owners, who will have limited ability (without recourse to financial support from relatives) to get on the housing ladder. The Government's Help-to-Buy scheme is however likely to help the housing market, increasing access to mortgage finance for those with lower levels of savings. This in time could help to provide some impetus to the housing market locally.

- Some 29% of all households cannot afford market housing – either rented or to buy - within Chesterfield Borough without subsidy. Provision of affordable housing will continue to be important in ensuring these households can access suitable housing.



7 DEMOGRAPHIC AND ECONOMIC CONTEXT

7.1 In this section, we consider the socio-economic characteristics of the population as well as the characteristics of the economy and the labour market. Demographic projections are presented in the following section.

Demographic Context

7.2 The 2011 Census recorded the population of the HMA at 391,540, with Chesterfield Borough's population just under 104,000. Of this, 99% were resident in households and 1% in communal establishments.

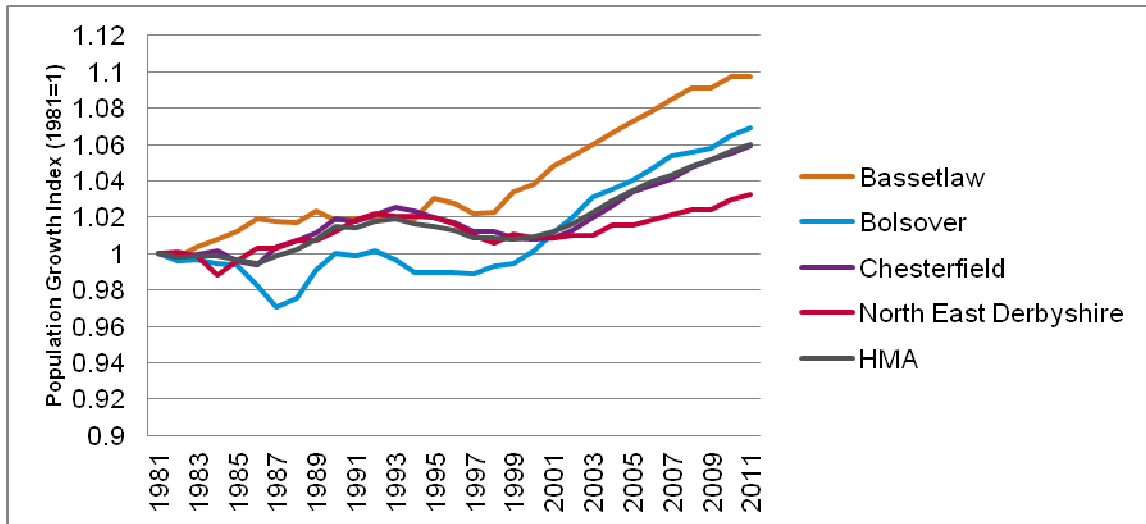
Table 22: Population, 2011

	Population, 2011	Live in a Household	Live in a Communal Establishment
Chesterfield Borough	103,788	99.2%	0.8%
HMA	391,540	99.0%	1.0%
East Midlands	4,533,222	98.0%	2.0%
England	53,012,456	98.2%	1.8%

Source: 2011 Census

7.3 Figure 30 shows that the population growth has been varied within the HMA. Chesterfield has shown similar levels of population growth over the period since 1981 to North East Derbyshire and the HMA as a whole. 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 and North East Derbyshire.

Figure 30: Population Trends by Authority (1981 – 2011)

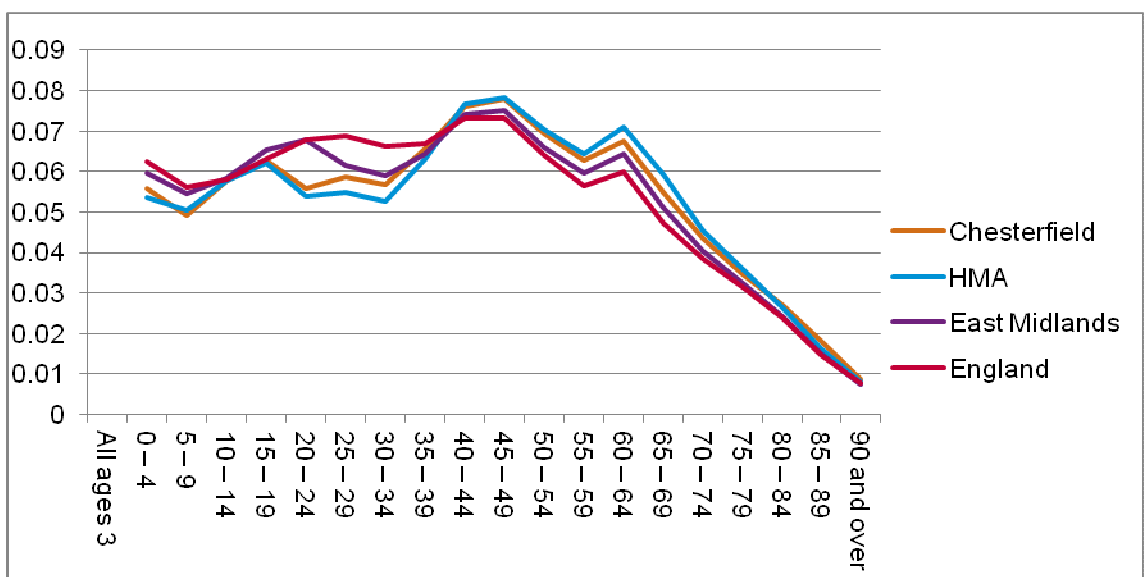


Source: ONS Mid-Year Estimates

Age Structure

7.4 Across the HMA, the 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. Chesterfield Borough's age structure is broadly in line with the HMA but has a higher proportion of its population aged 20 – 44 (most likely as it contains one of the larger urban areas).

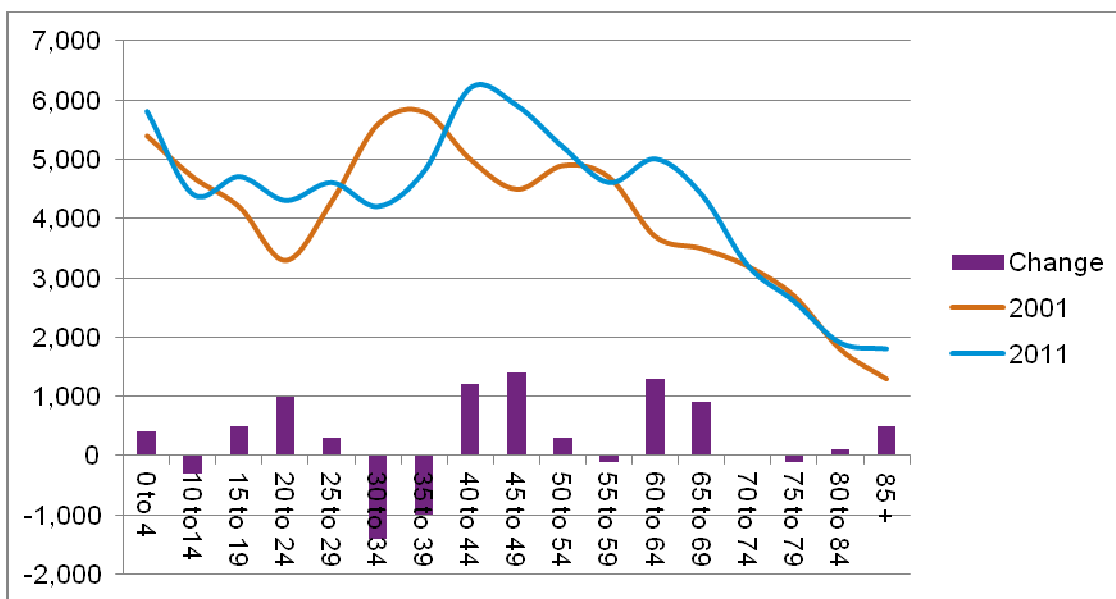
Figure 31: Population by 5 Year Age Band –HMA



Source: ONS Mid-Year Population Estimates

7.5 Chesterfield Borough has 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 – 29 year olds has, however, also increased in this period (in part related to age structure dynamics with the population aged 5-19 a decade previously moving through the age structure).

Figure 32: Change in Population Structure in Chesterfield Borough (2001 – 2011)



Source: ONS Mid-Year Population Estimates

Ethnicity

7.6 Table 23 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. The ethnic profile in Chesterfield Borough is similar, although it has the highest proportion of Black and Minority Ethnic groups of the authorities in the HMA.

7.7 The largest Black and Minority Ethnic groups⁷ within the borough's population are Asian/Asian British (1.6%) and White Other (1.3%).

⁷ 'White Other' have been included in this category

Table 23: Population by Ethnic Group, 2011

	White British / Irish	White Other	Multi Ethnic	Asian / Asian British	Black British	Arab / Other
Chesterfield Borough	95.3%	1.3%	1.1%	1.6%	0.8%	0.2%
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

7.8 The high percentage of the population in the White British / Irish category is characteristic of both submarkets; which both have over 94% of the population in this category. The level of ethnic diversity is higher in the Chesterfield Town Sub-Market but this is still notably below the regional and national average.

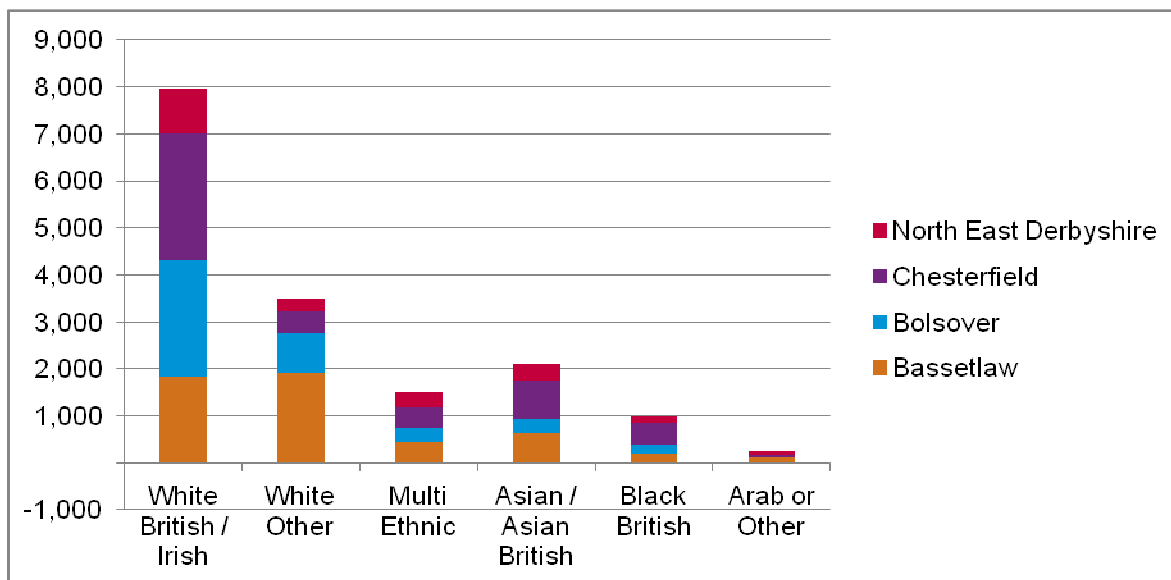
Table 24: Population by Ethnic Group – Sub-Markets

Sub-Market	White British / Irish	White Other	Multi Ethnic	Asian / Asian British	Black British	Arab / Other
Chesterfield Town	94.4%	1.5%	1.2%	1.9%	0.8%	0.2%
Staveley & Eastern Villages	97.0%	0.7%	0.8%	0.7%	0.6%	0.1%

Source: 2011 Census

7.9 Figure 33 profiles the change in population of ethnic groups. Population growth has been concentrated in the White/British Irish population. The White British / Irish (+2,704) and Asian / Asian British (+817) population has increased the most in Chesterfield Borough compared with other ethnic groups between 2001 and 2011.

Figure 33: Change in Ethnic Composition (2001-2011)



Source: 2001 and 2011 Census

Length of Residence and Recent Movers

- 7.10 At the time of the survey an estimated 16.8% of households (7,904) had been resident at their current address for less than two years. This figure suggests that households in the Borough 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.
- 7.11 Table 25 below shows length of residence by tenure. Of the households moving in the past two years, 41% are currently private renters, 30% owner-occupiers and 29% live in the social rented sector. An estimated 47% of all private renters had moved home in the past two years, compared to only 22% 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.
- 7.12 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, 90% 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 high proportions of

retired households in this tenure group; these households are less likely to move than younger households.

Table 25: 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)	734	887	13,831	15,453
Owner-occupied (with mortgage)	1,662	1,980	10,622	14,264
Social rented	2,306	1,951	6,385	10,642
Private rented	3,202	1,978	1,642	6,821
Total	7,904	6,796	32,480	47,180
Owner-occupied (no mortgage)	4.8%	5.7%	89.5%	100.0%
Owner-occupied (with mortgage)	11.7%	13.9%	74.5%	100.0%
Social rented	21.7%	18.3%	60.0%	100.0%
Private rented	46.9%	29.0%	24.1%	100.0%
Total	16.8%	14.4%	68.8%	100.0%

Source: Household Survey Data

- 7.13 In terms of tenure mobility we see that the most common types of moves were within tenures with around 1,230 household moves being made within the owner-occupied sector and 1,680 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.
- 7.14 Newly forming households accounted for an appreciable proportion of moves (26% in total). New households mainly moved to the social and private rented sectors, the private rented sector accommodating 31% of newly-forming households over the past two years.
- 7.15 Around 52% 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 14% of all households in the Borough currently live in the private rented sector.
- 7.16 A total of 713 households moved from owner-occupation to rented housing (either social or private). Whilst these households cited a range of reasons for moving the overwhelming one was due to relationship breakdown with 36% of households noting this as the reason for moving. Other reasons noted include: to move for employment (21%) and to move closer to friends/family (18%). None of these households stated that the move was due to issues around housing costs. Only 13% of those moving from owner-occupation into rented housing are pensioner households.

Table 26: 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)	551	0	109	74	734
Owner-occupied (with mortgage)	674	44	451	494	1,662
Social rented	128	983	354	840	2,306
Private rented	585	297	1,677	642	3,202
Total	1,938	1,324	2,592	2,050	7,904
Owner-occupied (no mortgage)	75.0%	0.0%	14.9%	10.1%	100.0%
Owner-occupied (with mortgage)	40.5%	2.6%	27.1%	29.7%	100.0%
Social rented	5.6%	42.6%	15.4%	36.4%	100.0%
Private rented	18.3%	9.3%	52.4%	20.1%	100.0%
Total	24.5%	16.7%	32.8%	25.9%	100.0%

Source: Household Survey Data

Reasons for Moving and Choosing Current Homes

- 7.17 The survey questionnaire asked households for the main reasons for choosing their current home with options for answers including both those related to the housing provision (e.g. cost, size) and also wider environmental/neighbourhood factors (such as shopping and schools). The table below shows the main reasons for households having chosen their current location – the figures add up to more than 100% due to households having the option to choose more than one reason.
- 7.18 The data shows that the main reason for choosing their current home was due to the size and suitability of the dwelling. This was cited as a reason by 66% of all households. The next main reason was the quality of the neighbourhood followed by to be close to family and friends.

Table 27: Reasons for Choosing Current Residence by Sub-Area

	Chesterfield Town	Staveley & Eastern Villages	Borough
Size and suitability of dwelling	68.4%	61.9%	66.4%
Affordability of local house prices	34.2%	35.8%	34.7%
Quick/easy journey to work	28.9%	24.0%	27.4%
Near to family and/or friends	37.1%	38.8%	37.6%
Proximity to motorway junction	4.9%	7.4%	5.6%
Near to local shopping facilities	35.5%	21.8%	31.3%
Near to local schools	22.5%	16.7%	20.7%
Quality of neighbourhood	42.4%	31.4%	39.0%
Other	16.2%	19.1%	17.1%

Source: Household Survey

7.19 Survey respondents were asked if any member of their household had moved away from the Borough over the past two years – and if so the reasons for moving away. In total, some 9.5% of households said someone had moved away – representing 4,480 households. Table 28 below shows the reasons for people moving – the totals add up to more than 100% due to more than one reasons being available.

7.20 The data shows across the Borough that the main reason for moving was to live with a partner (about 33%) followed by further education (28%). Around a sixth of households said there were other reasons for moving although the survey did not record what these were. It is notable from the analysis that housing reasons did not score very highly with only 1% saying they moved due to a lack of suitable housing and 3% due to a lack of affordable housing.

Table 28: Reasons for Household/Family Members leaving the Borough in past Two Years

	Chesterfield Town	Staveley & Eastern Villages	Borough
Location of employment	22.7%	23.6%	23.0%
Lack of suitable housing	1.3%	0.0%	0.9%
Lack of affordable housing	1.8%	4.8%	2.7%
Further Education	29.0%	24.1%	27.5%
Moved to live with partner	30.5%	38.9%	33.0%
Other family reasons	13.6%	5.7%	11.2%
Other reasons	18.4%	15.8%	17.6%
Total households	3,140	1,341	4,480

Source: Household Survey

Economic Context

- 7.21 Next, we move on to consider economic and labour market dynamics. The skills profile in the HMA and in Chesterfield Borough is focused towards lower level skills relative to England as a whole. 20.1% of the population in the HMA and 21.0% in Chesterfield Borough are qualified to NVQ4+ (equivalent to degree-level) compared with the East Midlands (23.6%) and England 27.4%).

Table 29: Highest Level of Qualification, 2011

	% with NVQ 4+	% with NVQ 3+	% with NVQ 2+	% with NVQ 1+	% with other qualifications -	% with no qualifications	% with Apprenticeship
Chesterfield Borough	21.0%	12.1%	17.0%	14.3%	3.9%	27.6%	4.0%
HMA	20.1%	11.7%	16.6%	14.6%	4.3%	28.7%	4.1%
England	27.4%	12.4%	15.2%	13.3%	5.7%	22.5%	3.6%
East Midlands	23.6%	12.9%	15.6%	13.9%	5.3%	24.7%	4.0%

Source: 2011 Census

- 7.22 Of the submarkets in Chesterfield Borough, Chesterfield Town has higher skilled working-age populations with 23.4% of the population qualified to NVQ4+ higher, in line with the regional average and higher than the HMA average, but still below the UK average. The Staveley & Eastern Villages sub-market has a high proportion of the population with no qualifications (31.4%) compared with the HMA (28.7%), regional (24.7%) and UK (22.5%) averages.

Table 30: Highest Level of Qualification

Sub-Market	% with NVQ 4+	% with NVQ 3+	% with NVQ 2+	% with NVQ 1+	% with other qualifications -	% with no qualifications	% with Apprenticeship
Chesterfield Town	23.4%	12.2%	16.8%	14.0%	4.0%	25.9%	3.9%
Staveley & Eastern Villages	15.8%	11.9%	17.6%	15.1%	3.9%	31.4%	4.3%

Source: 2011 Census

- 7.23 Although employment in elementary occupations and plant operative work (21.6%) in Chesterfield Borough is below the HMA (24.4%) and regional averages (22.0%), it is above the national average (18.3%).

7.24 Whilst there has been a recent shift towards the services sector, the level of employment in less skilled and more manual professions reflects the HMA's roots in the coal mining and manufacturing industries. Chesterfield has a higher proportion of the population employed in the service industry than the HMA, regional and national average. This is reflective of its position as a significant market town and sub-regional service centre.

7.25 In Chesterfield Borough, there is a higher proportion of the population occupied in managerial and professional occupations (23.7%) than the HMA average (22.7%), but this is still below the national (28.4%) regional (25.8%) averages.

Table 31: Occupational Profile – HMA Level

	Managers, directors and senior officials	Professional occupations	Associate professional and technical occupations	Administrative and secretarial occupations	Skilled trades occupations	Caring, leisure and other service occupations	Sales and customer service occupations	Process, plant and machine operatives	Elementary occupations
Chesterfield Borough	9.1%	14.5%	10.7%	11.4%	12.0%	11.1%	9.5%	9.1%	12.5%
HMA	9.8%	12.9%	10.0%	10.5%	12.8%	10.9%	8.6%	10.5%	13.9%
East Midlands	10.6%	15.2%	11.3%	10.9%	12.1%	9.5%	8.4%	9.3%	12.7%
England	10.9%	17.5%	12.8%	11.5%	11.4%	9.3%	8.4%	7.2%	11.1%

Source: 2011 Census

7.26 Looking at the submarkets in Chesterfield Borough, the highest proportion of employment in managerial and professional occupations is in Chesterfield Town sub-market, whilst the Staveley & Eastern Villages sub-market has a higher proportion of employment in elementary occupations and plant operative work as well as the service sector.

Table 32: Occupational Profile – Sub-Markets

Sub-Market	Managers, directors and senior officials	Professional occupations	Associate professional and technical occupations	Administrative and secretarial occupations	Skilled trades occupations	Caring, leisure and other service occupations	Sales and customer service occupations	Process, plant and machine operatives	Elementary occupations
Chesterfield Town	9.6%	16.1%	11.4%	11.5%	11.6%	10.5%	9.2%	8.1%	11.9%
Staveley & Eastern Villages	8.1%	11.0%	9.3%	9.3%	12.8%	12.5%	10.1%	11.2%	13.9%

Source: 2011 Census

Economic status – Survey Data

7.27 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 Chesterfield Borough. **Just over half of all HRPs are in employment;** a third are retired. A number of HRPs are in the ‘other’ working status group, which is largely comprised of people describing themselves as either permanently sick/disabled or looking after home/family.

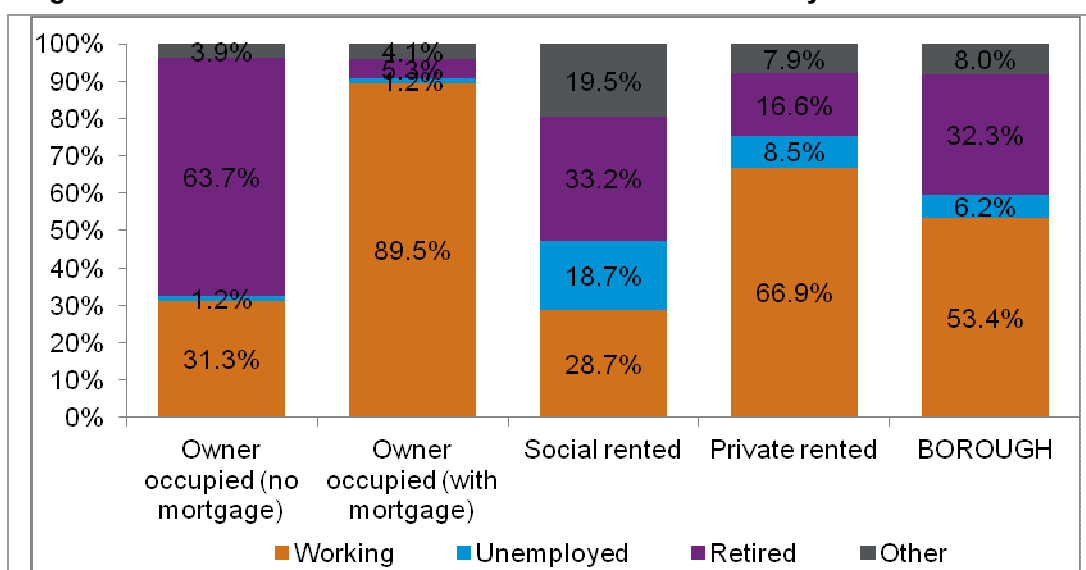
Table 33: Working status of household reference person

Working status	Number of households	% of households
Working	25,216	53.4%
Unemployed	2,913	6.2%
Retired	15,262	32.3%
Other	3,789	8.0%
Total	47,180	100.0%

Source: Household Survey Data

7.28 Figure 34 shows economic status by tenure. The data shows that around 90% of owner occupiers with a mortgage were working. For private renters the figure was 67%, and for social rented tenants only 29%. 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 34: Economic status of Household Reference Person by Tenure



Source: Household Survey Data

7.29 Table 34 shows working status by sub-market from survey data. This information shows relatively little difference between different areas although the proportion of retired HRPs does look to be slightly higher in the Chesterfield Town area.

Table 34: Working Status by Sub-Market

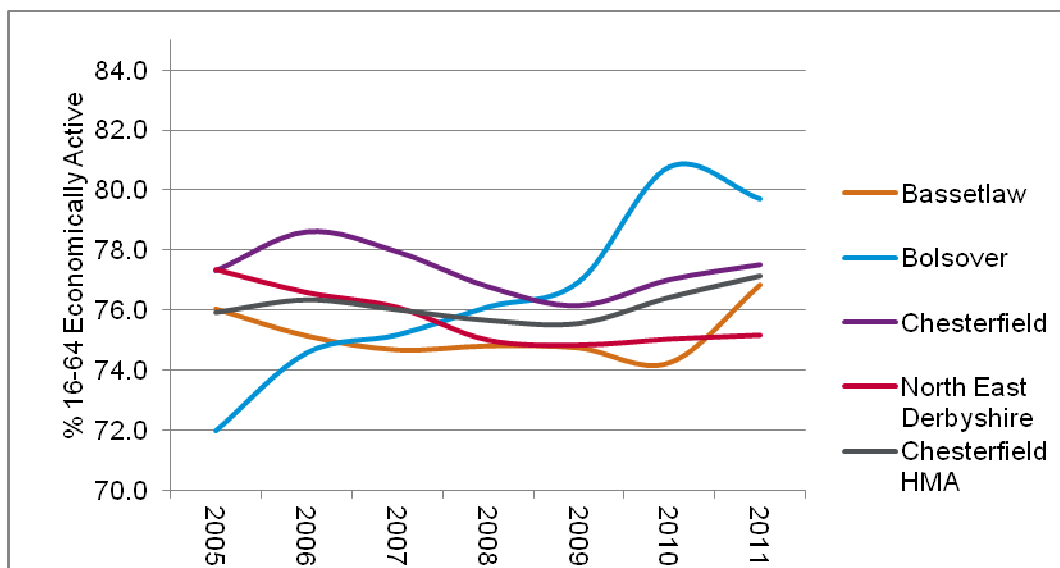
Sub-Market	Working	Unemployed	Retired	Other	Total
Chesterfield Town	53.2%	6.1%	33.5%	7.2%	100.0%
Staveley & Eastern Villages	54.0%	6.4%	29.8%	9.8%	100.0%
	53.4%	6.2%	32.3%	8.0%	100.0%

Source: Household Survey Data

Labour Market Dynamics

7.30 Figure 35 tracks changes in economic activity (the proportion of residents aged 16-64 who are in work or seeking work). Within Chesterfield there was a fall from a high of 78.6% economically active residents in 2006 to a low of 76.2% in 2009. The proportion of economically active residents increased steadily up to 2011 where it reached 77.5%.

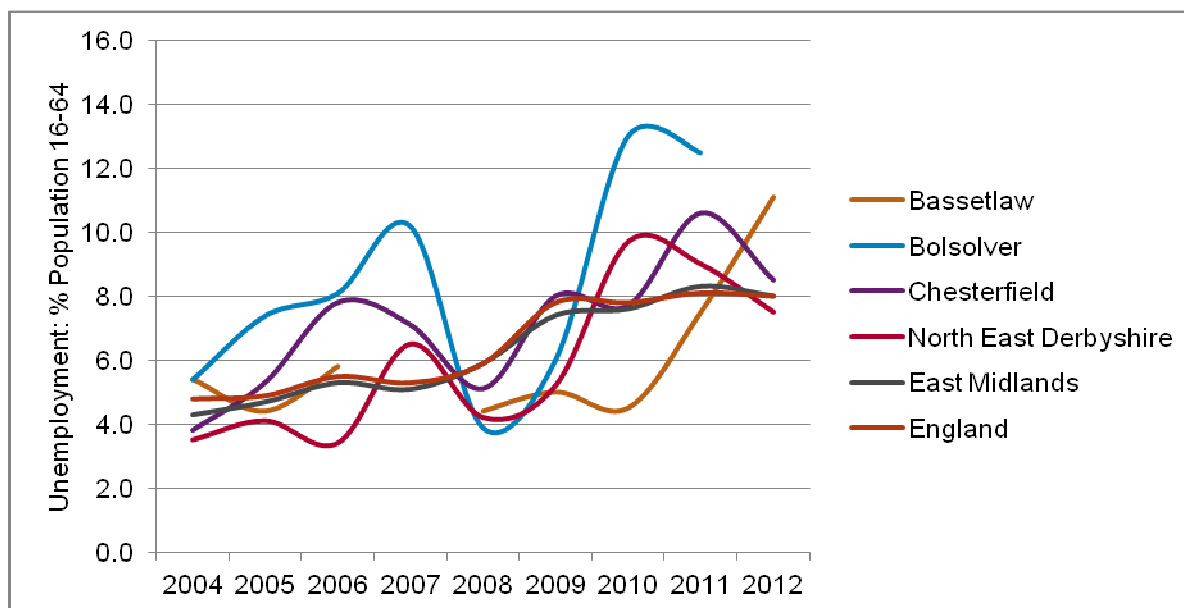
Figure 35: Economic Activity, Local Authority Level



Source: Annual Population Survey

7.31 Across the East Midlands and nationally, unemployment in 2012 stood at 8.0% of the 16-64 population. The Annual Population Survey data suggests unemployment in Chesterfield Borough is slightly above average (c. 8.5%). As Figure 33 indicates unemployment has increased notably since the start of the economic recession in 2008.

Figure 36: Unemployment (% Residents 16-64), 2004-2012



Source: Annual Population Survey

7.32 Job Seekers Allowance claimants are a subset of overall unemployment. The JSA Claimant Rate in March 2013 in Chesterfield Borough (4.1%) was moderately above regional/ national averages.

Table 35: JSA Claimant Rate, March 2013 (% Population 16-64)

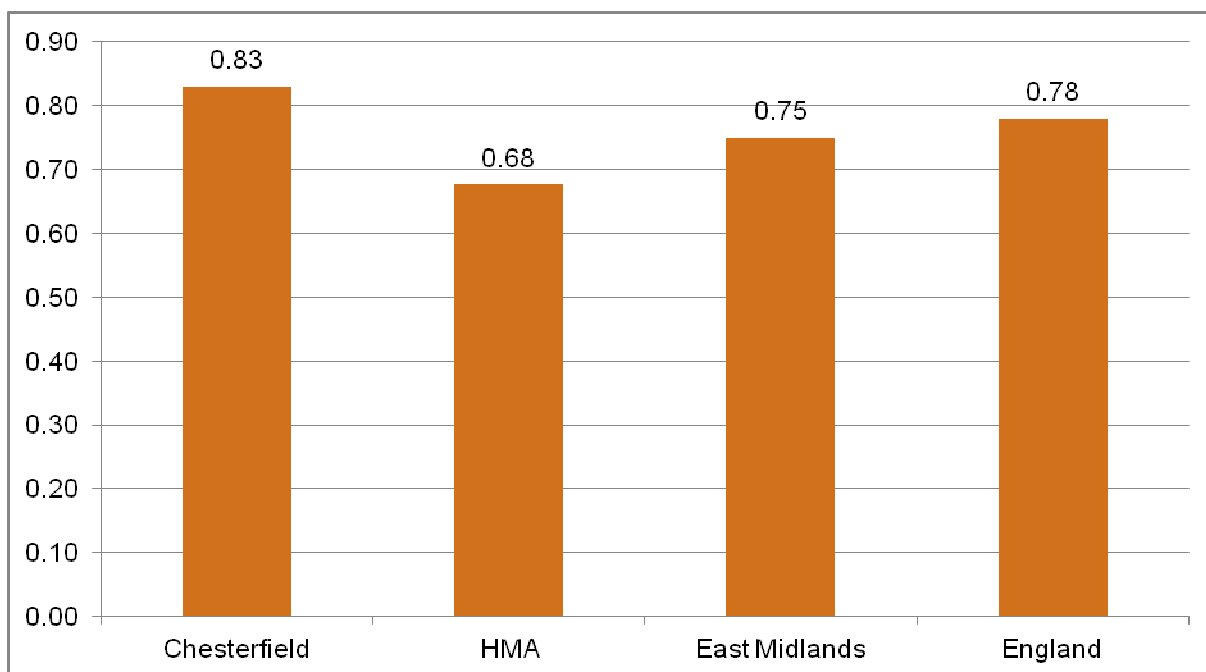
JSA Claimant Rate, March 2013 Claimants as % Population 16-64	
Chesterfield Borough	4.1
East Midlands	3.7
England	3.8

Source: NOMIS

7.33 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.

7.34 Chesterfield Borough however, has a particularly high jobs density with 83 jobs per 100 working-age residents, suggesting potential net in commuting into the Borough and job opportunities locally.

Figure 37: Jobs Density (2011)

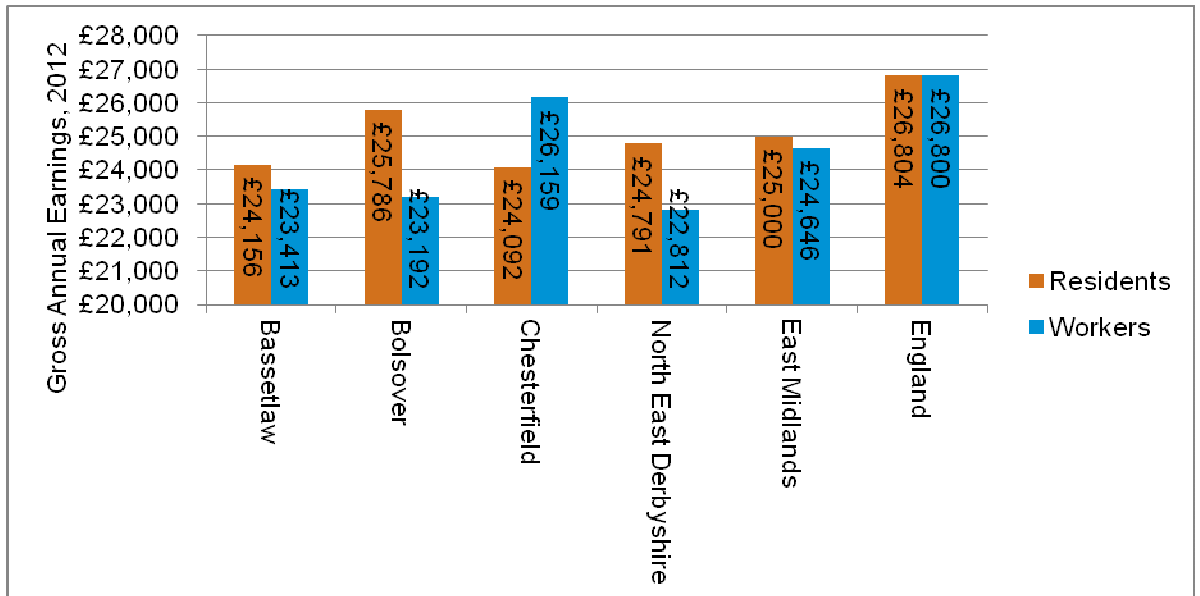


Source: NOMIS

Earnings and Commuting

- 7.35 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). Workplace earnings are slightly lower in the HMA as a whole compared with resident earnings.
- 7.36 Jobs in Chesterfield have the highest earnings of the four authorities in the HMA. Residents earnings are on average 8% less than those of people working in the Borough suggesting a degree of in-commuting from surrounding areas to higher paid jobs. There is a particular differential between residence- and workplace-based earnings.

Figure 38: Earnings



Source: NOMIS

Travel to work – Survey Data

- 7.37 The survey data also allows us to look at where people resident in the Borough (and who are working) travel for their employment. This information is also provided for the two sub-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 55.7% of people living in the Borough who are working are also working in the Borough – the main location for employment is Chesterfield Town. Outside of the Borough, the strongest commuting flows are to Sheffield (to which 9.0% of people in work in the Borough commute).
- 7.38 The commuting patterns shown partly reflect the geography of the Borough, and its proximity to the M1 and larger employment centres such as Sheffield.

Table 36: Location of Employment

Location of employment	Work mainly from home	Not working from home	Total	% of people working
Chesterfield Town	1,907	16,470	18,377	43.5%
Staveley & Eastern Villages	504	4,634	5,138	12.2%
All working in Chesterfield BC	2,411	21,104	23,515	55.7%
Bolsover	0	1,075	1,075	2.5%
North East Derbyshire	0	3,160	3,160	7.5%
Elsewhere in Derbyshire	0	3,943	3,943	9.3%
Bassetlaw	0	321	321	0.8%
Elsewhere in Nottinghamshire	0	2,312	2,312	5.5%
Elsewhere in the East Midlands	0	553	553	1.3%
Rotherham	0	472	472	1.1%
Sheffield	0	3,816	3,816	9.0%
Elsewhere in Yorkshire & Humber	0	1,221	1,221	2.9%
Elsewhere in the UK	0	1,764	1,764	4.2%
Abroad	0	87	87	0.2%
All working outside CBC	0	18,725	18,725	44.3%
Total	0	42,240	42,240	100.0%

Source: Household Survey Data

7.39 Tables 37 and 38 below show the same information but for individual sub-areas (plus location of current residence). The first table shows the number of people working whilst the second shows the proportion in each sub-area. Those working from home are included in the sub-area in which they live. The data shows that households in both areas are particularly likely to work in the same area in which they live although there is a notable movement of people from Staveley and Eastern Villages into Chesterfield Town for employment.

7.40 Overall, households in Staveley & Eastern Villages are generally more likely to commute for work with 48.2% working outside the Borough (largely in North East Derbyshire and other parts of the County). This compares with 42.5% of those in Chesterfield Town who are out-commuters – in this case the main location of employment is also other parts of Derbyshire as well as Sheffield.

Table 37: Location of Employment by Sub-Market (Numbers)

Location of employment	Chesterfield Town	Staveley & Eastern Villages	BOROUGH
Chesterfield Town	14,404	3,973	18,377
Staveley & Eastern Villages	2,146	2,992	5,138
All working in Chesterfield BC	16,550	6,965	23,515
Bolsover	467	608	1,075
North East Derbyshire	1,959	1,201	3,160
Elsewhere in Derbyshire	2,796	1,147	3,943
Bassetlaw	183	138	321
Elsewhere in Nottinghamshire	1,760	553	2,312
Elsewhere in the East Midlands	204	349	553
Rotherham	255	217	472
Sheffield	2,637	1,179	3,816
Elsewhere in Yorkshire & Humber	634	587	1,221
Elsewhere in the UK	1,294	470	1,764
Abroad	50	37	87
All working outside CBC	12,239	6,486	18,725
Total	28,789	13,451	42,240

Source: Household Survey Data

Table 38: Location of Employment by Sub-Market(Percentages)

Location of employment	Chesterfield Town	Staveley & Eastern Villages	BOROUGH
Chesterfield Town	50.0%	29.5%	43.5%
Staveley & Eastern Villages	7.5%	22.2%	12.2%
All working in Chesterfield BC	57.5%	51.8%	55.7%
Bolsover	1.6%	4.5%	2.5%
North East Derbyshire	6.8%	8.9%	7.5%
Elsewhere in Derbyshire	9.7%	8.5%	9.3%
Bassetlaw	0.6%	1.0%	0.8%
Elsewhere in Nottinghamshire	6.1%	4.1%	5.5%
Elsewhere in the East Midlands	0.7%	2.6%	1.3%
Rotherham	0.9%	1.6%	1.1%
Sheffield	9.2%	8.8%	9.0%
Elsewhere in Yorkshire & Humber	2.2%	4.4%	2.9%
Elsewhere in the UK	4.5%	3.5%	4.2%
Abroad	0.2%	0.3%	0.2%
All working outside CBC	42.5%	48.2%	44.3%
Total	100.0%	100.0%	100.0%

Source: Household Survey Data

7.41 Table 39 shows the method of travel to work for survey respondents and their partners where applicable. The data clearly shows that the vast majority drive their own car or van (70% Borough-wide). There is some difference between areas in terms of the proportion driving to work with a notably higher proportion in Staveley & Eastern Villages. Chesterfield Town on the other hand has a relatively high proportion of people who walk to work (14%). Overall, the data is dominated by people who drive to work.

Table 39: Method of Travel to Work by Sub-Area

	Chesterfield Town	Staveley & Eastern Villages	BOROUGH
Work from home	6.6%	3.7%	5.7%
On foot	14.0%	5.9%	11.4%
Bicycle	1.8%	1.7%	1.7%
Driving a car or van	66.4%	77.7%	70.0%
Passenger in car or van	4.0%	2.4%	3.5%
Motorcycle/scooter/moped	0.6%	1.0%	0.7%
Bus/minibus/coach	4.1%	5.6%	4.6%
Train	2.2%	1.4%	1.9%
Taxi	0.3%	0.3%	0.3%
Other	0.0%	0.2%	0.1%
Total	100.0%	100.0%	100.0%

Source: Household Survey

Key Findings and Policy Implications

- The population profile in the HMA and Chesterfield Borough is focused more towards older persons. 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 Asian/British Asian population particularly in the Chesterfield Town sub-market.
- Overall population growth has been similar to the HMA as a whole over the last twenty years. The jobs density is high— there is a good supply of jobs locally which contributes to notable in-commuting to the area to work; due to Chesterfield’s role as a significant market town and sub-regional service centre. 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 (linked in part to age structure changes).
- Although Chesterfield Town is one of the larger employment centres in the HMA and there is net in-commuting to work, unemployment is average at around 8.5% in the Borough (compared to 8.0% across the East Midlands). The evidence suggests that those commuting into the Borough for work include a number of those in higher-paid jobs.

8 ASSESSING HOUSING REQUIREMENTS

Introduction

- 8.1 This section of the SHMA seeks to establish overall housing requirements in Chesterfield Borough. 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).
- 8.2 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 will 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 Borough (migration). These are the principal components of population change and are used to construct our principal trend-based population projections.
- 8.3 In this section we focus on the outputs of the projections for Chesterfield Borough. The figure below shows the key stages of the projection analysis through to the assessment of housing requirements.

Figure 39: Overview of Methodology



8.4 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).

Implications of Planning Practice Guidance

8.5 The Planning Practice Guidance⁸ 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.” It 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.

8.6 The 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.

⁸ CLG (March 2014) *Planning Practice Guidance - Housing and Economic Development Needs Assessment*

- 8.7 It is also outlined that sensitivity testing may be appropriate; and that employment trends can be taken into account. In regard to economic forecasts, it outlines that “where the supply of working age population (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility and other sustainable options such as walking and cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could address these problems.” It considering the relationship between jobs and homes is however important to remember in the case of Chesterfield Borough that the labour market does not conform to local authority boundaries, and there is evidence that currently there is an under-provision of jobs across the wider HMA (although not in the Borough).
- 8.8 The starting point is the latest national projections. CLG’s 2011-based Interim Household Projections. These indicate growth of 2,290 households in the Borough over the 2011-21 period. Including a 3% allowance for vacant and second homes, this equates to an annual growth in dwellings of 236 per annum.

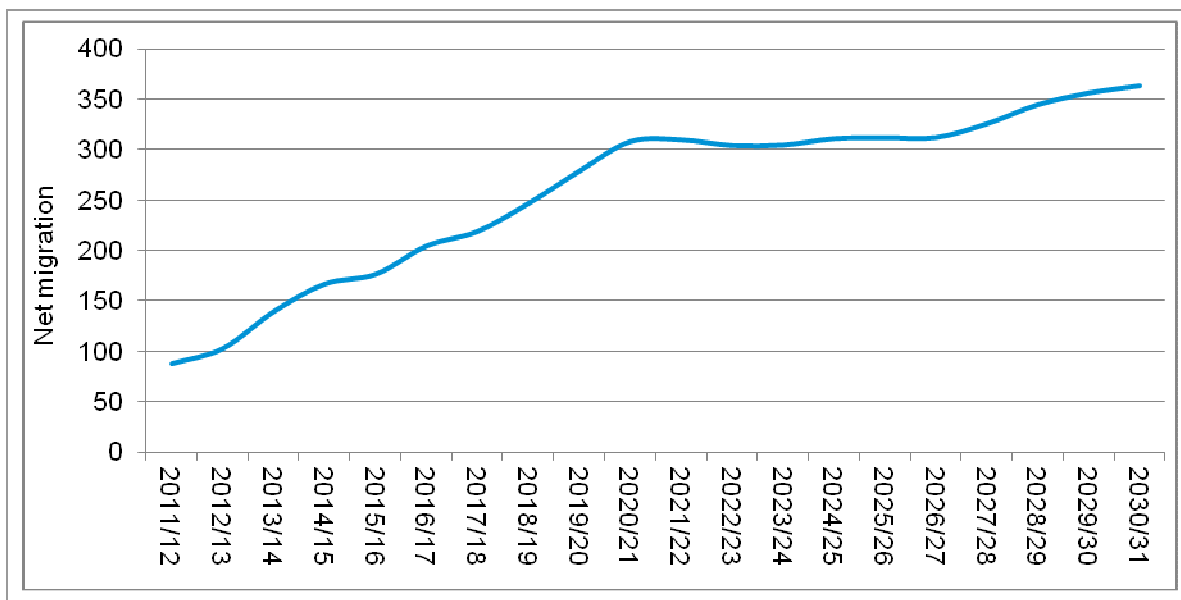
Projections Run

- 8.9 As part of this assessment we have run eight projections to assess how the population and the number of people in employment might change under different assumptions. The projections can broadly be split into three categories:
- Demographic-driven projections (PROJ 1 to 3) – these are intended to form the starting point for considering future housing provision;
 - Economic-led projections (PROJ A and B) – which aim to aid understanding of how the economy and housing demand may interact, taking account of forecast employment growth and expected changes in the demographic structure of the local population; and
 - Component projections (PROJ X to Z) – which are not intended to inform assessment of future housing requirements, but to help understand demographic dynamics.
- 8.10 All projections cover the period from 2011 to 2031. The eight projections run are listed below:
- PROJ 1 (Linked to 2010- and 2011-based SNPP)
 - PROJ 2 (10-year migration trends)
 - PROJ 3 (5-year migration trends)
 - PROJ A (Jobs baseline)
 - PROJ B (Residents in Employment)
 - PROJ X (Zero net migration)
 - PROJ Y (Zero Employment Growth)
 - PROJ Z (Past Completions)

PROJ 1 (linked to ONS 2010- and 2011-based SNPP)

- 8.11 Our first projection uses information in the ONS 2010- and 2011-based Sub-National Population Projections (SNPP). The last full set of SNPP published by ONS were 2010-based figures. These have subsequently been updated by 2011-based 'interim' projections which look at the ten year period to 2021. These interim projections use the same assumptions around fertility, mortality and migration profiles as 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 2001 Census.
- 8.12 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.
- 8.13 Figure 40 shows the level of net migration assumed by this projection from 2011/12 to 2030/31 in Chesterfield Borough. The projection starts in 2011/12 with a net migration figure of around 90. This is expected to increase over time to reach a net in-migration of around 300 people by 2020/21. Following this the figures level off before increasing slightly in the last five years of the period studied. For the projection period studied as a whole, the average level of net migration is an in-migration of 258 people per annum.

Figure 40: ONS Migration Assumptions, 2011/12 to 2030/31



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

- 8.14 It should be noted that the 2011-based SNPP only projects for a ten-year period to 2021. 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 are 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).

PROJ 2 (10-year Migration Trends)

PROJ 3 (5-year Migration Trends)

8.15 Our next two projections look at recorded trends in migration over the past five and ten years. The table below shows estimated net migration into the Borough 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.

8.16 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 900 people in 2002/3). The last three years studied (2008-11) show some of the lowest levels of migration in the decade. 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 550 people with a notably lower figure of 360 if we look at 5-year trends (2006-11).

Table 40: Past Trends in Net In-Migration

Year	Net migration
2001/2	700
2002/3	900
2003/4	800
2004/5	800
2005/6	500
2006/7	300
2007/8	500
2008/9	400
2009/10	300
2010/11	300
10 Year Average	550
5 Year Average	360

Source: ONS Mid-Year Population Estimates

Economic-led Projections (PROJ A to C)

8.17 In addition to developing the above scenarios we have developed two projections to consider the implications on population change and housing requirements of different levels of employment

growth in the Borough. To model potential levels of economic growth we have drawn on a January 2013 econometric forecast by Experian. The two projections are described below.

PROJ A – Jobs Baseline

- 8.18 This projection looks at the forecast increase in jobs from 2011 to 2031 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 with all new jobs being filled by local people (it can alternatively be viewed as being based on no changes to commuting patterns with equal numbers of people in- and out-commuting as a result of new employment opportunities). This projection sees an increase in the number of residents in employment of 3,714 over the 20-year period across the Borough.

PROJ B – Residents in Employment

- 8.19 This projection draws on the Experian data about the number of additional jobs forecast to be created in each Borough 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 lower projected increase in the number of residents in employment of 3,647 over the 20-year period.
- 8.20 Table 41 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 and last five years of the projection. This is based on expected economic performance.

Table 41: Employment Growth Assumptions used in Modelling – Chesterfield Borough

Period	PROJ A – Jobs Baseline		PROJ B – Residents in Employment	
	Annual	5-year total	Annual	5-year total
2011-2016	127	637	144	719
2016-2021	279	1,396	244	1,222
2021-2026	174	869	172	858
2026-2031	162	812	170	848
Total	3,714		3,647	

Source: Experian 2013

PROJ X (Zero Net Migration)

PROJ Y (Zero Employment Growth)

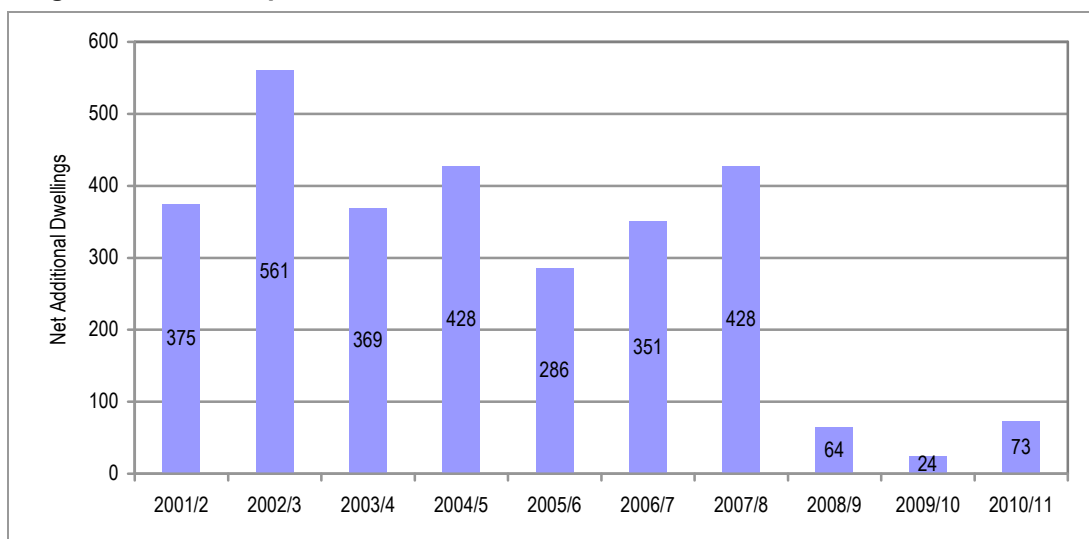
- 8.21 The next two projections might be called ‘component’ projections and look at the impact on population, employment and housing requirements of holding certain aspects of the projection constant over time.
- 8.22 The first projection looks at housing requirements if there were to be no net migration into the local authority area for the 2011-31 period. Whilst net migration is held at zero this projection does allow for in- and out-migration so there will be changes in the age structure due to migration trends as well as those created by natural change (i.e. births minus deaths).
- 8.23 The second ‘component’ projection looks at what level of housing growth would be required to achieve stable employment levels over the period to 2031. Within this projection (and indeed all other projections) we have also looked at the impact of the economic downturn on the number of people in employment and considered the scope for some local residents to return to work if

additional jobs were available. We have also considered the likely impact of changes in pensionable age throughout the projection period as and when these become relevant.

PROJ Z (Past Completions)

- 8.24 The final projection run in this report is based on understanding the implications for population and employment growth of a particular level of housing delivery – this has been based on average completions over the past 10-years.
- 8.25 Figure 41 shows housing completions over the ten years (from 2001/2 to 2010/11 – the ten year period up to the start of these projections). The data shows considerable year-on-year variation in the numbers with strongest delivery of 561 units being seen in 2002/3 with more modest delivery since. Over the full ten-year period the average level of completions has been 296 per annum and this figure is projected forward on a linear basis.

Figure 41: Net Completions 2001/2 to 2010/11

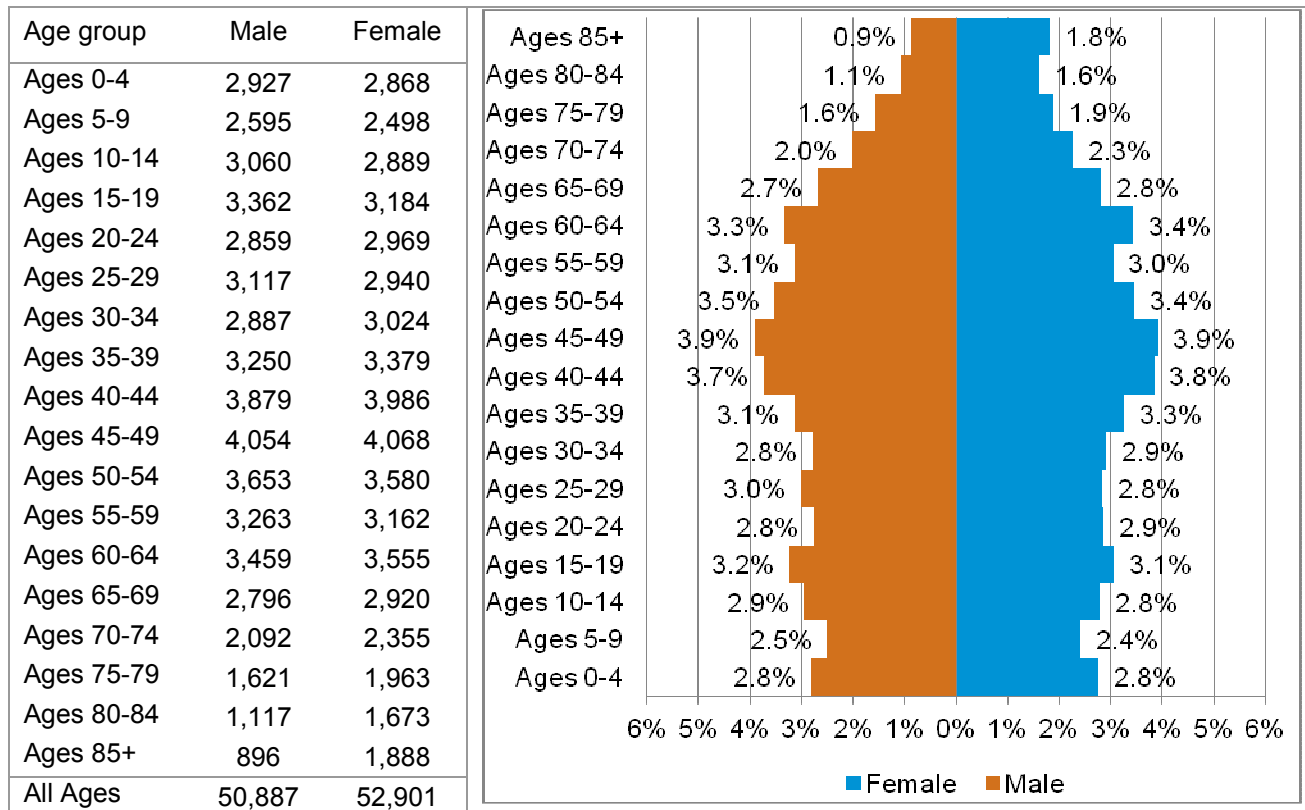


Source: Annual Monitoring Reports

Baseline Population

- 8.26 The baseline for our projections is taken to be 2011 with the projection run for each year over the period up to 2031. The estimated population profile as of 2011 has been taken from the 2011-based SNPP (which in turn is the same as 2011 mid-year population estimates). The overall population in 2011 was estimated to be 103,788 with slightly more females than males.

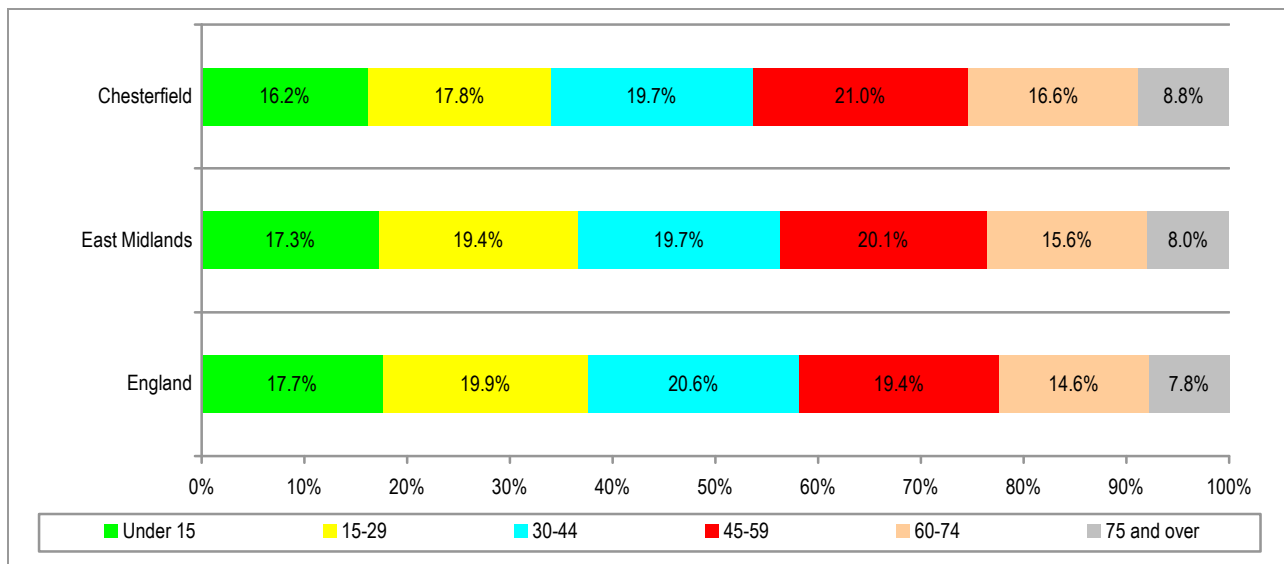
Figure 42: Population Structure – Chesterfield Borough, 2011



Source: 2011-Mid Year Population Estimates

8.27 Figure 43 shows the population distribution in Chesterfield Borough in broad 15-year age categories and compares this with other benchmark areas. The data shows a relatively ‘old’ population with 25% of people being age 60 or over. There are relatively few people aged 15-29 when compared with other areas.

Figure 43: Population Age Profile (2011)



Source: 2011-Mid-Year population estimates

Fertility and Mortality Rate Assumptions

- 8.28 For modelling of fertility we have used the rates contained within the ONS 2010-based Population Projections. In all areas fertility rates are expected to increase very slightly in the short-term before dropping quite notably moving towards the end of the projection period. We also interrogated the ONS 2010-based projections with regard to death rates which suggested that life expectancy is expected to increase over time for both males and females.
- 8.29 In Chesterfield Borough the total fertility rate (the expected average number of live births per woman throughout their childbearing lifespan) is expected to go from 2.05 in 2011/12 to 1.82 in 2030/31. Life expectancy for males is expected to increase from 77.5 to 80.9 with an increase from 82.4 to 85.7 in the case of females.
- 8.30 We have no evidence to suggest that either the fertility or mortality estimates used by ONS are unreasonable and note that the expected figures and changes in the Borough are consistent with past trend data and future expected patterns as published by ONS on a national basis.

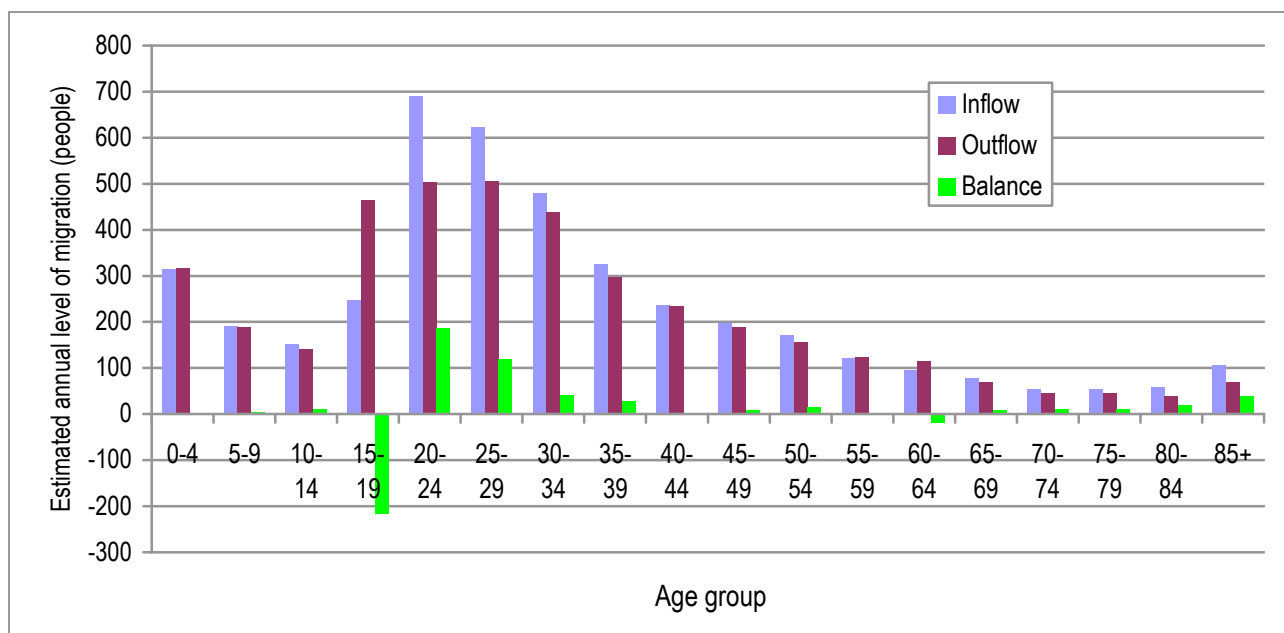
Migration Profile

- 8.31 For the purposes of understanding the profile of migrants we have again drawn on the ONS 2010- and 2011-based Sub-National Population Projections. Over the period from 2011 to 2031 the ONS figures show an average annual level of net in-migration of 258 people made up of in-migration of 4,186 and out-migration of 3,928 per annum. The data (shown below) clearly shows that the most

important age groups are from 15 to 34. The data is interesting in that it shows net out-migration of those aged 15-19 (for instance students moving to university) but net in-migration for most other age groups.

8.32 When projecting migration patterns for the various projection scenarios we have used the migration data and adjusted levels of in-migration to match the requirements of our scenario (e.g. when testing what level of migration is required to support a workforce of a particular size). This approach has consistently been adopted across all analysis.

Figure 44: Estimated Annual Level of Migration by Five-Year Age Band (2011-2031) – Chesterfield Borough



Source: Derived from ONS 2010-based population projections

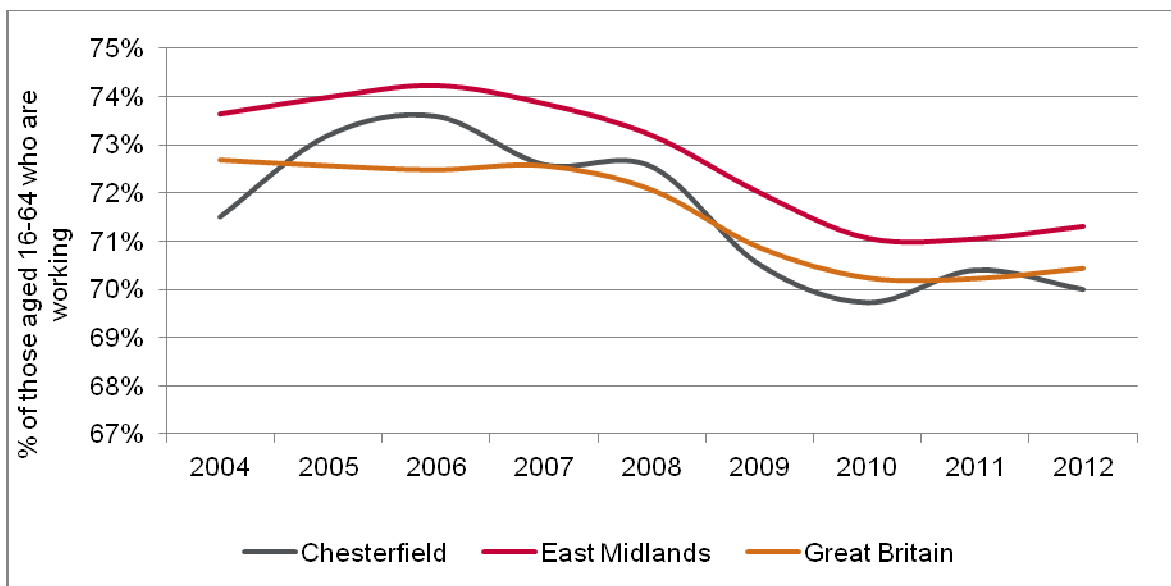
Economic Assumptions

8.33 With the change in demographic structure will come changes in the number of people who are working (as the population of people of working age changes). The next stage of the projection process was therefore to make estimates about how employment levels would change under each of our main projections and also to consider the demographic implications of different levels of employment growth.

8.34 Figure 45 shows data on the proportion of people living in Chesterfield Borough who were in employment (based on the proportion of the population aged 16-64 who are working). This is called the employment rate. Data has also been provided for the East Midlands and Great Britain.

8.35 The employment rate has been quite variable over time – generally the trend for Chesterfield Borough appears to have been downward although the last three years show relatively little change. Overall it is quite difficult to pick out a real trend. In both the East Midlands and Great Britain employment rates can more clearly be seen to have dropped since 2007 although with a very slight improvement through 2012.

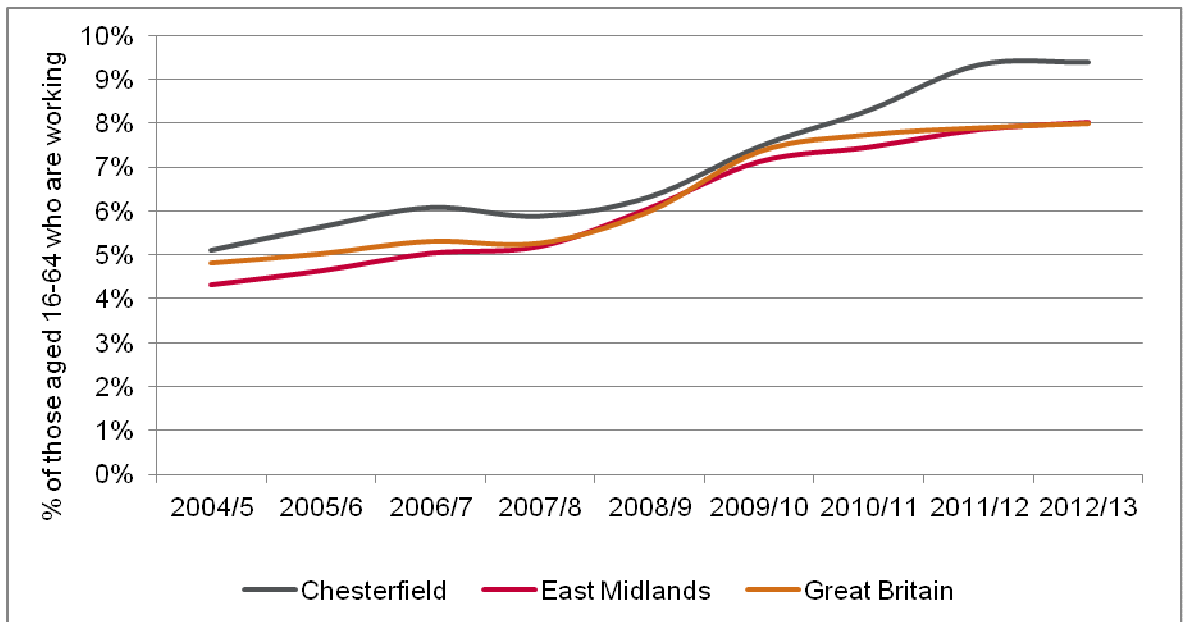
Figure 45: Trends in the Employment Rate



Source: Annual Population Survey

8.36 Part of the problem with the Annual Population Survey source used above is that data is based on only a sample of the population and therefore figures can be quite variable at smaller area level. We have therefore also drawn on data about unemployment to give an indication of how employment rates may have changed over the past few years. This analysis shows a clearer trend towards increased unemployment with figures going from about 5% up to 9% over time.

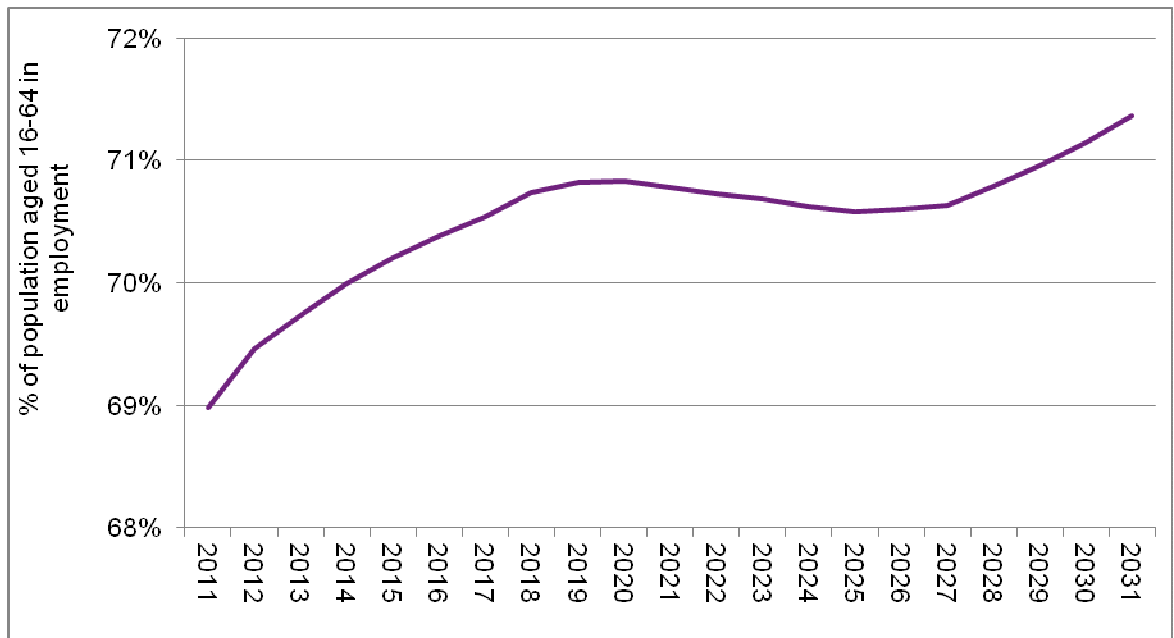
Figure 46: Unemployment Rates



Source: Annual Population Survey (modelled data)

- 8.37 The above data to provide us with an overall picture of working patterns we also drew on 2001 and 2011 Census data and information from the Annual Population Survey to inform the distribution of workers by age and sex. In projecting forward we have assumed that there is a latent labour force that could be brought back into work as a result of reducing unemployment. This improvement is assumed to occur fairly consistently through the projection period to 2031. The modelled improvement to employment rates will have the effect of reducing unemployment.
- 8.38 The modelling also includes provision for potential increases in rates due to changes in pensionable age – these additional changes have been based on studying the age-specific ‘drop-off’ in employment as people get older.
- 8.39 Figure 47 shows how employment rates are projected to change over the period studied. The figure shows a projected short-term improvement to about 2019 – this is mainly due to changes in pensionable age. Following this the employment rate drops down slightly – this is due to age structure changes with a greater number of people expected to be in some of the older ‘working’ age groups which typically have lower employment rates. Beyond about 2027 there is expected to be some increase in employment rates – this is again linked to demographic change with the Borough expected to see population increases in some of the key working age groups (following a period of population decline).

Figure 47: Projected Changes in Employment Rates – Chesterfield Borough



8.40 By applying these rates to our population figures it is estimated that in mid-2011 there were 47,901 people in employment across the Borough. This figure has been derived by analysis of 2011 Census data and is consistent with recent figures provided in the Annual Population Survey.

8.41 The demographic modelling makes no allowances for ‘double-jobbing’ whereby people may hold down more than one job.

Headship Rate Assumptions

8.42 Having estimated the population size and the age/sex profile of the population the next step in the process is to convert this information into estimates of the number of households in the area. To do this we use the concept of headship rates. Headship rates can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)).

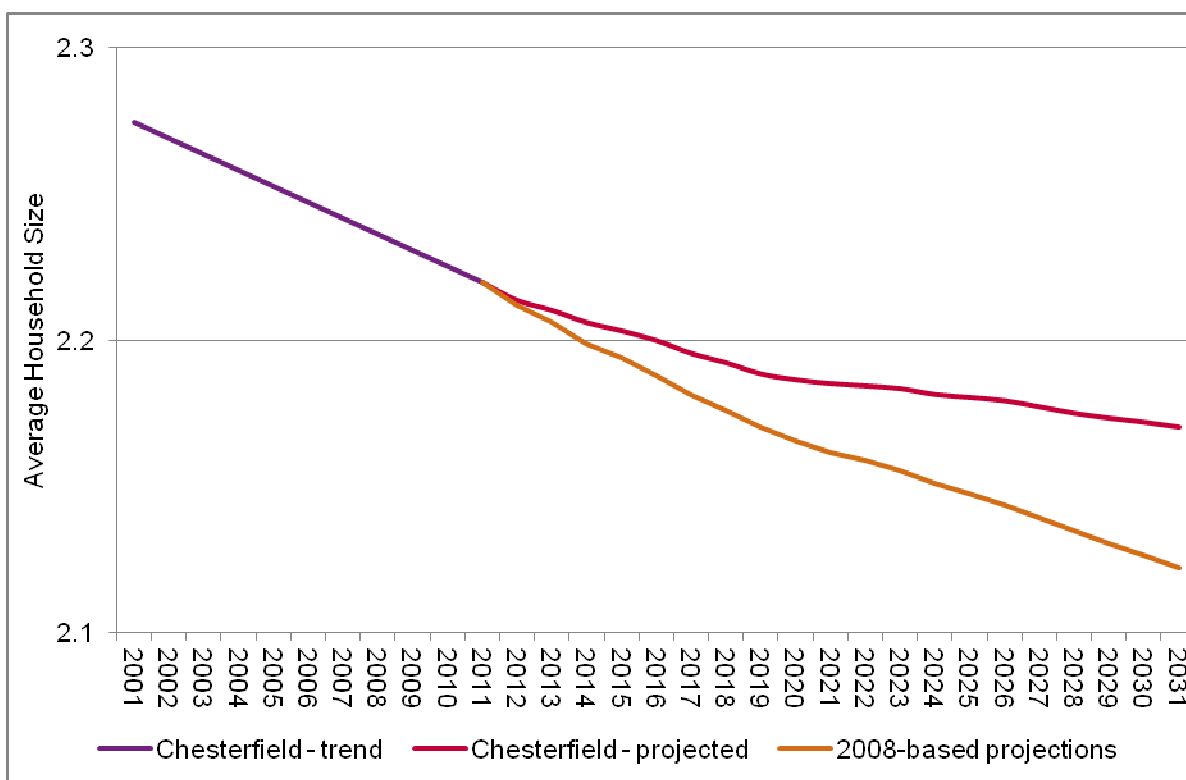
8.43 For the purposes of this analysis we have used information contained in the 2011-based CLG Household Projections about the relationship between the total population in an age group and the number of household reference persons (HRPs) in that age group.

8.44 Figure 48 shows the estimated average household size 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. Across the Borough it is assumed that average household sizes start at about 2.22 in 2011 and reduce down to 2.17 in 2031 (although exact figures do vary depending on the projection being run).

8.45 Although the main projections in this report use data from the 2011-based CLG household projections we have also run a sensitivity using the 2008-based figures. As can be seen from the figure below the 2008-based figures would point towards a more rapid household decline over time which in turn will lead to a higher level of household growth for any given population.

Figure 48: Past and projected trends in Average Household Size



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

8.46 When applying our headship rates to the population data we derive an estimated number of households in mid-2011 of 46,756. This figure is consistent with the number of households shown in the 2011 Census and the 2011-based CLG Household Projections.

Allowance for Vacant & Second Homes

- 8.47 In converting an estimated number of households into requirements for additional dwellings we have also factored in a small vacancy/second home allowance. We have assumed that the vacancy level within new-build housing stock will be lower than within the wider market, as there should be a lower requirement for improvements or repairs to newer homes. For the analysis we have assumed that around 3% of additional stock will have no 'usual residents'. We consider this to be a reasonable level for new-build properties.

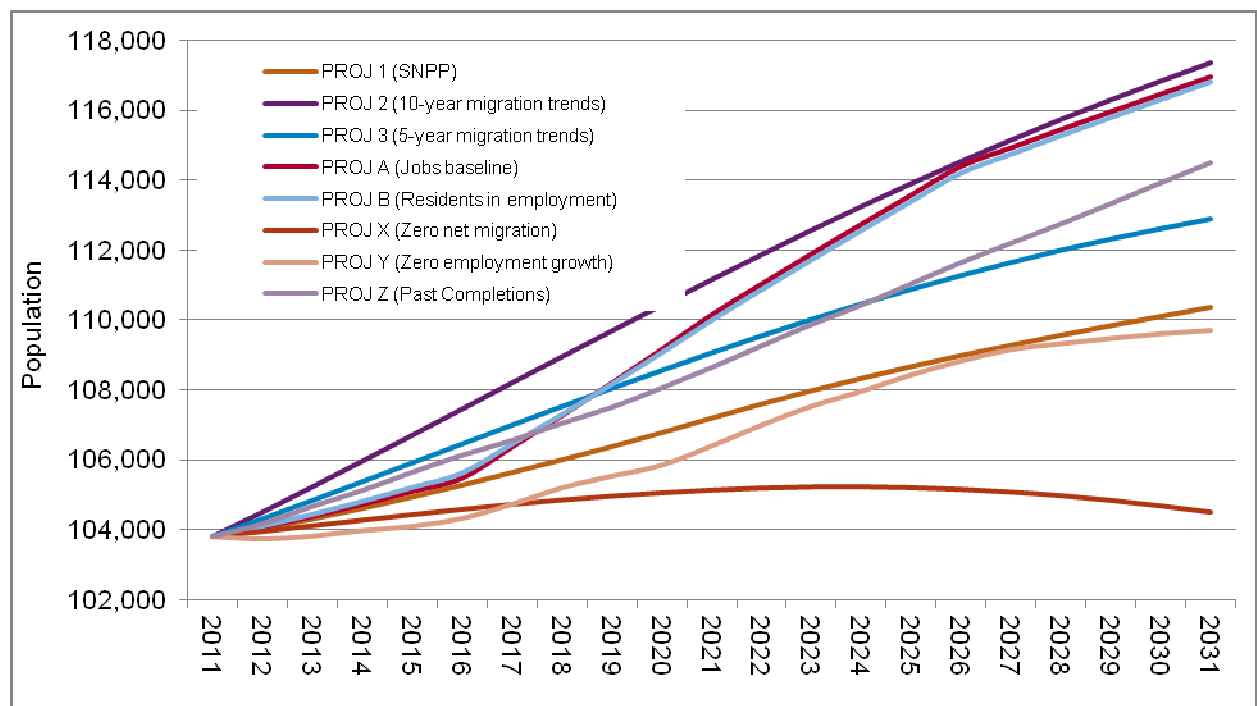
Population Projections

- 8.48 Table 42 and Figure 49 below show the expected growth in population under each of the eight scenarios. The data shows that the three demographic projections (PROJ 1 to 3) show population growth of between about 6% and 13% for the full 20-year projection. In numerical terms this represents an increase of between about 6,600 and 13,600 people.
- 8.49 The two economic projections (PROJ A and B) show levels of population growth of about 13% (13,000 to 13,200 more people). This is notably higher than the SNPP based projection (PROJ 1) and is principally linked to age structure dynamics, where higher in-migration is required to 'back fill' working-age groups as the population ages.
- 8.50 With no net migration we would expect to see a small increase in population over time whilst to maintain employment at current (2011) levels would require a population increase of 6%. This is due to the ageing of the population with relatively fewer people being in the main working-age population groups.
- 8.51 With housing delivery of 296 units per annum (PROJ Z) we would expect to see a population increase of about 10%. This is in the middle of the range of demographic based projections developed.

Table 42: Population Estimates 2011 to 2031

	2011	2016	2021	2026	2031
PROJ 1 (SNPP)	103,788 0.0%	105,264 1.4%	107,189 3.3%	108,988 5.0%	110,371 6.3%
PROJ 2 (10-year migration trends)	103,788 0.0%	107,434 3.5%	111,137 7.1%	114,522 10.3%	117,344 13.1%
PROJ 3 (5-year migration trends)	103,788 0.0%	106,445 2.6%	109,060 5.1%	111,283 7.2%	112,903 8.8%
PROJ A (Jobs baseline)	103,788 0.0%	105,458 1.6%	110,130 6.1%	114,383 10.2%	116,940 12.7%
PROJ B (Residents in employment)	103,788 0.0%	105,605 1.8%	109,977 6.0%	114,199 10.0%	116,802 12.5%
PROJ X (Zero net migration)	103,788 0.0%	104,570 0.8%	105,126 1.3%	105,146 1.3%	104,489 0.7%
PROJ Y (Zero employment growth)	103,788 0.0%	104,311 0.5%	106,390 2.5%	108,829 4.9%	109,708 5.7%
PROJ Z (Past Completions)	103,788 0.0%	106,117 2.2%	108,636 4.7%	111,646 7.6%	114,508 10.3%

Figure 49: Population Change, 2011-2031

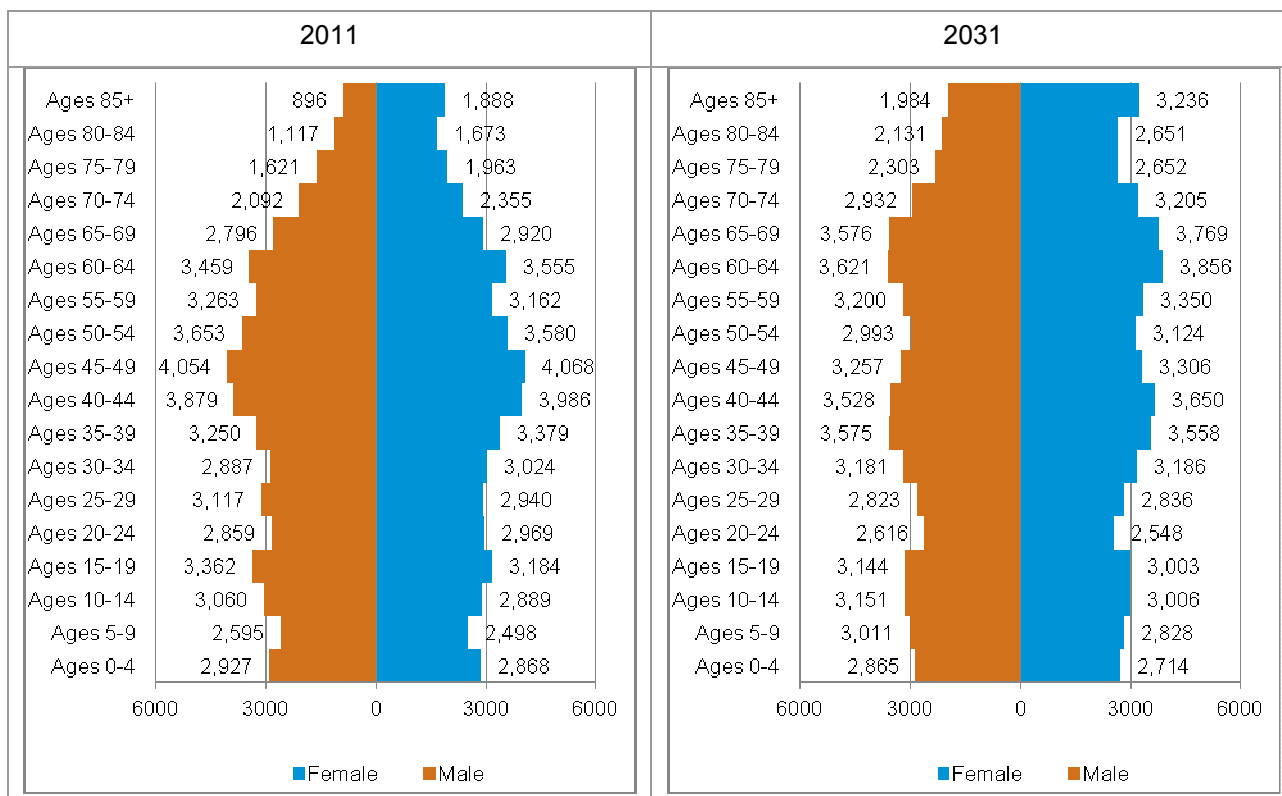


Impact on Population Age Structure

8.52 With the changes shown above there will also be a change in the age/sex profile of the population. We have therefore looked in a bit more detail at population change under PROJ 1 (linked to the SNPP). The figure below shows population pyramids for 2011 and 2031.

8.53 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 2,784 people to 5,220 .

Figure 50: Distribution of Population 2011 and 2031 (PROJ 1 – SNPP)



8.54 Table 43 summarises the findings for key (15 year) age groups. The largest growth will be in people aged over 60 in PROJ 1. In 2031 it is estimated that there will be 35,917 people aged 60 and over. This is an increase of 9,582 from 2011, representing growth of 36%. The population aged 75 and over is projected to increase by an even greater proportion, 63%.

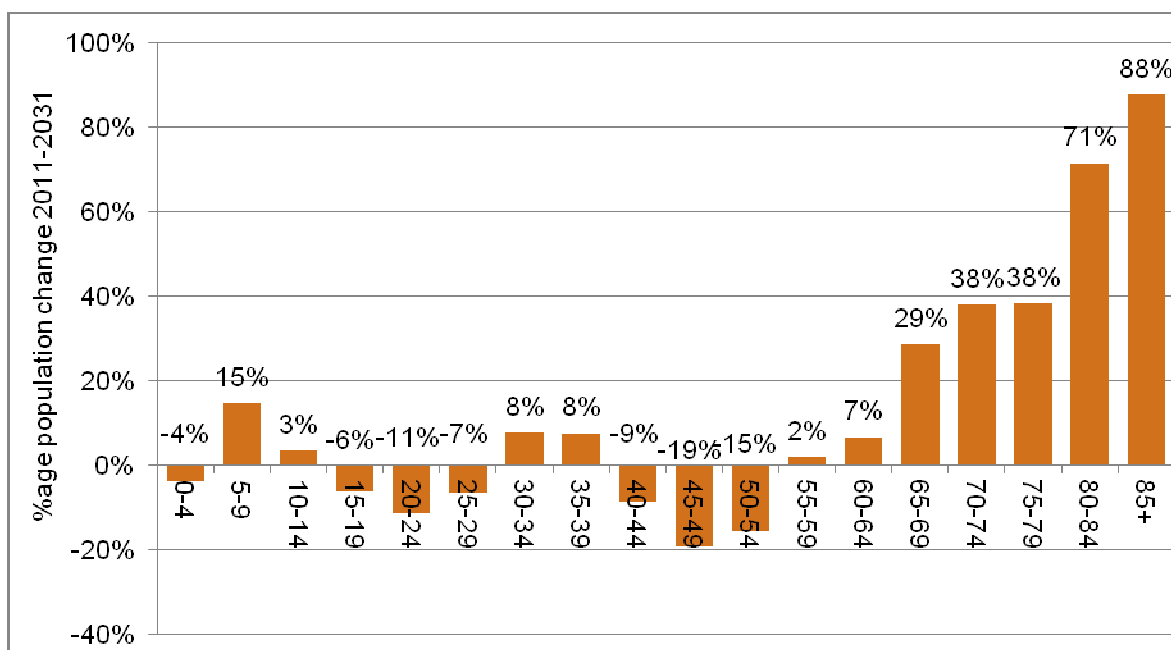
8.55 Looking at the other end of the age spectrum we can see that there are projected to be around 4% more people aged under 15 with small decreases seen for the 15-29 and 45-59 age groups.

Table 43: Population Change 2011 to 2031 by Fifteen Year Age Bands

Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	16,837	17,575	738	4.4%
15-29	18,431	16,970	-1,461	-7.9%
30-44	20,405	20,678	273	1.3%
45-59	21,780	19,231	-2,549	-11.7%
60-74	17,177	20,960	3,783	22.0%
75+	9,158	14,957	5,799	63.3%
Total	103,788	110,371	6,583	6.3%

8.56 Figure 51 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 88%) 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.

Figure 51: Forecast Population Change by Age Group 2011 – 2031



Changes in the Workforce

8.57 Table 44 and Figure 52 below show the estimated number of people living in the Borough who are working under each of our eight projections. The three demographic projections (PROJ 1 to 3) show fairly moderate increases in the number of residents who are working with increases ranging from

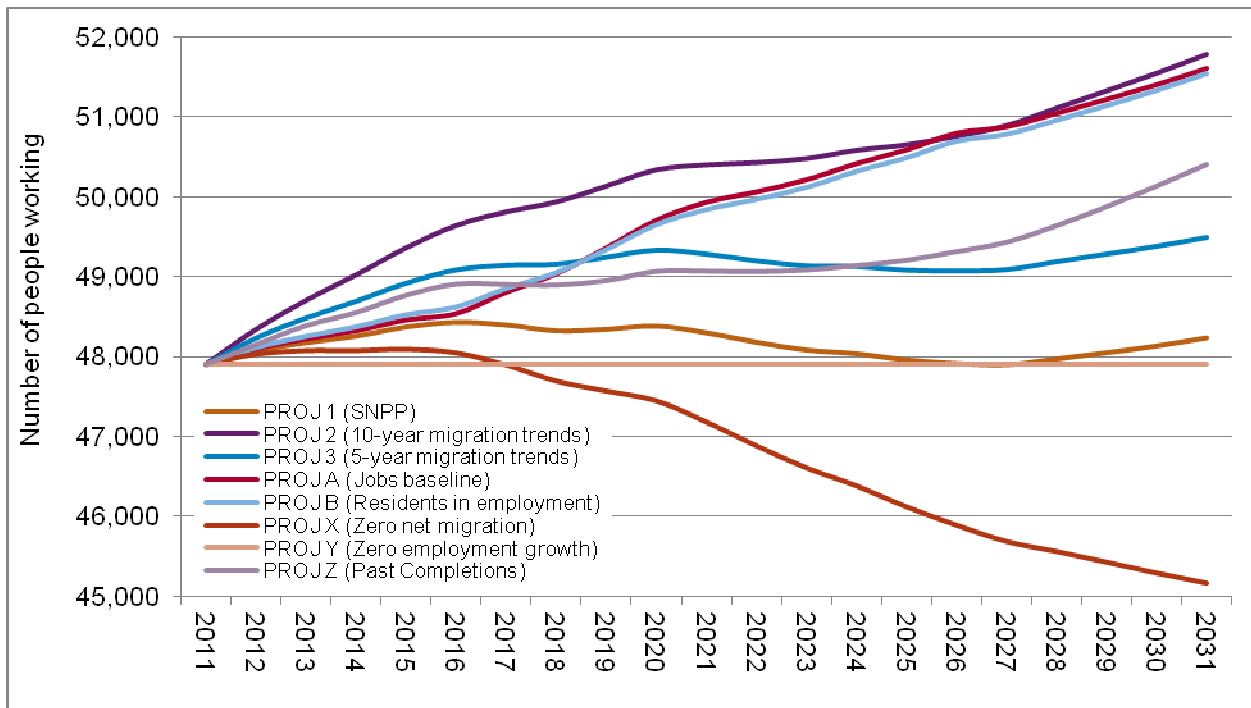
1% to 8% (300 to 3,900 in numerical terms). The two economic projections (PROJ A and B) show increases in the number of people working of about 8% - stronger than is typically shown in the projections driven by demographic trends.

8.58 With no net migration we would expect to see a notable decline in the working population – this would fall from 47,901 people in 2011 to 45,156 in 2031 – a decrease of 5.7%. Employment increases based on average past completions would be expected to see a moderate increase in the number of people working.

Table 44: Employment Estimates 2011 to 2031

	2011	2016	2021	2026	2031
PROJ 1 (SNPP)	47,901 0.0%	48,429 1.1%	48,299 0.8%	47,919 0.0%	48,237 0.7%
PROJ 2 (10-year migration trends)	47,901 0.0%	49,638 3.6%	50,399 5.2%	50,757 6.0%	51,782 8.1%
PROJ 3 (5-year migration trends)	47,901 0.0%	49,086 2.5%	49,285 2.9%	49,073 2.4%	49,493 3.3%
PROJ A (Jobs baseline)	47,901 0.0%	48,538 1.3%	49,934 4.2%	50,802 6.1%	51,614 7.8%
PROJ B (Residents in employment)	47,901 0.0%	48,620 1.5%	49,842 4.1%	50,700 5.8%	51,548 7.6%
PROJ X (Zero net migration)	47,901 0.0%	48,040 0.3%	47,174 -1.5%	45,883 -4.2%	45,156 -5.7%
PROJ Y (Zero employment growth)	47,901 0.0%	47,901 0.0%	47,901 0.0%	47,901 0.0%	47,901 0.0%
PROJ Z (Past Completions)	47,901 0.0%	48,905 2.1%	49,069 2.4%	49,312 2.9%	50,405 5.2%

Figure 52: Employment Change, 2011-2031



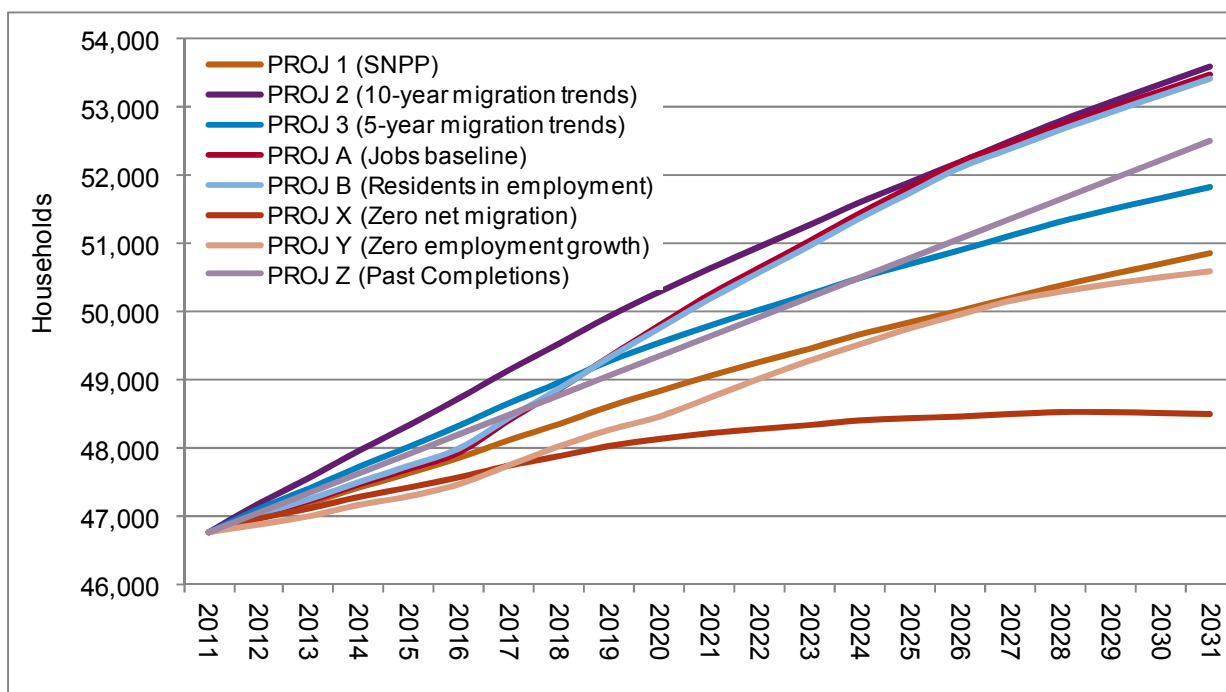
Growth in Households and Dwellings

- 8.59 Table 45 and Figure 53 show the projected growth in the number of households under each of the eight scenarios. The three demographic projections (PROJ 1 to 3) show household growth of between 9% and 15% (4,100 to 6,800 more households) whilst figures derived under the two economic projections are both around 14% which is up to 6,700 more households.
- 8.60 With no net migration we would expect to see an increase in households of 4% whilst to achieve no employment growth it is expected that the number of households would increase by about 8%.
- 8.61 Household increases linked to dwelling delivery are substantially influenced by the number of homes provided and in this case the past completions projection shows a household increase of 12% over the 20-year period.

Table 45: Household Estimates 2011 to 2031

	2011	2016	2021	2026	2031
PROJ 1 (SNPP)	46,756 0.0%	47,849 2.3%	49,051 4.9%	50,009 7.0%	50,853 8.8%
PROJ 2 (10-year migration trends)	46,756 0.0%	48,724 4.2%	50,631 8.3%	52,196 11.6%	53,602 14.6%
PROJ 3 (5-year migration trends)	46,756 0.0%	48,325 3.4%	49,798 6.5%	50,909 8.9%	51,841 10.9%
PROJ A (Jobs baseline)	46,756 0.0%	47,927 2.5%	50,240 7.4%	52,181 11.6%	53,468 14.4%
PROJ B (Residents in employment)	46,756 0.0%	47,987 2.6%	50,177 7.3%	52,105 11.4%	53,413 14.2%
PROJ X (Zero net migration)	46,756 0.0%	47,570 1.7%	48,221 3.1%	48,470 3.7%	48,505 3.7%
PROJ Y (Zero employment growth)	46,756 0.0%	47,465 1.5%	48,737 4.2%	49,967 6.9%	50,603 8.2%
PROJ Z (Past Completions)	46,756 0.0%	48,193 3.1%	49,629 6.1%	51,066 9.2%	52,502 12.3%

Figure 53: Household Change, 2011 – 2031



8.62 The analysis above concentrated on the number of additional households. In reality there are always likely to be some vacant homes in the area and so the number of properties required to house all of these households will be slightly greater than the projected household numbers. We have therefore added an allowance for 3% vacant and second homes to all of the above figures to make estimated housing requirements with figures shown in the table below.

Table 46: Dwelling Requirement with 3% Vacancy Allowance (to 2031)

Projection variant	Annual Household Growth	Annual Requirement with Vacancy Allowance	Requirement over 20-years (2011-31)
PROJ 1 (SNPP)	205	211	4,219
PROJ 2 (10-year migration trends)	342	353	7,050
PROJ 3 (5-year migration trends)	254	262	5,237
PROJ A (Jobs baseline)	336	346	6,913
PROJ B (Residents in employment)	333	343	6,857
PROJ X (Zero net migration)	87	90	1,801
PROJ Y (Zero employment growth)	192	198	3,962
PROJ Z (Past Completions)	287	296	5,918

Sensitivity to Household Formation Rates

8.63 The projections above are all predicated on applying the most recent (2011-based) headship rates from CLG projections when converting population into households. We have also run older (2008-based) figures against the population outputs to test what difference this might make to estimates of future household growth and housing requirements. The analysis has been carried out against PROJ 1 (linked to the subnational population projections).

8.64 By applying the 2008-based headship rates the housing requirement under PROJ 1 increases by 28% from 211 dwellings per annum up to 270 (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.

8.65 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.”

8.66 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 requirements 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.

Other Studies looking at Housing Need

8.67 The analysis above looked at likely housing requirements in Chesterfield Borough under a number of different projection scenarios. The analysis is based on the most up-to-date information available at the time of writing. The outputs can be compared with other research carried out by the Council

in the past. This includes projections run by Edge Analytics in 2011 and a more recent set of figures from Sheffield City Council (for the Sheffield City region) dated January 2013. Whilst these other sources do not run exactly the same set of scenarios there are a number of comparable outputs which can be analysed. These are shown in the table below.

- 8.68 Table 47 shows some differences in the outputs with the most notable being in relation to zero employment growth (where the dwelling requirement in this report is notably lower). This is due to an assumption that employment rates will change in the future due to reduced unemployment and more people working longer (influenced by changes to pensionable age). The outputs looking at past migration trends are more consistent although projections linked to the SNPP do differ somewhat – this will partly be due to the different SNPP being run although the lower figure in this report will also be influenced by use of 2011-based headship rates (both Edge and SCC have used data from the 2008-based projections).
- 8.69 Overall, whilst there are some differences in the projection outputs, there are no differences of such an order of magnitude as to suggest that any of the different sources are wrong. Most of the differences will be explained by the assumptions being used – particularly around employment and headship rates.

Table 47: Comparing Annual Dwelling Requirements from Different Sources

Projection variant	Projection in this report	Edge Analytics (2011)	Sheffield City Council (2013)
PROJ 1 (SNPP)	211	383*	335****
PROJ 2 (10-year migration trends)	353	316**	290**
PROJ 3 (5-year migration trends)	262		
PROJ A (Jobs baseline)	346	-	-
PROJ B (Residents in employment)	343	-	-
PROJ X (Zero net migration)	90	158	-
PROJ Y (Zero employment growth)	198	388***	347***
PROJ Z (Past Completions)	296	330	285

* Edge Analytics data based on the 2008-based SNPP

** Edge Analytics and SCC used an 8-year migration period

*** Edge Analytics and SCC assumed no change to employment rates moving forward

**** SCC used 2010-based SNPP

Summary and Interpretation of the Projections

- 8.70 The starting point for considering housing need, drawing on the approach in the Government's Planning Practice Guidance, is the latest household projections. Over the period to 2021 this indicates a need for 240 homes a year. In PROJ 1 we have extended this over the period to 2031. This indicates a requirement for 4,200 homes over the plan period (210 per annum). This supports a range of between 210-240 homes per annum.
- 8.71 The projections are particularly sensitive to assumptions on migration, and to the headship rates applied to the population projections. The 5- and 10-year migration trend projections (PROJ 2 and 3) provide a sensitivity analysis around migration. These indicate a housing need falling between 260-350 homes per annum. The PROJ 1 and 2011-Interim Projections both fall below this range.
- 8.72 The housing need is influenced both by changes in the structure of the population and household in the Borough, and in-migration to the area. Net in-migration is important in supporting economic growth (and indeed population growth overall).
- 8.73 The Borough has a relatively old age structure, with a high proportion of the Borough's population aged over 40. As a result delivery of around 200 homes a year would be required to maintain the current size of the workforce, as parts of the current workforce move into retirement.
- 8.74 The economic-driven projections run indicate that in theory 340-350 homes a year would be required to support forecast growth in employment to 2031. The higher end of this range assumes a 1:1 ratio of growth in the resident and workforce, whilst the lower assumes that the workforce will

grow to a lesser extent assuming existing commuting patterns continue (with growth in net in-commuting).

- 8.75 The demographic projections are also sensitive to assumptions on headship rates. We have run a sensitivity analysis on the SNPP Projection (PROJ 1) using the 2008-based Headship Rates. The 2008-based Headship Rates indicate that household sizes would fall to a greater degree than those in the 2011-based Projections, with the level of housing need rising from 210 to 270 homes per annum over the 2011-31 period. However the wider evidence does not suggest a particular suppression of household formation, including the relatively young age of first-time buyers in the Borough relative to other parts of the County. There has also been research nationally⁹ undertaken which suggests that the different trends in household formation shown by the 2011 Census relative to longer-term trends are partly a function of affordability pressures; and partly a result of changes in household structures including as a result of international migration to the UK over the 2001-11 decade. The analysis suggests that around half of the divergence is a reflection of the latter.
- 8.76 Overall the demographic evidence would point towards an objective assessment of need for housing for between 240 – 300 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. The economic-driven projections provide a further upside and higher housing provision still could be justified on the basis of supporting economic growth.

Key Findings and Policy Implications

- The NPPF sets an expectation that planning policies will be based on meeting objectively-assessed need for housing, and that this should be based on planning for population taking account of migration and demographic change.
- Planning Practice Guidance sets out that the latest official household projections should be the starting point for considering housing need. These indicate a need for 236 homes per annum to 2021. Extending these to 2031 results in a need for an average of 211 homes per annum.
- This is based on household formation rates shown over the last decade 2001-11. If household formation is assumed to occur more in line with longer-term trends, this requirement increases to 270 homes per annum. However national-level research has pointed to some potential long-term changes in household structures and only around half of this increase is expected to have been influenced by declining affordability. The evidence for Chesterfield Borough points to limited suppression of household formation relative to other parts of the country.

⁹ Holmans, A for TCPA (2013)

- 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. However our conclusions recognise that the labour market operates across local authorities boundaries and there is significant commuting both in- and out- of the Borough.
- Overall we consider that an objective assessment of need for housing based on the evidence presented thus far in the report would fall between 240 – 300 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. The economic-driven projections provide a further upside and higher housing provision still could be justified on the basis of supporting economic growth.
- The Council's Core Strategy sets a housing target for development of at least 7,600 new dwellings Chesterfield Borough between 2011 and 2031. The evidence thus suggests that the Core Strategy meets the Borough's housing need in full.

9 AFFORDABLE HOUSING NEED

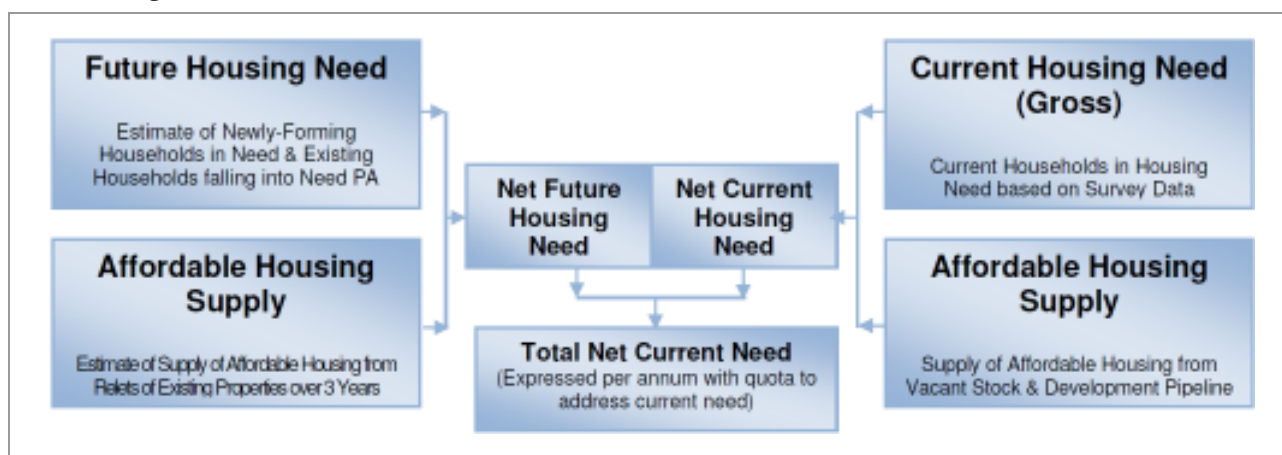
Introduction

- 9.1 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.’
- 9.2 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 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
- 9.3 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.
- 9.4 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.
- 9.5 The housing needs model quantifies the shortfall of affordable housing in the study area over the period 2013-18.
- 9.6 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.

9.7 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).

9.8 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 54: Overview of Basic Needs Assessment Model



9.9 The housing needs modelling undertaken in this section 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.

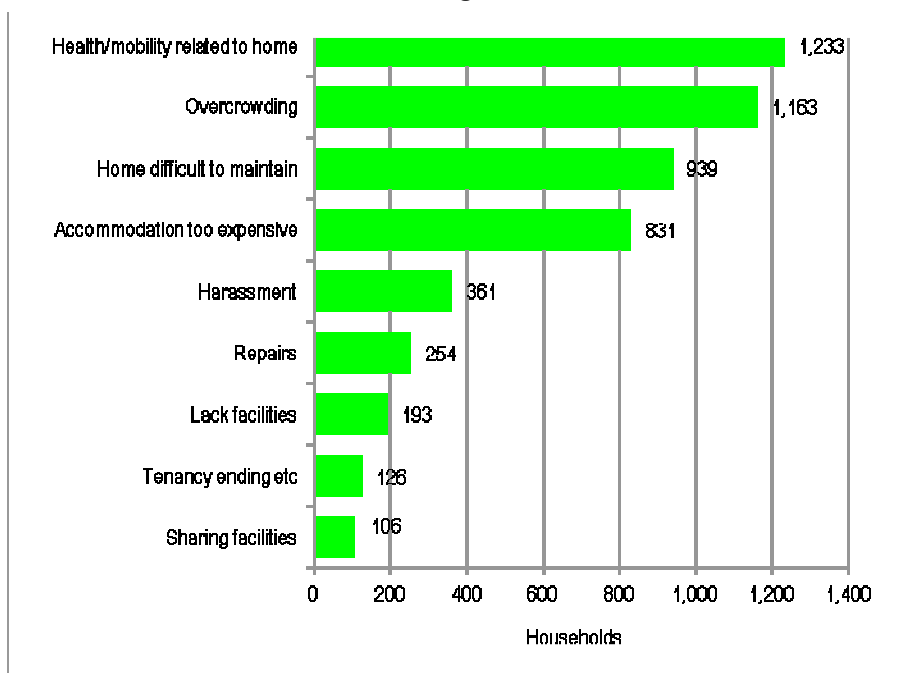
Stage 1: Current need

9.10 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).

9.11 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 has been followed in this report. These are set out in the figure below. In the Borough it is estimated that a total of 3,811 households are living in unsuitable housing. This represents 8.1% of all households in the Borough.

9.12 Figure 55 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 have more than one reason for unsuitability.

Figure 55: Reasons for Unsuitable Housing



Source: Household Survey Data

9.13 Tables 48 and 49 profile households living in unsuitable housing by tenure and Sub-Market respectively. The analysis shows that households living in social and private rented accommodation are the most likely to live in unsuitable housing. Households in the Staveley & Eastern Villages sub-area are more likely to be living in unsuitable housing than in Chesterfield Town.

Table 48: Unsuitable Housing and Tenure

Tenure	Unsuitable housing		
	In unsuitable housing	Total households	% in unsuitable housing
Owner-occupied (no mortgage)	760	15,453	4.9%
Owner-occupied (with mortgage)	767	14,264	5.4%
Social rented	1,624	10,642	15.3%
Private rented	660	6,821	9.7%
Total	3,811	47,180	8.1%

Source: Household Survey Data

Table 49: Unsuitable Housing by Sub-Market

Sub-Market	Unsuitable housing		
	In unsuitable housing	Total households	% in unsuitable housing
Chesterfield Town	2,353	32,600	7.2%
Staveley & Eastern Villages	1,457	14,580	10.0%
Total	3,811	47,180	8.1%

Source: Household Survey Data

In-Situ Solutions

9.14 Although the survey has highlighted a number of households as living in unsuitable housing it is most probable 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

9.15 Looking at the reasons for unsuitability it is estimated that 60.3% of those unsuitably housed do not have an in-situ solution to their problems. This represents 2,300 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

9.16 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 6. The data suggests that there are 1,369 households that are living in unsuitable housing, need to move and cannot afford to do so without financial support.

9.17 Table 50 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 50: Housing Need and Tenure

Tenure	Housing Need		
	In housing need	Total households	% in need
Owner-occupied (no mortgage)	0	15,453	0.0%
Owner-occupied (with mortgage)	146	14,264	1.0%
Social rented	798	10,642	7.5%
Private rented	425	6,821	6.2%
Total	1,369	47,180	2.9%

Source: Household Survey Data

9.18 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 798 households in need currently live in affordable housing (all in the social rented sector) – 571 fall in other tenures.

Total Current Need (Gross)

9.19 Table 51 below summarises the first stage of the housing needs assessment. The data shows that there are an estimated 1,369 households currently in need in the Borough. This is often termed the ‘backlog’ of housing need.

Table 51: Backlog of housing need

Step	Notes	Number
1.1 Homeless households and those in temporary accommodation	All steps taken together	1,369
1.2 Overcrowding and concealed households		
1.3 Other groups		
1.4 equals Total current housing need (gross)	1.1+1.2+1.3	1,369

Source: Household Survey Data

Stage 2: Future need

9.20 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)
- Existing households falling into need

- 9.21 Future need describes the level of housing need which can be expected to arise each year moving forward.
- 9.22 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

- 9.23 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).
- 9.24 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 1,025 newly forming households but this figure rises to 1,109 when looking at multiple moves¹⁰.

Table 52: Derivation of newly arising need from new household formation

Aspect of calculation	Number	Sub-total
Number of households moving in past two years		7,904
Minus households NOT forming in previous move	5,854	2,050
Annual estimate of newly forming households (taking account of subsequent moves)		1,109
Times proportion of these unable to afford		50.4%
Annual estimate of newly arising need		559

Source: Household Survey Data

- 9.25 Table 52 above shows that an estimated 2,050 households were newly formed within the study area over the past two years. Taking account of multiple moves, it is estimated that around 1,109 households form each year (gross). Of these it is estimated that 559 (per annum) are unable to afford market housing without some form of subsidy. This is 50.4% 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.

¹⁰ This reflects households who may have formed over the last 2 years but then subsequently moved home.

- 9.26 The figure of 50.4% 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 50.4% figure differs from the overall study area-wide affordability proportion (of 29%) which was based on looking at all households.
- 9.27 It is worth briefly reflecting on whether the estimated household formation rate (of 1,109 per annum) is realistic. Through an analysis of the our households projections (linked to the SNPP and 10-year migration trends) 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 2011-2016 household formation would be expected to be around 789-900 per annum. This figure is slightly lower than the one we have derived from survey data (but of the same order of magnitude).

Existing Households falling into Housing Need

- 9.28 Next we need to estimate 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).
- 9.29 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.
- 9.30 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.
- 9.31 Table 53 below shows the derivation of existing households falling into need. The figure shows that a total of 4,917 existing households are considered as potentially in need. Using the affordability

test (set out in Section 5) it is estimated that 31.8% of these households cannot afford market housing. Therefore our estimate of the number of households falling into need excluding transfers is 1,564 households over the two-year period. Annualised, this is 782 households per annum. However, once newly forming households and multiple movers are excluded this figure drops noticeably to 493 per annum.

Table 53: Derivation of Newly Arising Need from Existing Households

Aspect of calculation	Number	Sub-total
Number of households moving in past two years	7,904	
Minus households forming in previous move	2,050	5,854
Minus households transferring within affordable housing	937	4,917
Times proportion of these unable to afford	31.8%	
Estimate of newly arising need	1,564	
Annual estimate of newly arising need	782	
Annual estimate discounted for multiple moves and newly forming households	493	

Source: Household Survey Data

Total Newly Arising Need

9.32 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 758 households per annum.

Table 54: Future need (per annum)

Step	Notes	Number
2.1 New household formation (gross per year)		1,109
2.2 Proportion of new households unable to buy or rent in the market		50.4%
Number of new households unable to buy or rent in the market		559
2.3 Existing households falling into need		493
2.4 Total newly arising housing need (gross per year)	2.1x2.2+2.3	1,052

Source: Household Survey Data

Stage 3: Current Affordable Housing Supply

9.33 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.

- 9.34 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).
- 9.35 The Council's monitoring data indicates that as at October 2013 there are 116 affordable homes on expected to be delivered on sites with planning consent. This is considered to be the committed supply of affordable housing.
- 9.36 The data in the table below (which follows the headings used in CLG guidance) shows that there are an estimated 914 properties available to offset the current need in the study area (as assessed in Stage 1 above).

Table 55: Current Supply of Affordable Housing

Step	Notes	Total
3.1 Affordable dwellings occupied by households in need		798
3.2 Surplus stock		0
3.3 Committed supply of affordable housing		116
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	914

Source: Household Survey Data

Future Supply of Affordable Housing

- 9.37 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

- 9.38 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.

9.39 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 773 units of social rented housing become available each year.

Table 56: Analysis of Past Housing Supply (last five years) –per annum

	General needs	Supported
Total lettings	1,000	199
Non-newbuild	98.5%	98.0%
Lettings in existing stock	985	195
% non-transfers	66.7%	59.3%
Total lettings to new tenants	657	116
Total lettings to new tenants	773	

Source: CORE

Intermediate Supply

9.40 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 and Chesterfield Borough). However, it is still important to consider to what extent the current supply may be able to help those in need of affordable housing.

9.41 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 11 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).

9.42

Conclusions: Estimate of net Annual Housing Need

9.43 Table 57 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 57: Housing Needs Assessment Model for Chesterfield Borough (2013-2018)

Stage and step in calculation	Notes	Calculation
STAGE 1: CURRENT NEED (Gross)		
1.1 Homeless households and those in temporary accommodation	Three steps taken together	1,369
1.2 Overcrowding and concealed households		
1.3 Other groups		
1.4 equals Total current housing need (gross)	1.1+1.2+1.3	1,369
STAGE 2: FUTURE NEED		
2.1 New household formation (gross per year)		1,109
2.2 Proportion of new households unable to buy or rent in the market (excluding student households)		50.4%
New households unable to afford (gross per year)		559
2.3 Existing households falling into need		493
2.4 Total newly arising housing need (gross per year)	2.1x2.2+2.3	1,052
STAGE 3: AFFORDABLE HOUSING SUPPLY		
3.1 Affordable dwellings occupied by households in need		798
3.2 Surplus stock		0
3.3 Committed supply of affordable housing		116
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	914
3.6 Annual supply of social re-lets (net)		773
3.7 Annual supply of intermediate housing available for re-let or resale at sub-market levels		11
3.8 Annual supply of affordable housing	3.6+3.7	784

Source: Household Survey Data, CORE

9.44 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 455 affordable homes** (1,369-914)

9.45 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 an initial analysis 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 91 (455/5) households who should have their needs addressed.

9.46 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 359 affordable homes** (91+1,052-784).

Need by Sub-Market

9.47 The table below summarises the net need position in each sub-area. The data shows that need is highest in the Chesterfield Town Sub-Market although this will largely be driven by the fact that this area is larger (in terms of the number of households). **Both sub-markets show a shortfall of affordable housing to be provided.**

Table 58: Housing Need by Sub-Market

Sub-Market	Gross annual need	Annual supply	New-Build Supply (estimated)	Net annual housing need
Chesterfield Town	947	667	16	264
Staveley & Eastern Villages	379	277	7	95
Total	1,326	944	23	359

Source: Household Survey Data, CORE

The Private Rented Sector

9.48 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 study area it is estimated that over the past two years 773 LHA supported lettings have been made. Taking account of turnover rates this would equate to around 447 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 1,445 lettings to different households (289 per annum). **We therefore estimate that the private rented sector currently contributes to meeting the needs of 289 households in housing need each year through Local Housing Allowance.**

- 9.49 For individual sub-areas the lettings to households in housing need which the private rented sector supports are as follows:
- Chesterfield Town: 210 lettings per annum;
 - Staveley & Eastern Villages: 79 lettings per annum;
- 9.50 Even if this is netted off the total identified need of 359 dwellings per annum, it still results in positive level of need. 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 359. Neither the SHMA Guide nor NPPF recognise this sector as affordable housing.
- 9.51 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.
- 9.52 The extent to which the Council wishes 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.
- 9.53 In addition, the survey clearly highlights that private renting is not a tenure of choice for those needing financial support to meet their housing needs: 70% of tenants claiming LHA who expect to move over the next two years would like to become social tenants with only 19% preferring to remain in private rented accommodation. However, some 36% 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

- 9.54 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%)
 - Modelling household formation on the basis of demographic projections rather than the short-term past trends identified through the survey.
- 9.55 The table below shows that by changing these assumptions the calculated level of need drops significantly; from 359 per annum to just 60. 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 59: Sensitivity of Assumptions in Housing Needs Modelling

Element of analysis	Main model	Alternative assumptions
Backlog need (per annum)	274	224
New forming households in need (per annum)	559	377
Existing households falling into need (per annum)	493	396
Total need (per annum)	1,326	997
Annual Supply	967	937
Net need (per annum)	359	60

Source: Housing needs model

Longer-term Affordable Housing Need

- 9.56 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.
- 9.57 Fundamentally, however, the analysis should be treated with some caution given the difficulty in predicting whether or not affordability will improve or worsen over time. The analysis used is predicated on there being no change in affordability which in reality is unlikely to be the case.
- 9.58 Table 60 shows the longer-term estimate of affordable housing need. Rolling this analysis out suggests an annual need to provide 212 units of affordable housing per annum which totals 3,816 over the 18-year period. With the alternative assumptions (as described above) the annual requirement drops to a surplus of around 73 units per annum. These figures exclude the 'pipeline' of affordable housing which (as seen above) currently amounts to 116 units
- 9.59 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 60: Longer-Term Estimate of Affordable Housing Need

Element of analysis	Main model	Alternative assumptions
Backlog need (per annum)	76	62
New forming households in need (per annum)	559	377
Existing households falling into need (per annum)	411	315
Total need (per annum)	1,046	753
Annual Supply from Existing Stock	834	826
Net need (per annum)	212	-73
Net need (2013-31)	3,816	-1,314

Source: Housing needs model

Interpreting the Housing Needs Findings in Context

The housing needs analysis concludes that there is a shortfall of 382 affordable homes a year from 2013-18 (reducing to 359 with inclusion of the development 'pipeline') This figure drops to about 212 if we look at an 18-year period to 2031. These figures drop slightly with changed 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 study area.

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 case of Chesterfield Borough the stock of affordable (social rented) housing has declined by 6% over the last decade, with a net loss of over 600 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 2,000 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.

Because of the factors described above, the housing needs analysis per se does not provide a strong basis for considering overall future housing requirements.

Given the current stock of affordable housing in the study area, 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

9.60 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.

9.61 A recent study has been undertaken across the Sheffield City Region to consider the impact of welfare reform on access to housing¹¹. We have drawn on the findings of this Study herein to estimate the potential impact of the reforms on Chesterfield Borough. We deal with each of the reforms in turn.

Changes to Local Housing Allowance

9.62 The Government has changed how the Local Housing Allowance (LHA) is calculated, shifting this from the median rent in a Broad Rental Market Area (BRMA) to the 30th centile. It has also abolished the LHA 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. It has reduced the number of houses that are available to private tenants where DWP might pay 100% of rental costs. Households requiring larger (5 or more bedroom) homes have been disproportionately affected.

9.63 The way in which LHA rates are set has also changed. Moving forward LHA will be uprated 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.

9.64 From January 2012 the Government has also changed what persons under 35 can claim. Single, childless under 35s are now only entitled to the shared room rate. This change has made it harder

¹¹ *Rocket Science (2013) Impacts of Welfare Reform on Access to Housing for Housing Benefit Recipients in the Sheffield City Region*

for Councils to place young single people in private rented accommodation and has seen a greater demand for shared housing.

- 9.65 Sheffield Hallam estimate that 35,600 households across the Sheffield City Region will have been affected by these changes. In Chesterfield it is estimated that 2,200 households will have been affected, with an average annual loss of £1,004 per household.

Under-Occupancy Charge (Bedroom Tax)

- 9.66 The Government has changed what housing benefit working-age households in the social rented sector can claim, to reflect family size. This change was brought in from April 2013. 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.
- 9.67 The Rocket Science Study suggests that many households may first try to cope with the financial loss rather than move, but that there is likely to be an increased demand for small properties. Indeed it suggests that the change will drive chains of moves affecting both the social and private rented sectors; but that overall there is likely to be an undersupply of 1-bed properties. It estimates that 1,400 households in Chesterfield Borough are likely to be affected, with an impact of on average £607 per households.

Universal Credit

- 9.68 The introduction of Universal Credit represents a major reform to the benefit system, merging a range of benefits into a single benefit paid to those both in and out of work. There are expected to be both winners and losers from this, with some households seeing a small benefit increase.
- 9.69 The 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.
- 9.70 The move towards a Universal Credit is likely to end Housing Benefit payments direct to landlords, making benefit claimants potentially less attractive as tenants although the impact on debt and rent arrears cannot be estimated with accuracy. The *Rocket Science Study* estimates that larger families,

especially those in the private rented sector, are likely to be worst affected unless they work or move home. Overall in Chesterfield Borough it is estimated that the benefit cap will impact on 40 households, an average loss of just over £1,000 per annum.

Findings from the Household Survey

9.71 We can augment this analysis by considering what the household survey tells us about financial support from benefits which households use to help meet housing costs. The questionnaire survey asked a series of questions to households about financial support (benefits) and any difficulty in affording housing costs. The series of tables below summarise responses to the relevant questions.

9.72 The table below shows the number of households claiming Housing Benefit (HB) or Local Housing Allowance (LHA) along with the number claiming another type of benefit designed to assist in the costs of running the home. The data shows that around 16% claim HB/LHA with a further 4% claiming another benefit. An additional 2% of households said they were claiming both HB/LHA and another benefit.

Table 61: Housing-Related Benefits Received, Chesterfield Borough Households

	Number of households	% of households
Receive HB/LHA	7,424	15.7%
Receive another benefit	1,878	4.0%
Receive HB/LHA and another benefit	909	1.9%
Do not receive housing related benefits	36,969	78.4%
Total	47,180	100.0%

Source: Household Survey

9.73 The households claiming HB/LHA were then asked if the amount claimed was sufficient to cover the cost of rent. In just over half of cases (55.2%) the benefit did cover the full rent although for some 45% of households there appears to be some shortfall in benefit when compared with the rent to be paid. Private tenants were particularly likely to have a shortfall in benefit when compared with the rent payable.

9.74 Finally, all households were asked if they were struggling to afford housing costs, and if so what measures they intend to take to resolve this. Overall, a significant 33% of households said they were struggling with housing costs – this totals around 15,500 households. The table below shows the measures these households expect to take to resolve this issue.

9.75 By some margin the main ‘solutions’ given by households were to spend less on both essential and non-essential household items – both attracting 58%-61% of responses. The next main option was to use household savings. A number of household stated that they would look for a job, a better

paid job, an additional job or to increase their hours of work although generally spending less rather than earning more was a more likely response to problems with housing costs.

Table 62: Household 'Solutions' to Affording Housing Costs

	Number of households	% of households
Spend less of household essentials	8,981	57.8%
Borrow money from family/friends	1,929	12.4%
Spend less on non-essentials	9,411	60.6%
Use income from other benefits	1,333	8.6%
Look for a job	1,651	10.6%
Use savings	3,159	20.3%
Increase hours of work	2,810	18.1%
Look for a better paid job	2,579	16.6%
Borrow money (loan or credit card)	1,698	10.9%
Look for an additional job	1,742	11.2%
Move to a cheaper home	2,436	15.7%
Other	1,110	7.1%

Source: Household Survey

- 9.76 The household survey does provide some indication of the impact of welfare reforms through looking at the reasons why households have moved and why they might move in the future. At the time of the survey only 91 households (4 sample households) said they had moved in the past two years due to welfare reforms. Additionally, some 104 households have said that they need to move home over the next two years and have cited welfare reforms as one of the reasons for moving home.
- 9.77 Whilst the full impact of the various current and proposed changes is difficult to quantify it is clear when taken together that a significant number of people and households will be affected.
- 9.78 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

- 9.79 Having established the overall need for affordable housing in the study area it is necessary to consider the sizes of accommodation required. Again the survey data can be used to assess this and the 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).

9.80 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

9.81 Table 63 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 68% to 77%.

Table 63: Profile of Need by Bedrooms

	Households in need	Households in need (priority)
1 bedroom	49.4%	32.1%
2 bedrooms	27.9%	35.6%
3 bedrooms	15.2%	22.6%
4+ bedrooms	7.4%	9.7%
Total	100.0%	100.0%

Source: Household survey data

9.82 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. Table 67 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. In interpreting this it should be remembered that a large proportion of the one- and two-bed lettings are of specialist/ older persons accommodation which general needs applicants cannot access. The analysis in this respect should be considered as indicative.

9.83 With these caveats, the table shows a relatively high supply of one bedroom homes relative to the need and a low supply of homes with three or more bedrooms. 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 64: Estimated Need and Supply of Affordable Housing by Bedsize

	Profile of need	Proportion of lettings	Turnover
1 bedroom	32%-49%	58.7%	10.5%
2 bedrooms	28%-36%	27.6%	6.2%
3 bedrooms	15%-23%	13.7%	3.7%
4+ bedrooms	7%-10%		
Total/average	100.0%	100.0%	7.3%

Source: Household survey data and CORE

9.84 We can use the above information to provide an indication of the likely net need for affordable housing of different sizes and this is shown in Table 65 below. The table indicates a requirement for around a quarter of additional homes to have one bedroom and just under a half (45%) required to be larger (3+ bedroom) accommodation.

Table 65: Estimated Size Requirement for Additional Affordable Housing (excluding development pipeline)

	Annual gross need	Annual supply	Net need	Proportion of need
1 bedroom	655	554	101	26.4%
2 bedrooms	370	260	110	28.9%
3+ bedrooms	300	129	171	44.7%
Total	1,326	944	382	100.0%

Source: Household survey data and CORE

9.85 This data can also be summarised by sub-area (as shown in the table below). The data shows some interesting results with Chesterfield Town having a particular need for one bedroom homes and a surplus of this size of accommodation being observed in Staveley & Eastern Villages. The highly variable figures are to some degree driven by the fact that there is a reasonable degree of balance in overall numbers between the level of need and the supply (which can show some fairly extreme figures when viewed in net terms). Information from the Council suggests that in the short-term (due to benefit reforms) there is a particular need for two-bedroom homes and so the analysis below should be considered alongside other (administrative) data to determine the most appropriate profile of housing to be provided moving forward.

Table 66: Affordable Housing Size Requirements by Sub-Market

Sub-Market	1 bedroom	2 bedrooms	3+ bedrooms	Total
Chesterfield Town	48%	16%	36%	100%
Staveley & Eastern Villages	-30%	63%	67%	100%

BOROUGH	26%	29%	45%	100%
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Source: Housing Needs Model

Need for Different Types of Affordable Housing

- 9.86 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.

- 9.87 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.
- 9.88 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 it will be the case that 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).

9.89 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.

9.90 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 67: 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

9.91 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).

9.92 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.

9.93 Table 68 below shows our estimate of the number of households in need in each of the above categories and estimated net need levels. The data shows that **across the Borough some 26% 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 or affordable rented housing without housing benefit. The majority of this need would be required to be rented housing 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. The evidence in effect suggests a very limited potential need for shared ownership housing.

9.94 Our analysis that around **74% 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 significant proportion (50% 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.

9.95 We consider that there is likely to be limited actual need for intermediate rented properties as few registered providers would deliver this in preference to affordable rented homes, as the potential client base for the latter is higher as it includes households who can claim Housing Benefit to supplement their income.

Table 68: Social Rented and Intermediate Housing Needs– Per Annum

	Equity based intermediate	Intermediate rented	Affordable rented	Social rented	Total
Total gross annual need	19	93	190	1,025	1,326
Total gross annual supply	11	0	0	933	944
Net annual need	8	93	190	92	382
% of net shortfall	2%	24%	50%	24%	100%

Source: Household Survey Data

9.96 The above information has also been summarised by sub-market (in the table below). This shows relatively little variation between areas – this finding is largely driven by the fact that both housing costs and income levels are broadly similar in each of the two sub-markets.

Table 69: Social Rented and Intermediate Housing Needs– per annum

Sub-Market	Equity based intermediate	Intermediate rented	Affordable rented	Social rented	Total
Chesterfield Town	2%	26%	47%	25%	100%
Staveley & Eastern Villages	3%	21%	54%	21%	100%
Total	2%	24%	50%	24%	100%

Source: Household Survey Data, CORE

Key Findings and Policy Implications

- There is a significant net need for 382 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

reduces to 359 per annum once the development 'pipeline' is included in the supply. Looking at needs over the longer-term, a need for up to 212 homes per annum is identified (excluding affordable homes in the development pipeline). This provides a clear evidence base to support planning policies seeking new affordable housing, and continuing to work to deliver affordable housing through other means such as on land owned by the public sector or registered providers, or through bringing empty homes back into use.

- 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 turnover of affordable homes in the Borough is relatively low. The Council might consider through the review of its Tenancy Strategy 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 Council 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 289 lettings to households per annum. Given the likely shortfall of supply of new affordable homes, the Council 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 may be 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 Council should monitor sales of shared ownership and shared equity homes over time to assist in establishing effective demand for these products.
- The housing needs analysis indicates that 74% of net housing need is for social/affordable rented homes and 26% for intermediate housing. A shift towards delivery of affordable rented homes might assist development viability although provision of affordable rented homes could increase the Housing Benefit bill.
- The Borough Council 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.

10 NEED FOR DIFFERENT SIZES OF HOMES

Introduction

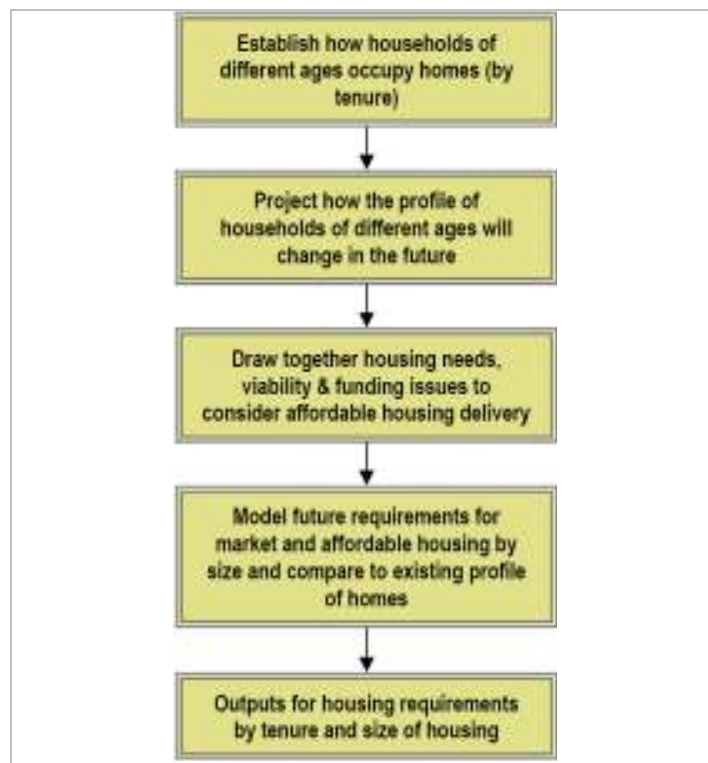
- 10.1 As discussed in Section 5, there are a range of factors which influence housing demand. These factors play out at different spatial scales and influence both the level of housing demand (in terms of aggregate household growth) and the nature of demand for different types, tenures and sizes of 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).
- 10.2 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.
- 10.3 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 Borough.
- 10.4 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

- 10.5 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.
- 10.6 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. Assuming a 3% vacancy allowance in new housing stock this would imply housing growth of around 3,505. The analysis developed in this section looks at the period from 2013 to 2031 where the projection suggested household growth of 3,403 (about 190 additional households per annum).

10.7 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 56: Summary of Housing Market Model



Understanding how Households Occupy Homes

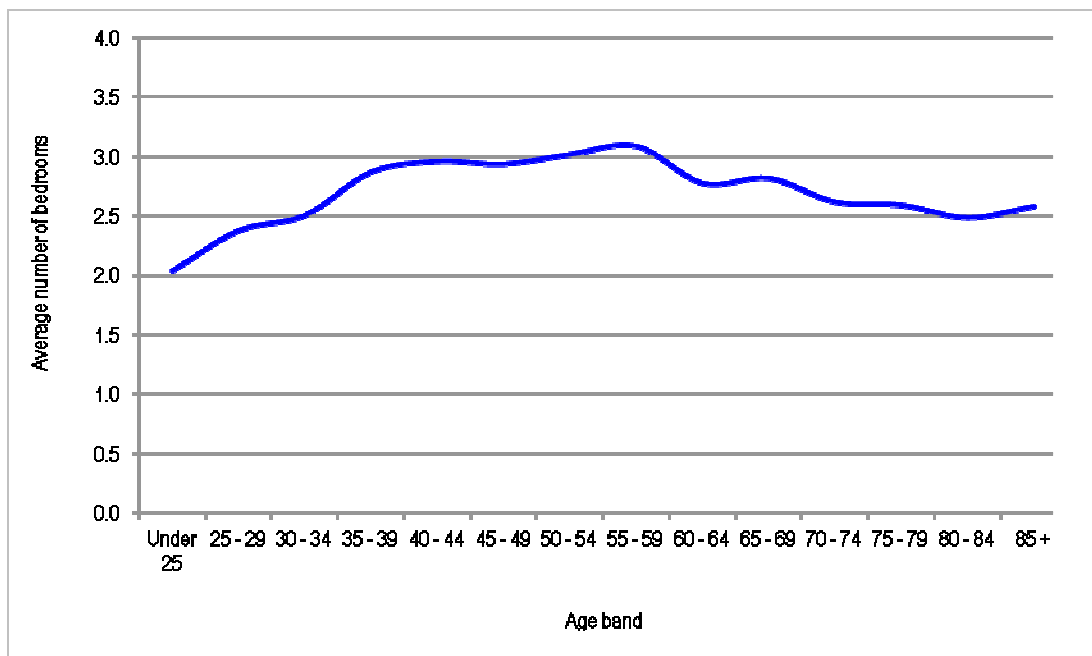
10.8 Whilst the demographic projections provide a good indication of how the population and household structure will develop it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that 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 into a need for smaller units.

10.9 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.

- 10.10 Figure 57 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 55-59 age group. After sizes peak the average dwelling size decreases as some households 'downsize'.

Figure 57: Average Bedrooms by Age of Survey Respondent (household living in market housing)



Source: Household Survey

- 10.11 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.
- 10.12 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 3,505 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 influenced by available funding and development viability. Different assumptions

would only make small differences 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.

- 10.13 The distribution of housing to different sub-markets 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

- 10.14 Table 70 below shows the estimated need for different sizes of market homes by sub-market. The modelling indicates a modest need for 1-bed properties (4% 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.
- 10.15 Need for market housing is focused towards two- and three-bedroom stock. This is consistent to the current profile of demand in the Borough and the market evidence, which indicates that the demand profile in many parts of the Borough is focused on local buyers, and that incomes are relatively low.
- 10.16 There are however some small differences in different parts of the Borough. The demographic analysis indicates a stronger demand for properties with 4 or more bedrooms in the Chesterfield Town Sub-Market; and a higher level of demand for three bedroom homes in Staveley & Easter Villages. The demographic analysis also identifies Chesterfield Town as potentially having the highest requirement for one and two bedroom homes.
- 10.17 Whilst the analysis at a sub-area level 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 Borough can be occupied by households living elsewhere in the Borough (or currently living outside the area).

Table 70: Market Housing Size Requirements (2013-31)

Sub-Market	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	Total
Chesterfield Town	4%	49%	38%	8%	100%
Staveley & Eastern Villages	2%	46%	46%	6%	100%
BOROUGH	4%	48%	41%	8%	100%

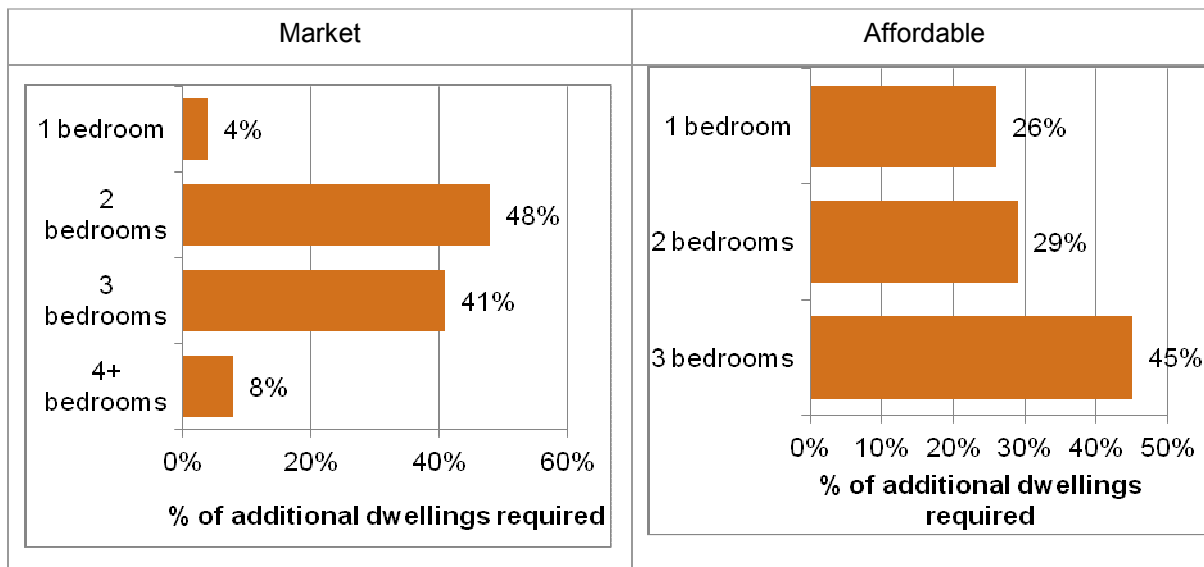
Source: Housing Market Model

- 10.18 The statistics in Table 70 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.
- 10.19 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.
- 10.20 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 Borough over the plan period.

Indicative Profile of Housing Need by Dwelling Size

- 10.21 Figure 58 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. 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 Council may therefore wish to provide larger units where feasible (taking account of any development constraints and viability issues).

Figure 58: Size of Housing Required, 2013-31



Source: Housing Market Model

10.22 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

10.23 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.

10.24 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. This is highlighted by the analysis in Section 9. This would suggest that the profile of affordable housing to be provided would be weighted to two or more bedroom housing. This needs to be balanced against the implications of the “bedroom tax” which in the short-term is likely to increase need for smaller properties, and potentially reduce the popularity of larger properties. We have seen a reduced number of bids for 3-bed Council properties for instance in recent months.

10.25 At a Borough-wide level, the analysis would support policies for the mix of **affordable housing** of:

- 1-bed properties: 25-30%
- 2-bed properties: 35-40%
- 3-bed properties: 20-25%
- 4+ bed properties: 10-15%

10.26 The need for affordable housing of different sizes will vary by area across the Borough 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

10.27 In the market sector, we need to overlay on the demographic modelling, the market analysis and consideration of current housing offer. 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 (in each case accounting for three-quarters of the housing stock).

10.28 On the basis of these factors we consider that the provision of market housing should balance provision of smaller family housing for younger households to enable access to home ownership and to facilitate downsizing; as well as appropriate provision where the opportunity exists to deliver larger homes with 4+ bedrooms to support economic regeneration and reduce in-commuting of those with higher earnings.

10.29 On this basis we would recommend the following mix of market housing be sought:

- 5-10% 1-bed properties
- 35-40% 2-bed properties
- 35-40% 3-bed properties
- 15-20% 4+ bed properties

10.30 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.

10.31 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*'.

- 10.32 At the strategic level, the Council 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.
- 10.33 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.

Aspirational Housing

- 10.34 The survey form was not specifically designed to discover if there is a demand for what might be termed ‘aspirational’ housing although we can use the data around household preferences (for larger homes) to give an indication of potential demand. In total, 3,620 households have said that they expect to move home in the next two years and will become (or remain) owner-occupiers, of these 625 (about 17%) expect to move to 4 or more bedroom accommodation, however only around a half of these households want to do so within Chesterfield. This analysis suggests fairly modest demand for aspirational housing from households currently living in the Borough.
- 10.35 There may however be some demand from households moving to the Borough which can be studied through analysis of past moves. In total the survey shows that 2,600 households have moved to the Borough over the past two years and of these 866 live in owner-occupied housing. However, only around 9% of these movers are currently living in four or more bedroom homes (80 households).
- 10.36 Overall the evidence does not support a strong demand for aspirational housing although there may be some demand from people moving to the area. Evidence from consultation with estate agents does however suggest that the demand from people moving to the area to buy larger homes is largely being met in the second-hand market rather than through a need for new-build homes.

Key Findings and Policy Implications

- We recommend the following strategic mix of dwellings is sought. The mix identified above should inform strategic Borough-wide 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.

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

- 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. However provision of some larger homes may help to allow those with higher earnings to live locally to their place of work.
- 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.

11 NEEDS OF SPECIFIC GROUPS

Introduction

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

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

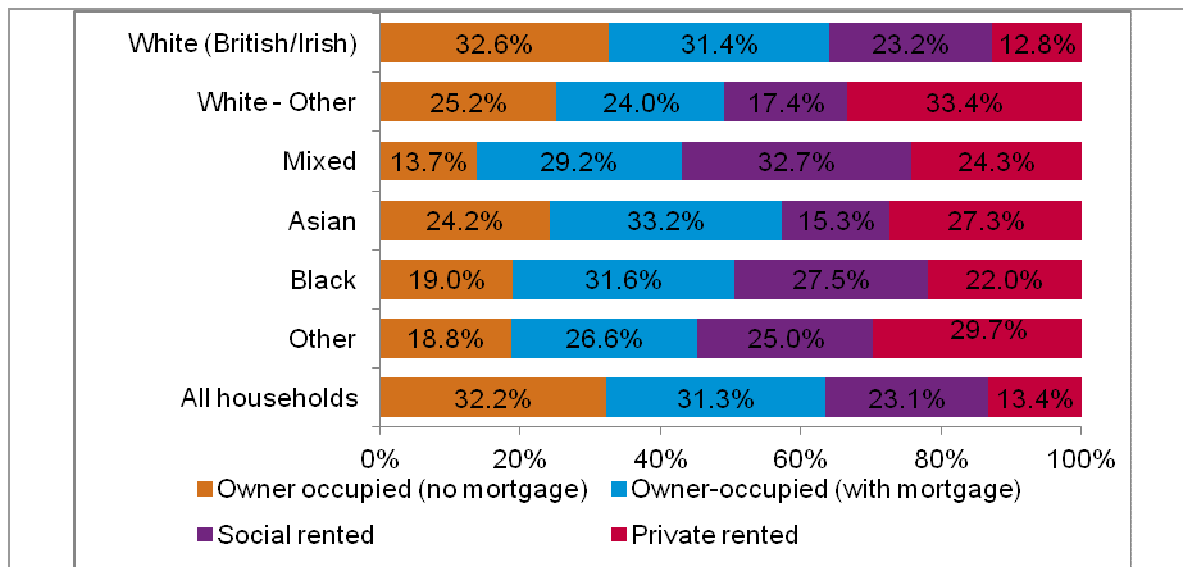
11.2 The Planning Practice Guidance on *Housing and Economic Development Needs Assessments* identifies that planners should seek to consider the needs of specific household groups including facilities, older persons and households with disabilities. The analysis in this section seeks to do so.

Black and Minority Ethnic (BME) Groups

11.3 The BME population of Chesterfield Borough is very small and as a result the household survey saw relatively few returns from such households (just 24 responses from households describing themselves as 'White-Other' and just 33 from all other BME groups). As a result to study BME groups we have drawn on 2011 Census data.

11.4 Figure 59 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 over a third of the White-Other group being in this sector.

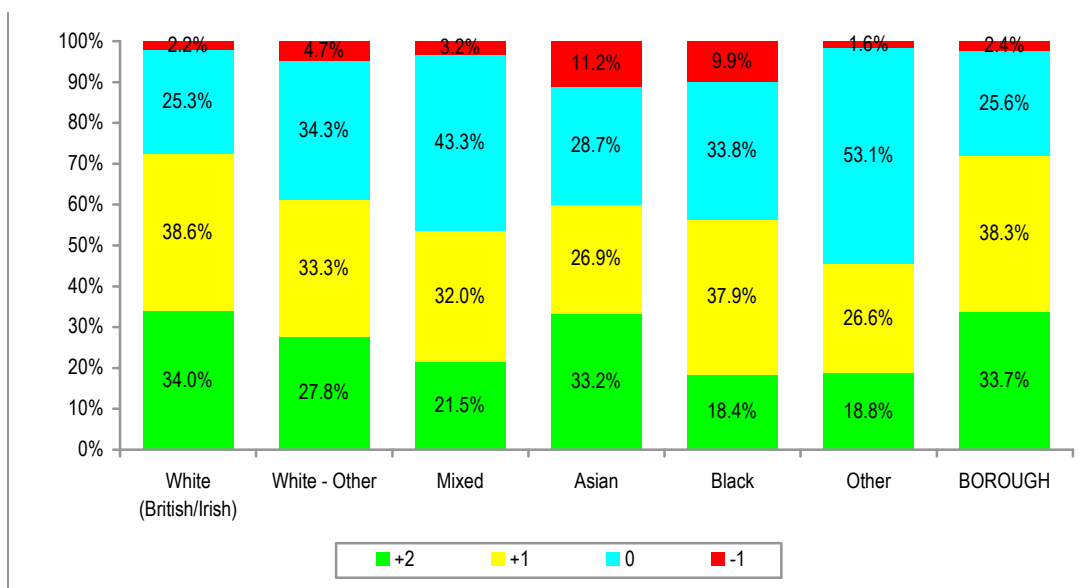
Figure 59: Ethnic Group by Tenure



Source: 2011 Census

11.5 Figure 60 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 11% of Asian and 10% of Black households having insufficient bedrooms in their home. Asian households surprisingly showed some of the highest levels of under-occupation.

Figure 60: Occupancy Rating (bedrooms) by Ethnic Group



Source: 2011 Census

Households with Support Needs

11.6 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

11.7 Overall there are an estimated 13,071 households in Chesterfield Borough with one or more members in an identified support needs group - this represents 27.7% of all households. Table 71 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 7,245 households containing a person with a walking difficulty (not in wheelchair).

Table 71: Support Needs Categories

Category	Number of households	% of all households	% of support needs households
Wheelchair user	937	2.0%	7.2%
Walking difficulty (not in wheelchair)	7,245	15.4%	55.4%
Learning disability	1,300	2.8%	9.9%
Mental health problem	2,821	6.0%	21.6%
Visual/hearing impairment	2,533	5.4%	19.4%
Asthmatic/respiratory problem	3,334	7.1%	25.5%
Other physical disability	3,761	8.0%	28.8%
Limiting long-term illness	4,383	9.3%	33.5%

Source: Household Survey Data

11.8 Table 72 below shows the locations of households with support needs from the survey data. There is little difference between the two areas with Staveley & Eastern Villages having a slightly higher proportion of households with one or more person with some sort of support need.

Table 72: Households with Support Needs by Sub-Market

Sub-Market		Support need	No support needs	Total
Chesterfield Town	No.	8,851	23,750	32,600
	%	27.1%	72.9%	100.0%
Staveley & Eastern Villages	No.	4,221	10,359	14,580
	%	28.9%	71.1%	100.0%
BOROUGH	No.	13,071	34,109	47,180
	%	27.7%	72.3%	100.0%

Source: Household Survey Data

11.9 Tables 73-75 below shows 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 42% of all support needs households contain only older people. Support needs households are also particularly likely to be living in social rented housing. Some 48% 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 16.5% of all support needs households are living in unsuitable housing (compared with 81% Borough-wide).

Table 73: Support needs households with and without older people

Age group	Support needs	Support needs households		
		Number of h'holds	% of h'holds with support needs	% of those with a support need
No older people	6,541	32,722	20.0%	50.0%
Both older & non-older people	1,012	2,421	41.8%	7.7%
Older people only	5,519	12,038	45.8%	42.2%
Total	13,071	47,180	27.7%	100.0%

Source: Household Survey Data

Table 74: 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)	4,539	15,453	29.4%	34.7%
Owner-occupied (with mortgage)	1,916	14,264	13.4%	14.7%
Social rented	5,061	10,642	47.6%	38.7%
Private rented	1,556	6,821	22.8%	11.9%
Total	13,071	47,180	27.7%	100.0%

Source: Household Survey Data

Table 75: 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	2,163	3,811	56.8%	16.5%
Not in unsuitable housing	10,909	43,369	25.2%	83.5%
Total	13,071	47,180	27.7%	100.0%

Source: Household Survey Data

11.10 Table 76 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 76: Income and Savings Levels of Support Needs Households

Support needs	Annual gross household income (median)	Average household savings (median)
Support needs	£13,117	£962
No support needs	£24,717	£1,207
All households	£20,438	£1,128

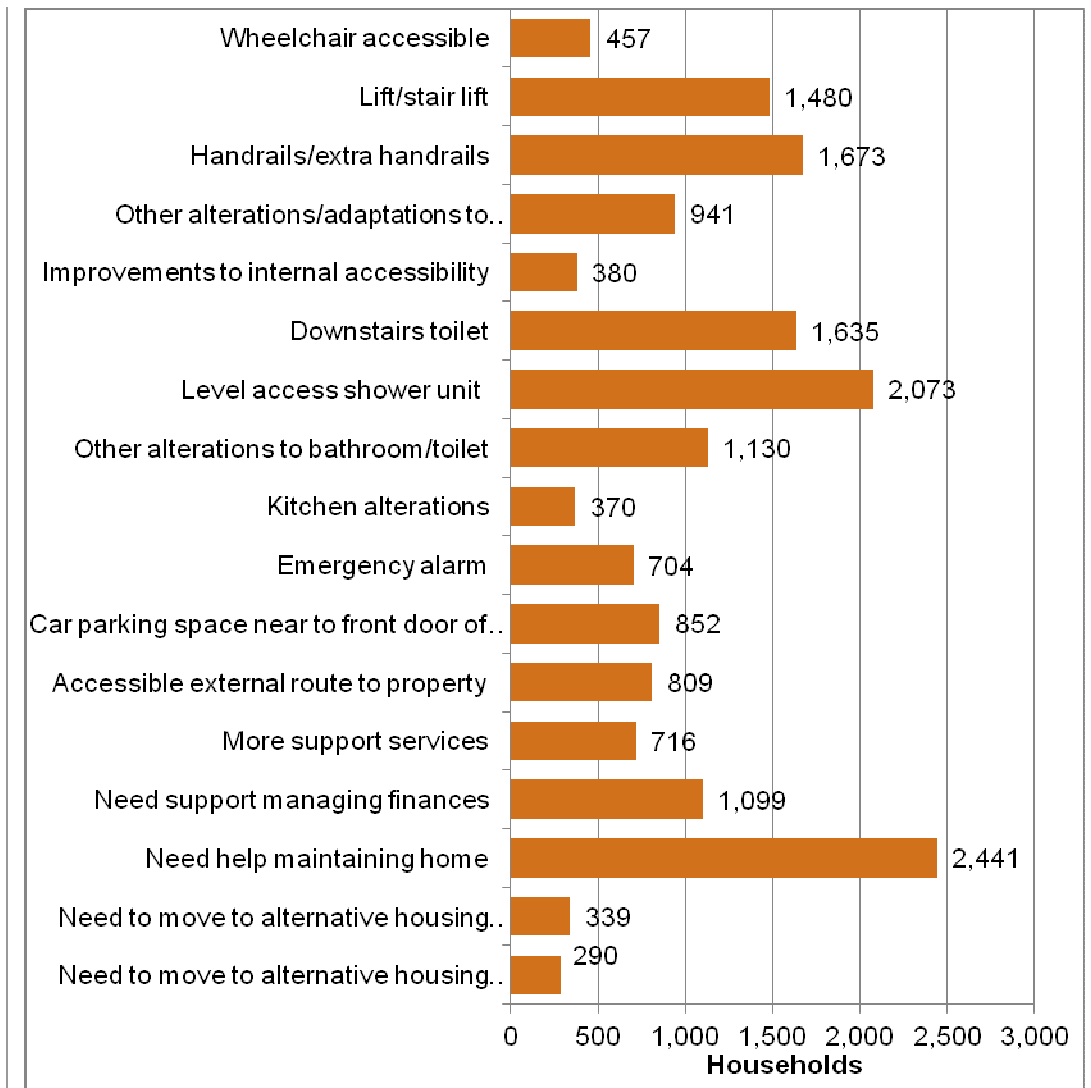
Source: Household Survey Data

11.11 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 Figure 61 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 61: Support Needs Households: Improvements to Accommodation & Services



Source: Household Survey Data

11.12 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 32% 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.

- 11.13 Table 77 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 27.7% to 29.8% - an increase of nearly 2,100 households between 2013 and 2031.
- 11.14 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 77: Projected Change in number of Households with a Support Need 2013 to 2031

Support need	2013		2031	
	Households	%	Households	%
Support need	13,071	27.7%	15,148	29.8%
No support needs	34,109	72.3%	35,705	70.2%
Total	47,180	100.0%	50,853	100.0%

Source: Household Survey Data

- 11.15 Overall the analysis points towards a need to carefully consider future provision of support for households within the Borough – including adaptations to properties (and funding support for this), and floating support. This area will require coordinated interventions across the housing and health spheres.
- 11.16 We have also reviewed the Nottinghamshire and Derbyshire Disabled People’s Housing Needs Study completed in late 2012 which focussed on people with physical disabilities. The 2012 Study developed a model to study affordable housing requirements for households with a physical disability. The model was broadly based on the CLG’s Needs Assessment Model (as used in our analysis of overall housing need) and contained both a low and high estimate of needs. The ‘high’ estimate was based on ONS population projection data with the ‘low’ estimate being based on analysis of Disability Living Allowance (DLA) claims.
- 11.17 By 2015 it is estimated in the Study that between 746 and 1089 households in the borough with a disabled member will be in unsuitable accommodation, and will require measures to be able to remain in their home or move to a suitable property. The high estimates of these indicate that by 2030, these will have increased to 1,366.

11.18 The Study identifies a current shortfall of homes (using a 2010 baseline) to meet the needs of those with physical disabilities of between 844-575 homes. It estimates that this may increase over time, with an additional need for between 45-321 homes on top of these figures over the period to 2030.

Table 78: Estimates of Unmet Housing Need – shortfall of homes to meet the needs of people with physical disabilities

Needs estimate	2010	2015	2020	2025	2030
High estimate	844	905	983	1060	1165
Low estimate	575	586	597	609	620

Source: Nottinghamshire and Derbyshire Disabled Person’s Housing Needs Study

Older Person households

11.19 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
- Households with only older persons

11.20 A quarter of all households contain only older people and a further 5% contain both older and non-older people. The table below shows the number and percentage of households in each group.

Table 79: Older person Households

Categories	Number of households	% of all households
Households without older persons	32,722	69.4%
Households with both older and non-older persons	2,421	5.1%
Households with older persons only	12,038	25.5%
Total	47,180	100.0%

Source: Household Survey Data

11.21 Table 80 shows the number of older person only households in each sub-market. The data shows that there is relatively little difference between the areas – Chesterfield Town seeing a slightly higher proportion of older person only households.

Table 80: Older Person Households by Sub-Market

Sub-Market		All older persons	Other households	Total
Chesterfield Town	No.	8,460	24,141	32,600
	%	26.0%	74.0%	100.0%
Staveley & Eastern Villages	No.	3,578	11,002	14,580
	%	24.5%	75.5%	100.0%
BOROUGH	No.	12,038	35,142	47,180
	%	25.5%	74.5%	100.0%

Source: Household Survey Data

11.22 The number of occupants in older person households is shown in the table below. The data suggests that all households containing older persons only are comprised of one or two persons only. Some 46% of all single person households are older person households.

Table 81: 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	6,911	15,090	45.8%	57.4%
Two	5,127	18,121	28.3%	42.6%
Three	0	6,737	0.0%	0.0%
Four or more	0	7,232	0.0%	0.0%
Total	12,038	47,180	25.5%	100.0%

Source: Household Survey Data

11.23 Table 82 below shows the housing tenures of households with older persons. Around two-thirds of older person only households are owner-occupiers (mostly without a mortgage) - this finding suggests that the potential for equity release schemes in the Borough may be significant.

11.24 Another significant finding is the relatively high proportion of social rented accommodation containing older people only. In Chesterfield Borough 29% of social rented dwellings contain only older people. This may have implications for future supply of and demand for specialised social rented accommodation.

Table 82: Older person Only Households and Tenure

Tenure	Age group			
	Older persons only	Number of h'holds	% of h'holds with older persons	% of those with older persons
Owner-occupied (no mortgage)	7,668	15,453	49.6%	63.7%
Owner-occupied (with mortgage)	548	14,264	3.8%	4.5%
Social rented	3,030	10,642	28.5%	25.2%
Private rented	791	6,821	11.6%	6.6%
Total	12,038	47,180	25.5%	100.0%

Source: Household Survey Data

11.25 Table 83 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 approaching 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 83: Size of Dwellings (number of bedrooms) for Older Person Only Households

Number of bedrooms	Older person households		All other households	
	Households	%	Households	%
1 bedroom	2,124	17.6%	4,008	11.4%
2 bedrooms	4,699	39.0%	10,430	29.7%
3 bedrooms	4,290	35.6%	15,658	44.6%
4+ bedrooms	924	7.7%	5,046	14.4%
Total	12,038	100.0%	35,142	100.0%

Source: Household Survey Data

11.26 This information can be further broken down by tenure (for older person households) and this is shown in Table 84 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 360 dwellings in the social rented sector which may therefore present some opportunity to reduce under-occupation.

Table 84: 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)	239	3,023	3,582	825	7,668
Owner-occupied (with mortgage)	34	217	265	31	548
Social rented	1,652	1,019	336	25	3,030
Private rented	199	441	108	43	791
Total	2,124	4,699	4,290	924	12,038

Source: Household Survey Data

11.27 The number and proportion of the population of pensionable age and over is expected to increase significantly in the future. Table 89 below shows estimated household type change derived from our demographic modelling for the period from 2013 to 2031.

11.28 Table 85 below shows that overall the proportion of households made up solely of people of pensionable age is expected to increase from 25.5% to 32.1% - an increase of over 4,200 households from 2013; this represents an increase in this group of households of around 36% in just 18 years.

Table 85: Household Type Estimates (pensioner-only households) 2013 and 2031

Household type	2013		2031	
	Households	%	Households	%
Single pensioner	6,911	14.6%	9,096	17.9%
Two or more pensioners	5,127	10.9%	7,225	14.2%
All pensioner households	12,038	25.5%	16,321	32.1%
All other households	35,142	74.5%	34,532	67.9%
Total	47,180	100.0%	50,853	100.0%

Source: Household Survey Data

11.29 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 Borough are expected to rise (very slightly) from 32.0% of all households to 32.4% - this is an increase of about 1,400 under-occupying households.

Families (Households with Children)

- 11.30 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.
- 11.31 Table 86 below shows the number of each type of household with children. The survey estimates that there are 11,413 households with children in the Borough. Of these, 2,560 households (22.4%) are lone parents, some 37.3% are families with one child aged under 16, and the remaining 40.3% are larger households (with two or more children).

Table 86: Number of Families with Children

Households with children	Number of households	Percent of households	Percent of households with children
Lone parent households	2,560	5.4%	22.4%
Two or more adults and one child	4,252	9.0%	37.3%
Two or more adults and two or more children	4,601	9.8%	40.3%
All other households	35,767	75.8%	-
Total	47,180	100.0%	100.0%

Source: Household Survey Data

- 11.32 Table 87 below shows how the proportion of households containing children varies between the two sub-areas. The data shows that the proportion of households containing children is notably higher in the Staveley & Eastern Villages area where 28.9% of households contain children – this compares to 22.1% in Chesterfield Town. The main difference is due to the proportion of households with two or more adults (and children) with the proportion of lone parents being broadly the same in each location.

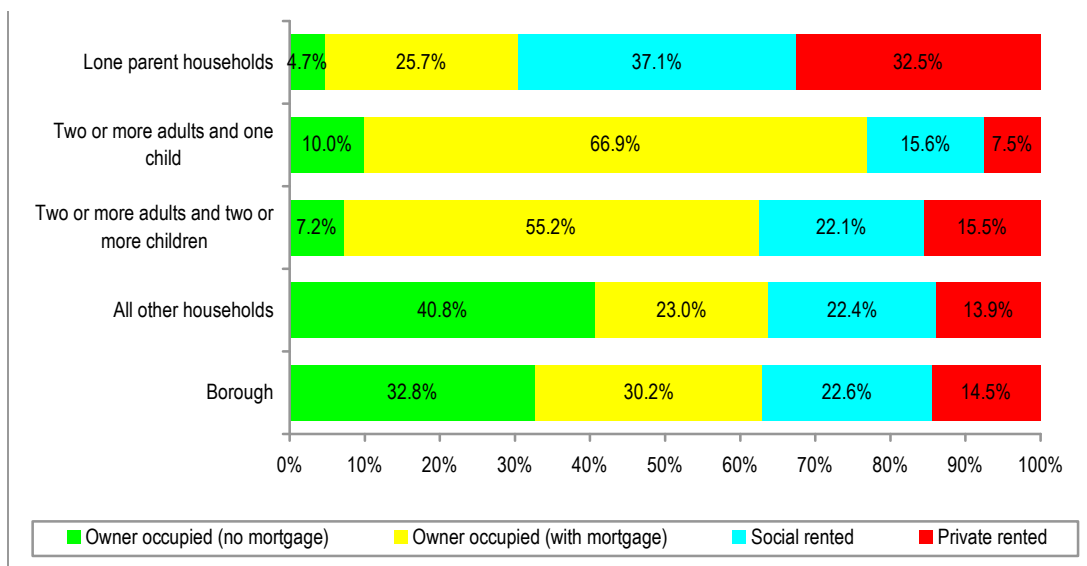
Table 87: Household Type by Sub-Market

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
Chesterfield Town	No.	1,783	2,691	2,731	25,395	32,600
	%	5.5%	8.3%	8.4%	77.9%	100.0%
Staveley & Eastern Villages	No.	777	1,561	1,870	10,372	14,580
	%	5.3%	10.7%	12.8%	71.1%	100.0%
BOROUGH	No.	2,560	4,252	4,601	35,767	47,180
	%	5.4%	9.0%	9.8%	75.8%	100.0%

Source: Household Survey Data

11.33 Figure 62 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 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 62: Household Type by Tenure



Source: Household Survey Data

11.34 Table 88 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 – all showing proportion of 13% or above compared with just 6% for households without children.

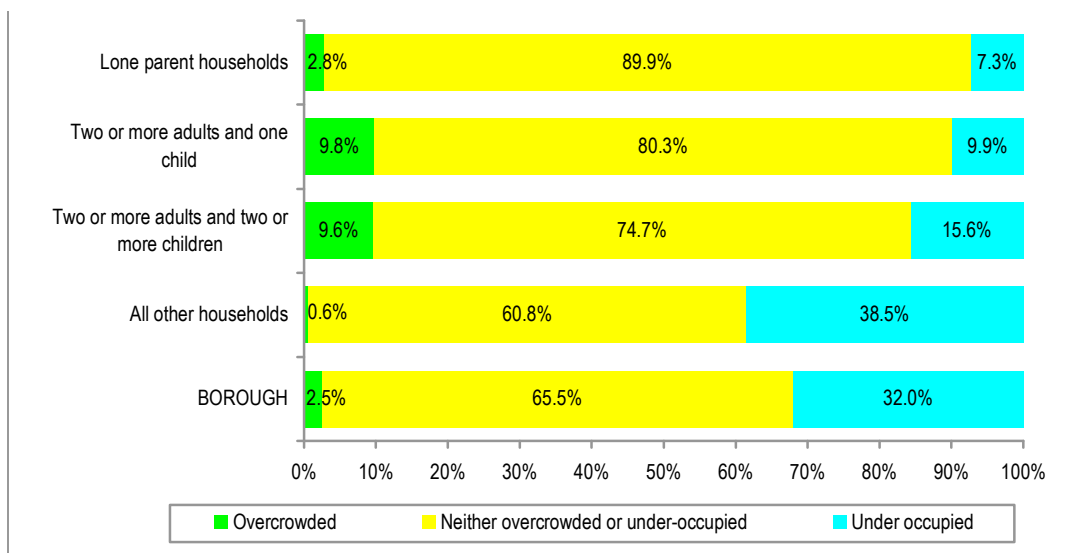
Table 88: Households with Children in Unsuitable Housing

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	13.0%	13.2%	14.7%	6.3%	8.1%
Not in unsuitable housing	87.0%	86.8%	85.3%	93.7%	91.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey Data

11.35 Figure 63 below presents the level of overcrowding and under-occupation for households with children. The table shows that whilst levels of overcrowding across the Borough are generally low all household groups containing children are more likely to be overcrowded than is the average for the Borough. In addition, levels of under-occupation are low; particularly for lone parent households where only 7% are under-occupied (compared to a Borough average of 32%).

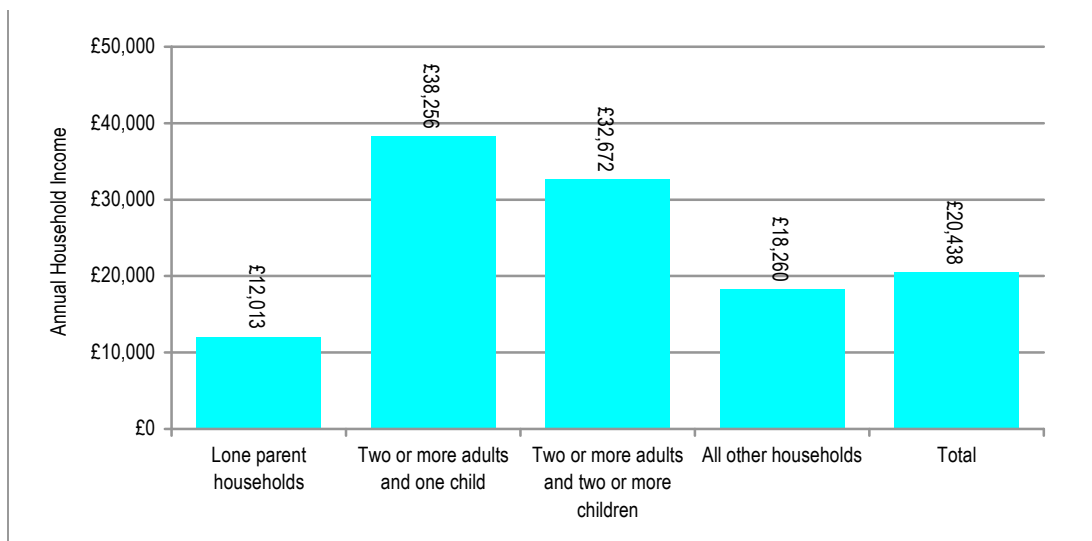
Figure 63: Overcrowded and Under-Occupying Households with Children



Source: Household Survey Data

11.36 Finally, we have presented data on average (median) income levels for households with children compared with the average for all households in the Borough. The data shows that both household groups with two or more adults have incomes well in excess of the Borough average whilst the average lone parent income is very low (around £12,000 per annum).

Figure 64: Median Household Income by Household Type



Source: Household Survey Data

11.37 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

11.38 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 8,271 younger households in the Borough representing 17.5% of all households.

11.39 Table 89 presents the working status of younger people in the Borough compared with working status for all households. The table indicates that around 73% of younger person households are working – this compares with 49% of all other households (or 81% if we exclude retired households). The figures for unemployment are also quite notable with 14% of younger person households being unemployed compared to 4.6% of all other households in the Borough (7.5% excluding retired households).

Table 89: Working status of Younger People

Working status	Young households		All other households	
	Number of household	% of households	Number of household	% of households
Working	6,002	72.6%	19,214	49.4%
Unemployed	1,132	13.7%	1,781	4.6%
Retired	0	0.0%	15,262	39.2%
Other	1,137	13.7%	2,652	6.8%
Total	8,271	100.0%	38,909	100.0%

Source: Household Survey Data

11.40 Table 90 below indicates the type of households these younger households live in. The table shows that 20.2% live alone and a just under a third live as a childless couple. In total 45.9% of all younger person households contain children with a significant proportion of these being lone parent households.

Table 90: Younger person Household Types

Household type	Number of household	% of households
Single non-pensioners	1,672	20.2%
Childless couple	2,570	31.1%
Other multi-adult	227	2.7%
Lone parent	1,078	13.0%
Two or more adults and one child	1,148	13.9%
Two or more adults and two or more child	1,575	19.0%
Total	8,271	100.0%

Source: Household Survey Data

11.41 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

11.42 Table 91 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 higher than for other household types whilst generally levels of under-occupation amongst younger person households are low (particularly those households with children).

Table 91: 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%	4.1%	12.0%	4.5%
Neither overcrowded nor under-occupied	84.9%	77.4%	95.9%	84.2%	83.6%
Under-occupied	15.1%	22.6%	0.0%	3.8%	11.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey Data

11.43 Table 92 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 45% 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 43% are owner-occupiers) although a relatively large proportion are also in the social rented sector. Over two-fifths of single person younger households live in private rented accommodation.

Table 92: Tenure of Younger Households

Tenure	Single person	Multi-adult	Lone parents	2+ adults & children	All younger households
Owner-occupied (no mortgage)	2.2%	2.5%	0.0%	4.8%	2.9%
Owner-occupied (with mortgage)	21.8%	35.4%	7.0%	38.0%	29.8%
Social rented	34.9%	16.7%	44.2%	34.6%	29.8%
Private rented	41.1%	45.4%	48.8%	22.7%	37.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household Survey Data

11.44 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.

11.45 The survey records that there are 1,172 households that have become first-time buyers in Chesterfield Borough in the last two years. Table 97 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 45% of first-time buyer households contain two people and a further 26% are single persons. Overall, first-time buyer households have similar household sizes to other recent buyers.

Table 93: Household Size of recent First-Time Buyers

Household size	First time buyer		Other recent buyer		Other recently moved households		Total (all movers)	
1 person	304	26.0%	423	34.5%	2,317	42.1%	3,044	38.5%
2 people	530	45.2%	388	31.7%	1,754	31.9%	2,672	33.8%
3 people	162	13.8%	160	13.0%	666	12.1%	987	12.5%
4 people	115	9.8%	225	18.4%	550	10.0%	890	11.3%
5 or more people	62	5.3%	29	2.4%	221	4.0%	311	3.9%
Total	1,172	100.0%	1,224	100.0%	5,507	100.0%	7,904	100.0%

Source: Household Survey Data

11.46 Table 94 shows the age of the HRP in first-time buyer households. It shows that 52.7% of respondents are aged under 30, whilst 16.5% 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 Borough over the past two years is 29 (which is a very low figure when compared with our experience elsewhere).

Table 94: Age of Recent First-Time Buyers

HRP age	First time buyer		Other recent buyer		Other recently moved households		Total (all movers)	
Under 30	617	52.7%	62	5.1%	2,194	39.8%	2,874	36.4%
30-39	194	16.5%	192	15.7%	1,327	24.1%	1,712	21.7%
40-49	233	19.9%	328	26.8%	613	11.1%	1,174	14.9%
50 and over	128	10.9%	642	52.5%	1,373	24.9%	2,143	27.1%
Total	1,172	100.0%	1,224	100.0%	5,507	100.0%	7,904	100.0%

Source: Household Survey Data

11.47 The average (median) annual income of first-time buyer households is £25,700 which is notably higher than the average for the Borough of about £20,400. 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 in Chesterfield Borough (over the past two years) have put down an average deposit of 26%.

11.48 The survey data suggests that there are 1,779 non-owning households who would like to become owner occupiers over the next two years. Only 1,023 households expect to achieve owner-occupation in this period. Additionally, the survey shows 2,116 newly forming households who would like to become home owners over the next two years of which 1,032 households expect to secure this tenure.

- 11.49 The survey does not directly indicate how many of these might be expecting to get support from parents although a question asked of the existing households was around access to finance from sources other than their own savings (which is likely to be help from parents in many cases). Of the 1,023 non-owners expecting to buy their own home, the analysis suggests that around a quarter expect to have access to funds other than from their own means.
- 11.50 For the 1,032 newly forming households, around 33% have access to funds in excess of £5,000 (340 households). The source of this funding is unknown from the survey although it is quite likely given the typical ages of these households that for some money will be provided by parents to assist in buying a property.

Key Findings and Policy Implications

- The BME population within the Borough 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 Black 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. 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 2,100 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.
- Drawing on data from the Nottinghamshire and Derbyshire Disabled Person's Housing Needs Study it is estimated that there is a need for between 620 – 1165 homes to meet the needs of people with physical disabilities. Against this backdrop we would recommend that the Council:
 - Promotes choice and control for people with disabilities- including providing opportunities for independent living;
 - Delivers housing services as part of an integrated package of health and social care
 - Maintains an up-to-date record of properties with different adaptations (and a record of the demand for such homes);
 - Provides services for disabled people who are homeless (noting for example that having a physical disability is not necessarily a mandatory priority need reason for rehousing); and
 - Ensures that people with disabilities are not disadvantaged when bidding for properties through Choice-Based Lettings.
- A quarter of households in the Borough contain older persons. Two-thirds of these are owner-occupiers; however 28% 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 4,200 to 2031 (an increase of 36%). 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 1,400. Provision of housing targeting older age groups can help to release family homes for other groups.

- Over the last two years there have been 1,172 first-time buyers in the Borough. Of these 45% contain two people, with a median age of first-time buyers of 29 and an average income of £25,700. The average deposit was 26%. Policy initiatives such as the Help-to-Buy Scheme 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).

12 CONCLUSIONS AND RECOMMENDATIONS

- 12.1 In this final section of the report we have sought to bring together the analysis undertaken to identify conclusions and recommendations.
- 12.2 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.
- 12.3 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 (CLG, August 2013) and in finalising the report the final Guidance of March 2014.
- 12.4 In this final section, we seek to draw together the findings of the work and set out key recommendations to inform future policy development.

Overall Need for Housing

- 12.5 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 Planning Practice 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.
- 12.6 The 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 or the location of housing might need to be adjusted to support this?
- 12.7 We work through these tests to consider housing need in Chesterfield Borough herein.

Latest Household Projections

- 12.8 The latest Government household projections are 2011-based 'Interim' Projections which cover the period to 2021. These indicate a need for 236 homes per annum.
- 12.9 As part of this report we have extended these projections over the period to 2031 as recommended in the Planning Practice Guidance. Because of changes in the age structure of the population, this moderately reduces the need for housing to an average of 211 homes per annum over the 2011-31 period as a result of changes to the age structure of the population.

Has Household Formation been Suppressed?

- 12.10 We next need to consider whether there is any evidence that household formation rates in the projections have been constrained. The rates used in the 2011-based projections are based on trends over the 2001-11 period. A sensitivity analysis around the household formation rates suggests that this could result in an increase in need to 270 homes per annum (using the headship rates in the Government's 2008-based Household Projections). Whilst affordability did worsen in this period, national level research however points to part of the difference in trends recorded in the latest projections reflecting changing household structures associated with demographic changes, in particular international migration. The midpoint between these projections would indicate a need for 240 homes per annum to 2031. Our conclusions below include some allowance for improved household formation moving forwards.
- 12.11 Market signals do not point towards a need for an upward adjustment to housing provision. The HMA has some of the cheapest housing in the region. The median house price in Chesterfield Borough is £120,500. Lower quartile house prices in the Borough were 5.3 times lower quartile incomes in 2012, which is below the national average of 6.6. Furthermore the average age of first-time buyers at 29 is relatively low compared to many areas across the Country.

Will the Household Projections support Economic Growth?

- 12.12 The next factor to consider is the degree to which the household projections will support expected growth in jobs. The demographic-based projections considered above support modest growth in labour supply (0.7% to 2031). The economic-driven projections considered in this SHMA indicating a potentially higher level of housing need of around 345 homes per annum. This would support employment growth of around 3,800 (8%) over the plan period to 2031.

- 12.13 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.
- 12.14 However whilst these economic projections for Chesterfield Borough provide some basis for considering adjustments to conclusions on housing provision; the economy operates across a wider area with Chesterfield's travel to work area including parts of North East Derbyshire and Bolsover Districts. 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.

Is Overall Housing Supply capable of Meeting Affordable Housing Needs?

- 12.15 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 identifies a net need for 359 affordable homes per annum over the 2013-18 period. This falls to 212 affordable homes per annum if expressed over the plan period to 2031. The analysis also indicates that the affordable housing need is sensitive to the proportion of income which households might spend on housing.
- 12.16 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 289 households per annum.
- 12.17 Overall the affordable housing needs evidence does not provide clear evidence that overall housing provision needs to be adjusted upwards; although it does demonstrate a continuing need to deliver affordable housing within the Borough.

Drawing the Analysis Together

- 12.18 Drawing the analysis together we consider that an objective assessment of full need for housing, based on the evidence presented, would equate to between 240-300 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. The economic-driven projections provide a further upside and higher housing provision still could be justified on the basis of supporting economic growth.

- 12.19 The Council's Core Strategy makes provision for 7,600 dwellings over the 2011-31 plan period (380 homes per annum). This level of provision proposed exceeds the objectively assessed need for housing established herein. This would be supported by the emphasis in paragraph 47 in the NPPF on boosting housing supply, and can also be expected to support economic regeneration within the Borough. In particular this recognises that enhanced employment growth, particularly through delivery of development at Markham Vale, could create additional demand for housing.
- 12.20 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.
- 12.21 The SHMA recommends that the Council continues to collaborate as appropriate with other neighbouring local planning authorities, including the relevant parts of the Sheffield city Region, in considering issues related to housing provision.

Affordable Housing Policy

- 12.22 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.
- 12.23 The Housing Needs Analysis indicates that there is a significant net need for 359 affordable homes per annum between 2013 and 2018.
- 12.24 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 private rented sector currently plays some role in addressing the shortage of affordable housing.
- 12.25 Core Strategy Policy CS11 seeks provision of up to 30% affordable (and where appropriate special needs) housing provision on sites of 15 or more dwellings (including phases of sites as applicable). This was informed by the Council's Affordable Housing Viability Assessment.
- 12.26 This Policy requires affordable housing provision on schemes brought forward by private developers. Higher levels of affordable housing provision may be achieved on some development schemes supported by funding through the National Affordable Housing Programme or on sites owned by Registered Providers or other public sector land.

- 12.27 The housing needs analysis suggests the net housing need is as follows: 74% of net housing need is for social / affordable rented homes (priced at below 80% of market rents, inclusive of service charge), whilst 24% of need could be met by products priced at or above 80% of market rents.
- 12.28 Increased delivery of affordable rented homes might aid development viability in some circumstances (or allow funding for schemes to be secured) although this needs to be balanced against what local households can afford.
- 12.29 The analysis indicates limited potential for shared ownership or equity housing to contribute to meeting housing need. Just 2% of the net need identified is for intermediate equity-based projects (from households who would not be able to afford to rent privately without support). 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 PRS) in getting on the housing ladder. This would be a policy decision and should be considered in setting affordable housing policies. The Council should monitor sales of shared ownership and shared equity homes over time to assist in establishing effective demand for these products.
- 12.30 On the basis of our analysis we would recommend that the affordable housing tenure mix is set as follows:
- R1: The Council should establish a policy for the mix of affordable housing within its Local Plan or through a SPD. This Study would support a policy seeking 90% of affordable housing as social and affordable rented housing; and 10% intermediate (equity-based) affordable housing.**
- 12.31 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:
- R2: the Council should consider a strategic policy target seeking for 25-30% of new affordable homes to comprise 1-bedroom homes, 35-40% 2-bedroom homes, 20-25% 3-bedroom homes and 10-15% with 4 or more bedrooms.**
- 12.32 The needs evidence points towards a surplus of 1-bed affordable housing in Staveley and the Eastern Villages; and we would thus expect the focus of provision to be more towards properties with two- or more bedrooms in this area.
- 12.33 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.

- 12.34 In regard to levels of need for different sizes of properties and the management of the affordable housing stock we would recommend that the Council 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 Council should also monitor the impact which this has.

R3: the Council 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. This should inform negotiations regarding affordable housing in new development schemes in line with a plan, monitor and manage approach.

Private Rented Housing

- 12.35 The number of households living in the Private Rented Sector increased by 92% in Chesterfield Borough between 2001-11¹². The sector plays an important role in meeting housing demand and need, and supporting dynamism within the overall housing market.
- 12.36 Currently over 2,000 households in the Private Rented Sector in the Borough are in receipt of Local Housing Allowance. There is potential for the sector to continue to play a strong role in meeting housing need and the Council already has good links with landlords.
- 12.37 There is also a clear role for policy to seek to encourage investment and improve standards within the Private Rented Sector. The Council already has an important enforcement role and is working with sub-regional partners to promote standards through the East Midlands Landlords Accreditation Scheme.

Housing Delivery

- 12.38 We are starting to see the housing market pick up at a national level, supported by an increased range of mortgage deals available and the Government's Help-to-Buy scheme. However the evidence more locally does not point towards any notable improvement in sales in Chesterfield Borough during the course of 2013.
- 12.39 In Chesterfield Borough, 23% of households who are not current home owners have no savings. Only 17% of non-owners have more than £5,000 in savings (which could in theory be put towards a deposit for a home). 2.5% of owner occupiers are in negative equity.

¹² Based on households classified as either in private rented homes or living rent free

12.40 An improving economy will be important to supporting housing market recovery. We would expect levels of housing transactions to improve gradually, returning to pre-2007 levels only from 2016-18 onwards.

12.41 While macro-economic factors will play a primary role in affecting levels of housing delivery, the Council can take a number of steps to ensure that barriers to housing delivery are limited and through proactive measures to support delivery in key circumstances.

R4: The Council should continue to work to bring forward its Sites and Boundaries DPD and the Staveley and Rother Valley Area Action Plan, to provide policy certainty which will help support housing delivery.

R5: The Council should continue to take a proactive role in helping to bring forward key development schemes, particularly where there are public sector land assets, or where it can have an enabling role.

12.42 The Council may also want to consider how it engages with developers through pre-application discussions and exercises policy flexibility where appropriate to support housing delivery where the development scheme is compliant with wider policies in the Development Plan.

12.43 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 Council may wish to signpost and help publicise this scheme – the 'Help-to-Buy'.

12.44 In the longer-term, supporting sustainable economic growth will play a key role in influencing housing demand within the Borough. There is a clear case for economic regeneration to provide more jobs, as well as higher paid employment opportunities, locally. We would expect the delivery of employment growth at Markham Vale to be an important component to this.

Overall Housing Mix and Densities

12.45 The analysis within this report, which relates to demographic change and affordable housing needs modelling indicates that:

R6: the Council should consider a strategic policy target seeking for 5-10% of new market homes to comprise 1-bedroom homes, 35-40% to comprise 2 bed homes, 35-40% to comprise 3 bed homes and 15-20% to comprise 4 or more bed homes.

12.46 This takes account of both local need and the potential for delivery of larger aspirational housing which helps to diversify the housing mix in the Borough and to support economic regeneration and

reduce in-commuting of higher earners. There is however a policy decision to be made here, whereby if the Council wishes to focus more specifically on meeting local needs the mix of market housing needed would be focused slightly more towards two- and three-bedroom homes than that shown, with lower expected delivery of homes with or more bedrooms.

- 12.47 The intention is that this is a strategic target against which delivery can be monitored rather than one which is applied to every site. The proposed requirement for affordable housing by size is set out in R2.
- 12.48 To be clear, we do 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. We consider that the market is best placed to judge what will sell on individual development schemes. However the Council should monitor housing delivery against the mix of market housing identified in this report.

Meeting the Needs of Specific Housing Groups

- 12.49 A quarter of households in the Borough contain older persons. The number of households including people of pensionable age is expected to increase by a very substantial 4,200 to 2031 (an increase of 36%). 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 1,400. Provision of housing targeting older age groups can help to release family homes for other groups.
- 12.50 It will be important over the next 20 years that the Council continues 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 County Council) and through supporting development of specialist housing (including both public and private sector provision). Specialist housing should include extra care. Therefore:
- R7: Working with other local authorities at the HMA level, the Council should continue to proactively plan to meet the housing needs of older people.**
- 12.51 Currently 28% of households have support needs. 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 2,100 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.

12.52 Drawing on data from the Nottinghamshire and Derbyshire Disabled Person's Housing Needs Study it is estimated that there is a need for between 620 – 1165 homes to meet the needs of people with physical disabilities. Against this backdrop we would recommend that the Council:

- Promotes choice and control for people with disabilities- including providing opportunities for independent living;
- Delivers housing services as part of an integrated package of health and social care
- Maintains an up-to-date record of properties with different adaptations (and a record of the demand for such homes);
- Provides services for disabled people who are homeless (noting for example that having a physical disability is not necessarily a mandatory priority need reason for rehousing); and
- Ensures that people with disabilities are not disadvantaged when bidding for properties through Choice-Based Lettings.

12.53 The housing needs analysis also highlights a high number of lone parent households in housing need. The Council may wish to consider how the needs of this group are addressed through its Allocations Policy.

Appendix 3

Chesterfield Borough Council

Equality Impact Assessment - Preliminary Assessment Form

The preliminary impact assessment is a quick and easy screening process. It should identify those policies, projects, services, functions or strategies which require a full EIA by looking at negative, positive or no impact on any of the equality groups.

Service Area: Housing Services
Section: Business Planning and Strategy
Lead Officer: Alison Craig

Title of the policy, project, service, function or strategy the preliminary EIA is being produced for: **STRATEGIC HOUSING MARKET ASSESSMENT**
Is the policy, project, service, function or strategy:

Existing
Changed
New/Proposed

Q1 - What is the aim of your policy or new service?

The aim of a Strategic Housing Market Assessment is to provide the Council with projected housing data for both market and affordable housing to inform the development of planning policies. The report to present finding of Strategic Housing Market Assessment to member and ensure they are aware of the main findings and implications of the report.

Q2 - Who is the policy or service going to benefit?

The benefits of the study will ensure accurate development of Housing and Planning Policy for the benefit of all Chesterfield Borough Council residents.

Q3 - Thinking about each group below, does, or could the policy, project, service, function or strategy have an impact on protected characteristics below? You may also need to think about sub groups within each characteristic e.g. older women, younger men, disabled women etc.

Please tick the appropriate columns for each group.

Group or Protected Characteristics	Potentially positive impact	Potentially negative impact	No impact
Age – including older people and younger people.	Y		
Disabled people – physical, mental and sensory including learning disabled people and people living with HIV/Aids and cancer.	Y		
Gender – men, women and transgender.			Y
Marital status including civil partnership.			Y
Pregnant women and people on maternity/paternity. Also consider breastfeeding mothers.			Y
Sexual Orientation – Heterosexual, Lesbian, gay men and bi-sexual people.			Y
Ethnic Groups			Y
Religions and Beliefs including those with no religion and/or beliefs.			Y
Other groups e.g. those experiencing deprivation and/or health inequalities.	Y		

If you have answered that the policy, project, service, function or strategy could potentially have a negative impact on any of the above characteristics then a full EIA will be required.

Q4 - Should a full EIA be completed for this policy, project, service, function or strategy?

Yes

No

Q5 - Reasons for this decision:

The report is to feedback to members the finding of the study and does not include any immediate policy changes.

Please e-mail this form to the Policy Service before moving this work forward so that we can confirm that either a full EIA is not needed or offer you further advice and support should a full EIA be necessary.

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