North Derbyshire and Bassetlaw OAN Update

Bassetlaw, Bolsover, Chesterfield and North East Derbyshire

Final Report, October 2017

Prepared by

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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 is has been signed by the Originators and approved by a Business or Associate Director.

<table>
<thead>
<tr>
<th>DATE</th>
<th>ORIGINATORS</th>
<th>APPROVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2017</td>
<td>Nena Pavlidou, Senior Planner</td>
<td>Nick Ireland, Planning Director</td>
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<td>Justin Gardner, JGC</td>
<td></td>
</tr>
</tbody>
</table>

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 INTRODUCTION

1.1 Bassetlaw District Council, Bolsover District Council, Chesterfield Borough Council and North East Derbyshire District Council have jointly commissioned the preparation of an updated assessment of the Objectively Assessed Need (OAN) for housing.

1.2 This report considers the OAN in each of these four districts which together form the North Derbyshire and Bassetlaw HMA. It will support the preparation of local plans in Bolsover and Chesterfield to 2033 and Bassetlaw and North East Derbyshire to 2034.

1.3 The report complies with the requirements of the National Planning Policy Framework (the NPPF). It is informed by Planning Practice Guidance (PPG) at the time of writing in mid 2017 which sets out a clear methodology for identifying the objectively-assessed housing need. This is based on identifying the demographic based need for housing and including adjustments – where appropriate – to improve affordability, responding to evidence of market signals and of the need for affordable housing; and/or to support economic growth. Consideration is also given to consultation proposals from Government on a revised and standardised methodology for calculating housing need.

1.4 The report provides assessment of the future need for housing, with the intention that this will inform the future development of planning policies. It defines the objectively assessed housing need (OAN). This is an important factor in determining housing targets, but does not in itself represent the appropriate level of housing provision. The Councils need to bring the OAN evidence together with wider evidence, including on land availability and development constraints, in identifying policies for housing provision within their respective local plans.

1.5 GL Hearn has worked with the authorities within the North Derbyshire and Bassetlaw HMA to provide a joint evidence base on housing needs in recent years. This has been set out in the following reports:

- North Derbyshire & Bassetlaw Strategic Housing Market Assessment, November 2013
- North Derbyshire & Bassetlaw Strategic Housing Market Assessment Sensitivity Testing, March 2014

1.6 Since this point however new 2014-based Sub-National Population Projections (SNPP) have been published by the Office for National Statistics (ONS), in May 2016, and new household projections have been development by the Government based on these, which were published in July 2016.

1.7 The purpose of this report is to update the OAN findings to take account of this latest data, against a context whereby Planning Practice Guidance outlines that these latest official population and

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1 CLG (March 2012) National Planning Policy Framework
household projections should provide the starting point for identifying objectively-assessed housing need. The core analysis presented in this report covers the period between 2014 and 2035.

1.8 Consideration is also given to the latest evidence from market signals, of potential economic growth (and the housing provision which would be needed to support this); together with an updated assessment of affordable housing. The OAN is thus derived from adjustments for these factors and recognises that higher housing provision will per se support both workforce/ economic growth and delivery of additional affordable homes.

1.9 The report focuses on the overall need for homes. However it also considers and updates evidence relating to the need for affordable housing including starter homes, as well as self- and custom- built homes. Wider evidence regarding the need for different types of homes is set out in the 2013 SHMA Report, and continues to form relevant evidence.

1.10 This report forms part of an evidence base alongside the 2013 SHMA Report, updating elements of this. It should be read alongside previous SHMA reports.

**Report Structure**

1.11 The remainder of the report is structured as follows:

- Section 2: Trend-based Demographic Projections
- Section 3: Economic-Led Need
- Section 4: Market Signals
- Section 5: Affordable Housing Need
- Section 6: Need for Different Types of Affordable Homes
- Section 7: Sizes of Homes Needed
- Section 8: Needs of Older People and for Specific Types of Homes
- Section 9: Conclusions
2 TREND-BASED DEMOGRAPHIC PROJECTIONS

2.1 This section sets out the latest demographic data and the implications of this on the housing need. It considers past population dynamics, provides details of the projected population growth in the 2014-based Sub-National Population Projections (SNPP) and associated household growth in the 2014-based Household Projections which according to the PPG are the starting point for identifying objectively-assessed housing need. It undertakes sensitivity analysis around migration and household formation rates; and draws the analysis together in drawing conclusions on the demographic need for housing.

Components of Past Population Change

2.2 Figure 1 and Table 2 consider the drivers of population change in the HMA from 2001 to 2015 (the longest period for which reasonable quality data is available). Population change is largely driven by natural change (births minus deaths) and migration. Within ONS data there is also another changes category mainly related to armed forces and prison populations and an unattributable population change (UPC). The latter is an adjustment made by ONS to mid-year population estimates where Census data has suggested that population growth had either been over- or under-estimated in the inter-Census years. Because UPC links back to Census data a figure is only provided up to 2011.

2.3 Figure 1 shows that net migration and in particular internal migration (i.e. moves from one part of the country to another) has been a key driver of population change. The data shows an average level of net migration of about 1,400 people per annum between 2001 and 2015 (with about three-quarters of this being internal migration). Levels of migration have generally been reducing over time: over the last five years (2010-15) net migration averaged 1,020 per annum, compared with 1,120 over the past 10-years (2005-10) and a higher figure of 1,420 looking back to 2001.
Figure 1: Components of population change, mid-2001 to mid-2015 – North Derbyshire and Bassetlaw HMA

Source: ONS

Table 1: Components of population change, mid-2001 to mid-2015 – North Derbyshire and Bassetlaw HMA

<table>
<thead>
<tr>
<th>Year</th>
<th>Natural change</th>
<th>Net internal migration</th>
<th>Net international migration</th>
<th>Other changes</th>
<th>Other (unattributable)</th>
<th>Total change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001/2</td>
<td>-819</td>
<td>2,100</td>
<td>26</td>
<td>-3</td>
<td>357</td>
<td>1,661</td>
</tr>
<tr>
<td>2002/3</td>
<td>-746</td>
<td>2,796</td>
<td>66</td>
<td>51</td>
<td>358</td>
<td>2,525</td>
</tr>
<tr>
<td>2003/4</td>
<td>-516</td>
<td>2,069</td>
<td>106</td>
<td>-2</td>
<td>363</td>
<td>2,020</td>
</tr>
<tr>
<td>2004/5</td>
<td>-330</td>
<td>1,253</td>
<td>220</td>
<td>104</td>
<td>333</td>
<td>1,580</td>
</tr>
<tr>
<td>2005/6</td>
<td>-289</td>
<td>833</td>
<td>411</td>
<td>48</td>
<td>359</td>
<td>1,362</td>
</tr>
<tr>
<td>2006/7</td>
<td>-67</td>
<td>1,010</td>
<td>309</td>
<td>0</td>
<td>341</td>
<td>1,593</td>
</tr>
<tr>
<td>2007/8</td>
<td>-5</td>
<td>1,011</td>
<td>442</td>
<td>16</td>
<td>340</td>
<td>1,804</td>
</tr>
<tr>
<td>2008/9</td>
<td>12</td>
<td>553</td>
<td>436</td>
<td>-20</td>
<td>283</td>
<td>1,264</td>
</tr>
<tr>
<td>2009/10</td>
<td>134</td>
<td>614</td>
<td>481</td>
<td>30</td>
<td>307</td>
<td>1,566</td>
</tr>
<tr>
<td>2010/11</td>
<td>241</td>
<td>207</td>
<td>479</td>
<td>0</td>
<td>129</td>
<td>1,056</td>
</tr>
<tr>
<td>2011/12</td>
<td>346</td>
<td>327</td>
<td>189</td>
<td>-50</td>
<td>0</td>
<td>812</td>
</tr>
<tr>
<td>2012/13</td>
<td>-29</td>
<td>574</td>
<td>397</td>
<td>20</td>
<td>0</td>
<td>962</td>
</tr>
<tr>
<td>2013/14</td>
<td>45</td>
<td>423</td>
<td>625</td>
<td>151</td>
<td>0</td>
<td>1,244</td>
</tr>
<tr>
<td>2014/15</td>
<td>-415</td>
<td>1,219</td>
<td>660</td>
<td>-43</td>
<td>0</td>
<td>1,421</td>
</tr>
</tbody>
</table>

Source: ONS
2.4 ‘Other changes’\(^3\) are quite small (albeit high for some particular years) and the data also shows a modest positive level of UPC. It is generally accepted that UPC arises due to two main reasons; a) the misrecording of population in the 2001 Census or b) the misrecording of migration in the 2001-11 period. The level of UPC could potentially have an impact on forward projections and the implications for housing need are discussed later in this section.

2014-based Demographic Projections

2.5 The latest official projections are the 2014-based CLG household projections published in July 2016. These projections were underpinned by ONS (2014-based) subnational population projections (SNPP) – published in May 2016. Table 2 sets out levels of household growth expected by the CLG household projections in the 2014-35 period. Figures are compared with equivalent data from the previous (2012-based) household projections.

2.6 Across the HMA, the 2014-based projections show household growth of about 18,200 between 2014 and 2035. This is an 10.5% increase; slightly below the equivalent figure from the 2012-based projections (19,400 – 11.2%). The difference is likely to be due to changes in migration assumptions, with the 2014-based projections drawing on data from a period where migration levels were slightly lower.

Table 2: Household change 2014 to 2035 (2014- and 2012-based CLG household projections)

<table>
<thead>
<tr>
<th></th>
<th>Households 2014</th>
<th>Households 2035</th>
<th>Change in households</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>48,613</td>
<td>54,113</td>
<td>5,500</td>
<td>11.3%</td>
</tr>
<tr>
<td></td>
<td>48,659</td>
<td>55,007</td>
<td>6,348</td>
<td>13.0%</td>
</tr>
<tr>
<td>Bolsover</td>
<td>33,472</td>
<td>37,712</td>
<td>4,240</td>
<td>12.7%</td>
</tr>
<tr>
<td></td>
<td>33,493</td>
<td>37,646</td>
<td>4,153</td>
<td>12.4%</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>47,528</td>
<td>51,816</td>
<td>4,288</td>
<td>9.0%</td>
</tr>
<tr>
<td></td>
<td>47,373</td>
<td>51,549</td>
<td>4,176</td>
<td>8.8%</td>
</tr>
<tr>
<td>NED</td>
<td>43,578</td>
<td>47,764</td>
<td>4,186</td>
<td>9.6%</td>
</tr>
<tr>
<td></td>
<td>43,759</td>
<td>48,469</td>
<td>4,710</td>
<td>10.8%</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>173,191</td>
<td>191,405</td>
<td>18,214</td>
<td>10.5%</td>
</tr>
<tr>
<td></td>
<td>173,284</td>
<td>192,671</td>
<td>19,387</td>
<td>11.2%</td>
</tr>
</tbody>
</table>

Source: CLG household projections

2.7 Whilst the 2014-based population and household projections are the latest ‘official’ projections and therefore forms the starting point for analysis in line with the PPG, it is worth testing the assumptions underpinning these projections to see if it broadly reasonable in the local context – this involves considering both the population projections and also the way in which CLG have converted

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\(^3\) These relate to changes in prison, armed forces and school border populations for example
this data into households. The analysis below also considers data released since the population projections were published. In particular, ONS has subsequently published new mid-year population estimates for 2015. The demographic analysis in this report was prepared in advance of the publication of ONS 2016 mid-year population estimates.

2014-based Subnational Population Projections (SNPP)

2.8 The latest (2014-based) SNPP were published by ONS on the 25th May 2016. They replaced the 2012-based projections. Subnational population projections provide estimates of the future population of local authorities, assuming a continuation of recent local trends in fertility, mortality and migration (which is constrained to the assumptions made for the 2014-based national population projections). The new SNPP are largely based on migration trends in the 2009-14 period (2008-14 for international migration trends).

2.9 The SNPP are not forecasts and do not attempt to predict the impact that future government or local policies, changing economic circumstances or other factors might have on demographic behaviour. The primary purpose of the subnational projections is to provide an estimate of the future size and age structure of the population of local authorities in England. These are used as a common framework for informing local-level policy and planning in a number of different fields as they are produced in a consistent way.

2.10 Table 3 shows projected population growth from 2014 to 2035 in the HMA and constituted authorities from both the 2014- and 2012-based SNPP. The data shows that the population of the HMA is projected to grow by around 24,800 people in the 2014-based SNPP. This is a 6.3% increase – below that projected by the previous (2012-based) release (27,600 – 7.0%).

Table 3: Projected population growth (2014-2035) – 2014- and 2012-based SNPP

<table>
<thead>
<tr>
<th></th>
<th>Population 2014</th>
<th>Population 2035</th>
<th>Change in population</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bassetlaw</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014-based</td>
<td>114,143</td>
<td>120,927</td>
<td>6,784</td>
<td>5.9%</td>
</tr>
<tr>
<td>2012-based</td>
<td>113,871</td>
<td>122,323</td>
<td>8,452</td>
<td>7.4%</td>
</tr>
<tr>
<td><strong>Bolsover</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014-based</td>
<td>77,155</td>
<td>84,166</td>
<td>7,011</td>
<td>9.1%</td>
</tr>
<tr>
<td>2012-based</td>
<td>76,960</td>
<td>83,229</td>
<td>6,269</td>
<td>8.1%</td>
</tr>
<tr>
<td><strong>Chesterfield</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014-based</td>
<td>104,288</td>
<td>109,792</td>
<td>5,504</td>
<td>5.3%</td>
</tr>
<tr>
<td>2012-based</td>
<td>104,074</td>
<td>110,123</td>
<td>6,049</td>
<td>5.8%</td>
</tr>
<tr>
<td><strong>NED</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014-based</td>
<td>99,352</td>
<td>104,846</td>
<td>5,494</td>
<td>5.5%</td>
</tr>
<tr>
<td>2012-based</td>
<td>99,845</td>
<td>106,722</td>
<td>6,877</td>
<td>6.9%</td>
</tr>
<tr>
<td><strong>ND&amp;B HMA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014-based</td>
<td>394,938</td>
<td>419,731</td>
<td>24,793</td>
<td>6.3%</td>
</tr>
<tr>
<td>2012-based</td>
<td>394,750</td>
<td>422,397</td>
<td>27,647</td>
<td>7.0%</td>
</tr>
</tbody>
</table>

Source: ONS SNPP
2.11 Bolsover’s population is expected to grow slightly more strongly in the 2014-based SNPP, but for the other three authorities population growth is expected to be more modest.

2.12 A population growth of 6.3% across the HMA represents a growth of 0.3% per annum when averaged over the 21-year projection period. This figure is in line with the change recorded by ONS over the past 5- and 10-years (also 0.3%) and only slightly below the equivalent figure for the 2001-15 period (0.4%). Overall, these seem to be a reasonable consistency between the rate of the population growth across the HMA in the SNPP and past trends, as can be seen in Figure 2.

Figure 2: Past and Projected Population Change (2001-35) - HMA

![Figure 2: Past and Projected Population Change (2001-35) - HMA](image)

Source: ONS

2.13 One final point with regard to the SNPP is to bring this together with the components of change data (discussed above) and in particular with the ONS 2015 Mid-Year Population Estimates (MYE). The 2015 MYE shows that the 2014-based SNPP underestimated future population growth in the HMA between 2020-14-15 – this is shown in Table 4. The SNPP projected that the population would grow by 779 people, whereas the MYE shows a population growth of 1,421 people.

Table 4: Projected and estimated level of population growth 2014-15

<table>
<thead>
<tr>
<th>Authority</th>
<th>2015 MYE</th>
<th>2014-based SNPP</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>390</td>
<td>249</td>
<td>+141</td>
</tr>
<tr>
<td>Bolsover</td>
<td>625</td>
<td>304</td>
<td>+321</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>119</td>
<td>90</td>
<td>+29</td>
</tr>
<tr>
<td>NED</td>
<td>287</td>
<td>136</td>
<td>+151</td>
</tr>
<tr>
<td>HMA</td>
<td>1,421</td>
<td>779</td>
<td>+642</td>
</tr>
</tbody>
</table>

Source: ONS
Alternative Demographic Scenarios

2.14 The SNPP is based on short term migration trends (2009-14 for internal migration and 2008-14 for international migration) with figures being constrained to national totals in the ONS national population projections. Levels of migration and population growth have however been variable over time particularly at a local authority level. On this basis it would be reasonable to consider alternative scenarios through sensitivity testing. Such an approach is set out in para 2a-017 of the PPG which states 'plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections…'.

2.15 The sensitivity scenarios prepared take account of longer-term migration trends and also the ‘unattributable’ component of population change within ONS population data for the period to 2011. Additionally, data from the ONS 2015 mid-year population estimates (MYE) is considered.

2.16 The analysis below therefore considers three potential sensitivities to the figures. These can be described as:

- Implications 2015 mid-year population data – Rebased 2014-based SNPP
- Implications of 10-year migration trends – 10-year migration
- Implications of Unattributable Population Change (UPC) and 10-year migration trends – 10-year migration (+UPC)

**Rebased 2014-based SNPP**

2.17 This projection takes assumptions from the 2014-based SNPP, but rebases the population projection figures for 2015 using those in the ONS MYE (by age and sex). Moving forward from 2015, this sensitivity uses the same birth and death rates as contained in the 2014-based SNPP and the actual projected migration figures (by age and sex). Due to age structure differences in the MYE compared to the projection, this does mean that population growth from 2015 onwards does not exactly match that in the actual projections as published.

**10-year Migration Trend**

2.18 This projection uses information about migration levels in the 10-year period (2005-15). The scenario therefore includes the most up-to-date MYE figures (for 2015). The projection does not just look at the migration figures and roll these forward, but recognises that migration can be variable over time as the age structure changes. With international migration, this projection also takes account of the fact that ONS are projecting for international net migration to decrease in the longer-term.

2.19 To address the issue of variable migration, the methodology employed looks at the difference between migration in the period feeding into the 2014-based SNPP (which is 2009-14 for internal
migration and 2008-14 for international migration) and that over the 10-year period (2005-15). Where migration is higher in the 10-year period, the projection applies an upward adjustment to migration, and vice versa. Migration adjustments are made separately for each of in- and out-migration as well as by internal/international and age/sex.

2.20 Whilst looking at migration trends over the past 10-years has emerged as an 'industry standard' when assessing demographic needs, it does need to be remembered that any change to the internal migration assumptions would have implications for population and household projections elsewhere – it would mean that any increase would mean that there needs to be a corresponding decrease to the assumptions applied by other local authorities. Given that there is internal migration (both in- and out-) to/from the HMA from all parts of the UK, undertaking a full analysis of the implications for other areas would be technically and practically impossible to achieve.

2.21 Hence whilst it is considered that an analysis of needs set against 10-year trends is a reasonable approach to take; it does need to be treated with some caution it terms of the impact on other areas; this is particularly crucial where the 10-year trends show substantially different outputs to the SNPP and CLG Household Projections.

10-year Migration Trend (+UPC)

2.22 There is a modest level of Unattributable Population Change (UPC) in the ONS data for the HMA for the 2001-11 period. In this instance UPC is positive and this suggests that the components of change feeding into the SNPP could under-estimate migration and population growth; or that the 2001 Census under-estimated the area’s population.

2.23 This sensitivity projection takes the outputs from the long-term (10-year) migration scenario and makes a further additional adjustment for UPC. For the purposes of analysis, it has been assumed that UPC is a one-off adjustment and takes account of the age/sex structure as shown by ONS. For information, the age structure of UPC is shown in Figure 3 (total for the 2001-11 period). UPC is heavily concentrated in younger age groups; this means that UPC might have a fairly limited impact on housing need as household representative rates in these age groups are lower than for older age cohorts. The positive level of UPC will however have an upward impact on household growth when modelled across the HMA. It has a downward impact in Bassetlaw and positive impact in other authorities.
A judgement needs to be made on UPC in drawing conclusions upon the demographic need. However it is unclear if UPC is related entirely to migration and more importantly, due to changes in the methods used by ONS to measure migration, it is most probable that any errors are focused more on earlier periods (notably 2001-6). Therefore a UPC adjustment for more recent data (2005+) would not be appropriate in drawing conclusions on the demographic need for housing.

2.25 Table 5 shows the estimated level of population growth in the SNPP and the alternative projections developed. Across the HMA the SNPP shows population growth (2014-35) of 6.3%. This figure increases slightly to 6.5% when more recent population and migration data is included in the modelling (i.e. to include 2015 MYE data). When looking at 10-year trends the projected population growth increases to 7.9%; and with a UPC adjustment the level of growth increases again to 8.7%.

Table 5: Projected population growth (2014-2035) – alternative scenarios – North Derbyshire & Bassetlaw

<table>
<thead>
<tr>
<th></th>
<th>Population 2014</th>
<th>Population 2035</th>
<th>Change in population</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-based SNPP</td>
<td>394,938</td>
<td>419,731</td>
<td>24,793</td>
<td>6.3%</td>
</tr>
<tr>
<td>2014-based SNPP (+MYE)</td>
<td>394,938</td>
<td>420,500</td>
<td>25,562</td>
<td>6.5%</td>
</tr>
<tr>
<td>10-year migration</td>
<td>394,938</td>
<td>426,229</td>
<td>31,291</td>
<td>7.9%</td>
</tr>
<tr>
<td>10-year migration (+UPC)</td>
<td>394,938</td>
<td>429,399</td>
<td>34,461</td>
<td>8.7%</td>
</tr>
</tbody>
</table>

Source: Demographic projections
2.26 Tables 6-9 show the same information for individual local authorities. In all areas, the population growth using 10-year migration trends is above the SNPP, with figures including UPC being higher again in all areas apart from Bassetlaw.

Table 6: Projected population growth (2014-2035) – alternative scenarios – Bassetlaw

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Population 2014</th>
<th>Population 2035</th>
<th>Change in population</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-based SNPP</td>
<td>114,143</td>
<td>120,927</td>
<td>6,784</td>
<td>5.9%</td>
</tr>
<tr>
<td>2014-based SNPP (+MYE)</td>
<td>114,143</td>
<td>120,991</td>
<td>6,848</td>
<td>6.0%</td>
</tr>
<tr>
<td>10-year migration</td>
<td>114,143</td>
<td>123,472</td>
<td>9,329</td>
<td>8.2%</td>
</tr>
<tr>
<td>10-year migration (+UPC)</td>
<td>114,143</td>
<td>123,316</td>
<td>9,173</td>
<td>8.0%</td>
</tr>
</tbody>
</table>

Source: Demographic projections

Table 7: Projected population growth (2014-2035) – alternative scenarios – Bolsover

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Population 2014</th>
<th>Population 2035</th>
<th>Change in population</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-based SNPP</td>
<td>77,155</td>
<td>84,166</td>
<td>7,011</td>
<td>9.1%</td>
</tr>
<tr>
<td>2014-based SNPP (+MYE)</td>
<td>77,155</td>
<td>84,496</td>
<td>7,341</td>
<td>9.5%</td>
</tr>
<tr>
<td>10-year migration</td>
<td>77,155</td>
<td>84,997</td>
<td>7,842</td>
<td>10.2%</td>
</tr>
<tr>
<td>10-year migration (+UPC)</td>
<td>77,155</td>
<td>85,645</td>
<td>8,490</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

Source: Demographic projections

Table 8: Projected population growth (2014-2035) – alternative scenarios – Chesterfield

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Population 2014</th>
<th>Population 2035</th>
<th>Change in population</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-based SNPP</td>
<td>104,288</td>
<td>109,792</td>
<td>5,504</td>
<td>5.3%</td>
</tr>
<tr>
<td>2014-based SNPP (+MYE)</td>
<td>104,288</td>
<td>109,892</td>
<td>5,604</td>
<td>5.4%</td>
</tr>
<tr>
<td>10-year migration</td>
<td>104,288</td>
<td>111,125</td>
<td>6,837</td>
<td>6.6%</td>
</tr>
<tr>
<td>10-year migration (+UPC)</td>
<td>104,288</td>
<td>113,428</td>
<td>9,140</td>
<td>8.8%</td>
</tr>
</tbody>
</table>

Source: Demographic projections

Table 9: Projected population growth (2014-2035) – alternative scenarios – NED

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Population 2014</th>
<th>Population 2035</th>
<th>Change in population</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-based SNPP</td>
<td>99,352</td>
<td>104,846</td>
<td>5,494</td>
<td>5.5%</td>
</tr>
<tr>
<td>2014-based SNPP (+MYE)</td>
<td>99,352</td>
<td>105,120</td>
<td>5,768</td>
<td>5.8%</td>
</tr>
<tr>
<td>10-year migration</td>
<td>99,352</td>
<td>106,635</td>
<td>7,283</td>
<td>7.3%</td>
</tr>
<tr>
<td>10-year migration (+UPC)</td>
<td>99,352</td>
<td>107,010</td>
<td>7,658</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

Source: Demographic projections

Conclusions on the appropriate scenario to take forward

2.27 GL Hearn has given careful consideration as to which scenario to take forward in drawing conclusions on the demographic need for housing. Cross-referencing the input period to the 2014-based SNPP with the market signals evidence presented later in the report, we are concerned that the lower relative population growth shown in the SNPP is influenced in part by an under-delivery of housing.
2.28 With longer-term migration trends, for instance looking back to 2001, there are data issues associated with a degree of unattributable population change.

2.29 GL Hearn conclude that it would be appropriate to take forward the 10 year migration trends, without the UPC adjustments. This sits centrally within the range of projections considered and includes periods of stronger and weaker housing market conditions nationally. It is also not unduly influenced by UPC uncertainties, given the improvements which ONS has made to migration data. It sees a projected population growth of 31,300 people (7.9%) across the HMA between 2014 and 2035.

Household Representative Rates

2.30 Having studied 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 the concept of household representative rates (HRR) is used. HRRs describe the proportion of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)).

2.31 On 12th June 2016 CLG published a new set of (2014-based) household projections. The projections contain two core analyses. The Stage 1 household projections project HRRs based on data from the 1971, 1981, 1991, 2001 and 2011 Censuses with outputs for age, sex and marital status. For younger age groups greater weight was given in the CLG projections methodology to the dampened logistical trend than the simple logistics trend; the effect of which is to give greater weight to the shorter-term trends.

2.32 The Stage 2 household projections consider household types, and the methodology report accompanying the projections is clear that these projections are based on just two data points – from the 2001 and 2011 Census. Overall outputs on total household growth are constrained to the totals from the Stage 1 Projections. This means that both sets of projections show the same level of overall household growth (when set against the last set of SNPP) but some of the age specific assumptions differ. Differences can however occur between the Stage 1 and 2 HRRs when modelled against different population projections (due to differences in the age structure).

2.33 GL Hearn consider that the Stage 1 projections should be favoured over the Stage 2 figures for the purposes of considering overall household growth. This is for two key reasons: a) the Stage 1 figures are based on a long-term time series (dating back to 1971 and using 5 Census data points) whereas the Stage 2 figures only look at two data points (2001 and 2011) and b) the Stage 2 figures are constrained back to Stage 1 values, essentially meaning that it is the Stage 1 figures
that drive overall estimates of household growth in the CLG Household Projections themselves. The analysis which follows therefore focuses on Stage 1 figures.

2.34 **Figure 4** shows how Stage 1 HRP figures differ for different age groups. It is evident from the analysis that HRRs amongst households in their late 20s and early 30s fell slightly over the 2001-11 decade – the projections are however suggesting that this trend will level off. The 2014-based household projections also expect HRRs amongst older age groups to fall over time. Given improving life expectancy this ‘trend’ looks to be reasonable (as it would be expected that more people would remain living as couples).

2.35 **Figure 4** also shows a comparison between the HMA, the East Midlands region and England. Generally, figures in the HMA are at similar levels and with similar changes expected to equivalent data in wider areas, although there are modest differences for some age groups.

2.36 The HRRs in the 2014-based CLG household projections should not be used uncritically. Paragraph 2a-015 of the PPG is clear that the ‘household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends’. Essentially the PPG suggests that where the projections include a suppression of household formation that some sort of adjustment should be made. We therefore present below outputs based on the household projection assumptions on headship rates as published; and then consider sensitivity analysis to these.
Figure 4: Projected household representative rates by age of head of household – North Derbyshire & Bassetlaw

Source: Derived from CLG data
Housing Need

2.37 The analysis below brings together outputs in terms of household growth and housing need using the 2014-based HRRs. To convert households into dwellings the data includes an uplift to take account of vacant homes. This has been based on 2016 Council Tax data with a summary of the key statistics shown in Table 10 below.

2.38 The table shows that the total number of dwellings is on average 3% higher than the number of occupied homes (which is taken as a proxy for households) and hence household growth figures are adjusted on this basis to provide an estimate of housing need. It is assumed that such a level of vacant homes will allow for movement within the housing stock and includes an allowance for second homes. The figures are applied on a local authority basis, with individual figures for each area being shown in the table below.

Table 10: Vacant homes (Council Tax data) – North Derbyshire & Bassetlaw

<table>
<thead>
<tr>
<th></th>
<th>Bassettlaw</th>
<th>Bolsover</th>
<th>Chesterfield</th>
<th>NED</th>
<th>ND&amp;B HMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dwellings</td>
<td>51,637</td>
<td>35,403</td>
<td>49,221</td>
<td>45,237</td>
<td>181,498</td>
</tr>
<tr>
<td>Second Homes</td>
<td>169</td>
<td>113</td>
<td>168</td>
<td>161</td>
<td>611</td>
</tr>
<tr>
<td>Other vacant homes</td>
<td>1,302</td>
<td>1,262</td>
<td>1,236</td>
<td>895</td>
<td>4,695</td>
</tr>
<tr>
<td>Total vacant</td>
<td>1,471</td>
<td>1,375</td>
<td>1,404</td>
<td>1,056</td>
<td>5,306</td>
</tr>
<tr>
<td>Total occupied</td>
<td>50,166</td>
<td>34,028</td>
<td>47,817</td>
<td>44,181</td>
<td>176,192</td>
</tr>
<tr>
<td>Vacancy allowance</td>
<td>2.9%</td>
<td>4.0%</td>
<td>2.9%</td>
<td>2.4%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

Source: CLG

2.39 The analysis shows a ‘starting point’ housing need for 894 dwellings per annum across the HMA when using the 2014-based SNPP as the underlying population projection (Table 11). This figure increases slightly when the assumptions include MYE data for 2015. With (10-year) migration assumptions, the preferred demographic-led scenario, the housing need is slightly higher again – for some 1,010 dwellings per annum. The UPC adjusted projection shows a small further increase to the estimate of need.

Table 11: Projected housing need – range of demographic based scenarios and 2014-based HRRs – North Derbyshire & Bassetlaw

<table>
<thead>
<tr>
<th></th>
<th>Households 2014</th>
<th>Households 2035</th>
<th>Change in households</th>
<th>Per annum</th>
<th>Dwellings (per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-based SNPP</td>
<td>173,189</td>
<td>191,405</td>
<td>18,217</td>
<td>867</td>
<td>894</td>
</tr>
<tr>
<td>2014-based SNPP (+MYE)</td>
<td>173,189</td>
<td>191,618</td>
<td>18,430</td>
<td>878</td>
<td>905</td>
</tr>
<tr>
<td>10-year migration</td>
<td>173,189</td>
<td>193,768</td>
<td>20,579</td>
<td>980</td>
<td>1,010</td>
</tr>
<tr>
<td>10-year migration (+UPC)</td>
<td>173,189</td>
<td>195,269</td>
<td>22,081</td>
<td>1,051</td>
<td>1,084</td>
</tr>
</tbody>
</table>

Source: Demographic projections
2.40 Tables 12-15 show the same analysis for each local authority. Focussing on 10-year migration trends, the outputs show housing need of 317 dpa in Bassetlaw; 227 dpa in Bolsover; 234 dpa in Chesterfield; and 231 dpa in North East Derbyshire.

Table 12: Projected housing need – range of demographic based scenarios and 2014-based HRRs – Bassetlaw

<table>
<thead>
<tr>
<th></th>
<th>Households 2014</th>
<th>Households 2035</th>
<th>Change in households</th>
<th>Per annum</th>
<th>Dwellings (per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-based SNPP</td>
<td>48,608</td>
<td>54,113</td>
<td>5,504</td>
<td>262</td>
<td>270</td>
</tr>
<tr>
<td>2014-based SNPP (+MYE)</td>
<td>48,608</td>
<td>54,153</td>
<td>5,544</td>
<td>264</td>
<td>272</td>
</tr>
<tr>
<td>10-year migration</td>
<td>48,608</td>
<td>55,076</td>
<td>6,468</td>
<td>308</td>
<td>317</td>
</tr>
<tr>
<td>10-year migration (+UPC)</td>
<td>48,608</td>
<td>54,941</td>
<td>6,332</td>
<td>302</td>
<td>310</td>
</tr>
</tbody>
</table>

Source: Demographic projections

Table 13: Projected housing need – range of demographic based scenarios and 2014-based HRRs – Bolsover

<table>
<thead>
<tr>
<th></th>
<th>Households 2014</th>
<th>Households 2035</th>
<th>Change in households</th>
<th>Per annum</th>
<th>Dwellings (per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-based SNPP</td>
<td>33,471</td>
<td>37,711</td>
<td>4,239</td>
<td>202</td>
<td>210</td>
</tr>
<tr>
<td>2014-based SNPP (+MYE)</td>
<td>33,471</td>
<td>37,862</td>
<td>4,391</td>
<td>209</td>
<td>218</td>
</tr>
<tr>
<td>10-year migration</td>
<td>33,471</td>
<td>38,067</td>
<td>4,596</td>
<td>219</td>
<td>227</td>
</tr>
<tr>
<td>10-year migration (+UPC)</td>
<td>33,471</td>
<td>38,388</td>
<td>4,917</td>
<td>234</td>
<td>244</td>
</tr>
</tbody>
</table>

Source: Demographic projections

Table 14: Projected housing need – range of demographic based scenarios and 2014-based HRRs – Chesterfield

<table>
<thead>
<tr>
<th></th>
<th>Households 2014</th>
<th>Households 2035</th>
<th>Change in households</th>
<th>Per annum</th>
<th>Dwellings (per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-based SNPP</td>
<td>47,532</td>
<td>51,818</td>
<td>4,286</td>
<td>204</td>
<td>210</td>
</tr>
<tr>
<td>2014-based SNPP (+MYE)</td>
<td>47,532</td>
<td>51,831</td>
<td>4,300</td>
<td>205</td>
<td>211</td>
</tr>
<tr>
<td>10-year migration</td>
<td>47,532</td>
<td>52,315</td>
<td>4,783</td>
<td>228</td>
<td>234</td>
</tr>
<tr>
<td>10-year migration (+UPC)</td>
<td>47,532</td>
<td>53,400</td>
<td>5,868</td>
<td>279</td>
<td>288</td>
</tr>
</tbody>
</table>

Source: Demographic projections

Table 15: Projected housing need – range of demographic based scenarios and 2014-based HRRs – NED

<table>
<thead>
<tr>
<th></th>
<th>Households 2014</th>
<th>Households 2035</th>
<th>Change in households</th>
<th>Per annum</th>
<th>Dwellings (per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-based SNPP</td>
<td>43,577</td>
<td>47,764</td>
<td>4,187</td>
<td>199</td>
<td>204</td>
</tr>
<tr>
<td>2014-based SNPP (+MYE)</td>
<td>43,577</td>
<td>47,772</td>
<td>4,195</td>
<td>200</td>
<td>205</td>
</tr>
<tr>
<td>10-year migration</td>
<td>43,577</td>
<td>48,309</td>
<td>4,732</td>
<td>225</td>
<td>231</td>
</tr>
<tr>
<td>10-year migration (+UPC)</td>
<td>43,577</td>
<td>48,541</td>
<td>4,964</td>
<td>236</td>
<td>242</td>
</tr>
</tbody>
</table>

Source: Demographic projections

2.41 GL Hearn however consider that there is a reasonable basis for making upwards adjustments to headship rates for those aged 25-34 and 35-44. This reflects evidence that for those 25-34 household formation rates fell between 2001-11; and for those aged 35-44, household formation
was lower than expected based on longer-term projections. Under-delivery of housing could well have influenced this. It is therefore appropriate to include adjustments to ensure that suppressed household formation is not being projected forwards.

2.42 GL Hearn has modelled a ‘part return to trend’ in headship rates towards those in 2008-based Household Projections for these age groups. This is based on adjusting household formation for those aged 25-34 and 35-44 upwards, returning then to a position which sits half way between that shown in the 2008-based and 2014-based Household Projections by 2035. The impacts of this are shown in Tables 16-20.

**Table 16: Projected housing need – range of demographic based scenarios and part-return to trend HRRs – North Derbyshire & Bassetlaw**

<table>
<thead>
<tr>
<th></th>
<th>Households 2014</th>
<th>Households 2035</th>
<th>Change in households</th>
<th>Per annum</th>
<th>Dwellings (per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-based SNPP</td>
<td>173,189</td>
<td>193,227</td>
<td>20,039</td>
<td>954</td>
<td>983</td>
</tr>
<tr>
<td>2014-based SNPP (+MYE)</td>
<td>173,189</td>
<td>193,445</td>
<td>20,257</td>
<td>965</td>
<td>994</td>
</tr>
<tr>
<td>10-year migration</td>
<td>173,189</td>
<td>195,630</td>
<td>22,441</td>
<td>1,069</td>
<td>1,101</td>
</tr>
<tr>
<td>10-year migration (+UPC)</td>
<td>173,189</td>
<td>197,178</td>
<td>23,989</td>
<td>1,142</td>
<td>1,177</td>
</tr>
</tbody>
</table>

Source: Demographic projections

**Table 17: Projected housing need – range of demographic based scenarios and part-return to trend HRRs – Bassetlaw**

<table>
<thead>
<tr>
<th></th>
<th>Households 2014</th>
<th>Households 2035</th>
<th>Change in households</th>
<th>Per annum</th>
<th>Dwellings (per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-based SNPP</td>
<td>48,608</td>
<td>54,570</td>
<td>5,961</td>
<td>284</td>
<td>292</td>
</tr>
<tr>
<td>2014-based SNPP (+MYE)</td>
<td>48,608</td>
<td>54,612</td>
<td>6,003</td>
<td>286</td>
<td>294</td>
</tr>
<tr>
<td>10-year migration</td>
<td>48,608</td>
<td>55,551</td>
<td>6,942</td>
<td>331</td>
<td>340</td>
</tr>
<tr>
<td>10-year migration (+UPC)</td>
<td>48,608</td>
<td>55,418</td>
<td>6,809</td>
<td>324</td>
<td>334</td>
</tr>
</tbody>
</table>

Source: Demographic projections

**Table 18: Projected housing need – range of demographic based scenarios and part-return to trend HRRs – Bolsover**

<table>
<thead>
<tr>
<th></th>
<th>Households 2014</th>
<th>Households 2035</th>
<th>Change in households</th>
<th>Per annum</th>
<th>Dwellings (per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-based SNPP</td>
<td>33,471</td>
<td>38,102</td>
<td>4,630</td>
<td>220</td>
<td>229</td>
</tr>
<tr>
<td>2014-based SNPP (+MYE)</td>
<td>33,471</td>
<td>38,254</td>
<td>4,782</td>
<td>228</td>
<td>237</td>
</tr>
<tr>
<td>10-year migration</td>
<td>33,471</td>
<td>38,462</td>
<td>4,991</td>
<td>238</td>
<td>247</td>
</tr>
<tr>
<td>10-year migration (+UPC)</td>
<td>33,471</td>
<td>38,794</td>
<td>5,322</td>
<td>253</td>
<td>264</td>
</tr>
</tbody>
</table>

Source: Demographic projections
Table 19: Projected housing need – range of demographic based scenarios and part-return to trend HRRs – Chesterfield

<table>
<thead>
<tr>
<th></th>
<th>Households 2014</th>
<th>Households 2035</th>
<th>Change in households Per annum</th>
<th>Dwellings (per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-based SNPP</td>
<td>47,532</td>
<td>52,439</td>
<td>4,907</td>
<td>234</td>
</tr>
<tr>
<td>2014-based SNPP (+MYE)</td>
<td>47,532</td>
<td>52,452</td>
<td>4,921</td>
<td>234</td>
</tr>
<tr>
<td>10-year migration</td>
<td>47,532</td>
<td>52,947</td>
<td>5,415</td>
<td>258</td>
</tr>
<tr>
<td>10-year migration (+UPC)</td>
<td>47,532</td>
<td>54,057</td>
<td>6,525</td>
<td>311</td>
</tr>
</tbody>
</table>

Source: Demographic projections

Table 20: Projected housing need – range of demographic based scenarios and part-return to trend HRRs – NED

<table>
<thead>
<tr>
<th></th>
<th>Households 2014</th>
<th>Households 2035</th>
<th>Change in households Per annum</th>
<th>Dwellings (per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-based SNPP</td>
<td>43,577</td>
<td>48,117</td>
<td>4,540</td>
<td>216</td>
</tr>
<tr>
<td>2014-based SNPP (+MYE)</td>
<td>43,577</td>
<td>48,127</td>
<td>4,550</td>
<td>217</td>
</tr>
<tr>
<td>10-year migration</td>
<td>43,577</td>
<td>48,670</td>
<td>5,093</td>
<td>243</td>
</tr>
<tr>
<td>10-year migration (+UPC)</td>
<td>43,577</td>
<td>48,910</td>
<td>5,332</td>
<td>254</td>
</tr>
</tbody>
</table>

Source: Demographic projections

2.43 The preferred 10 year migration scenario shows a need for 1,100 homes per annum across the HMA (rounded) over the 2014-35 period, taking account of the headship rate adjustments. This splits down into a need for 340 dpa in Bassetlaw; 247 dpa in Bolsover; 265 dpa in Chesterfield; and 248 dpa in North East Derbyshire (2014-35).

Considering the Implications of Brexit

2.44 A relevant question in assessing future demographic growth is whether or not the United Kingdom’s decision to leave the European Union (‘Brexit’) will have any impact on future migration and population growth, and hence housing need, over the period to 2035. As a preamble, it should be stressed that the impact of Brexit is clearly unknown and so the analysis to follow is mainly discursive, highlighting a series of issues.

2.45 One of the key parts of the Brexit ‘pledge’ is to reduce levels of immigration to the UK. Given that Brexit will impact on EU migration, our initial analysis considers trends in migration from EU countries. Table 21 shows net migration to the UK from 2010 to 2015 (figures are all for the year to December). This shows an average net migration of about 250,000 people per annum (2010-15), with this figure having been rising since 2012. The data also shows that 40% of net migrants are from EU countries and the remaining 60% from the rest of the World. The proportion of migrants from the EU has however been steadily rising over the five year period considered.
2.46 This analysis would suggest that any reductions to EU migration will only impact on about two-fifths of the migrants seen to the UK in a typical year.

Table 21: Net migration to the United Kingdom by broad location (2010-2015)

<table>
<thead>
<tr>
<th>Year</th>
<th>British</th>
<th>EU (not-British)</th>
<th>All other</th>
<th>Total *</th>
<th>% EU (excluding British)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>-43,000</td>
<td>77,000</td>
<td>217,000</td>
<td>256,000</td>
<td>26%</td>
</tr>
<tr>
<td>2011</td>
<td>-70,000</td>
<td>82,000</td>
<td>204,000</td>
<td>205,000</td>
<td>29%</td>
</tr>
<tr>
<td>2012</td>
<td>-63,000</td>
<td>82,000</td>
<td>157,000</td>
<td>177,000</td>
<td>34%</td>
</tr>
<tr>
<td>2013</td>
<td>-57,000</td>
<td>123,000</td>
<td>142,000</td>
<td>209,000</td>
<td>46%</td>
</tr>
<tr>
<td>2014</td>
<td>-55,000</td>
<td>174,000</td>
<td>194,000</td>
<td>313,000</td>
<td>47%</td>
</tr>
<tr>
<td>2015</td>
<td>-40,000</td>
<td>184,000</td>
<td>189,000</td>
<td>334,000</td>
<td>49%</td>
</tr>
<tr>
<td>Average</td>
<td>-55,000</td>
<td>120,000</td>
<td>184,000</td>
<td>249,000</td>
<td>40%</td>
</tr>
</tbody>
</table>

Source: ONS (* totals do not exactly match the sum of the figures due to adjustments made by ONS as a result of 2011 Census data)

2.47 To look at the profile of international migration at a local authority level within the HMA, data has been taken from the Census about migrants in the year to 2011 – these figures only cover in-migration and not net flows (as in the table above). This shows that relative to other areas, the HMA sees a higher proportion of EU in-migrants, totalling 59% compared with 42% nationally.

2.48 This would suggest that the migration impact of Brexit might be greater in the HMA than other locations (although it should be remembered that this data is only based on one year of information, and should therefore be treated with some caution). However, it should also be noted that international migration generally in the HMA is quite low. Using the ONS components of change data, it is calculated that international migration accounted for only 6% of in-migrants and 3% of out-migrants (over the 10-year period to 2015). These are relatively modest proportions.

Table 22: International in-migration (2011) – Census data

<table>
<thead>
<tr>
<th>Location</th>
<th>EU in-migration</th>
<th>Non-EU in-migration</th>
<th>Total in-migration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>Population 313</td>
<td>173</td>
<td>486</td>
</tr>
<tr>
<td></td>
<td>% of population 64%</td>
<td>36%</td>
<td>100%</td>
</tr>
<tr>
<td>Bolsover</td>
<td>Population 169</td>
<td>75</td>
<td>244</td>
</tr>
<tr>
<td></td>
<td>% of population 69%</td>
<td>31%</td>
<td>100%</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>Population 194</td>
<td>143</td>
<td>337</td>
</tr>
<tr>
<td></td>
<td>% of population 58%</td>
<td>42%</td>
<td>100%</td>
</tr>
<tr>
<td>NED</td>
<td>Population 104</td>
<td>158</td>
<td>262</td>
</tr>
<tr>
<td></td>
<td>% of population 40%</td>
<td>60%</td>
<td>100%</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>Population 780</td>
<td>549</td>
<td>1329</td>
</tr>
<tr>
<td></td>
<td>% of population 59%</td>
<td>41%</td>
<td>100%</td>
</tr>
<tr>
<td>East Midlands</td>
<td>% of population 46%</td>
<td>54%</td>
<td>100%</td>
</tr>
<tr>
<td>England</td>
<td>% of population 42%</td>
<td>58%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Census 2011

2.49 The final issue to consider are the assumptions relating to international migration underpinning the latest (2014-based) ONS projections which have fed into the above analysis in respect of how
levels of migration are expected to change in the future. This is important as this source drives assessments of need at a local level.

2.50 Table 23 shows that ONS were projecting net international migration nationally to be around 329,000 in 2014/15 (a figure close to the actual estimated level in MYE). Moving forward they assume that net in-migration will reduce to 185,000 by 2020/21 (this figure is projected moving forward from that date). The 185,000 represents a 45% reduction on the 2015 net level and is 26% down on the 2010-15 average shown above.

Table 23: Projected net migration – United Kingdom

<table>
<thead>
<tr>
<th>Period</th>
<th>Projected net migration</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014/15</td>
<td>329,000</td>
</tr>
<tr>
<td>2015/16</td>
<td>256,000</td>
</tr>
<tr>
<td>2016/17</td>
<td>232,000</td>
</tr>
<tr>
<td>2017/18</td>
<td>226,000</td>
</tr>
<tr>
<td>2018/19</td>
<td>206,000</td>
</tr>
<tr>
<td>2019/20</td>
<td>196,000</td>
</tr>
<tr>
<td>2020/21</td>
<td>185,000</td>
</tr>
</tbody>
</table>

Source: 2014-based ONS national population projections

2.51 On the basis of this analysis (i.e. reflecting the fact that around 40% of the international migration is not EU related, that international migration is fairly low and the fact that ONS are already projecting a reduction in international migration) it is difficult to confidently say that Brexit will have any downward impact on migration levels, population growth and housing need.

2.52 At the present time GL Hearn concluded that using the latest official projections with adjustments based on longer-term 10-year migration trends and to headship rates for younger households provide the best estimates of future demographic need for housing. This results in a demographic need for 1,100 homes per annum across the HMA (2014-35). However, the figures should be kept under review, should there be any notable changes as a result of the UK leaving the EU. The next set of ONS projections to be produced (2016-based) will need to reflect a view about the impact of Brexit, and the Councils should consider reviewing this evidence when it is released.
3 ECONOMIC-LED NEED

3.1 The interaction between economic growth and housing need is complex, and will be influenced by improvements to productivity; the proportion of people who hold down more than one job, changes in economic participation, including through reductions in unemployment and trends towards increased women and older people in the workforce; together with changes to commuting flows. For the purposes of establishing housing need, Planning Practice Guidance however requires consideration of how economic growth may influence housing need. It sets out that:

“Plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area …

Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or 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 help address these problems.”

3.2 Drawing conclusions on how a local economy may perform in the longer-term is inevitably a difficult exercise, given the multitude of potential influences on future economic performance together with economic uncertainties at both a macro (national) and local level. This needs to be borne in mind in interpreting the analysis herein. To address these issues, GL Hearn has assessed:

- Past employment growth trends;
- Baseline economic forecasts; and
- Local economic drivers.

3.3 The complexity of this issue is one of the factors which has informed Government’s proposals for a new standardised methodology for calculating housing need. Nonetheless this report does consider the interaction between the economy and housing need.

3.4 To inform the SHMA Update, GL Hearn has purchased baseline forecasts from Oxford Economics. These in themselves are ‘trend-based’ and project future performance taking account of the economic structure of each local authority area and its historical relative economic performance. For North East Derbyshire, the SHMA Update has also considered Experian forecasts which are being used in the Council’s Employment Land Review Update.

3.5 GL Hearn’s analysis of the baseline forecasts against past trends, as set out below, has shown that the baseline forecasts expect relatively modest employment growth across the HMA relative to that seen historically across the area; and to wider benchmarks such as forecast regional and national employment growth rates.
3.6 Whilst there are clearly uncertainties associated with longer-term economic performance, the NPPF sets out that the planning system should seek to positively and proactively encourage and drive sustainable economic growth (see Paragraphs 17 and 21). We have sought therefore to model in this report a more positive “Growth Scenario” for economic performance, and consider what level of housing need would be required to support this – recognising that economic growth and housing investment could support one another (with housing provision in itself can help to support economic growth; and economic growth and investment supporting local regeneration).

3.7 On the basis of the above, GL Hearn considers that in providing an objective assessment of likely future economic performance, the baseline and growth scenarios considered in this section should be treated as a range.

**Baseline Economic Forecasts**

3.8 The starting point for considering future economic growth potential has been a set of baseline economic growth forecasts prepared for each authority in the HMA by Oxford Economics (April 2017). These forecasts are trend-based – they take account of the sectoral structure of employment in each authority; relative historical performance/ growth trends; and Oxford Economics’ expectations regarding the future performance of these sectors in the short- and longer-term. They thus inherently take account of past trends. They provide a consistent baseline across the HMA.

3.9 Oxford Economics forecasts indicate that the HMA’s economy is expected to grow by 1.5% per annum (GVA growth pa), which is lower than the growth of 2.3% per annum achieved over the previous economic cycle (1993-2014) consistent with what is expected nationally, for instance as a result of expected slower global economic growth, performance of our key trading partners and more constrained public spending. This is also below the growth which Oxford Economics forecasts expected across the East Midlands (2.4% pa) and nationally (2.7% pa). This is influenced by the HMA’s economic structure and past relative performance. It is ‘policy neutral’ in the sense that it does not build in specific policy factors/ planned investment; but indirectly takes account of these influences on past performance.

3.10 GVA growth is particularly driven by growth in Wholesale and retail, Professional, Scientific and Technical Activities and Manufacturing, together with a strong contribution from Real Estate Activities.

3.11 Employment growth projections (Figure 5) show that the key drivers for employment growth in the baseline forecast are jobs growth in the Construction sector; together with Professional, Scientific and Technical Services; followed by Wholesale and Retail; Transport/Storage and Health. Manufacturing employment is expected to contract, whilst output grows driven by productivity improvements.
3.12 Manufacturing employment had fallen by 2.5% pa over 1993-2014 period, shedding 6,750 jobs. The outlook moving forward (2014-2035) is more positive, with a contraction in employment in the sector of -0.7% pa. Within this it is reasonable to expect job growth in some manufacturing sub-sectors, offset by reduced employment in others.

3.13 In contrast, employment related to Professional, scientific and technical activities; Administrative and Business support; Information and Communication; and Real Estate activities have grown historically (1993-2014) and are all forecasted to continue growing with Information and Communication sector seeing the highest annual rate (1.3%) over the period up to 2035.

Table 24: Historic Employment Growth and Baseline Forecast

<table>
<thead>
<tr>
<th></th>
<th>1993-2014</th>
<th>Annual Rate %</th>
<th>2014-35</th>
<th>Annual Rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>2,700</td>
<td>0.2%</td>
<td>2,600</td>
<td>0.2%</td>
</tr>
<tr>
<td>Bolsover</td>
<td>15,900</td>
<td>3.2%</td>
<td>3,000</td>
<td>0.4%</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>2,500</td>
<td>0.2%</td>
<td>1,700</td>
<td>0.1%</td>
</tr>
<tr>
<td>NED</td>
<td>3,700</td>
<td>0.6%</td>
<td>1,200</td>
<td>0.2%</td>
</tr>
<tr>
<td>HMA</td>
<td>24,800</td>
<td>0.7%</td>
<td>8,500</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

Source: Oxford Economics – April 2017

5 Employment figures rounded to the nearest 100
3.14 Historically employment had increased by 16.7% between 1993 and 2014 in the HMA (0.7% pa). Bolsover experienced the highest growth rate of this period (3.2% pa). In contrast employment in Bassetlaw between 1993 and 2014 was modest (0.2% pa) but the picture has been more positive in recent years (1.5% pa employment growth for 2004-14).

3.15 Oxford Economics forecast relatively modest employment growth of 8,500 jobs (0.2% pa) across the HMA moving forwards; taking account of differences in future expected sectoral performance relative to the past. The lower growth rate is a reflection of the expected contraction in manufacturing and public sector’s jobs and the economic outlook.

3.16 North East Derbyshire District Council has commissioned Litchfields to prepare an updated Employment Land Review for the District. This work has considered baseline econometric forecasts from Experian and we have therefore additionally considered these herein to support alignment between evidence base studies. These forecasts run to 2034. We have extended them on a linear basis to 2035, and they show employment growth of 1,900 over the 2014-35 period in the District, a stronger rate of employment growth than is forecast by Oxford Economics.

3.17 In GL Hearn’s experience current econometric forecasts expect around 0.5% pa growth in employment across the East Midlands; and around 0.6-0.7% pa nationally. Set against this and against historical employment growth over the 1993-2014 economic cycle, the forecast employment growth of 0.2% pa across the HMA is relatively modest with all four authorities expected to see below average employment growth. Whilst clearly some areas will see “below average” performance, there is some potential that stronger employment growth could be supported and GL Hearn has therefore sought to consider how this might influence housing need.

**Growth Scenario**

3.18 GL Hearn has sought to develop an alternative scenario for employment growth in order to test the implications on housing need of stronger economic performance and higher employment growth relative to the baseline forecasts.

3.19 For North East Derbyshire this has been based on a Regeneration/Policy On Scenario developed as part of the Council’s Employment Land Review evidence which takes into account the potential for higher growth in key sectors identified in the Council’s Economic Development Strategy.

3.20 In each of the other three authorities, GL Hearn has developed a ‘growth scenario’ derived from desktop analysis of:

- Past employment growth trends by sector, and comparison of this with expected future performance in the Oxford Economics’ baseline forecasts;
- Consideration of local economic drivers, including through review of local economic/employment land evidence and discussions with the three Councils; and
• The LEP 70,000 jobs target across the Sheffield City Region (2013-33) and work undertaken by Ekosgen to disaggregate this by sector and local authority. This should clearly be treated as policy-driven and indicative.

3.21 This scenario should not be seen as providing a definitive position on how local economies can be expected to grow but provides an alternative scenario which explores and quantifies the impact of stronger performance than that seen in the baseline forecasts.

3.22 We have below sought to summarise the basis of the Growth Scenario figures for each local authorities.

**Bassetlaw**

3.23 Oxford Economics forecast 2,600 jobs growth (0.2% pa) in Bassetlaw for the 2014-35 period. This is a relatively modest growth rate, albeit consistent to that seen historically (1993-2014). This forecast is stronger than the LEP/Ekosgen\(^6\) figures considered over a consistent period (2013-23).

3.24 In the Growth Scenario we assume stronger growth relative to the baseline in manufacturing (holding manufacturing employment constant, compared to a loss of 1,000 jobs in the baseline). Given significantly stronger performance historically in Professional, scientific and technical activities, we assume that this sector performs more strongly than in the baseline with growth in line with that expected at a regional level. This sees employment growth of 1,300 jobs compared to 100 in the Baseline Scenario.

3.25 Overall the Growth Scenario therefore sees employment growth of 4,800 jobs (0.4% pa) over the 2014-35 period.

**Bolsover**

3.26 The Oxford Economics baseline forecasts show a growth of 3,000 jobs (0.4%) in Bolsover over the 2014-35 period. This is low relative to historical growth of 3.2% pa albeit only modestly below expected regional performance. This forecast is stronger than the LEP/Ekosgen\(^7\) figures considered over a consistent period (2013-23).

3.27 The Growth Scenario models employment growth of 6,500 jobs (0.9% pa) across the District. It sees stronger performance relative to the baseline in the logistics/distribution sector, which has been growing strongly at both a national and regional level and in for which the District has locational advantages in particular relating to its location on the M1. The Growth Scenario expects

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\(^6\) Sheffield City Region Integrated Infrastructure Plan - Sectoral and Local Authority Distribution of SCR 70,000 Jobs Target – Assumptions Report, Table 1.1., page 4 - available at [https://www.barnsley.gov.uk/media/6413/eb181-scr-integrated-infrastructureplan-distributionof-jobs-assumptions-report-2014.pdf](https://www.barnsley.gov.uk/media/6413/eb181-scr-integrated-infrastructureplan-distributionof-jobs-assumptions-report-2014.pdf), Table 1.1, page 4

\(^7\) Same as above
employment growth of 4,300 in this sector (which spans the wholesale/retail and transport/storage sectors) compared to 800 jobs in the OE baseline. This scale of growth is more similar to that seen historically in the District.

**Chesterfield**

3.28 The OE baseline forecast for Chesterfield is 1,700 jobs (2014-35), giving a relatively modest employment growth of 0.1% pa compared to historical growth (1993-2014) of 0.2% pa. The LEP/Ekosgen\(^8\) figures envisage employment growth which is around 1,900 higher than the baseline forecasts over the 2013-23 period.

3.29 The Growth Scenario sees 4,200 additional jobs (0.4% pa) created between 2014-35. It takes account of jobs associated with the delivery of an HS2 maintenance depot. It considers that the baseline forecasts for construction are overly-ambitious; but that stronger growth can be expected in logistics/distribution (2,700 jobs compared to 900 in the baseline); in accommodation and food (500 jobs compared to 100 in the baseline); and in financial and insurance activities (1,600 jobs compared to 100 in the baseline). These take into account the Council’s research on economic growth potential and GL Hearn’s interrogation of relative economic strengths and past performance.

**North East Derbyshire**

3.30 The OE baseline forecast for NE Derbyshire is for 1,200 jobs 2014-35 (0.2% pa). This is a third of the rate of historical growth (0.6% pa 1993-2014). Experian baseline forecasts for the District are more positive and expect growth in employment of 1,900 over the 2014-35 period. This forecast is stronger than the LEP/Ekosgen\(^9\) figures considered over a consistent period (2013-23).

3.31 We sought to align the Growth Scenario to the emerging Employment Land Review (ELR) prepared by Lichfields. This models stronger employment growth in key manufacturing sub-sectors together with construction. This aligns to and takes account of the Council’s Economic Development Strategy. Extending the modelling to 2035 sees employment growth of 3,000 jobs, 1000 higher than in the Baseline with a growth rate of 0.4% pa.

**Employment Growth Parameters**

3.32 **Table 25** below brings the above analysis together to set out the employment growth parameters for the HMA and constituent authorities. The baseline forecasts show employment growth of between 8,500 – 9,200 jobs (2014-35) across the HMA, The Oxford forecasts at the lower end of the range show relatively modest employment growth of 0.2% pa compared to that seen historically.

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\(^8\) See footnote 6
\(^9\) See footnote 6
across the area; and to wider benchmarks such as forecast regional and national employment growth rates.

3.33 Whilst there are clearly uncertainties associated with longer-term economic performance, the NPPF sets out that the planning system should seek to positively and proactively encourage and drive sustainable economic growth (see Paragraphs 17 and 21). The “Growth Scenario” considers the potential for stronger employment growth. In this scenario employment in HMA is expected to grow 11,400 (0.5% pa). Employment growth in Bolsover is expected to be the strongest with an annual rate of 0.9%. Employment in the other authorities is expected to grow by 0.4% per annum. A level of policy intervention and support would likely be required to achieve this but it is not necessarily an unrealistic scenario set against past trends in employment growth.

Table 25: Baseline and Growth Scenarios

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Baseline 2014-2035 Jobs Growth</th>
<th>Growth Scenario 2014-2035 Jobs Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>2,600</td>
<td>4,800</td>
</tr>
<tr>
<td>Bolsover</td>
<td>3,000</td>
<td>6,500</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>1,700</td>
<td>4,200</td>
</tr>
<tr>
<td>North East Derbyshire</td>
<td>1,200 – 1900</td>
<td>3,000</td>
</tr>
<tr>
<td>HMA</td>
<td>8,500 – 9,200</td>
<td>18,400</td>
</tr>
</tbody>
</table>

Source: OE/GLH, Experian/Lichfields

Linking Job Growth and Changes to Resident Labour Force

3.34 The analysis above has considered scenarios for employment growth in North Derbyshire and Bassetlaw. However, for the purposes of considering housing need it is necessary to convert this into estimates of the required change to the economically active population. The number of jobs and resident workers required to support these jobs will differ depending on three main factors:

- Commuting patterns – where an area sees more people out-commute for work than in-commute it may be the case that a higher level of increase in the economically active population would be required to provide a sufficient workforce for a given number of jobs (and vice versa where there is net in-commuting);
- Double jobbing – some people hold down more than one job and therefore the number of workers required will be slightly lower than the number of jobs.
- Unemployment – when looking back over a period for which job changes have already been estimated (back to 2014 in this case) it is necessary to also understand any change to unemployment levels as this will be a workforce change that does not impact on an additional growth in the population.

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10 Figures rounded to the nearest 100 jobs
Commuting Patterns

3.35 Table 26 provides summary data on commuting to and from each local authority in the HMA (based on 2011 Census data). Overall the HMA sees a notable level of net out-commuting for work, with the number of residents who are working being about 11% higher than the total number of people who work in the area. This number is shown as the ‘commuting ratio’ in the final row of the table and is calculated as the number of people living in an area (and working) divided by the number of people working in the area (regardless of where they live). All areas apart from Chesterfield show a level of net out-commuting; this is particularly high in North East Derbyshire.

3.36 The commuting dynamics shown are as much as anything a reflection of administrative geographies, with for instance the high out-commuting in Bolsover influenced by the position of larger employment centres such as Chesterfield, Worksop, Alfreton and parts of Markham Vale outside but close to the District’s boundaries and accessible to its residents. Similarly in North East Derbyshire, commuting flows are influenced by the proximity and economic relationships to Sheffield, Chesterfield, Barlborough and Alfreton which sit close to the District’s boundaries.

Table 26: Commuting patterns in North Derbyshire and Bassetlaw (2011)

<table>
<thead>
<tr>
<th></th>
<th>Bassetlaw</th>
<th>Bolsover</th>
<th>Chesterfield</th>
<th>NED</th>
<th>ND&amp;B HMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Live and work in LA</td>
<td>26,770</td>
<td>8,869</td>
<td>23,428</td>
<td>9,735</td>
<td>-</td>
</tr>
<tr>
<td>Home workers</td>
<td>5,624</td>
<td>2,886</td>
<td>3,808</td>
<td>4,799</td>
<td>-</td>
</tr>
<tr>
<td>No fixed workplace</td>
<td>3,534</td>
<td>2,426</td>
<td>3,422</td>
<td>3,707</td>
<td>-</td>
</tr>
<tr>
<td>In-commute</td>
<td>16,220</td>
<td>15,324</td>
<td>21,360</td>
<td>13,425</td>
<td>-</td>
</tr>
<tr>
<td>Out-commute</td>
<td>17,164</td>
<td>20,495</td>
<td>17,437</td>
<td>28,891</td>
<td>-</td>
</tr>
<tr>
<td>Total working in LA</td>
<td>52,148</td>
<td>29,505</td>
<td>52,018</td>
<td>31,666</td>
<td>165,337</td>
</tr>
<tr>
<td>Total living in LA (and working)</td>
<td>53,092</td>
<td>34,676</td>
<td>48,095</td>
<td>47,132</td>
<td>182,995</td>
</tr>
<tr>
<td>Commuting ratio</td>
<td>1.02</td>
<td>1.18</td>
<td>0.92</td>
<td>1.49</td>
<td>1.11</td>
</tr>
</tbody>
</table>

Source: 2011 Census

3.37 In translating the commuting pattern data into growth in the labour-force, our core assumption has been that the commuting ratio remains at the same level as shown by the 2011 Census. The commuting ratios are applied on a local authority basis and so the overall adjustment will vary depending on the assumed level of job growth in different areas.

Double jobbing

3.38 The analysis also considers what number of people may have more than one job (double jobbing). This can be calculated as the number of people working in each local authority divided by the number of jobs. Data from the Annual Population Survey suggests across the HMA that typically
between about 3% and 4% of workers have a second job – levels of double jobbing have been variable over time (mainly due to the accuracy of data at the local level).

**Figure 6:** Percentage of all people in employment who have a second job (2004-2016)

![Figure 6](image)

Source: Annual Population Survey (from NOMIS)

3.39 For the purposes of this assessment it has been assumed in the analysis that the level of double jobbing will remain constant over time. This is set at the average seen in all data points back to 2004. The figures used for individual local authorities are:

- Bassetlaw – 4.1%
- Bolsover – 3.4%
- Chesterfield – 4.0%
- NED – 3.2%

**Unemployment**

3.40 We have also sought to consider whether jobs growth can be supported by reductions in unemployment. This is particularly important when considering trend periods that have already occurred but are within the projection period used in this study (2014-16). An analysis has therefore been carried out to look at how unemployment has changed between 2014 and 2016, with 2016 being the latest date for which unemployment data is available.

3.41 **Figure 7** considers the number of people who are unemployed and how this has changed back to 2004. The analysis shows a clear increase in unemployment from 2004 to 2011. Since this date, the number of people unemployed has dropped notably.
Figure 7: Number of people unemployed (2004-2016)

Source: Annual Population Survey (modelled unemployment data)

3.42 The number of unemployed people has dropped by around 22% from 2014; a reduction of 2,400 people (Table 27).

Table 27: Changes to the number of people unemployed (2014-2016)

<table>
<thead>
<tr>
<th></th>
<th>Number unemployed (2014)</th>
<th>Number unemployed (2016)</th>
<th>Change</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>3,200</td>
<td>2,400</td>
<td>-800</td>
<td>-25.0%</td>
</tr>
<tr>
<td>Bolsover</td>
<td>2,200</td>
<td>1,600</td>
<td>-600</td>
<td>-27.3%</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>3,100</td>
<td>2,500</td>
<td>-600</td>
<td>-19.4%</td>
</tr>
<tr>
<td>NED</td>
<td>2,400</td>
<td>2,000</td>
<td>-400</td>
<td>-16.7%</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>10,900</td>
<td>8,500</td>
<td>-2,400</td>
<td>-22.0%</td>
</tr>
</tbody>
</table>

Source: Annual Population Survey (modelled unemployment data)

3.43 It is assumed that of the change in jobs in the 2014-16 period, 2,400 has been met by people starting or returning to work. From 2016 onwards it is assumed that unemployment will remain constant. The unemployment rate in 2016 was similar to or below the national average in all areas (3.8% in North East Derbyshire; 4.1% in Bolsover; and 4.9% in Bassetlaw and Chesterfield compared to 4.8% nationally).

Calculating labour force growing requirements

3.44 Of the employment growth parameters set out, our analysis shows that to support 8,500 jobs (2014-35) would require 6,700 growth on the resident labour supply taking into account the reductions in
unemployment seen since 2014 together with adjustments for double jobbing and commuting. To support the estimated 18,400 jobs growth in the Growth Scenario would require a labour supply increase of 17,500 persons.

Table 28: Growth in economically-active residents to support OE Baseline Forecasts

<table>
<thead>
<tr>
<th></th>
<th>Job growth</th>
<th>Adjustment for commuting</th>
<th>Adjustment for double jobbing</th>
<th>Adjustment for unemployment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>2,550</td>
<td>2,596</td>
<td>2,489</td>
<td>1,689</td>
</tr>
<tr>
<td>Bolsover</td>
<td>3,000</td>
<td>3,526</td>
<td>3,404</td>
<td>2,804</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>1,720</td>
<td>1,590</td>
<td>1,527</td>
<td>927</td>
</tr>
<tr>
<td>NED</td>
<td>1,200</td>
<td>1,786</td>
<td>1,712</td>
<td>1,312</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>8,450</td>
<td>9,498</td>
<td>9,132</td>
<td>6,732</td>
</tr>
</tbody>
</table>

Source: Derived from a range of sources as discussed

Table 29: Growth in economically-active residents to support Growth Scenario

<table>
<thead>
<tr>
<th></th>
<th>Job growth</th>
<th>Adjustment for commuting</th>
<th>Adjustment for double jobbing</th>
<th>Adjustment for unemployment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>4,770</td>
<td>4,856</td>
<td>4,656</td>
<td>3,856</td>
</tr>
<tr>
<td>Bolsover</td>
<td>6,460</td>
<td>7,592</td>
<td>7,330</td>
<td>6,730</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>4,200</td>
<td>3,883</td>
<td>3,728</td>
<td>3,128</td>
</tr>
<tr>
<td>NED</td>
<td>2,960</td>
<td>4,406</td>
<td>4,223</td>
<td>3,823</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>23,300</td>
<td>20,737</td>
<td>19,938</td>
<td>17,538</td>
</tr>
</tbody>
</table>

Source: Derived from a range of sources as discussed

Growth in the Resident Labour Force

3.45 Having studied the likely level of job growth and the required changes to the economically active population, the next stage is to estimate the change in the resident labour supply. Making the link between population and the resident workforce is a complex issue involving judgements regarding what changes we might see in economic participation amongst people of different age groups in the future, including the potential for people to remain in work for longer. There is no standardised methodology for doing this, and inevitably a degree of uncertainty in making long-term projections for changes to economic participation.

3.46 The approach taken in this report is to derive a series of age and sex specific economic activity rates and use these to estimate how many people in the population will be economically active over time. Of the main forecasting houses (Experian, OE and CE) only Experian publish age and sex specific data about how economic activity rates might change. This data is available directly from Experian and underpins the document ‘Comparison between Experian and OBR Participation Rate Projections’ (February 2016. The other main source is a set of figures published by the Office for Budget Responsibility (OBR) as part of the Fiscal Sustainability Report (FSR); the most recent rates
were published in January 2017. These provide in effect a set of parameters or scenarios for how economic participation rates of different age groups may change.

3.47 The OBR rates are influenced by past trends, cohort effects and State Pension Age changes; whilst Experian consider these and overlay expected changes in behaviour connected with improved longevity and health, changes in patterns of working (including increasing flexible working practices) and in the industrial composition of the economy (especially the shift to services). Experian show higher future increases in economic participation as a result. Neither approach is inherently ‘better’ and GL Hearn for the purposes of this report has therefore taken the pragmatic approach of using the midpoint between Experian and OBR figures to project age and sex-specific changes in economic participation.

3.48 **Figure 8** show the estimated age/sex specific activity rates from both the OBR and Experian assumptions. These have been adjusted to match the local position based on 2011 Census data. In both cases, the analysis shows that the main changes to economic activity rates are projected to be in the 60-69 age groups. This links to changes to pensionable age, as well as general trends in the number of older people working for longer (which in itself is linked to general reductions in pension provision). The forecast changes in the OBR rates are however of a lesser scale to Experian. In comparing the OBR and Experian figures, it should be noted that the age bands used for younger and older age groups do not quite match.

**Figure 8:** Projected changes to economic activity rates (2014 and 2035) – North Derbyshire & Bassetlaw (OBR (and adjusted) method)

![Projected changes to economic activity rates](image-url)

Source: Based on OBR and Census (2011) data
Figure 9: Projected changes to economic activity rates (2014 and 2035) – North Derbyshire & Bassetlaw (Experian-based)

Source: Based on Experian and Census (2011) data

Economic-led Parameters for Housing Need

3.49 The final stage in the modelling is to consider what level of housing might be required to support the employment growth scenario parameters. The above analysis has shown the number of economically-active residents required. Applying the economic participation assumptions to our conclusions on the demographic-led need (as set out in Section 3), we adjust migration within the demographic model to match the growth in economically-active residents.

3.50 The changes to migration have been applied on a proportionate basis; the methodology assumes that the age/sex profile of both in- and out-migrants is the same as underpins the SNPP with adjustments being consistently applied to both internal (domestic) and international migration. Adjustments are made to both in- and out-migration (e.g. if in-migration is increased by 1% then out-migration is reduced by 1%). Once the level of economically active population matches the job growth forecast, headship rate assumptions are applied to the population (and its age structure) to quantify the level of housing provision needed.

3.51 Tables 30 and 31 show levels of housing need linked to the change in the resident labour-supply for the economic growth scenario parameters. These are based on the adjusted headship rates. At the HMA level, the evidence points to a need for 1,090 – 1,124 homes per annum to support baseline forecasts; but with a notably higher level of housing provision needed – of 1,465 dpa – to
support the Growth Scenario. The higher housing provision needed in the Growth Scenario is influenced by the age structure of the population in each authority, and in effect assumes that stronger economic growth would need to be supported by higher in-migration – people moving to the area to access employment opportunities.

3.52 GL Hearn considers that for North East Derbyshire it is sensible to treat the Experian forecast as the appropriate baseline forecast to support employment growth so as to align the local plan evidence on housing and employment provision. On this basis, baseline forecasts indicate a need for 1,124 homes per annum across the HMA (2014-35). In the Growth Scenario the scale of housing need is 30% higher.

Table 30: Projected housing need – baseline job-led scenario (2014-35) – North Derbyshire & Bassetlaw – part-return to trend HRRs

<table>
<thead>
<tr>
<th>Authority</th>
<th>Households 2014</th>
<th>Households 2035</th>
<th>Change in households</th>
<th>Per annum</th>
<th>Dwellings (per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>48,608</td>
<td>55,567</td>
<td>6,958</td>
<td>331</td>
<td>341</td>
</tr>
<tr>
<td>Bolsover</td>
<td>33,471</td>
<td>38,498</td>
<td>5,027</td>
<td>239</td>
<td>249</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>47,532</td>
<td>52,644</td>
<td>5,113</td>
<td>243</td>
<td>251</td>
</tr>
<tr>
<td>NED</td>
<td>43,577</td>
<td>48,694/49,372</td>
<td>5,117/5,795</td>
<td>244/276</td>
<td>249/283</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>173,189</td>
<td>195,403/196,081</td>
<td>22,215/22,893</td>
<td>1,057 / 1,089</td>
<td>1,090 /1,124</td>
</tr>
</tbody>
</table>

Source: Derived from a range of sources as described

Table 31: Projected housing need – growth job-led scenario (2014-35) – North Derbyshire & Bassetlaw – part-return to trend HRRs

<table>
<thead>
<tr>
<th>Authority</th>
<th>Households 2014</th>
<th>Households 2035</th>
<th>Change in households</th>
<th>Per annum</th>
<th>Dwellings (per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>48,608</td>
<td>57,106</td>
<td>8,497</td>
<td>405</td>
<td>417</td>
</tr>
<tr>
<td>Bolsover</td>
<td>33,471</td>
<td>41,254</td>
<td>7,783</td>
<td>371</td>
<td>386</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>47,532</td>
<td>54,269</td>
<td>6,738</td>
<td>321</td>
<td>330</td>
</tr>
<tr>
<td>NED</td>
<td>43,577</td>
<td>50,397</td>
<td>6,819</td>
<td>325</td>
<td>332</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>173,189</td>
<td>203,026</td>
<td>29,837</td>
<td>1,421</td>
<td>1,465</td>
</tr>
</tbody>
</table>

Source: Derived from a range of sources as described

3.53 Figure 10 shows how the annual housing requirements vary for each authority based on 10-year migration trends, the baseline employment scenario\textsuperscript{11} and the growth economic scenario.

\textsuperscript{11} For NED the graph shows the Experian figures
The scale of housing need in the baseline scenario is similar to that based on 10-year migration trends, sitting slightly above the trend-based demographic scenario in all HMA authorities apart from Chesterfield. The largest differential is for North East Derbyshire where the baseline economic scenario shows a need for 283 dpa.

The higher employment growth assumptions in the Growth Scenario result in notably higher levels of housing need in each authority. Across the HMA the baseline scenario is 2.2% above the demographic need; and growth scenario a significant 33% above the demographic need.

### Drawing Conclusions on the Economic-led Need for Housing

The analysis highlights the sensitivity of estimates of the scale of housing need to economic performance, and the degree to which economic growth could drive in-migration.

GL Hearn’s analysis of the baseline forecasts against past trends, as set out below, has shown that the baseline forecasts expect relatively modest employment growth across the HMA relative to that seen historically across the area; and to wider benchmarks such as forecast regional and national employment growth rates. Nonetheless these are robust forecasts which take into account the sectoral structure, past performance and expected future economic trends. They provide a strong basis for quantifying minimum OAN figures.

There are clearly uncertainties associated with longer-term economic performance, the NPPF sets out that the planning system should seek to positively and proactively encourage and drive sustainable economic growth (see Paragraphs 17 and 21). The Growth Scenario should be interpreted in this light as providing an assessment of the potential for the impact on housing need should the economy perform more strongly; and providing a basis for considering through the plan-
making process how planning for higher housing provision and economic growth could be mutually supportive – with housing provision itself representing investment and helping to support economic growth (including through providing a supply of available labour) and economic growth supporting housing demand, investment and local regeneration.

3.59 GL Hearn would recommend that the baseline scenario is therefore treated as informing minimum OAN figures and where appropriate quantifying any ‘unmet housing need’, but that the Councils test the potential to support the higher Growth Scenario figures in bringing together evidence through the plan-making process. It drawing conclusions in this respect, it will be important that the economic and housing strategies within local plans are aligned with one another, as Paragraph 158 in the NPPF requires.
4 MARKET SIGNALS

4.1 In this section we move on to provide an updated analysis of market signals. The PPG sets out that an assessment of market signals should be undertaken considering land prices; house prices; rents; affordability ratios; rates of development and overcrowding. Absolute and relative long-term trends are expected to be compared to those across similar demographic and economic areas; and nationally. Where a worsening trend is evident over the longer-term, the PPG advises that:

“The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings”\(^\text{12}\)

4.2 An adjustment to planned supply, where appropriate, is expected to be reasonable – this being that on reasonable assumptions and consistent with the principles of sustainable development, it could be expected to improve affordability.

4.3 The average house price of the HMA recorded in the 2013 SHMA was £125,000 (average of Q3 2012 house prices). The HMA included some of the cheapest areas to live in the East Midlands region, although prices within the HMA vary and were highest in the north and western parts of North East Derbyshire District and in Bassetlaw District. A relatively modest 24% of households (relative to other parts of the country) were found to have an income insufficient to afford market housing without some form of subsidy. The market signals analysis in the 2013 SHMA did not provide clear evidence that housing supply need to be adjusted upwards from the demographic projections. GL Hearn has however sought in this Study to review the latest data and consider whether this remains the case.

House Prices

4.4 The average house price across the HMA in Q3 2016 was £138,500. House prices have thus grown by 11% since Q3 2012 – the latest data which was considered in the 2013 SHMA. House prices at the national level have however increased by 15% over this period. There has been an increase in median house prices across all of the HMA local authorities.

4.5 House prices in North East Derbyshire remain the highest at around 12% above the HMA average, but remain 6% below the regional average which it itself almost a third below the national average. In contrast the housing values of Bolsover are 14% below the HMA average. Table 32 compares the housing values across the HMA and the wider comparables.

\(^\text{12}\) PPG ID: 2a-019-20140306
Table 32: Median House Prices, Q3 2016

<table>
<thead>
<tr>
<th></th>
<th>Median House Price, Q3 2016</th>
<th>Difference to HMA Average</th>
<th>Difference to Regional Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>£139,950</td>
<td>1.0%</td>
<td>-15.2%</td>
</tr>
<tr>
<td>Bolsover</td>
<td>£119,000</td>
<td>-14.1%</td>
<td>-27.9%</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>£139,950</td>
<td>1.0%</td>
<td>-15.2%</td>
</tr>
<tr>
<td>North East Derbyshire</td>
<td>£155,000</td>
<td>11.9%</td>
<td>-6.1%</td>
</tr>
<tr>
<td>HMA Average</td>
<td>£138,500</td>
<td>0.0%</td>
<td>-16.1%</td>
</tr>
<tr>
<td>East Midlands</td>
<td>£165,000</td>
<td>19.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>England</td>
<td>£218,000</td>
<td>57.4%</td>
<td>32.1%</td>
</tr>
</tbody>
</table>

Source: Land Registry 2016

Figure 11: House Price 2016 – Heatmap

Source: Land Registry – edited by GL Hearn

4.6 House prices in the HMA are amongst some of the lowest nationally; and we have seen a further divergence of prices since 2013 with the average house price nationally rising from 53% above the average in this HMA in 2013 to 57% in 2016. Prices across the HMA are on average 16% below the East Midlands level.
House Price Trends

4.7 Over the current market cycle since 2008, trends in house prices have varied across the HMA. Values in Bolsover and Bassetlaw have increased by 8% between 2008 and 2016; by 6% in North East Derbyshire and 12% in Chesterfield. In all cases this has been below the 18% growth seen nationally.

Figure 12: Median House Prices 2008-2016

![Graph showing median house prices 2008-2016 for Bassetlaw, Bolsover, North East Derbyshire, Chesterfield, East Midlands, and England.]

Source: Land Registry 2016

Change in House Prices

4.8 Table 33 shows house prices changes in the last 1, 5, 10 and 15 years. The PPG emphasises consideration of long-term trends, noting year-by-year price volatility, and consideration of both actual and proportional price growth.

4.9 Over a 15 year period (2002-16) proportional house price growth has been stronger than seen at a national and regional level, with on average a 5% pa growth in prices. However the high proportional growth is substantially influenced by the low base prices in 2002. Actual growth in values over this period has been of between £70,000 - £75,000 across the four local authorities, which is below that seen at a regional and national level and resulting in a growing price divergence with other areas.

4.10 Much of this historical growth was seen in the previous housing market cycle, as shown by considering the 10 year price trends. These are significantly lower with growth of 0.9% pa on average seen over this period. This is below the rate of inflation showing that the trend over the last
decade has been a relative decline in the value of housing in real terms. The price evidence does not therefore point to a strong need for increase the supply of market housing.

Table 33: House Price Change, 2002-2016

<table>
<thead>
<tr>
<th></th>
<th>15 year change</th>
<th></th>
<th>10 year change</th>
<th></th>
<th>5 year change</th>
<th></th>
<th>1 year change</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Change</td>
<td>Annual Rate</td>
<td>Change</td>
<td>Annual Rate</td>
<td>Change</td>
<td>Annual Rate</td>
<td>Change</td>
<td>Annual Rate</td>
</tr>
<tr>
<td>Bassetlaw</td>
<td>70,000</td>
<td>4.7%</td>
<td>10,475</td>
<td>0.9%</td>
<td>14,950</td>
<td>2.9%</td>
<td>9,950</td>
<td>8%</td>
</tr>
<tr>
<td>Bolsover</td>
<td>72,005</td>
<td>6.4%</td>
<td>9,000</td>
<td>0.9%</td>
<td>14,500</td>
<td>3.3%</td>
<td>14,000</td>
<td>13%</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>74,700</td>
<td>5.2%</td>
<td>14,950</td>
<td>1.3%</td>
<td>17,950</td>
<td>3.5%</td>
<td>9,950</td>
<td>8%</td>
</tr>
<tr>
<td>NED</td>
<td>75,050</td>
<td>4.5%</td>
<td>8,787</td>
<td>0.7%</td>
<td>11,000</td>
<td>1.9%</td>
<td>-4,475</td>
<td>-3%</td>
</tr>
<tr>
<td>HMA</td>
<td>72,939</td>
<td>5.1%</td>
<td>10,803</td>
<td>0.9%</td>
<td>14,600</td>
<td>2.8%</td>
<td>7,356</td>
<td>6%</td>
</tr>
<tr>
<td>East Midlands</td>
<td>77,000</td>
<td>4.3%</td>
<td>19,000</td>
<td>1.4%</td>
<td>25,000</td>
<td>4.2%</td>
<td>7,500</td>
<td>5%</td>
</tr>
<tr>
<td>England</td>
<td>98,000</td>
<td>4.1%</td>
<td>34,000</td>
<td>1.9%</td>
<td>28,000</td>
<td>3.5%</td>
<td>7,000</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: Land Registry 2016

House Prices by Type

4.11 Median house prices are influenced by the mix of homes sold. Figure 13 profiles median prices of properties sold in 2016 by type, drawing on information from Land Registry Price Paid Data.

4.12 The analysis indicates that median house prices by type vary slightly between each local authority. Of the four authorities, Bolsover District has the lowest house prices across all property types. Among the other three authorities prices are 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.

4.13 North-East Derbyshire has the highest prices for semi-detached homes at £135,000. In Chesterfield and North-East Derbyshire values for terraced properties range between £126,000-£135,000 – with lower prices in Bassetlaw (£116,125); and Bolsover (£106,000).

4.14 Values of flats and terraced stock are broadly similar. This is an important finding as it affects the new-build flatted 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.
Figure 13: House Prices by Type, 2016

<table>
<thead>
<tr>
<th></th>
<th>Detached</th>
<th>Semi-detached</th>
<th>Terrace</th>
<th>Flat</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>£207,000</td>
<td>£116,125</td>
<td>£97,000</td>
<td>£90,000</td>
<td>£135,000</td>
</tr>
<tr>
<td>Bolsover</td>
<td>£182,500</td>
<td>£106,000</td>
<td>£72,750</td>
<td>£80,000</td>
<td>£116,000</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>£215,500</td>
<td>£126,000</td>
<td>£103,000</td>
<td>£100,000</td>
<td>£135,000</td>
</tr>
<tr>
<td>North East Derbyshire</td>
<td>£225,000</td>
<td>£135,000</td>
<td>£108,000</td>
<td>£93,500</td>
<td>£163,000</td>
</tr>
<tr>
<td>East Midlands</td>
<td>£240,000</td>
<td>£149,950</td>
<td>£125,000</td>
<td>£107,500</td>
<td>£161,000</td>
</tr>
<tr>
<td>England</td>
<td>£305,000</td>
<td>£187,000</td>
<td>£168,000</td>
<td>£197,000</td>
<td>£212,950</td>
</tr>
</tbody>
</table>

Source: Land Registry 2016

4.15 Prices for detached and semi-detached properties have increased for all four authorities since June 2013 (SHMA 2013). However the prices of terraced properties in Bassetlaw have decreased by 9% and prices for flats in both Bassetlaw and Bolsover have also decreased by 3% and 25% respectively.

Land Values

4.16 CLG latest land value data was published in December 2015. The average land value across the HMA is £500,000 per hectare. Reflecting a similar situation to house prices, land values are less than the half of the regional equivalent and less than the quarter of the national (excluding London) level. This provides no evidence of a shortage of residential land.

4.17 Bassetlaw and Bolsover have the lowest land values; whilst the highest land values within the HMA are in Chesterfield (£715,000 per hectare). Nonetheless, land values in Chesterfield are well below the national and regional comparables. The land value evidence does not provide direct evidence of a particular shortage of residential land.
Table 34: Land Values, 2015¹³

<table>
<thead>
<tr>
<th>Area</th>
<th>Land Value: £ per hectare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>£370,000</td>
</tr>
<tr>
<td>Bolsover</td>
<td>£370,000</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>£715,000</td>
</tr>
<tr>
<td>North East Derbyshire</td>
<td>£545,000</td>
</tr>
<tr>
<td>HMA (Average)</td>
<td>£500,000</td>
</tr>
<tr>
<td>East Midlands</td>
<td>£1,100,000</td>
</tr>
<tr>
<td>England incl London</td>
<td>£6,900,000</td>
</tr>
<tr>
<td>England excl London</td>
<td>£2,100,000</td>
</tr>
</tbody>
</table>

Source: DCLG - Land value estimates for policy appraisal Dec 2015

LQ Affordability Ratio

4.18 The lower quartile (LQ) affordability relates to the ratio of lower quartile house price to lower quartile gross annual residence-based earnings. Table 35 shows the latest data for 2017, and how the ratio has changed over the previous 5, 10 and 15 year periods.

Table 35: LQ Affordability ratio and Growth over the last 15, 10 and 5 years

<table>
<thead>
<tr>
<th>Area</th>
<th>2016 ratio</th>
<th>5 year change</th>
<th>10 year change</th>
<th>15 year change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>5.49</td>
<td>0.82</td>
<td>-0.29</td>
<td>2.19</td>
</tr>
<tr>
<td>Bolsover</td>
<td>4.55</td>
<td>0.24</td>
<td>-0.76</td>
<td>2.24</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>5.16</td>
<td>0.19</td>
<td>-1.21</td>
<td>2.01</td>
</tr>
<tr>
<td>NED</td>
<td>6.16</td>
<td>0.52</td>
<td>-0.53</td>
<td>2.55</td>
</tr>
<tr>
<td>HMA*</td>
<td>5.35</td>
<td>0.43</td>
<td>-0.70</td>
<td>2.25</td>
</tr>
<tr>
<td>East Midlands</td>
<td>6.52</td>
<td>0.77</td>
<td>-0.39</td>
<td>2.53</td>
</tr>
<tr>
<td>England</td>
<td>7.16</td>
<td>0.58</td>
<td>-0.05</td>
<td>2.65</td>
</tr>
</tbody>
</table>

Source: Crown Copyright 2017/GLH Analysis

4.19 The HMA, with a ratio of 5.35, is relatively affordable compared to England as a whole (7.16). All the authorities have an individual ratio below the national and regional equivalent. Within the HMA, Bolsover is the most affordable area across the HMA (4.55). North East Derbyshire is the least affordable area (6.16) across the HMA, but still more affordable than England and East Midlands.

4.20 Figure 14 presents the affordability trends between 2002 and 2016. In general the ratio of lower quartile house prices to earnings within the HMA has followed the national trend; the principle difference being during the last two years where the ratio has been decreasing across the HMA (with the exception of Bassetlaw) but increasing nationally.

¹³ The land values published by DCLG have been provided for the purpose of policy appraisal and are based on specific assumptions. It is strongly recommended that they are not used for any other purpose and it is important to emphasise that they have been produced adopting different assumptions from the Property Market Report previously published by the Valuation Office Agency.
Figure 14: Lower Quartile Affordability Ratio 2006-16

* ratio of the average LQ house prices against the average LQ residence-based earnings of the four authorities
Source: Crown Copyright 2017

Rents and Rental Growth

4.21 The median rent in the HMA was on average £469 per calendar month (PCM) over the year to March 2016. This was 39% below the national and 13% below the regional equivalent.

4.22 Median rents in Bolsover were 9%, and in Chesterfield 4%, below the HMA average. In contrast, rents in North East Derbyshire were 12% above the average of the HMA; while Bassetlaw’s were just 1% above the HMA equivalent.

Figure 15: Median Rent, Year to March 2016 (£ per Calendar Month)

Source: VOA Private Rental Market Statistics
4.23 Rental growth in HMA has been below national and regional trends over the 2011-16 period across all four authorities.\textsuperscript{14} Rents have grown over this period by 3% (with an annual rate of 0.6%) while the national equivalent was 13% (with a 2.5% increase per annum). Rents have increase by 11% or 2.1% pa across the East Midlands over this period.

4.24 Bolsover is in the minority of the areas where there has been a decrease in rents since 2011 by 6% (by -1.1% pa). This decrease was recorded between September 2015 and March 2016. For the other HMA authorities there has been an increase on 5-6% since 2011.

4.25 The comparatively weak rental growth seen since 2011 does not suggest the need for an adjustment for market signals.

**Figure 16: Rental Growth 2011-16**

![Rental Growth 2011-16](source)

**Rental Affordability Ratio**

4.26 The rental affordability ratio (RAR) is the ratio of the monthly lower quartile rental costs of all type of property sizes, as provided by VOA, against the lower quartile earnings data, from the Annual Survey of Hours and Earnings (ASHE). Across all four local authorities there has been a marginal decrease in the lower quartile rental affordability ratio since 2013; while the ratio for East Midlands hasn’t changed and the national rate has slightly increased since 2013 (Table 36). Across all four local authorities the ratio lies between 25-27%, below regional and national equivalents.

\textsuperscript{14} This is the longest period for which consistent data is available from VOA.
Table 36: LQ Rental Affordability Percentage (LQ monthly rents/LQ monthly earnings)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>27%</td>
<td>27%</td>
<td>28%</td>
<td>27%</td>
</tr>
<tr>
<td>Bolsover</td>
<td>30%</td>
<td>31%</td>
<td>29%</td>
<td>27%</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>27%</td>
<td>28%</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>North East Derbyshire</td>
<td>26%</td>
<td>28%</td>
<td>29%</td>
<td>27%</td>
</tr>
<tr>
<td>HMA</td>
<td>27%</td>
<td>28%</td>
<td>28%</td>
<td>26%</td>
</tr>
<tr>
<td>East Midlands</td>
<td>28%</td>
<td>28%</td>
<td>28%</td>
<td>28%</td>
</tr>
<tr>
<td>England</td>
<td>28%</td>
<td>29%</td>
<td>30%</td>
<td>29%</td>
</tr>
</tbody>
</table>

4.27 Similar to the house price LQ affordability ratio, the rental affordability ratio indicates that there are not significant affordability issues in the HMA compared to other areas across the country and region.

Rates of Development

4.28 Across the HMA over the 2001-16 period, net completions totalled 15,251 dwellings. This is 16% below the planned provision of 17,738 dwellings. Table 37 presents housing requirement figures and their source for each local authority between 2001 and 2016.

Table 37: Housing Targets/Benchmarks, 2001-2016

<table>
<thead>
<tr>
<th>Authority</th>
<th>Period</th>
<th>Document</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>2001/02-2005/06</td>
<td>Structure Plan</td>
<td>90</td>
</tr>
<tr>
<td></td>
<td>2006/07-2010/11</td>
<td>Regional Plan</td>
<td>350</td>
</tr>
<tr>
<td></td>
<td>2011/12-2013/14</td>
<td>Core Strategy</td>
<td>350</td>
</tr>
<tr>
<td></td>
<td>2014/15-2015/16</td>
<td>SHMA 2013</td>
<td>435</td>
</tr>
<tr>
<td>Bolsover</td>
<td>2001/02-2005/06</td>
<td>Structure Plan</td>
<td>310</td>
</tr>
<tr>
<td></td>
<td>2006/07-2010/11</td>
<td>Regional Plan</td>
<td>400</td>
</tr>
<tr>
<td></td>
<td>2011/12 onwards</td>
<td>SHMA 2013</td>
<td>240</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>2001/02-2005/06</td>
<td>Structure Plan</td>
<td>280</td>
</tr>
<tr>
<td></td>
<td>2006/07-2010/11</td>
<td>Regional Plan</td>
<td>380</td>
</tr>
<tr>
<td></td>
<td>2011/12 onwards</td>
<td>Core Strategy</td>
<td>380</td>
</tr>
<tr>
<td>NE Derbyshire</td>
<td>2001/02-2005/06</td>
<td>Structure Plan</td>
<td>215</td>
</tr>
<tr>
<td></td>
<td>2006/07-2010/11</td>
<td>Regional Plan</td>
<td>380</td>
</tr>
<tr>
<td></td>
<td>2011/12 onwards</td>
<td>Draft Local Plan</td>
<td>300</td>
</tr>
</tbody>
</table>

Source: Local authorities, April 2017

4.29 As Figure 17 shows, there was a cumulative over-delivery over the period until the onset of the credit crunch and market downturn in 2008-9; however influenced by market conditions a level of

---

15 Based on Council's Annual Monitoring Data, April 2017
under-delivery has arisen since. By 2014, the base date of this OAN assessment, this was of 2,421 dwellings across the HMA.

4.30 Comparing Figures 17 and 18 it is clear that the downturn in housing delivery within the HMA was mirrored nationally, demonstrating that it was influenced particularly by macro-economic factors and effective demand for housing.

**Figure 17: Net Completions 2001-2016, HMA**

*Source: Local Authorities, April 2017*

**Figure 18: Dwelling Completions 2001-2016, England**

*Source: DCLG Table 209*

4.31 In practical terms however, the under-delivery of housing may have constrained migration to local authorities within the HMA, and household formation. GL Hearn has taken these factors into
account in drawing conclusions on the demographic need for housing, making adjustments to both migration (based on 10 year trend) and to household formation. These have been key practical impacts of an under-delivery of housing. These adjustments increased the demographic need from 18,774 dwellings (2014-35) to 23,121 dwellings, an increase of almost 4,350 homes. These adjustments more than compensate for and address the historic under-delivery of 2,421 dwellings against housing requirement figures/targets to the base date of the OAN calculation.

4.32 Overall the evidence suggests that past rates of development have fallen, particularly between 2008 and 2015, below planned levels. This provides supporting justification for the use of long-term demographic projections and adjustments to headship rates in drawing conclusion for the demographic need.

**Drawing the Evidence Together**

4.33 Drawing together the evidence on market signals:

- Median house prices for the HMA stand at £135,500, which is 36% below the national and 16% below the regional equivalent. Housing costs are below national and regional equivalents across all four authorities.

- Long-term growth in prices has been modest during this market cycle. Over the last 10 years, prices have increased by £10,800 with annual price growth averaging 0.9% per annum, which is below the rates of England and East Midlands. Nationally prices over this period increased by £19,000 on average.

- Land values in 2015 are less than the half of the regional equivalent and less than the quarter of the national (excl London) level. Land values are influenced by housing costs; but overall the evidence does not point to a shortage of residential land in the HMA.

- Lower quartile house prices are on average 5.4 times lower quartile earnings (based on individual incomes) in 2016 across the HMA. Figures for individual authorities vary from 4.5 – 6.2. This ratio is slightly above where it was 5 years ago (4.92), and below of where it was 10 years ago (5.77). The HMA ratio as well as the individual authorities are below the regional and national equivalents.  

- Rental costs are below the East Midlands and England equivalents. Rental growth over the 2011-16 period at 0.6% per annum has been below the national (2.1%) and regional (2.5%) equivalents, with rents effectively falling in real terms relative to inflation.

- The LQ rental affordability ratio (LQ rents/LQ earnings) in all four authorities at 25-27% is similarly below regional and national equivalents (28-30%).

- Rates of development in HMA have fallen below planned housing provision since 2008/9 consistent with trends seen nationally and influenced by macro-economic dynamics. The scale
of under-delivery to the base point of this OAN assessment in 2014 was of 2,421 dwellings across the HMA. However this has been considered and addressed in the demographic adjustments made (adjusting migration and household formation) which together have increased the need from the demographic starting-point. This results in upward adjustments to the assessed housing need figure which more than address and compensate for historic under-delivery. Making a further adjustment would represent double counting.

4.34 The adjustments included within the OAN calculations in this OAN Update Study take into account historical under-delivery prior to 2014. This is taken into account in calculating the OAN. This approach is consistent with case law, which clearly explains that it is not therefore appropriate to ‘add on’ any shortfall (or subtract a surplus) prior to the base date of 2014 in calculating the housing requirement for a plan, or in five year land supply calculations. These factors are captured within the OAN calculations.

4.35 The evidence points to very limited comparative pressures from market signals, consistent with that identified in the SHMA 2013. Taking account of the adjustments made in drawing conclusions on the demographic need for housing, as considered in Section 3, GL Hearn conclude that no further adjustment for market signals are warranted by the evidence.

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16 Zurich Assurance Ltd v Winchester City Council & South Downs NPA [2014] EWHC 758 (Admin)
5 AFFORDABLE HOUSING NEED

5.1 The PPG (2a-022) describes the calculation of affordable housing need as relating to ‘the number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market. This calculation involves adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of affordable housing stock’. Households in ‘housing need’ on this basis are eligible for affordable housing.

5.2 The PPG sets out a model for assessing affordable housing need. This model largely replicates the model set out in previous 2007 SHMA Guidance. It draws on a number of sources of information including Census data, demographic projections, house prices/rents and income information. Paragraph 14 of the PPG (2a-014) sets out that: “Plan makers should avoid expending significant resources on primary research ... They should instead look to rely predominantly on secondary data (e.g. Census, national surveys) to inform their assessment which are identified within the guidance”. The analysis in this report differs from that in the 2013 SHMA in that it draws entirely from secondary data sources (the SHMA also utilised a household survey) and this change in methodology can have some impact on the figures used. The use of secondary data only is consistent with the approach set out in the PPG.

5.3 The affordable housing needs model is based largely on housing market conditions (and particularly the relationship of housing costs and incomes) at a particular point in time – the time of the assessment – as well as the existing supply of affordable housing (through relets of current stock) which can be used to meet affordable housing need. Given the range of data available, a base date of 2016 is used. However, for the purposes of consistency the demographic projections and to provide a read across between different elements of the analysis, data is presented per annum for the period 2014-35.

5.4 In February 2017, the Government published a new Housing White Paper. This included proposals to change the definition of affordable housing. The main change is to include a series of ownership options, including Starter Homes and discounted private rents, within the definition of affordable housing. However, the overarching definition of affordable housing does not appear to have changed. The White Paper saying that affordable housing is ‘housing that is provided for sale or rent to those whose needs are not met by the market’, whereas the current NPPF definition is ‘Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market’. In both cases, the test is whether or not households’ needs are met by the market. This has generally meant understanding which households can or cannot afford
to access market housing (typically on the basis of their income). This position does not appear to have changed and is the approach used in the analysis to follow.

5.5 The broad methodology used, derived from the PPG, is summarised in Figure 19. The only departure from this methodology (which is fairly minor) is that the analysis excludes supply arising from sites with planning permission (the ‘development pipeline’). This allows for a comparison with the demographic projections set out in the report.

5.6 The analysis has been based on meeting affordable housing need over the 21-year period from 2014 to 2035. Whilst most of the data in the model are annual figures, the ‘current need’ has been divided by 21 to provide an equivalent annual figure. This does not imply that households would have to wait 21 years to be housed – there will be a turnover of households moving on and off Housing Registers over time.

**Figure 19: Overview of Affordable Housing Needs Assessment Model**

![Figure 19](image.png)

Affordability

5.7 There are various stages in the analysis of affordability. The analysis essentially seeks to estimate the proportion of different household groups who can afford market housing. This takes account of the cost of housing, local income levels and a view about the proportion of income that can be spent on housing.

Housing Costs

5.8 The analysis of housing costs seeks to establish the entry-level cost of housing. In most areas (including North Derbyshire & Bassetlaw) the private rented sector represents the entry-level to the market, and so an analysis of the cost of rented housing has been undertaken. The approach used has been to analyse Valuation Office Agency (VOA) data to establish lower quartile private rents.
For the purposes of analysis (and to be consistent with Paragraph 25 of the PPG (2a-015)), lower quartile rents are taken to reflect the entry-level point into the market.

5.9 **Table 38** below shows estimated lower quartile private rents by dwelling size. This covers a 12-month period to September 2016. The analysis shows an average lower quartile cost (across all dwelling sizes) of between £410 per month (in Bolsover), rising to £425 in Bassetlaw and North East Derbyshire.

**Table 38: Lower quartile private rents by size and location (year to September 2016) – per month**

<table>
<thead>
<tr>
<th></th>
<th>Bassetlaw</th>
<th>Bolsover</th>
<th>Chesterfield</th>
<th>NED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room only</td>
<td>£293</td>
<td>£238</td>
<td>£282</td>
<td>-</td>
</tr>
<tr>
<td>Studio</td>
<td>£275</td>
<td>-</td>
<td>£314</td>
<td>£288</td>
</tr>
<tr>
<td>1 bedroom</td>
<td>£320</td>
<td>£328</td>
<td>£360</td>
<td>£356</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>£425</td>
<td>£395</td>
<td>£450</td>
<td>£425</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>£475</td>
<td>£412</td>
<td>£475</td>
<td>£550</td>
</tr>
<tr>
<td>4+ bedrooms</td>
<td>£645</td>
<td>£594</td>
<td>£650</td>
<td>£700</td>
</tr>
<tr>
<td>All dwellings</td>
<td>£425</td>
<td>£410</td>
<td>£420</td>
<td>£425</td>
</tr>
</tbody>
</table>

Source: Valuation Office Agency

**How much will households spend on housing?**

5.10 It is next necessary to consider the amount of income that household could be expected to spend on housing costs. There is no guidance on this topic within the PPG although previous SHMA guidance has set out a starting point of 25%, with the potential to adjust this where local circumstances suggest this is appropriate (presumably in an upward direction in areas with higher housing costs).

5.11 It would be fair to say that private sector rents in the HMA (and individual local authorities) are fairly low; comparing for example with a lower quartile figure of £450 regionally and £500 across England. Hence a figure at the bottom end of any range is likely to be appropriate, and for the purposes of the analysis a 25% threshold has been used for this HMA. This is consistent with analysis in the 2013 SHMA, although it should be noted that some small variation might be appropriate.

**Income levels and affordability**

5.12 Following on from the assessment of local rents it is important to understand local income levels as these (along with the price/rent data) will determine the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy). Data about total household income has been modelled on the basis of a number of different sources of information to provide both an overall average income and the likely distribution of incomes in each area. The key sources of data include:
- ONS modelled income estimates (published in October 2015 with a 2011/12 base) – this information is provided for middle layer super output areas (MSOA) and is therefore used to build up to local authority areas;
- English Housing Survey (EHS) – this is used to provide information about the distribution of incomes; and
- Annual Survey of Hours and Earnings (ASHE) – to assist in looking at how incomes have changed since the ONS base date.

5.13 Drawing all of this data together, an income distribution for 2016 has been constructed. Table 39 shows the average (mean and median) household income, along with a lower quartile estimate. The analysis shows a median income across the HMA of £26,300, with incomes being highest in Bassetlaw and lowest in Bolsover.

Table 39: Average (mean), median and lower quartile household income estimate

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Median</th>
<th>Lower quartile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>£35,646</td>
<td>£27,112</td>
<td>£15,682</td>
</tr>
<tr>
<td>Bolsover</td>
<td>£32,275</td>
<td>£24,548</td>
<td>£14,199</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>£34,301</td>
<td>£26,089</td>
<td>£15,090</td>
</tr>
<tr>
<td>NED</td>
<td>£35,362</td>
<td>£26,896</td>
<td>£15,557</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>£34,554</td>
<td>£26,253</td>
<td>£15,194</td>
</tr>
</tbody>
</table>

Source: Derived from a range of data as discussed

5.14 To assess affordability, household incomes are compared with housing costs to estimate the likely proportion of households who are unable to afford market housing. Different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g. recognising that newly forming households are likely on average to have lower incomes than existing households. Assumptions about income levels for specific elements of the modelling are discussed where relevant in the analysis that follows.

Building up the assessment of Affordable Housing Need

5.15 The series of sections below bring together the various stages of analysis as set out in the PPG. These can be summarised as:

- Current Affordable Housing Need
- Projected new need (from newly forming and existing households)
- Supply for affordable housing from relets

Current Affordable Housing Need

5.16 In line with PPG paragraph 17 (2a-017), the current need for affordable housing has been based on considering the likely number of households with one or more housing problems. A list is initially set out in paragraph 23 (2a-02) of the PPG. This list of potential households in need is then expanded on in paragraph 24 (2a-024) of the PPG which provides a list of the categories to consider when
assessing current need. This assessment seeks to follow this list by drawing on a number of different data sources. The table below sets out the data used in each part of the assessment.

### Table 40: Main sources for assessing the current unmet need for affordable housing

<table>
<thead>
<tr>
<th>Source</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Homeless households</strong></td>
<td>CLG Live Table 784</td>
</tr>
<tr>
<td><strong>Households in overcrowded housing</strong></td>
<td>Census table LC4108EW Analysis undertaken by tenure</td>
</tr>
<tr>
<td><strong>Concealed households</strong></td>
<td>Census table LC1110EW Number of concealed families (with dependent or non-dependent children)</td>
</tr>
<tr>
<td><strong>Existing affordable housing tenants in need</strong></td>
<td>Modelled data linking to past survey analysis Will include households with many of the issues in the first box above (e.g. insecure tenure)</td>
</tr>
<tr>
<td><strong>Households from other tenures in need</strong></td>
<td>Modelled data linking to past survey analysis</td>
</tr>
</tbody>
</table>

*Source: PPG [ID 2a-024-20140306]*

5.17 It should be noted that there may be some overlap between categories (such as overcrowding and concealed households, whereby the overcrowding would be remedied if the concealed household moved). The data available does not enable analysis to be undertaken to study the impact of this and so it is possible that the figures presented include a small element of double counting. Additionally, some of the concealed households may be older people who have moved back in with their families and might not be considered as in need.

5.18 Table 41 shows the initial estimate of the number of households within the HMA with a current housing need. These figures are before any consideration of affordability has been made and has been termed ‘the number of households in unsuitable housing’. Overall, the analysis suggests that there are currently some 8,277 households living in unsuitable housing (or without housing).

### Table 41: Estimated number of households living in unsuitable housing

<table>
<thead>
<tr>
<th></th>
<th>Homeless</th>
<th>Overcrowded</th>
<th>Concealed</th>
<th>AH tenants</th>
<th>Other tenures</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bassetlaw</strong></td>
<td>7</td>
<td>1,008</td>
<td>209</td>
<td>159</td>
<td>960</td>
<td>2,342</td>
</tr>
<tr>
<td><strong>Bolsover</strong></td>
<td>0</td>
<td>782</td>
<td>149</td>
<td>125</td>
<td>659</td>
<td>1,715</td>
</tr>
<tr>
<td><strong>Chesterfield</strong></td>
<td>15</td>
<td>1,111</td>
<td>138</td>
<td>227</td>
<td>873</td>
<td>2,363</td>
</tr>
<tr>
<td><strong>ND</strong></td>
<td>5</td>
<td>826</td>
<td>185</td>
<td>184</td>
<td>657</td>
<td>1,857</td>
</tr>
<tr>
<td><strong>ND&amp;B HMA</strong></td>
<td>27</td>
<td>3,727</td>
<td>681</td>
<td>694</td>
<td>3,149</td>
<td>8,277</td>
</tr>
</tbody>
</table>

*Source: CLG Live Tales, Census (2011) and data modelling*

5.19 In taking this estimate forward, the data modelling estimates housing unsuitability by tenure. From the overall number in unsuitable housing, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The analysis also excludes 90% of owner-occupiers under the assumption (which is supported by analysis of survey data) that the vast majority will be able to afford housing once savings and equity are taken into account. A final (very minor) adjustment is to slightly reduce the
unsuitability figures in the private rented sector to take account of student-only households – such households could technically be overcrowded/living in unsuitable housing but would be unlikely to be considered as being in affordable housing need (student households rarely qualify for affordable housing). Once these households are removed from the analysis, the remainder are taken forward for affordability testing. Table 42 below shows that there were 14,385 households living in unsuitable housing (excluding current social tenants and the majority (90%) of owner-occupiers).

Table 42: Unsuitable housing by tenure and numbers to take forward into affordability modelling

<table>
<thead>
<tr>
<th>Tenure</th>
<th>In unsuitable housing</th>
<th>Number to take forward for affordability testing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner-occupied</td>
<td>2,799</td>
<td>280</td>
</tr>
<tr>
<td>Affordable housing</td>
<td>2,111</td>
<td>0</td>
</tr>
<tr>
<td>Private rented</td>
<td>2,659</td>
<td>2,657</td>
</tr>
<tr>
<td>No housing (homeless/concealed)</td>
<td>708</td>
<td>708</td>
</tr>
<tr>
<td>Total</td>
<td>8,277</td>
<td>3,645</td>
</tr>
</tbody>
</table>

Source: CLG Live Tales, Census (2011) and data modelling

5.20 Having established this figure, it needs to be considered that a number of these households might be able to afford market housing without the need for subsidy. The income data has been used to apply an affordability test, with the distribution adjusted to reflect a lower average income amongst households living in unsuitable housing. For the purposes of the modelling an income distribution that reduces the level of income to 69% of the figure for all households has been used to identify the proportion of households whose needs could not be met within the market (for households currently living in housing). A lower figure (of 42%) has been used to apply an affordability test for the concealed/homeless households who do not currently occupy housing. These two percentage figures have been based on a consideration of typical income levels of households who are in unsuitable housing (and excluding social tenants and the majority of owners) along with typical income levels of households accessing social rented housing (for those without accommodation). These figures are considered to be best estimates, and likely to approximately reflect the differing income levels of different groups with a current housing problem.

5.21 Overall, around three-fifths of households with a current need are estimated to be likely to have insufficient income to afford market housing and so the estimate of the total current need is reduced to 2,193 households in the HMA. Table 43 below shows how current need is estimated to vary across local authorities.
Table 43: Estimated Current Affordable Housing Need

<table>
<thead>
<tr>
<th>Location</th>
<th>In unsuitable housing (taken forward for affordability test)</th>
<th>% Unable to Afford Market Housing (without subsidy)</th>
<th>Revised Gross Need (including Affordability)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>1,162</td>
<td>58.9%</td>
<td>685</td>
</tr>
<tr>
<td>Bolsover</td>
<td>842</td>
<td>61.5%</td>
<td>518</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>952</td>
<td>59.6%</td>
<td>567</td>
</tr>
<tr>
<td>NED</td>
<td>690</td>
<td>61.4%</td>
<td>424</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>3,645</td>
<td>60.2%</td>
<td>2,193</td>
</tr>
</tbody>
</table>

Source: CLG Live Tales, Census (2011), data modelling and affordability analysis

Newly-Arising Affordable Housing Need

5.22 To estimate newly-arising (projected future) need we have looked at two key groups of households, based on the PPG. These are:
- Newly forming households; and
- Existing households falling into need.

Newly-Forming Households

5.23 The number of newly-forming households has been estimated through the demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below 5 years previously to provide an estimate of gross household formation. This differs from numbers presented in the demographic projections which are for net household growth. The numbers of newly-forming households are limited to households forming who are aged under 45.

5.24 The estimates of gross new household formation have been based on outputs from our core demographic projection. In looking at the likely affordability of newly-forming households we have drawn on data from previous surveys. This establishes that the average income of newly-forming households is around 84% of the figure for all households. We have therefore adjusted the overall household income data to reflect the lower average income for newly-forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this we are able to calculate the proportion of households unable to afford market housing without any form of subsidy (such as Local Housing Allowance or Housing Benefit). Our assessment suggests that overall around two-

---

17 i.e. the analysis considers the number of households aged under 45 in a particular year and subtracts the number aged under 40 five-years previously – this provides an indication of the number of new households that didn’t exist five years earlier.
18 This is consistent with CLG guidance (from 2007 – see Annex B) which notes after age 45 that headship (household formation) rates ‘plateau’. The PPG does not provide any specific guidance on how to calculate the number of newly forming households. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.
19 This figure is remarkably consistent across all areas (and is also consistent with analysis of English Housing Survey data at a national level analysed over a number of years).
fifths of newly-forming households will be unable to afford market housing and that a total of 1,267 new households will have an affordable need on average in each year to 2036 in the HMA.

Table 44: Estimated Level of Affordable Housing Need from Newly Forming Households (per annum)

<table>
<thead>
<tr>
<th></th>
<th>Number of new households</th>
<th>% unable to afford market housing without subsidy</th>
<th>Total in need</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>771</td>
<td>44.5%</td>
<td>343</td>
</tr>
<tr>
<td>Bolsover</td>
<td>572</td>
<td>47.7%</td>
<td>273</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>780</td>
<td>45.8%</td>
<td>357</td>
</tr>
<tr>
<td>NED</td>
<td>655</td>
<td>44.9%</td>
<td>294</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>2,778</td>
<td>45.6%</td>
<td>1,267</td>
</tr>
</tbody>
</table>

Source: Projection Modelling/Income analysis

Existing Households falling into Affordable Housing Need

5.25 The second element of newly arising need is existing households falling into need. To assess this, we have used information from Continuous Online Recording (CoRe) data. We have looked at households who have been housed over the past three years (2012-15) – this group represents the flow of households onto the Housing Register over this period. From this we have discounted any newly forming households (e.g. those currently living with family) as well as households who have transferred from another affordable property. An affordability test has also been applied, although relatively few households are estimated to have sufficient income to afford market housing.

5.26 This method for assessing existing households falling into need (in the absence of any guidance in the PPG) is consistent with the 2007 SHMA guide which says on page 46 that ‘Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)’.

5.27 The analysis suggests a need arising from 898 existing households each year across the HMA, as shown in Table 45.

Table 45: Estimated level of Housing Need from Existing Households (per annum)

<table>
<thead>
<tr>
<th></th>
<th>Number of Existing Households falling into Need</th>
<th>% of Existing Households falling into Need</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>255</td>
<td>28.4%</td>
</tr>
<tr>
<td>Bolsover</td>
<td>215</td>
<td>24.0%</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>277</td>
<td>30.9%</td>
</tr>
<tr>
<td>NED</td>
<td>151</td>
<td>16.8%</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>898</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: CoRe/affordability analysis
Supply of Affordable Housing

5.28 The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need. It is split between the annual supply of social/affordable rent relets and the annual supply of relets/sales within the intermediate sector.

5.29 The PPG paragraph 27 (2a-027) 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 CoRe to establish past patterns of social housing turnover. 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.

5.30 On the basis of past trend data is has been estimated that 1,877 units of social/affordable rented housing are likely to become available each year moving forward, with a notably higher proportion of these being in Chesterfield.

Table 46: Analysis of past social/affordable rented housing supply (per annum – based on data for the 2013-16 period)

<table>
<thead>
<tr>
<th></th>
<th>Total lettings</th>
<th>% as non-newbuild</th>
<th>Lettings in existing stock</th>
<th>% non-transfers</th>
<th>Total lettings to new tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>849</td>
<td>97.1%</td>
<td>825</td>
<td>60.0%</td>
<td>495</td>
</tr>
<tr>
<td>Bolsover</td>
<td>608</td>
<td>96.9%</td>
<td>589</td>
<td>65.6%</td>
<td>386</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>1,203</td>
<td>98.6%</td>
<td>1,186</td>
<td>59.3%</td>
<td>703</td>
</tr>
<tr>
<td>NED</td>
<td>685</td>
<td>93.9%</td>
<td>643</td>
<td>45.4%</td>
<td>292</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>3,345</td>
<td>97.0%</td>
<td>3,243</td>
<td>57.9%</td>
<td>1,877</td>
</tr>
</tbody>
</table>

Source: CoRe (2013-16)

5.31 The supply figure is for social/affordable rented housing only and whilst the stock of intermediate housing in the study area is not significant compared to the social/affordable rented stock it is likely that some housing does become available each year (e.g. resales of shared ownership).

5.32 For the purposes of this assessment we have again utilised CoRe data about the number of sales of homes that were not new-build. From this it is estimated that around 5 additional properties might become available per annum. The total supply of affordable housing is therefore estimated to be 1,882 per annum across the HMA.
Table 47: Supply of affordable housing

<table>
<thead>
<tr>
<th></th>
<th>Social/affordable rented relets</th>
<th>Intermediate housing ‘relets’</th>
<th>Total supply (per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>495</td>
<td>1</td>
<td>496</td>
</tr>
<tr>
<td>Bolsover</td>
<td>386</td>
<td>0</td>
<td>386</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>703</td>
<td>3</td>
<td>706</td>
</tr>
<tr>
<td>NED</td>
<td>292</td>
<td>1</td>
<td>293</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>1,877</td>
<td>5</td>
<td>1,882</td>
</tr>
</tbody>
</table>

Source: CoRe (2013-16)

Net Affordable Housing Need

5.33 Table 48 below shows our overall calculation of affordable housing need. This excludes supply arising from sites with planning permission (the ‘development pipeline’) to allow for a comparison with the demographic projections set out in this report. The analysis has been based on meeting affordable housing need over the 21-year period from 2014 to 2035. Whilst most of the data in the model are annual figures the current need has been divided by 21 to make an equivalent annual figure.

The analysis points to an overall need for affordable housing of 388 units per annum over the 21-years to 2035 across the HMA. For individual authorities, the analysis shows an affordable need in all areas apart from Chesterfield, which has a small surplus – this looks to be driven by a high estimated future level of re-let supply.

Table 48: Estimated level of Affordable Housing Need per annum – by HMA and local authority

<table>
<thead>
<tr>
<th></th>
<th>Current need</th>
<th>Newly forming households</th>
<th>Existing households falling into need</th>
<th>Total Need</th>
<th>Supply from existing stock</th>
<th>Net Need</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>33</td>
<td>343</td>
<td>255</td>
<td>631</td>
<td>496</td>
<td>134</td>
</tr>
<tr>
<td>Bolsover</td>
<td>25</td>
<td>273</td>
<td>215</td>
<td>513</td>
<td>386</td>
<td>126</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>27</td>
<td>357</td>
<td>277</td>
<td>662</td>
<td>706</td>
<td>-44</td>
</tr>
<tr>
<td>NED</td>
<td>20</td>
<td>294</td>
<td>151</td>
<td>465</td>
<td>293</td>
<td>172</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>104</td>
<td>1,267</td>
<td>898</td>
<td>2,270</td>
<td>1,882</td>
<td>388</td>
</tr>
</tbody>
</table>

Source: 2011 Census/CoRe/Projection Modelling and affordability analysis

5.35 The core analysis above has looked meeting affordable needs over the full projection period used in this report (i.e. the 21-years to 2035). In many affordable needs assessments (including the 2013 SHMA) affordable needs are considered over the next five years. Table 49 shows the estimated need if the current need figures are annualised over five years. All areas see an increased estimate of the affordable need, and Chesterfield now shows a need to provide more affordable housing.
Table 49: Estimated level of Affordable Housing Need per annum – by HMA and local authority (meeting needs over a five-year period)

<table>
<thead>
<tr>
<th></th>
<th>Current need</th>
<th>Newly forming household s</th>
<th>Existing household s falling into need</th>
<th>Total Need</th>
<th>Supply from existing stock</th>
<th>Net Need</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>137</td>
<td>343</td>
<td>255</td>
<td>735</td>
<td>496</td>
<td>239</td>
</tr>
<tr>
<td>Bolsover</td>
<td>104</td>
<td>273</td>
<td>215</td>
<td>592</td>
<td>386</td>
<td>205</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>113</td>
<td>357</td>
<td>277</td>
<td>748</td>
<td>706</td>
<td>42</td>
</tr>
<tr>
<td>NED</td>
<td>85</td>
<td>294</td>
<td>151</td>
<td>530</td>
<td>293</td>
<td>236</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>439</td>
<td>1,267</td>
<td>898</td>
<td>2,604</td>
<td>1,882</td>
<td>722</td>
</tr>
</tbody>
</table>

Source: 2011 Census/CoRe/Projection Modelling and affordability analysis

Delivering Affordable Housing

5.36 To consider the inter-relationship between affordable housing need and overall housing provision, the PPG sets out in Paragraph 2a-029 that the affordable housing need “should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.”

5.37 The proportion of affordable housing in mixed-tenure developments is influenced by residential development viability. GL Hearn has reviewed viability evidence and policies in current and emerging plans in each local authority, with the latest position suggesting that 10% affordable housing provision is proposed to be sought in Bolsover; between 15-35% in Bassetlaw; 30% in Chesterfield and between 30-40% in North East Derbyshire. This is informed by viability evidence.

5.38 Some development schemes may not deliver compliant levels of affordable housing or may fall below site size thresholds; but set against this, some affordable housing is likely to be delivered through other means including schemes supported by HCA funding, on land owned by registered providers and through rural exceptions schemes.

Table 50: Affordable Housing Policies

<table>
<thead>
<tr>
<th>Affordable Housing Policy</th>
<th>Threshold</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>15%, 25% or 35% depending on settlement</td>
<td>Bassetlaw Core Strategy and Development Management Policies Development Plan Document Dec 2011 &amp; Affordable Housing SPD 2014</td>
</tr>
<tr>
<td>Bolsover</td>
<td>10%</td>
<td>Bolsover Local Plan Consultation Draft, Oct 2016, Policy LC2</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>Up to 30%</td>
<td>SHMA 2014 (as mentioned in the Chesterfield Borough Local Plan Consultation Draft 2017)</td>
</tr>
<tr>
<td>NE Derbyshire</td>
<td>30% or 40% depending on sub-area</td>
<td>NED Local Plan 2011-33 Consultation Draft, Feb 2017 - Policy LC2</td>
</tr>
</tbody>
</table>
5.39 Following the PPG approach, we have taken the above policy figures for affordable housing provision (taking the midpoint where there is a range) and used this to consider what notional level of housing provision would be required to deliver the affordable housing need in full. This calculation should be regarded as indicative, but follows the approach set out in the PPG.

Table 51: Notional Total Provision to Deliver Affordable Housing Need in Full, (dpa)

<table>
<thead>
<tr>
<th></th>
<th>Net Affordable Housing Need</th>
<th>Notional Affordable Housing Delivery</th>
<th>Notional Housing Provision to Deliver Affordable Housing Need in Full</th>
<th>Demographic Need, dpa</th>
<th>% Uplift on Demographic Need</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basselaw</td>
<td>134</td>
<td>20%</td>
<td>670</td>
<td>340</td>
<td>97%</td>
</tr>
<tr>
<td>Bolsover</td>
<td>126</td>
<td>10%</td>
<td>1260</td>
<td>247</td>
<td>410%</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>-44</td>
<td>25%</td>
<td>-</td>
<td>265</td>
<td>-</td>
</tr>
<tr>
<td>NED</td>
<td>172</td>
<td>30%</td>
<td>573</td>
<td>248</td>
<td>131%</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>388</td>
<td></td>
<td>2503</td>
<td>1100</td>
<td>128%</td>
</tr>
</tbody>
</table>

5.40 There has been some debate over the last couple of years so over whether affordable housing need is thus a component of the OAN, or that there is a separate requirement in setting policy to consider adjusting upwards the housing requirement to boost affordable housing delivery. The appropriate approach has been confirmed by the High Court in *Kings Lynn & West Norfolk vs. SSCLG & Elm Park Holdings Ltd.* In this judgement, Mr Justice Dove notes the “ingredients” involved in assessing the full OAN, and that this necessitated considering a range of relevant data for which there is no one set methodology and which will involve elements of judgement. He went on to outline how the need for affordable housing should be considered in drawing conclusions on the OAN:

“31 In terms of the first element of the assessment in the first of the sub-bullet points in paragraph 159, namely meeting household and population projections taking account of migration and demographic change, the PPG illustrates that this is a statistical exercise involving a range of relevant data for which there is no one set methodology, but which will involve elements of judgment about trends and the interpretation and application of the empirical material available.

These judgments will arise in relation to whether, for example, adjustments for local demography or household formation rates are required (see paragraph ID 2a-014–20140306), and the extent and nature of adjustments for market signals (see paragraph ID 2aa-018–20140306). Judgment will further be involved in taking account of economic projections in undertaking this exercise.

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20 *Kings Lynn & West Norfolk vs. SSCLG & Elm Park Holdings Ltd* [2015] EWHC 2464 (Admin)
32 At the second stage described by the second sub-bullet point in paragraph 159, the needs for types and tenures of housing should be addressed. That includes the assessment of the need for affordable housing as well as different forms of housing required to meet the needs of all parts of the community. Again, the PPG provides guidance as to how this stage of the assessment should be conducted, including in some detail how the gross unmet need for affordable housing should be calculated. The Framework makes clear these needs should be addressed in determining the FOAN, but neither the Framework nor the PPG suggest that they have to be met in full when determining that FOAN. This is no doubt because in practice very often the calculation of unmet affordable housing need will produce a figure which the planning authority has little or no prospect of delivering in practice. That is because the vast majority of delivery will occur as a proportion of open-market schemes and is therefore dependent for its delivery upon market housing being developed. It is no doubt for this reason that the PPG observes at paragraph ID 2a-208–20140306 as follows:

“The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.”

33 This consideration of an increase to help deliver the required number of affordable homes, rather than an instruction that the requirement be met in total, is consistent with the policy in paragraph 159 of the Framework requiring that the SHMA “addresses” these needs in determining the FOAN. They should have an important influence increasing the derived FOAN since they are significant factors in providing for housing needs within an area.

34 Insofar as Hickinbottom J in the case of Oadby and Wigston Borough Council v Secretary of State [2015] EWHC 1879 might be taken in paragraph 34(ii) of his judgment to be suggesting that in determining the FOAN, the total need for affordable housing must be met in full by its inclusion in the FOAN I would respectfully disagree. Such a suggestion is not warranted by the Framework or the PPG for the reasons which I have just set out.”

5.41 It seems clear from this that the expectation is that it may be necessary, based on the affordable needs evidence to consider an adjustment to enhance the delivery of affordable housing, but this does not need to be necessarily done in a mechanical way whereby the affordable need on its own dictates the OAN figure. This has been made clear by the High Court in Kings Lynn and West Norfolk Council vs. SSCLG and Elm Park Holdings21, where Mr Justice Dove in paragraph 35 of the

21[2015] EWHC 2464
Judgment clearly establishes that an assessment of affordable housing need should be carried out, but that the level of affordable need shown by analysis does not necessarily have to be met in full within the assessment of the FOAN but that affordable housing need’s evidence may support upwards adjustments to housing need within the OAN calculation, but with consideration given to the overall deliverability of housing.

5.42 GL Hearn does not consider that adjustments of over 100% in overall housing delivery are either realistically deliverable or justified. In interpreting the affordable housing needs evidence, we consider that the following needs to be recognised:

- This is a relatively low value housing market. Low house prices impact residential development viability, and this significantly impacts on the degree of affordable housing that can be delivered through mixed-tenure developments.

- There are other means of delivering affordable housing besides S106, including through schemes brought forward by Registered Providers, through rural exception site development and through delivery funded through through the National Affordable Housing Programme. These will contribute to affordable housing delivery.

- The need for affordable housing is very sensitive to housing costs and incomes. Increasing overall housing delivery can be expected to support improvements in the affordability of market housing. This will contribute to reducing the affordable housing need.

- There is a clear need for economic regeneration. Improving employment levels and incomes will contribute to reducing the affordable housing need.

5.43 There is however some basis in the evidence for considering upward adjustments from the conclusions on demographic need to support affordable housing delivery. We consider that within the OAN calculation, a 10% upward adjustment on the demographic need should be considered responding to the affordable housing needs evidence.
6 NEED FOR DIFFERENT TYPES OF AFFORDABLE HOUSING

6.1 This section seeks to consider the range of affordable housing options in North Derbyshire & Bassetlaw. This provides an indication of the range of tenure options that meet the needs of a broad spectrum of households. A particular focus of the analysis is to consider the (wider) proposed definition of affordable housing in the Housing White Paper which proposes widening to the NPPF definition of affordable housing to include starter homes, discounted market sale properties and affordable private rented homes.

6.2 The HWP proposals are interesting in that the basic definition of who affordable housing is for does not change (households whose needs are not met by the market) but at the same time a series of additional options for meeting affordable need are suggested. In particular, some of the home ownership options (such as Starter Homes) might cater for those who can afford to rent privately without support, but cannot afford to buy. Central Government is however clear in its desire to see more home ownership options being made available, stating that ‘to promote delivery of affordable homes to buy, we propose to make it clear in national planning policy that local authorities should seek to ensure that a minimum of 10% of all homes on individual sites are affordable home ownership products’.

6.3 Looking more closely at some of the individual forms of affordable housing in the HWP, there appears to be some degree of similarity. For example, both affordable rented and affordable private rent are said to be based on a discount from market costs of 20% - hence in cost terms they are arguably identical. However, the difference is that affordable private rent is seen to be a suitable tenure on ‘Build to Rent’ schemes, whereas affordable rented housing would be let by local authorities or Registered Providers. The difference is therefore partly how housing might be allocated and hence the eligibility criteria; this would make a difference to the size profile of such housing (particularly as affordable private rent would be expected to be ‘physically indistinguishable’ from other types of housing in a development).

6.4 The widening range of affordable options within the Housing White Paper would not necessarily lend itself to a straight suggestion of different percentages of delivery of different types of housing. For example, affordable private rent (given that this is seen as most suitable on Build to Rent schemes) might arguably not have any target, but could be provided should an appropriate scheme come forward. Additionally, some home ownership schemes might not be affordable in a traditional sense (depending on the cost of other forms of housing) but might be considered suitable to allow households to move out of private rented accommodation and to meet the 10% provision level suggested in the Housing White Paper. These issues are considered further in the analysis below.

22 See NPPF Appendix 2: Glossary
6.5 The analysis in this section should be treated as indicative as it is based on a specific set of assumptions at a point in time. In reality, the delivery of affordable housing on any individual site will be affected by a number of issues such as site characteristics, the viability of development and funding availability. Additionally, it should be noted that property values can vary dramatically by location (even street to street) and by built form and it would therefore be impossible to have a single set of affordability figures to cover all locations; every site will be unique.

6.6 In terms of translating a housing cost into estimates of the ability to afford, it also needs to be recognised that different households will have different characteristics (e.g. some may be income rich and asset poor, whilst others will have the opposite characteristics). This will in turn have an impact on the type of product that is best suited, and is again an issue that cannot readily be picked up in this analysis. Additionally, it should be noted that the bulk of analysis in this section looks at income requirements; in some cases, the income requirements may be quite low, and would be questionable as to whether finance could be secured (e.g. a mortgage). Hence some degree of common sense also needs to be applied.

6.7 Overall, this analysis should therefore only be used as a guide to what sort of products might work and to give an indication of their relative affordability. The Councils should remain flexible on a site by site basis in terms of the housing to be delivered to take account of issues such as viability. On many sites, there will be an element of choice in terms of the tenure mix vs. the volume of homes that are viable. This document is unable to make that site-by-site choice.

**Housing Costs**

6.8 The analysis below assesses the cost of housing of different tenures, and seeks to understand what this might mean in terms of an income required to access such housing. The analysis looks at both market housing and the full range of affordable housing options set out in the Housing White Paper.

**Owner-occupied housing**

6.9 Data from the Land Registry for the year to September 2016 shows that the lower quartile cost of housing varies from £77,000 in Bolsover, up to £115,000 in North East Derbyshire. The overall lower quartile price will be influenced by the profile of sales. This can particularly be seen in comparing Chesterfield and North East Derbyshire; prices for individual dwelling types do not vary dramatically, but the overall ‘average’ figure is notably different. The lower quartile figure over this period across England & Wales was £135,000, hence housing to buy is between 15% (North East Derbyshire) and 43% (Bolsover) cheaper locally than seen nationally.
6.10 In interpreting the lower quartile resale figure, it should be noted that there may be a number of properties included that are arguably not representative of the bottom end of the market (e.g. RTB sales and homes sold through auction). Such homes will not be available to all prospective purchasers. It is difficult to quantify such figures and the impact they have on the lower quartile value derived from Land Registry data. However, this point should be noted as in reality, the lower quartile price that is available to all prospective buyers may well be higher than presented below.

6.11 It should be noted that the figures below are for resale housing only. The cost of new build housing is discussed later in this section.

**Table 52: Cost of housing to buy – year to September 2016 – lower quartile figures – resale housing**

<table>
<thead>
<tr>
<th></th>
<th>Bassetlaw</th>
<th>Bolsover</th>
<th>Chesterfield</th>
<th>NED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat/maisonette</td>
<td>£62,750</td>
<td>£39,950</td>
<td>£76,500</td>
<td>£71,500</td>
</tr>
<tr>
<td>Terraced</td>
<td>£65,000</td>
<td>£60,000</td>
<td>£85,000</td>
<td>£78,500</td>
</tr>
<tr>
<td>Semi-detached</td>
<td>£94,500</td>
<td>£85,000</td>
<td>£105,000</td>
<td>£111,125</td>
</tr>
<tr>
<td>Detached</td>
<td>£167,375</td>
<td>£140,000</td>
<td>£175,000</td>
<td>£177,000</td>
</tr>
<tr>
<td>All dwellings</td>
<td>£97,000</td>
<td>£77,000</td>
<td>£102,000</td>
<td>£115,000</td>
</tr>
</tbody>
</table>

*Source: Land Registry*

6.12 The data above is from actual sales and split by the built form of properties, however in analysis of affordability, and to be consistent with analysis for other tenures of housing, it is more useful to consider the cost of housing in terms of the number of bedrooms. The Land Registry analysis has therefore been supplemented by a search of homes for sale in each area with Table 54 below showing estimated lower quartile prices by size. In this case it is estimated that housing costs would vary from about £42,000 for a one-bedroom home in Bolsover, and up to £176,000 for four bedrooms in North East Derbyshire. It should be noted that some caution should be exercised when considering the one-bedroom figures due to relatively small number of homes for sale and also the potential inclusion of park homes and retirement properties that may not be available to all cohorts of the population (i.e. there may be age restrictions).

**Table 53: Estimated lower quartile property price by dwelling size – year to September 2016 – resale housing**

<table>
<thead>
<tr>
<th></th>
<th>Bassetlaw</th>
<th>Bolsover</th>
<th>Chesterfield</th>
<th>NED</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-bedroom</td>
<td>£50,000</td>
<td>£42,100</td>
<td>£59,500</td>
<td>£56,500</td>
</tr>
<tr>
<td>2-bedroom</td>
<td>£73,000</td>
<td>£61,200</td>
<td>£81,700</td>
<td>£78,700</td>
</tr>
<tr>
<td>3-bedroom</td>
<td>£100,900</td>
<td>£90,900</td>
<td>£115,900</td>
<td>£115,700</td>
</tr>
<tr>
<td>4-bedroom</td>
<td>£167,336</td>
<td>£137,600</td>
<td>£175,200</td>
<td>£176,300</td>
</tr>
</tbody>
</table>

*Source: Derived from Land Registry and an internet price search (July 2017)*
6.13 As well as looking at the cost of resale housing, it is of interest to look at the cost of new homes compared with second-hand properties. The analysis below studies the increase in price of a new home compared to a second-hand home of the same built form using Land Registry data. The analysis shows a wide variation in the costs of new and second-hand housing depending on the type of home and location. For virtually all dwelling types, a new home is more expensive than a second-hand one. The overall direction of the analysis is interesting (i.e. that new homes are more expensive), however caution should be taken for individual outputs, as these will additionally be influenced by factors other than simply built-form; the figures can be influenced by a small number of sales in some areas and type categories.

Table 54: Difference between median cost of newbuild housing and resale homes (year to September 2016)

<table>
<thead>
<tr>
<th></th>
<th>Bassetlaw</th>
<th>Bolsover</th>
<th>Chesterfield</th>
<th>NED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat/maisonette</td>
<td>52%</td>
<td>73%</td>
<td>32%</td>
<td>172%</td>
</tr>
<tr>
<td>Terraced</td>
<td>45%</td>
<td>108%</td>
<td>45%</td>
<td>105%</td>
</tr>
<tr>
<td>Semi-detached</td>
<td>7%</td>
<td>26%</td>
<td>20%</td>
<td>-10%</td>
</tr>
<tr>
<td>Detached</td>
<td>0%</td>
<td>37%</td>
<td>12%</td>
<td>15%</td>
</tr>
<tr>
<td>All dwellings</td>
<td>23%</td>
<td>62%</td>
<td>20%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Source: Land Registry

6.14 Overall, the analysis would suggest that new homes are more expensive than second-hand homes, but that it is difficult to be precise about the difference. This is not least as new and second-hand homes will in many cases not be readily comparable (e.g. a newbuild 3-bedroom semi-detached homes will be different to a 3-bedroom semi-detached home in the resale market). At a national level, it is estimated that newbuild homes are around 15% more expensive than the equivalent all property figure.\textsuperscript{23}

Private Rented Housing

6.15 Table 55 below sets out the cost of renting a property on the open market in each local authority by size of property. Lower quartile rents start at around £320 per calendar month for a 1-bedroom property, rising to £700 for a 4 bedroom family sized home. Over the same period, the ‘average’ lower quartile rent in England was £500 per month, rents in the HMA are therefore between 15% and 18% lower than nationally.

Table 55: Lower Quartile Market Rents, year to September 2016

<table>
<thead>
<tr>
<th></th>
<th>Bassetlaw</th>
<th>Bolsover</th>
<th>Chesterfield</th>
<th>NED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room only</td>
<td>£293</td>
<td>£238</td>
<td>£282</td>
<td>-</td>
</tr>
<tr>
<td>Studio</td>
<td>£275</td>
<td>-</td>
<td>£314</td>
<td>£288</td>
</tr>
</tbody>
</table>

\textsuperscript{23} It should be noted that this is a best estimate, as previously noted it is difficult to get a direct comparison between new and second-hand homes; the uplift in cost of a new home may well be higher in the HMA than is observed nationally.
6.16 **Table 56** below sets out what an affordable rent would be if calculated at 80% of lower quartile market rents within North Derbyshire & Bassetlaw. The costs below for affordable rented housing are likely to be similar to those for ‘affordable private rent housing’ as proposed in the Housing White Paper and so this has not been separately studied.

<table>
<thead>
<tr>
<th></th>
<th>Bassetlaw</th>
<th>Bolsover</th>
<th>Chesterfield</th>
<th>NED</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-bedroom</td>
<td>£256</td>
<td>£262</td>
<td>£288</td>
<td>£285</td>
</tr>
<tr>
<td>2-bedrooms</td>
<td>£340</td>
<td>£316</td>
<td>£360</td>
<td>£340</td>
</tr>
<tr>
<td>3-bedrooms</td>
<td>£380</td>
<td>£330</td>
<td>£380</td>
<td>£440</td>
</tr>
<tr>
<td>4-bedrooms</td>
<td>£516</td>
<td>£475</td>
<td>£520</td>
<td>£560</td>
</tr>
</tbody>
</table>

Source: Derived from Valuation Office Agency data

6.17 The analysis uses a lower quartile private rent as part of the estimate of an affordable rent to be consistent with other analysis carried out in this section. In reality, an affordable rent will depend on the actual market value of the property in question (and could therefore vary considerably depending on location and built-form). This in turn will have an impact on viability. Hence, the analysis and costings in this section should be seen as indicative of typical values on a borough-wide basis.

**Social Rents**

6.18 The final main tenure analysed initially is social rents. The figures provided are an average rent and include services changes. They have been derived by looking at rent levels for 2015/16 (as evidenced by CoRe data) and then figures for different sizes established by looking at historical data (to iron out any potential year-on-year anomalies) and also the profile of dwellings let at social rents.

6.19 The analysis shows rent levels starting at £288 per month for a 1-bedroom home in Bassetlaw and rising to around £440 for four (or more) bedrooms. The figures for the 4-bedroom category should be treated with some caution as there are generally very few lettings of properties of this size in the study area.
Income Required to Access Different Tenures of Housing

6.20 Having established the likely cost of housing, we next move on to estimate what level of income might be required to access the different products. Separate tests are applied for home ownership and private renting. Home ownership is based on looking at mortgage multiples (mortgage affordability) with accessing private rented housing being based on consideration of the proportion of income that might need to be spent on housing (rental affordability).

**Mortgage Affordability**

6.21 A household is considered able to afford to buy a home if it costs less than four times the gross household income. It has also been assumed that a household will have a 10% deposit.

6.22 Previous CLG 2007 SHMA Guidance suggests using thresholds of $2.9^\times$ for households with multiple incomes and $3.5^\times$ for those with a single income. The use in this study of a four times multiple reflects the fact that there is likely to be some keenness from Government to ensure that prospective households are able to access the finance they need (for example, with the Help-to-Buy Scheme, the maximum income multiple is 4.5). Additionally, a brief review of a number of lenders indicates that four times income is generally available across the market; although the exact availability of finance will also depend on an individual household’s circumstances.

6.23 The 10% deposit is used to reflect the typical minimum deposit required to access mortgage finance. Again deposit availability will vary by household and raising this sort of level of capital would potentially be an issue for a number of households. However, there are initiatives available to help households to raise a deposit (such as Help-to-Buy ISAs).

6.24 As with other analysis, the affordability measure used should be treated as indicative given that there are a number of variables that will differ based on the circumstances of individual households.

**Rental Affordability**

| Table 57: Estimated average social rent by dwelling size |
|----------------|----------------|----------------|----------------|----------------|
|                | Bassetlaw      | Bolsover       | Chesterfield   | NED            |
| 1-bedroom      | £288           | £337           | £341           | £330           |
| 2-bedrooms     | £338           | £364           | £369           | £366           |
| 3-bedrooms     | £367           | £389           | £381           | £377           |
| 4-bedrooms     | £385           | £438           | £435           | £396           |

Source: CoRe data
6.25 A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income. The choice of an appropriate threshold is an important aspect of the analysis. CLG 2007 SHMA Guidance suggested that 25% of income is a reasonable starting point but also notes that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40% (although this can vary by area). Government policy, through Housing Benefit payment thresholds, would also suggest a figure of 40%+ (depending on household characteristics).

6.26 For the purposes of analysis in this section, it has been assumed that a household should spend no more than 25% of their income on housing. This is to provide consistency with the main analysis of affordable housing need and to be consistent with the previous 2013 SHMA report. A different assumption could be used but it is unlikely that a figure much higher than the 25% could reasonably be justified in this area.

Income Thresholds for Different Tenures

6.27 Table 58 brings together an analysis of the different tenures discussed to consider what level of income would indicatively be required to access homes. Although the measures for mortgage and rental affordability are different; both ultimately lead to an estimate of the income required. Looking at figures in the round, the analysis indicates that a lower income would be required to buy a home (rather than privately rent). This however is based on assuming that households will have at least a 10% deposit. In reality, the availability of capital (for deposits, stamp duty, legal costs) is likely to be a bigger barrier to owner-occupation than the cost of housing.

6.28 Additionally, and again mainly for 1- and 2-bedroom homes, the analysis suggests that the cost of an affordable rent would be the same or lower than the cost of social rents. This would suggest that there is little merit in promoting affordable rents; such a product would be no more viable than social rents (although promotion of this tenure might be prudent depending on potential funding streams).

6.29 For 3-bedroom homes, the analysis shows that buying and renting is typically at a similar cost level (in terms of income requirements), with affordable and social rents generally being at a similar level (albeit with some variation by area). With 4-bedroom homes, there are some differentials between buying and renting, which means that some form of discounted sale housing could potentially be affordable. However, typically the need for 4-bedroom affordable homes is more limited than other dwelling sizes.
Table 58: Affordability (income) thresholds for different tenures of housing – 1-bedroom home

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Bassetlaw</th>
<th>Bolsover</th>
<th>Chesterfield</th>
<th>NED</th>
</tr>
</thead>
<tbody>
<tr>
<td>LQ purchase</td>
<td>£11,250</td>
<td>£9,473</td>
<td>£13,388</td>
<td>£12,713</td>
</tr>
<tr>
<td>LQ private rent</td>
<td>£15,360</td>
<td>£15,744</td>
<td>£17,280</td>
<td>£17,088</td>
</tr>
<tr>
<td>Affordable rented</td>
<td>£12,288</td>
<td>£12,595</td>
<td>£13,824</td>
<td>£13,670</td>
</tr>
<tr>
<td>Social rented</td>
<td>£13,824</td>
<td>£16,176</td>
<td>£16,368</td>
<td>£15,840</td>
</tr>
</tbody>
</table>

Source: Derived from a range of sources as described

Table 59: Affordability (income) thresholds for different tenures of housing – 2-bedroom home

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Bassetlaw</th>
<th>Bolsover</th>
<th>Chesterfield</th>
<th>NED</th>
</tr>
</thead>
<tbody>
<tr>
<td>LQ purchase</td>
<td>£16,425</td>
<td>£13,770</td>
<td>£18,383</td>
<td>£17,708</td>
</tr>
<tr>
<td>LQ private rent</td>
<td>£20,400</td>
<td>£18,960</td>
<td>£21,600</td>
<td>£20,400</td>
</tr>
<tr>
<td>Affordable rented</td>
<td>£16,320</td>
<td>£15,168</td>
<td>£17,280</td>
<td>£16,320</td>
</tr>
<tr>
<td>Social rented</td>
<td>£16,224</td>
<td>£17,472</td>
<td>£17,712</td>
<td>£17,568</td>
</tr>
</tbody>
</table>

Source: Derived from a range of sources as described

Table 60: Affordability (income) thresholds for different tenures of housing – 3-bedroom home

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Bassetlaw</th>
<th>Bolsover</th>
<th>Chesterfield</th>
<th>NED</th>
</tr>
</thead>
<tbody>
<tr>
<td>LQ purchase</td>
<td>£22,703</td>
<td>£20,453</td>
<td>£26,078</td>
<td>£26,033</td>
</tr>
<tr>
<td>LQ private rent</td>
<td>£22,800</td>
<td>£19,776</td>
<td>£22,800</td>
<td>£26,400</td>
</tr>
<tr>
<td>Affordable rented</td>
<td>£18,240</td>
<td>£15,821</td>
<td>£18,240</td>
<td>£21,120</td>
</tr>
<tr>
<td>Social rented</td>
<td>£17,616</td>
<td>£18,672</td>
<td>£18,288</td>
<td>£18,096</td>
</tr>
</tbody>
</table>

Source: Derived from a range of sources as described
Table 61: Affordability (income) thresholds for different tenures of housing – 4-bedroom home

<table>
<thead>
<tr>
<th></th>
<th>Bassetlaw</th>
<th>Bolsover</th>
<th>Chesterfield</th>
<th>NED</th>
</tr>
</thead>
<tbody>
<tr>
<td>LQ purchase</td>
<td>£37,651</td>
<td>£30,960</td>
<td>£39,420</td>
<td>£39,668</td>
</tr>
<tr>
<td>LQ private rent</td>
<td>£30,960</td>
<td>£28,512</td>
<td>£31,200</td>
<td>£33,600</td>
</tr>
<tr>
<td>Affordable rented</td>
<td>£24,768</td>
<td>£22,810</td>
<td>£24,960</td>
<td>£26,880</td>
</tr>
<tr>
<td>Social rented</td>
<td>£18,480</td>
<td>£21,024</td>
<td>£20,880</td>
<td>£19,008</td>
</tr>
</tbody>
</table>

Source: Derived from a range of sources as described

Affordable Home Ownership

6.30 The analysis above has considered some of the main tenures of housing. There are also a series of other tenures focused on affordable home ownership in the NPPF and Housing White Paper that can be considered in this report. This includes Starter Homes, discounted market sales housing and intermediate housing (taken in this report to largely be shared ownership).

Intermediate Housing /Shared Ownership

6.31 Looking at affordability for shared ownership draws on both mortgage and rental affordability tests and is discussed separately below. Shared ownership starts with an open market value (OMV) and then part of the property is sold and the rest is rented (normally from a Registered Provider). For analysis purposes we have assumed an OMV based on the lower quartile house price plus a 15% new-build premium.

6.32 Taking the example of a 2-bedroom property in Bassetlaw, it is estimated that the OMV would be £84,000. If buying a 25% share in the property, the income required for the purchase part of the tenure would be around £4,725 (assuming a 10% deposit and 4x income multiple). The rental element would be about £1,890 per annum (based on paying a rent of 3% per annum on the unsold equity) and based on spending 33% of gross income on this (which seems to be a fairly standard figure for shared ownership) an additional income of about £5,670 would be needed. The overall income required for shared ownership would therefore be around £10,400. This is a theoretical calculation; however in reality it seems unlikely that someone with this income would be able to afford shared ownership homes given wider living expenses.

6.33 Table 62 below shows the same calculation (working through to an income requirement) for different dwelling sizes. It considers the income required to secure both a 25% and 50% share in the home. The analysis shows that shared ownership is relatively affordable (i.e. has an income requirement that is generally well below that required for market rent). However, it does need to be remembered that there is still a potential deposit requirement for shared ownership, albeit that this is likely to be somewhat lower than outright purchase options.
Table 62: Affordability thresholds for shared ownership properties by size

<table>
<thead>
<tr>
<th></th>
<th>Bassetlaw</th>
<th>Bolsover</th>
<th>Chesterfield</th>
<th>NED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25% equity share</td>
<td>50% equity share</td>
<td>25% equity share</td>
<td>50% equity share</td>
</tr>
<tr>
<td>1-bedroom</td>
<td>£7,116</td>
<td>£9,056</td>
<td>£5,991</td>
<td>£7,625</td>
</tr>
<tr>
<td>2-bedrooms</td>
<td>£10,389</td>
<td>£13,222</td>
<td>£8,710</td>
<td>£11,085</td>
</tr>
<tr>
<td>3-bedrooms</td>
<td>£14,359</td>
<td>£18,276</td>
<td>£12,936</td>
<td>£16,464</td>
</tr>
<tr>
<td>4-bedrooms</td>
<td>£23,814</td>
<td>£30,309</td>
<td>£19,582</td>
<td>£24,923</td>
</tr>
</tbody>
</table>

Source: Derived from a range of sources as described

Starter Homes/Discounted Market Sales Housing

6.34 The final tenures which we have considered are Starter Homes and Discounted Market Sales Housing. These are considered together as in many cases they would effectively be the same product, having a discount of at least 20% from open market value (OMV). There are some differences in terms of eligibility and the extent to which the discount is held in perpetuity, but for the purposes of this report they are most readily considered together.

6.35 Consistent with other analysis, to establish the likely OMV we have looked at lower quartile prices and added 15%. Then a discount of 20% is applied and all of the same assumptions about deposits and income multiples as for full open market purchase are applied. Table 63 below shows a worked example of the income requirement for a 2-bedroom home in each area. This shows an income requirement of £12,700 to £16,900, which is very slightly below the income required for open market purchase, and also below the equivalent figure for a lower quartile private rented home. This is a theoretical calculation; however on reality it is unlikely that someone will be able to afford a mortgage with these levels of income.

6.36 These tenures could therefore be considered as affordable housing, although the issue of deposit requirements remain. Given that the cost of housing to buy across the HMA is generally quite low, it is not clear that promoting housing with a discount to OMV would be to most appropriate solution for households unable to buy a home.
Table 63: Income Required for Starter Home/discounted market sales housing – 2-bedroom

<table>
<thead>
<tr>
<th>Assumptions</th>
<th>Bassetlaw</th>
<th>Bolsover</th>
<th>Chesterfield</th>
<th>NED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall price of SH/DMS (before discount)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price is 15% above estimated lower quartile second-hand purchase</td>
<td>£83,950</td>
<td>£70,380</td>
<td>£93,955</td>
<td>£90,505</td>
</tr>
<tr>
<td>Price of home after 20% discount</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20% discount on market value</td>
<td>£67,160</td>
<td>£56,304</td>
<td>£75,164</td>
<td>£72,404</td>
</tr>
<tr>
<td>Deposit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10% required</td>
<td>£6,716</td>
<td>£5,630</td>
<td>£7,516</td>
<td>£7,240</td>
</tr>
<tr>
<td>Mortgage required</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minus 20% discount and 10% deposit</td>
<td>£60,444</td>
<td>£50,674</td>
<td>£67,648</td>
<td>£65,164</td>
</tr>
<tr>
<td>Income required to afford home</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assuming a mortgage up to 4 times income</td>
<td>£15,111</td>
<td>£12,668</td>
<td>£16,912</td>
<td>£16,291</td>
</tr>
</tbody>
</table>

Source: Derived from a range of sources as described

6.37 Table 64 shows equivalent income requirement figures for all dwelling sizes. For 1- and 2-bedroom homes the income requirements are generally lower than to access the market (in the private rented sector); for 3- and 4-bedroom homes the opposite is largely true.

Table 64: Affordability thresholds for Starter Homes and Discounted Market Sale housing by size

<table>
<thead>
<tr>
<th></th>
<th>Bassetlaw</th>
<th>Bolsover</th>
<th>Chesterfield</th>
<th>NED</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-bedroom</td>
<td>£10,350</td>
<td>£8,715</td>
<td>£12,317</td>
<td>£11,696</td>
</tr>
<tr>
<td>2-bedrooms</td>
<td>£15,111</td>
<td>£12,668</td>
<td>£16,912</td>
<td>£16,291</td>
</tr>
<tr>
<td>3-bedrooms</td>
<td>£20,886</td>
<td>£18,816</td>
<td>£23,991</td>
<td>£23,950</td>
</tr>
<tr>
<td>4-bedrooms</td>
<td>£34,639</td>
<td>£28,483</td>
<td>£36,266</td>
<td>£36,494</td>
</tr>
</tbody>
</table>

Source: Derived from a range of sources as described
Conclusions on Types of Affordable Homes Needed

6.38 The cost of housing to buy in North Derbyshire & Bassetlaw is relatively cheap in comparison with national figures. Additionally, the income levels likely to be required to access owner-occupied housing are often lower than might be needed to rent privately. This would suggest that a key issue in the HMA is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially some mortgage restrictions (e.g. where employment is temporary).

6.39 Hence, whilst the Housing White Paper suggests a clear policy direction to provide 10% of all new housing as affordable home ownership, it is not clear that this is the best solution in the HMA. If possible, it would be more appropriate for the Councils to seek for 10% of housing to be made available with some initial upfront capital payment (such as a deposit contribution), rather than as a discount to OMV. Such a payment could cover the deposit and other initial costs, and would potentially need to be protected in some way so that the money is not lost if a household chooses to sell their property. Schemes such as Help-to-Buy could form part of such a package. This would still be targeted at the same group of households (likely to mainly be those currently privately renting but who would like to buy).

6.40 If the Councils are required to provide 10% of housing as affordable home ownership, then the analysis would suggest that shared ownership is the most appropriate option. This is due to the lower deposit requirements and lower overall costs (given that the rent would also be subsidised).

6.41 The evidence shows that there is not any basis (in affordability terms) to increase the provision of affordable home ownership above the 10% figure currently suggested in the White Paper.

6.42 Subject to viability, in addition to 10% of affordable home ownership (or some alternative measure such as capital payments), the Councils should be seeking to provide additional rented housing. Such housing is cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments). The analysis in this section does not suggest that there would be much of a difference between the cost to the occupant of either social or affordable rented housing. Hence the actual tenure choice in each area could be determined by the potential availability of funding.
7 SIZES OF HOMES NEEDED

7.1 Previous sections have discussed the overall need for affordable housing and the costs of different tenures. This section moves on to consider the mix of different sizes of accommodation which needed in different broad tenure groups across the HMA, and in individual local authorities.

7.2 The analysis in this section is intended to provide guidance on the mix of homes needed at a local authority level over the longer-term. In applying the figures herein to individual development sites, wider considerations may be relevant including the existing mix of homes and demographics in the settlement or local area; regeneration objectives; and local evidence of need from council’s housing registers.

Overview of Methodology

7.3 The analysis in this section seeks to use the information 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. It uses a similar modelling approach to the 2013 SHMA. For analysis purposes, this assumes population and household growth in line with the 2014-based CLG Household Projections and also the economic-driven ‘Growth Scenario’ set out in Section 3. Two scenarios are considered as whether higher housing growth is planned, this would support additional in-migration and have a modest impact on the balance of need for different sizes of homes.

7.4 Whilst 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 in to 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.

7.5 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. This issue is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing.

7.6 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing
within these groups. The data for this analysis has been formed from a commissioned table by ONS (Table CT0621 which provides relevant data for all local authorities in England and Wales from the 2011 Census).

7.7 The modelling outputs have been segmented into three broad categories. These are:

- Market housing for sale, which is taken to follow the occupancy profiles in the owner-occupied sector;
- Affordable home ownership, which is taken to follow the occupancy profile in the private rented sector;\(^{24}\) and
- Affordable rented housing, which is taken to follow the occupancy profile in the social rented sector.

7.8 The housing market model has been used to estimate the future need for different sizes of property over the 21-year period from 2014 to 2035. The model works by looking at the types and sizes of accommodation occupied by different ages of residents, and attaching projected changes in the population to this to project need and demand for different sizes of homes. However, the way households of different ages occupy homes differs between the market and affordable sectors. Thus it is necessary to consider what the mix of future housing will be in the market and affordable sectors.

7.9 For modelling purposes only, the analysis assumes that 25% of net completions are either affordable housing (rented) or low-cost home ownership and therefore that 75% are market housing (designed to be sold for owner-occupation). Within the 25% affordable/low-cost a split of 60:40 has been used. This means the modelling assumes 15% of completions as affordable rented housing and 10% as low-cost home ownership. It should be stressed that these figures are not policy targets. Policy targets for affordable housing on new development schemes will need to be informed by (and will principally be driven by) residential development viability; and overall affordable housing delivery will be influenced by this, by registered providers ability to secure sites and by the availability of funding such as through the National Affordable Housing Programme. This section of the report does not seek to prejudge these issues: it adopts broad-brush assumptions solely for the purpose of considering the size profile of homes.

Need for different sizes of Market Homes

7.10 There are a range of factors which can influence demand for market housing in different locations. The focus of this analysis is on considering long-term needs, where changing demographics are expected to be a key influence. It uses a demographic-driven approach to quantify demand for different sizes of properties over the 21-year period from 2014 to 2035.

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\(^{24}\) This is seen as reasonable as the Government’s desired growth in home ownership looks to be largely driven by a wish to see households move out of private renting into owning or part owning a home.
Profile of Market Housing Need across the HMA

7.11 The majority of the market housing needed across the HMA is expected to be for two- and three-bedroom properties. The analysis suggests that housing need can be expected to reinforce the existing profile, but with a shift towards a requirement for smaller dwellings relative to the distribution of existing housing (particularly towards a need for 2-bedroom homes) particularly as a result of an ageing population some of whom will choose to downsize.

7.12 The outputs from the two different scenarios run are broadly similar, however with the higher household growth in the economic-led ‘growth scenario’ there is slightly higher need for larger homes. This is because the higher population growth associated with this scenario is expected to contain a higher proportion of people of working-age, which tends to include more family households, and generally require larger homes.

Table 65: Estimated Size of Dwellings Needed 2014 to 2035 – Market Housing – North Derbyshire & Bassetlaw

<table>
<thead>
<tr>
<th>Size</th>
<th>CLG Household Projections</th>
<th>Economic-led Growth Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Additional households 2014-2035</td>
<td>% of additional households</td>
</tr>
<tr>
<td>1 bedroom</td>
<td>259</td>
<td>1.7%</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>4,755</td>
<td>31.6%</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>7,932</td>
<td>52.8%</td>
</tr>
<tr>
<td>4+ bedrooms</td>
<td>2,083</td>
<td>13.9%</td>
</tr>
<tr>
<td>Total</td>
<td>15,029</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Housing Market Model

7.13 The analysis is based upon the modelling of demographic trends. It should however be recognised that a range of factors including affordability pressures and market signals will continue to be important in understanding market demand at a local level; 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 at a local level, policy aspirations are also relevant.

7.14 At the strategic level, a local authority 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.

Market Housing Need in Individual Local Authorities

7.15 The analysis has also been undertaken by local authority with Tables 66 and 67 below showing the summary outputs. This shows only small variations between areas, with arguably the most notable being the relatively high need for 4+ bedroom accommodation in Bassetlaw. However, on balance,
the differences between areas are not so great that a different approach in different locations needs to be taken.

Table 66: Estimated size mix of dwellings by local authority – market housing (CLG household projections)

<table>
<thead>
<tr>
<th></th>
<th>1-bedroom</th>
<th>2-bedrooms</th>
<th>3-bedrooms</th>
<th>4+ bedrooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>2%</td>
<td>25%</td>
<td>55%</td>
<td>18%</td>
</tr>
<tr>
<td>Bolsover</td>
<td>1%</td>
<td>33%</td>
<td>55%</td>
<td>11%</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>2%</td>
<td>35%</td>
<td>51%</td>
<td>12%</td>
</tr>
<tr>
<td>NED</td>
<td>2%</td>
<td>36%</td>
<td>49%</td>
<td>13%</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>2%</td>
<td>32%</td>
<td>53%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Source: Housing Market Model

Table 67: Estimated size mix of dwellings by local authority – market housing (economic-led ‘growth’ scenario)

<table>
<thead>
<tr>
<th></th>
<th>1-bedroom</th>
<th>2-bedrooms</th>
<th>3-bedrooms</th>
<th>4+ bedrooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>1%</td>
<td>23%</td>
<td>55%</td>
<td>21%</td>
</tr>
<tr>
<td>Bolsover</td>
<td>1%</td>
<td>30%</td>
<td>55%</td>
<td>14%</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>2%</td>
<td>33%</td>
<td>51%</td>
<td>14%</td>
</tr>
<tr>
<td>NED</td>
<td>2%</td>
<td>32%</td>
<td>50%</td>
<td>16%</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>2%</td>
<td>29%</td>
<td>53%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Source: Housing Market Model

Need for different sizes of Low Cost Home Ownership Properties

Table 69 below show estimates of the need for different sizes of affordable home ownership based on the analysis of demographic trends. The data suggests in the period between 2014 and 2035 that the main need is again for homes with two- or three-bedrooms, although the proportions in the 1-bedroom category are higher than for market housing.

Table 68: Estimated Size of Dwellings Needed 2014 to 2035 – Low-cost Home Ownership

<table>
<thead>
<tr>
<th>Size</th>
<th>CLG Household Projections</th>
<th>Economic-led Growth Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Additional households 2014-2035</td>
<td>% of additional households</td>
</tr>
<tr>
<td>1 bedroom</td>
<td>266</td>
<td>13.3%</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>870</td>
<td>43.4%</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>741</td>
<td>37.0%</td>
</tr>
<tr>
<td>4+ bedrooms</td>
<td>126</td>
<td>6.3%</td>
</tr>
<tr>
<td>Total</td>
<td>2,004</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Housing Market Model

7.17 The analysis has also been undertaken by local authority with the tables below showing the summary outputs. This shows little variation between areas and does not suggest that a different approach need be taken in different locations.
Table 69: Estimated size mix of dwellings by local authority – low-cost home ownership (CLG household projections)

<table>
<thead>
<tr>
<th>Size</th>
<th>Bassetlaw</th>
<th>1-bedroom</th>
<th>2-bedrooms</th>
<th>3-bedrooms</th>
<th>4+ bedrooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-bedroom</td>
<td>14%</td>
<td>39%</td>
<td>40%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>2-bedroom</td>
<td>39%</td>
<td>40%</td>
<td>31%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>3-bedroom</td>
<td>40%</td>
<td>31%</td>
<td>33%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>4+ bedrooms</td>
<td>8%</td>
<td>5%</td>
<td>8%</td>
<td>6%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Housing Market Model

Table 70: Estimated size mix of dwellings by local authority – low-cost home ownership (scenario economic growth)

<table>
<thead>
<tr>
<th>Size</th>
<th>Bassetlaw</th>
<th>1-bedroom</th>
<th>2-bedrooms</th>
<th>3-bedrooms</th>
<th>4+ bedrooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-bedroom</td>
<td>13%</td>
<td>37%</td>
<td>41%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>2-bedroom</td>
<td>8%</td>
<td>42%</td>
<td>45%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>3-bedroom</td>
<td>17%</td>
<td>46%</td>
<td>33%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>4+ bedrooms</td>
<td>12%</td>
<td>43%</td>
<td>38%</td>
<td>7%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Housing Market Model

Need for different sizes of affordable rented homes

7.18 For affordable homes there is a much stronger relationship between household size and the sizes of properties needed. Table 72 below show estimates of the need for different sizes of affordable homes based on the analysis of demographic trends. The data suggests in the period between 2014 and 2035 that the main need is for homes with one- or two-bedrooms.

Table 71: Estimated Size of Dwellings Needed 2014 to 2035 – affordable housing (rented) (CLG household projections)

<table>
<thead>
<tr>
<th>Size</th>
<th>CLG Household Projections</th>
<th>Economic-led Growth Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Additional households 2014-2035</td>
<td>% of additional households</td>
</tr>
<tr>
<td>1 bedroom</td>
<td>976</td>
<td>32.5%</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>1,494</td>
<td>49.7%</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>509</td>
<td>16.9%</td>
</tr>
<tr>
<td>4+ bedrooms</td>
<td>27</td>
<td>0.9%</td>
</tr>
<tr>
<td>Total</td>
<td>3,006</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Housing Market Model

7.19 As with market housing, the data again shows that relative to the current profile there is a slight move towards a greater proportion of smaller homes being needed (again related to the ageing population and the observation that older person households are more likely to occupy smaller dwellings).
The analysis has also been undertaken by local authority with Table 73 below showing the summary outputs. This shows a greater need for one-bedroom homes in Chesterfield and a lower need in Bolsover. This finding is to a significant degree driven by the current stock profile in each location. Chesterfield already has a larger stock of one-bedroom homes relative to Bolsover. On this basis, a different mix in different locations may be appropriate.

Table 72: Estimated size mix of dwellings by local authority – affordable housing (rented) (CLG household projections)

<table>
<thead>
<tr>
<th></th>
<th>1-bedroom</th>
<th>2-bedrooms</th>
<th>3-bedrooms</th>
<th>4+ bedrooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>35%</td>
<td>50%</td>
<td>14%</td>
<td>1%</td>
</tr>
<tr>
<td>Bolsover</td>
<td>18%</td>
<td>65%</td>
<td>17%</td>
<td>1%</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>44%</td>
<td>36%</td>
<td>18%</td>
<td>1%</td>
</tr>
<tr>
<td>NED</td>
<td>30%</td>
<td>49%</td>
<td>20%</td>
<td>1%</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>32%</td>
<td>50%</td>
<td>17%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: Housing Market Model

Table 73: Estimated size mix of dwellings by local authority – affordable housing (rented) (scenario economic growth)

<table>
<thead>
<tr>
<th></th>
<th>1-bedroom</th>
<th>2-bedrooms</th>
<th>3-bedrooms</th>
<th>4+ bedrooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>32%</td>
<td>46%</td>
<td>20%</td>
<td>2%</td>
</tr>
<tr>
<td>Bolsover</td>
<td>16%</td>
<td>56%</td>
<td>26%</td>
<td>1%</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>41%</td>
<td>35%</td>
<td>22%</td>
<td>2%</td>
</tr>
<tr>
<td>NED</td>
<td>26%</td>
<td>45%</td>
<td>28%</td>
<td>1%</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>28%</td>
<td>46%</td>
<td>24%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: Housing Market Model

Indicative Targets by Tenure

Figure 74 summarises the above modelling results. The analysis clear shows the different profiles in the three broad tenures with affordable housing being more heavily skewed towards smaller dwellings, and affordable home ownership sitting somewhere in between the market and affordable housing.
Table 74: Size of housing required 2014 to 2035 – North Derbyshire & Bassetlaw

<table>
<thead>
<tr>
<th>Market</th>
<th>Low-cost home ownership</th>
<th>Affordable housing (rented)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 bedroom</td>
<td>2%</td>
<td>13%</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>32%</td>
<td>43%</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>53%</td>
<td>37%</td>
</tr>
<tr>
<td>4+ bedrooms</td>
<td>14%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source: Housing Market Model

7.22 Whilst the output of the modelling provides estimates of the proportion of homes of different sizes that are needed, there are a range of factors which should be taken into account in setting policies for provision. This is particularly the case in the affordable sector where there can be issues around the demand for and turnover of one-bedroom homes, which can provide limited flexibility to accommodate changing household circumstances in situ; whilst on the other hand it may be appropriate to provide higher numbers in family homes in some areas, given lower stock and turnover of larger properties, recognising that in doing so it is possible to release existing homes for other households. For these reasons, it is suggested 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.

7.23 At a HMA-wide level, the analysis would support policies for the mix of affordable rented housing of:

- 1-bed properties: 25-30%
- 2-bed properties: 45%
- 3-bed properties: 20%
- 4-bed properties: 5-10%

7.24 The 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.
7.25 The need for affordable housing of different sizes will vary by area (at a more localised level) 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.

7.26 In the low-cost home ownership and market sectors a profile of housing that closely matches the outputs of the modelling is suggested. The recommendations take some account of the time period used for the modelling and the fact that the full impact of the ageing population will not be experienced in the short-term.

7.27 On the basis of these factors it is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households. On this basis the following mix of low-cost home ownership is suggested:

- 1-bed properties: 10-15%
- 2-bed properties: 40-45%
- 3-bed properties: 35-40%
- 4-bed properties: 5-10%

7.28 Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile, this sees a slightly larger recommended profile compared with other tenure groups. The following mix of market housing is suggested:

- 1-bed properties: 0-5%
- 2-bed properties: 30%
- 3-bed properties: 50%
- 4-bed properties: 15-20%

7.29 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market, it does not necessarily follow that that this mix should be applied to every site. The local housing mix, site context and local character and local needs and market dynamics may influence the appropriate housing mix on individual development schemes. The figures in this report 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.

**Bringing the Evidence Together**

7.30 There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to long-term (21-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes:
Table 75: Strategic Conclusions on the Appropriate Mix of Different Sizes of Homes

<table>
<thead>
<tr>
<th></th>
<th>1-bed</th>
<th>2-bed</th>
<th>3-bed</th>
<th>4+ bed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market</strong></td>
<td>0-5%</td>
<td>30%</td>
<td>50%</td>
<td>15-20%</td>
</tr>
<tr>
<td>Low-cost home ownership</td>
<td>10-15%</td>
<td>40-45%</td>
<td>35-40%</td>
<td>5-10%</td>
</tr>
<tr>
<td>Affordable housing (rented)</td>
<td>25-30%</td>
<td>45%</td>
<td>20%</td>
<td>5-10%</td>
</tr>
</tbody>
</table>

7.31 The analysis also looked at the housing mix in each of the four local authorities. Whilst there were differences between locations, it is not considered that these are so great as to point towards a different profile of new housing being needed when compared to HMA level findings.

7.32 The mix identified above should inform strategic 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.

7.33 Based on the evidence, it is expected that the focus of new market housing provision will be on two- and three-bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some 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.

7.34 The analysis of an appropriate mix of dwellings could also inform the ‘portfolio’ of sites which are considered by the local authority through its local plan process. Equally it will be of relevance to affordable housing negotiations.
8 NEEDS OF OLDER PEOPLE AND FOR SPECIFIC TYPES OF HOMES

8.1 Planning Practice Guidance Note 56, entitled Housing: Optional Technical Standards, sets out how local authorities can gather evidence to set requirements on issues such as accessibility and wheelchair housing standards, water efficiency standards and internal space standards. This section looks at the first two of these (i.e. accessibility and wheelchair housing) as well as considering the specific needs of older people.

8.2 The PPG sets out that the reason for the approach to setting standards is designed to ‘rationalise the many differing existing standards into a simpler, streamlined system which will reduce burdens and help bring forward much needed new homes’ (56-001) and that ‘local planning authorities will need to gather evidence to determine whether there is a need for additional standards in their area’ (56-002).

8.3 The PPG sets out that local authorities should be using their assessment of housing need (and other sources) to consider the need for M4(2) (accessible and adaptable dwellings), and/or M4(3) (wheelchair user dwellings), of the Building Regulations. It sets out that there are a range of published statistics which can be considered, including:

- the likely future need for housing for older and disabled people (including wheelchair user dwellings);
- size, location, type and quality of dwellings needed to meet specifically evidenced needs (for example retirement homes, sheltered homes or care homes);
- the accessibility and adaptability of existing housing stock;
- how needs vary across different housing tenures; and
- the overall impact on viability.

8.4 The section of the report draws on a range of statistics, including those suggested in the PPG. It also considers the need for self- and custom-build development.

Older Persons

Demographic Trends

8.5 The HMA has a slightly higher proportion of older persons relative to wider benchmarks (Table 76). In 2015, it is estimated that 21% of the population of the HMA was aged 65 or over.

---

25 For which the Government has provided a summary data sheet ‘Guide to available disability data.’ We term this the Guide in analysis in this section.
Table 76: Older Person Population (2015)

<table>
<thead>
<tr>
<th></th>
<th>Under 65</th>
<th>65-74</th>
<th>75-84</th>
<th>85+</th>
<th>Total</th>
<th>Total 65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>90,544</td>
<td>13,680</td>
<td>7,475</td>
<td>2,834</td>
<td>114,533</td>
<td>23,989</td>
</tr>
<tr>
<td>% of popn</td>
<td>79.1%</td>
<td>11.9%</td>
<td>6.5%</td>
<td>2.5%</td>
<td>100.0%</td>
<td>20.9%</td>
</tr>
<tr>
<td>Bolsover</td>
<td>62,569</td>
<td>8,728</td>
<td>4,692</td>
<td>1,791</td>
<td>77,780</td>
<td>15,211</td>
</tr>
<tr>
<td>% of popn</td>
<td>80.4%</td>
<td>11.2%</td>
<td>6.0%</td>
<td>2.3%</td>
<td>100.0%</td>
<td>19.6%</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>83,222</td>
<td>11,688</td>
<td>6,626</td>
<td>2,871</td>
<td>104,407</td>
<td>21,185</td>
</tr>
<tr>
<td>% of popn</td>
<td>79.7%</td>
<td>11.2%</td>
<td>6.3%</td>
<td>2.7%</td>
<td>100.0%</td>
<td>20.3%</td>
</tr>
<tr>
<td>NED</td>
<td>75,979</td>
<td>13,449</td>
<td>7,505</td>
<td>2,706</td>
<td>99,639</td>
<td>23,660</td>
</tr>
<tr>
<td>% of popn</td>
<td>76.3%</td>
<td>13.5%</td>
<td>7.5%</td>
<td>2.7%</td>
<td>100.0%</td>
<td>23.7%</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>312,314</td>
<td>47,545</td>
<td>26,298</td>
<td>10,202</td>
<td>396,359</td>
<td>84,045</td>
</tr>
<tr>
<td>% of popn</td>
<td>78.8%</td>
<td>12.0%</td>
<td>6.6%</td>
<td>2.6%</td>
<td>100.0%</td>
<td>21.2%</td>
</tr>
</tbody>
</table>

Source: ONS 2015 Mid-Year Population Estimates

8.6 The 2014-based SNPP shows that the HMA is expected to see a notable increase in the older person population with the total number of people aged 65 and over expected to increase by 46% over the 21-years from 2014. The projections show an increase in the population aged 65 and over of 37,700 people.

Table 77: Projected Change in Population of Older Persons (2014 to 2035)

<table>
<thead>
<tr>
<th></th>
<th>Under 65</th>
<th>65-74</th>
<th>75-84</th>
<th>85+</th>
<th>Total</th>
<th>Total 65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>-5.7%</td>
<td>27.2%</td>
<td>60.0%</td>
<td>140.6%</td>
<td>5.9%</td>
<td>51.0%</td>
</tr>
<tr>
<td>Bolsover</td>
<td>-0.4%</td>
<td>31.5%</td>
<td>56.6%</td>
<td>110.2%</td>
<td>9.1%</td>
<td>48.7%</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>-4.3%</td>
<td>25.4%</td>
<td>51.1%</td>
<td>97.7%</td>
<td>5.3%</td>
<td>43.4%</td>
</tr>
<tr>
<td>NED</td>
<td>-5.2%</td>
<td>14.3%</td>
<td>49.9%</td>
<td>143.7%</td>
<td>5.5%</td>
<td>40.6%</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>-4.1%</td>
<td>23.9%</td>
<td>54.2%</td>
<td>123.9%</td>
<td>6.3%</td>
<td>45.7%</td>
</tr>
</tbody>
</table>

Source: ONS 2014-based Subnational Population Projections

8.7 Given the ageing population and higher levels of disability and health problems amongst older people there is likely to be an increased requirement for specialist housing options moving forward.

A toolkit has been developed by Housing LIN, in association with the Elderly Accommodation...
Council and endorsed by the Department of Health, to identify potential demand for different types of specialist housing for older people and model future range of housing and care provision. It suggests that there should be around 170 units of specialised accommodation (other than registered care home places) per thousand people aged over 75 years.

8.8 Applying this to the demographic projections, Table 79 below shows the change in the population aged 75 and over and what this would mean in terms of provision at 170 units per 1,000 population. The analysis shows a potential need for 4,526 units of specialist housing – 216 per annum - over the 2014-35 period based on the 2014-based SNPP.

8.9 The Housing LIN source also suggests a broad tenure split of 40% rented housing (affordable housing) and 60% in the market. GL Hearn considers that this is likely to be a reasonable tenure split to consider in North Derbyshire and Bassetlaw.

Table 79: Projected need for Specialist Housing for Older People (2014-35) – 2014-based SNPP

<table>
<thead>
<tr>
<th></th>
<th>Bassetlaw</th>
<th>Bolsover</th>
<th>Chesterfield</th>
<th>NED</th>
<th>ND&amp;B HMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population aged 75+ (2014)</td>
<td>10,119</td>
<td>6,441</td>
<td>9,447</td>
<td>10,059</td>
<td>36,066</td>
</tr>
<tr>
<td>Population aged 75+ (2035)</td>
<td>18,440</td>
<td>11,041</td>
<td>15,605</td>
<td>17,601</td>
<td>62,687</td>
</tr>
<tr>
<td>Change in population aged 75+</td>
<td>8,321</td>
<td>4,600</td>
<td>6,158</td>
<td>7,542</td>
<td>26,621</td>
</tr>
<tr>
<td>Specialist housing need (@ 170 units per 1,000)</td>
<td>1,414</td>
<td>782</td>
<td>1,047</td>
<td>1,282</td>
<td>4,526</td>
</tr>
<tr>
<td>Per annum need (2014-35)</td>
<td>67</td>
<td>37</td>
<td>50</td>
<td>61</td>
<td>216</td>
</tr>
</tbody>
</table>

Source: Derived from demographic projections and Housing LIN

Registered Care Bedspaces (C2 Use Class)

8.10 As well as the need for specialist housing for older people, the analysis needs to consider Registered Care. The analysis below considers changes to the number of people aged 75 and over who are expected to be living in some form of institutional housing. This is a direct output of the demographic modelling which indicates an increase of 2,070 people living in institutions over the 2014-35 period (99 per annum).

8.11 These figures are important to note if the Councils intend to include C2 class uses in their assessment of 5-year housing land supply as it will be necessary to include figures on both the need and supply side of the equation.

Table 80: Potential Need for Residential Care Housing – 2014-based SNPP

<table>
<thead>
<tr>
<th>Institutional population aged 75+ (2014)</th>
<th>Bassetlaw</th>
<th>Bolsover</th>
<th>Chesterfield</th>
<th>NED</th>
<th>ND&amp;B HMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTHPD</td>
<td>882</td>
<td>416</td>
<td>726</td>
<td>525</td>
<td>2,548</td>
</tr>
<tr>
<td>Institutional population aged 75+ (2035)</td>
<td>1,710</td>
<td>729</td>
<td>1,177</td>
<td>1,002</td>
<td>4,618</td>
</tr>
<tr>
<td>Change in institutional population aged 75+</td>
<td>829</td>
<td>313</td>
<td>451</td>
<td>477</td>
<td>2,070</td>
</tr>
<tr>
<td>Per annum ‘need’ (2014-35)</td>
<td>39</td>
<td>15</td>
<td>21</td>
<td>23</td>
<td>99</td>
</tr>
</tbody>
</table>

Source: Derived from demographic projections

Health-related Population Projections

8.12 The Projecting Older People Information System (POPPI) website has been used which provides prevalence rates for different disabilities by age and sex. For the purposes of the SHMA Update, analysis has focussed on estimates of the number of people aged 65+ with dementia and mobility problems.

8.13 The number of people with dementia and mobility problems is expected to increase significantly in the future as a result of a growing older population. In particular there is projected to be an 81% rise in the number of people with dementia along with a 65% increase in the number with mobility problems between 2014-35.

Table 81: Estimated Population Change for range of Health Issues (2014 to 2035)

<table>
<thead>
<tr>
<th>Type of illness/disability</th>
<th>2014</th>
<th>2035</th>
<th>Change</th>
<th>% increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dementia</td>
<td>1,520</td>
<td>2,910</td>
<td>1,390</td>
<td>91.4%</td>
</tr>
<tr>
<td>Mobility problems</td>
<td>4,097</td>
<td>7,071</td>
<td>2,974</td>
<td>72.6%</td>
</tr>
<tr>
<td>Bolsover</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dementia</td>
<td>978</td>
<td>1,718</td>
<td>740</td>
<td>75.7%</td>
</tr>
<tr>
<td>Mobility problems</td>
<td>2,629</td>
<td>4,277</td>
<td>1,648</td>
<td>62.7%</td>
</tr>
<tr>
<td>Chesterfield</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dementia</td>
<td>1,454</td>
<td>2,457</td>
<td>1,003</td>
<td>69.0%</td>
</tr>
<tr>
<td>Mobility problems</td>
<td>3,811</td>
<td>5,982</td>
<td>2,170</td>
<td>56.9%</td>
</tr>
<tr>
<td>NED</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dementia</td>
<td>1,492</td>
<td>2,771</td>
<td>1,278</td>
<td>85.7%</td>
</tr>
<tr>
<td>Mobility problems</td>
<td>4,032</td>
<td>6,639</td>
<td>2,607</td>
<td>64.7%</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dementia</td>
<td>5,444</td>
<td>9,856</td>
<td>4,412</td>
<td>81.0%</td>
</tr>
<tr>
<td>Mobility problems</td>
<td>14,569</td>
<td>23,968</td>
<td>9,399</td>
<td>64.5%</td>
</tr>
</tbody>
</table>

Source: Data from POPPI and demographic projections

People with disabilities

8.14 The Guide provides data about households with a long-term illness or disability from the English Housing Survey. Whilst this provides a national perspective, the source cannot provide more localised data. Hence the analysis below has drawn on the 2011 Census (which has a definition of long-term health problem or disability (LTHPD)).
8.15 Table 83 shows the proportion of people with a long-term health problem or disability (LTHPD) and the proportion of households where at least one person has a LTHPD. The data suggests that across the HMA some 29% of households contain someone with a LTHPD. This figure is slightly higher than seen across the region and nationally. The figures for the population with a LTHPD again show a similar pattern in comparison with other areas (an estimated 23% of the population of the HMA have a LTHPD). The analysis therefore identifies that issues around disability are more prevalent in the HMA.

Table 82: Households and people with Long-Term Health Problem or Disability (2011)

<table>
<thead>
<tr>
<th></th>
<th>Households containing someone with health problem</th>
<th>Population with health problem</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td>Bassetlaw</td>
<td>13,558</td>
<td>28.4%</td>
</tr>
<tr>
<td>Bolsover</td>
<td>10,312</td>
<td>31.4%</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>14,053</td>
<td>30.0%</td>
</tr>
<tr>
<td>NED</td>
<td>12,319</td>
<td>28.6%</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>50,242</td>
<td>29.5%</td>
</tr>
<tr>
<td>East Midlands</td>
<td>496,598</td>
<td>26.2%</td>
</tr>
<tr>
<td>England</td>
<td>5,659,606</td>
<td>25.7%</td>
</tr>
</tbody>
</table>

Source: 2011 Census

8.16 It is likely that the age profile will impact upon the numbers of people with a LTHPD, as older people tend to be more likely to have a LTHPD. Figure shows that those people in the oldest age bands are more likely to have a LTHPD.

Figure 20: Population with Long-Term Health Problem or Disability in each Age Band

Source: 2011 Census
8.17 The age specific prevalence rates shown above can be applied to the demographic data to estimate the likely increase over time of the number of people with a LTHPD. In applying this information to the demographic projections (linked to the 2014-based SNPP), it is estimated that the number of people with a LTHPD will increase by around 19,900 (a 21% increase). Across the HMA, all of this increase and more (113%) is expected to be in age groups aged 65 and over.

Table 83: Estimated change in population with LTHPD (2014-2035)

<table>
<thead>
<tr>
<th></th>
<th>Population with LTHPD 2014</th>
<th>Change (2014-35)</th>
<th>% change from 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>26,034</td>
<td>32,087</td>
<td>6,053</td>
</tr>
<tr>
<td>Bolsover</td>
<td>19,550</td>
<td>24,239</td>
<td>4,689</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>24,841</td>
<td>29,541</td>
<td>4,700</td>
</tr>
<tr>
<td>NED</td>
<td>22,799</td>
<td>27,286</td>
<td>4,487</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>93,224</td>
<td>113,153</td>
<td>19,929</td>
</tr>
</tbody>
</table>

Source: Derived from demographic modelling and Census (2011)

8.18 The figure below shows the tenures of people with a LTHPD. It should be noted that the data is for population living in households rather than households. The analysis clearly shows that people with a LTHPD are more likely to live in social rented housing and are also more likely to be outright owners (this will be linked to the age profile of the population with a disability). Given that typically the lowest incomes are found in the social rented sector, and to a lesser extent for outright owners, the analysis would suggest that the population/households with a disability are likely to be relatively disadvantaged when compared to the rest of the population.

Figure 21: Tenure of people with LTHPD

Source: 2011 Census
8.19 Table 84 shows that people living in the social rented sector are about twice as likely to have a LTHPD than those in other tenures.

### Table 84: Tenure of people with a LTHPD

<table>
<thead>
<tr>
<th>Tenure</th>
<th>% of social rent with LTHPD</th>
<th>% of other tenures with LTHPD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>37.5%</td>
<td>18.4%</td>
</tr>
<tr>
<td>Bolsover</td>
<td>38.8%</td>
<td>21.2%</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>32.0%</td>
<td>19.7%</td>
</tr>
<tr>
<td>NED</td>
<td>33.0%</td>
<td>18.8%</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>34.7%</td>
<td>19.4%</td>
</tr>
</tbody>
</table>

Source: Derived from demographic modelling and Census (2011)

Wheelchair Adapted Housing

8.20 Information about the need for housing for wheelchair users is difficult to obtain (particularly at a local level). GL Hearn and JGC have analysed national data within a research report by Habinteg Housing Association and London South Bank University. The report identifies that around 84% of homes in England do not allow someone using a wheelchair to get to and through the front door without difficulty and that once inside, it gets even more restrictive. Furthermore, it is estimated (based on English House Condition Survey data) that just 0.5% of homes meet criteria for ‘accessible and adaptable’, while 3.4% are ‘visitable’ by someone with mobility problems. Data from the CLG Guide to available disability (taken from the English Housing Survey) puts the proportion of ‘visitable’ properties at a slightly higher 5.3%.

8.21 Overall, the report estimates that there is an unmet need for wheelchair adapted dwellings equivalent to 3.5 per 1,000 households. Applied to the ND&B HMA, as of 2015, this would represent a need for about 600 wheelchair adapted dwellings. Moving forward, the report estimates a wheelchair accessibility need from around 3% of households. If 3% is applied to the household growth in the 2014-based Household Projections (2014-35) then there would be an additional need for around 550 adapted homes. If this figure is brought together with the estimated current need then the total wheelchair adapted need would be for around 1,150 homes (2014-35).

### Table 85: Estimated need for wheelchair adapted homes (2014-2035)

<table>
<thead>
<tr>
<th></th>
<th>Current need</th>
<th>Projected need (2014-35)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>170</td>
<td>165</td>
<td>335</td>
</tr>
<tr>
<td>Bolsover</td>
<td>117</td>
<td>127</td>
<td>244</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>166</td>
<td>129</td>
<td>295</td>
</tr>
<tr>
<td>NED</td>
<td>153</td>
<td>126</td>
<td>278</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>606</td>
<td>547</td>
<td>1,153</td>
</tr>
</tbody>
</table>

Source: Derived from demographic projections and Habinteg prevalence rates

---

27 Supported by the Homes and Communities Agency - Mind the Step: An estimation of housing need among wheelchair users in England
8.22 Information in the CLG Guide to available disability data, also provides some historical national data about wheelchair users by tenure (data from the 2007/8 English Housing Survey). This showed around 7.1% of social tenants to be wheelchair users, compared with 2.3% of owner-occupiers (there was insufficient data for private renting, suggesting that the number is low). This may impact on the proportion of different tenures that should be developed to be wheelchair accessible; although it should be noted that the PPG (56-009) states that ‘Local Plan policies for wheelchair accessible homes should be applied only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling’.

**Self- and Custom-Build Development**

8.23 The SHMA Update next considers the potential contribution that self-build and custom-build development could make toward housing supply. *Laying the Foundations – a Housing Strategy for England 2010* sets out that only one in 10 new homes in Britain was self-built in 2010 – a lower level than in other parts of Europe. It identifies barriers to self or custom-build development as including:

- A lack of land;
- Limited finance and mortgage products;
- Restrictive regulation; and
- A lack of impartial information for potential custom home builders.

8.24 Government aspires to make self-build a ‘mainstream housing option’ by making funding available to support self-builders and by asking local authorities to champion the sector. The Housing and Planning Act 2016 requires local authorities to establish a Self-Build Register, collating details of those interested in self/ custom-build development.

8.25 As registers are fairly new, at this stage the demand information shown by them should be treated with some caution. *Table 86* present the numbers of persons/ households who have registered an interest in self- and custom-build within the HMA and its consistent authorities as at Summer 2017. There is a modest overall activity overall interest with just 66 people raising interest to build their own houses across the HMA.
Table 86: Registered Interest in Self- and Custom-Build Development, August 2017

<table>
<thead>
<tr>
<th>HMA Authorities</th>
<th>No. of People Registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>43</td>
</tr>
<tr>
<td>Bolsover</td>
<td>7</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>9</td>
</tr>
<tr>
<td>North East Derbyshire</td>
<td>7</td>
</tr>
<tr>
<td>HMA</td>
<td>66</td>
</tr>
</tbody>
</table>

Source: Councils’ Registers

8.26 We would expect most new delivery to be on small windfall sites; although there is some potential through policy to encourage developers of larger schemes to designate parts of these as plots available for custom build. However, it is likely to be difficult to demonstrate concrete evidence of demand at a local level.

Drawing the Evidence Together

8.27 This section has drawn on a range of data sources. The data shows that in general, the ND&B HMA has a high level of disability when compared with other areas and that an ageing population means that the number of people with disabilities is expected to increase substantially in the future. Key findings include:

- 45% increase in the population aged 65+ (accounting for over 100% of total population growth);
- 24% of household growth identified in the CLG projections to be specialist housing for older persons;
- 65% increase in the number of older people with mobility problems (representing 38% of all population growth);
- 21% increase in the number of people with a long-term health problem or disability (LTHPD) (representing 80% of all population growth);
- concentrations of LTHPD in the social rented sector;
- a need for around 6% of dwellings to be wheelchair adapted (M4(3)), based on the 2014-based Household Projections.

8.28 This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings. The exact proportion of homes in categories M4(2) and M4(3) is for the Councils to consider based on this evidence and also any other relevant information (e.g. about viability). That said, the CLGs Housing Standards Review Cost Impact study (which accompanies the PPG) suggests that meeting M4(2) standards is likely to cost in the range of £520-£940 per dwelling (M4(3) being substantially higher).

8.29 In seeking M4(2) compliant homes the councils should also be mindful that such homes could be considered as ‘homes for life’ and would be suitable for any occupant, regardless of whether or not they have a disability at the time of initial occupation. The councils should also consider if a different
approach is prudent for market housing and affordable homes, recognising that Registered Providers may already build to higher standards, and that households in the affordable sector are more likely to have some form of disability.

8.30 The evidence points to a modest interest in self- and custom-build development within the HMA. We would expect interest this sector to be focused on delivering small windfall developments.
CONCLUSIONS

9.1 This section sets out the draft conclusions of the SHMA Update. It addresses the overall need for homes, the mix of homes needed – both market and affordable – and the needs of different groups within the population, and needs evidence to inform policies regarding the types of homes delivered.

The Objectively-Assessed Housing Need

9.2 The objectively assessed need (OAN) for housing has been assessed using the methodology set out by Government in Planning Practice Guidance (PPG) at the time of writing. The OAN is a function of the demographic need for housing, with adjustments made where appropriate to support economic growth and improve affordability, responding to evidence from market signals and of the need for affordable housing.

Demographic-led Need

9.3 The SHMA Update has considered the latest 2014-based Household Projections, and the Sub-National Population Projections on which these are based. This provides the starting point for considering housing need using the methodology set out in the PPG. The 2014-based Household Projections point to a need for 18,770 homes over the 2014-35 period.

9.4 GL Hearn has undertaken sensitivity testing considering alternative scenarios for migration and household formation in drawing conclusions on the demographic need for homes. The report has considered 2015 Mid-Year Population Estimates, and scenarios based on 10 year migration trends (2005-15), as well as the influence which Unattributable Population Change could have had on longer-term migration trends.

9.5 Considered alongside the market signals evidence, the analysis shows that there was an under-delivery of housing between 2009 and the base date of the projections in 2014. This was influenced by wider macro-economic and market circumstances and coincided with a notable downturn in housing delivery nationally. The evidence however indicates that this could have influenced both in-migration to the HMA and the ability of younger households to form.

9.6 GL Hearn consider that a 10 year migration scenario based on adjusting migration taking into account the difference between the input period to the 2014-based SNPP and longer-term trends 2005-15 is appropriate. In addition adjustments to household formation rates of younger households aged 25-34 and 35-44 are appropriate, returning these to the midpoint between the 2008- and 2014-based projections by 2035. The report draws conclusions on the demographic need for housing on this basis. This results in an overall upward adjustment of almost 4,350 homes from the demographic starting point of 18,770, resulting in a demographic-based need for 22,120
dwellings (1,100 dpa) over the 2014-35 period. This captures and incorporates the impacts of under-delivery prior to the 2014 base date within the OAN calculation.

9.7 Across the HMA, the upward adjustments made in deriving the demographic need provide the potential to support improvements in the affordability of housing and the local economy including through supporting both higher in-migration and higher household formation amongst younger households.

Table 87: Conclusions on the Demographic-led Need, 2014-35

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>2014-based Starting Point</th>
<th>Conclusions on Demographic Need</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>270</td>
<td>340</td>
<td>26%</td>
</tr>
<tr>
<td>Bolsover</td>
<td>210</td>
<td>247</td>
<td>18%</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>210</td>
<td>265</td>
<td>26%</td>
</tr>
<tr>
<td>North East Derbyshire</td>
<td>204</td>
<td>248</td>
<td>22%</td>
</tr>
<tr>
<td>HMA</td>
<td>894</td>
<td>1,100</td>
<td>23%</td>
</tr>
</tbody>
</table>

Supporting Economic Growth

9.8 The SHMA Update has then considered two scenarios for economic growth. Baseline forecasts show employment growth of between 8,500 – 9,200 jobs (2014-35) across the HMA. A “Growth Scenario” has been developed which considers the potential for stronger employment growth. In this scenario employment in HMA is expected to grow 11,400 (0.5% pa). Employment growth in Bolsover is expected to be the strongest with an annual rate of 0.9%. Employment in the other authorities is expected to grow by 0.4% per annum. A level of policy intervention and support would likely be required to achieve this but it is not necessarily an unrealistic scenario set against past trends in employment growth.

Table 88: Baseline and Growth Scenarios for Employment Growth

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Baseline 2014-2035 Jobs Growth</th>
<th>Growth Scenario 2014-2035 Jobs Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>2,600</td>
<td>4,800</td>
</tr>
<tr>
<td>Bolsover</td>
<td>3,000</td>
<td>6,500</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>1,700</td>
<td>4,200</td>
</tr>
<tr>
<td>North East Derbyshire</td>
<td>1,200 – 1900</td>
<td>3,000</td>
</tr>
<tr>
<td>HMA</td>
<td>8,500 – 9,200</td>
<td>18,400</td>
</tr>
</tbody>
</table>

9.9 The SHMA Update has then modelled what level of housing provision would be needed to support these levels of employment growth. In doing so it takes into account the potential for some people to have more than one job, for reductions in unemployment since the 2014 base date, commuting patterns (using 2011 Census commuting ratio) and potential changes in age/sex-specific economic participation rates based on the midpoint between forecasts from the Office for Budget

28 Figures rounded to the nearest 100 jobs
Responsibility and Experian. The results are shown in Table 89 (taking into account the adjusted household formation rates).

9.10 The level of housing provision needed to support employment growth using baseline (trend-based) forecasts is marginally higher than that the demographic need shown, at 23,600 dwellings.

Table 89: Overlaying Economic-based Scenarios for Housing Need

<table>
<thead>
<tr>
<th>Dwellings pa, 2014-35</th>
<th>Demographic Need</th>
<th>Baseline Economic</th>
<th>Growth Economic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>340</td>
<td>341</td>
<td>417</td>
</tr>
<tr>
<td>Bolsover</td>
<td>247</td>
<td>249</td>
<td>386</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>265</td>
<td>251</td>
<td>330</td>
</tr>
<tr>
<td>NE Derbyshire</td>
<td>248</td>
<td>283</td>
<td>332</td>
</tr>
<tr>
<td>HMA</td>
<td>1,100</td>
<td>1,124</td>
<td>1,465</td>
</tr>
<tr>
<td>Uplift from Demographic Need</td>
<td>2%</td>
<td>33%</td>
<td></td>
</tr>
</tbody>
</table>

9.11 The higher employment growth assumptions in the Growth Scenario result in notably higher levels of housing need in each authority. Across the HMA the baseline scenario is 2.2% above the demographic need; and growth scenario a significant 33% above the demographic need. This highlights the sensitivity of estimates of the scale of housing need to economic performance, and the degree to which economic growth could drive in-migration.

9.12 GL Hearn’s analysis of the baseline forecasts against past trends indicates that the baseline forecasts expect relatively modest employment growth across the HMA relative to that seen historically across the area; and to wider benchmarks such as forecast regional and national employment growth rates. Nonetheless these are robust forecasts which take into account the sectoral structure, past performance and expected future economic trends. They provide a strong basis for quantifying minimum OAN figures.

9.13 There are clearly uncertainties associated with longer-term economic performance, the NPPF sets out that the planning system should seek to positively and proactively encourage and drive sustainable economic growth (see Paragraphs 17 and 21). The Growth Scenario should be interpreted in this light as providing an assessment of the potential for the impact on housing need should the economy perform more strongly; and providing a basis for considering through the plan-making process how planning for higher housing provision and economic growth could be mutually supportive – with housing provision itself representing investment and helping to support economic growth (including through providing a supply of available labour) and economic growth supporting housing demand, investment and local regeneration.

9.14 GL Hearn would recommend that the baseline scenario is therefore treated as informing minimum OAN figures and where appropriate quantifying any ‘unmet housing need’, but that the Councils test the potential to support the higher Growth Scenario figures in bringing together evidence through
the plan-making process. In drawing conclusions in this respect, it will be important that the economic and housing strategies within local plans are aligned with one another, as Paragraph 158 in the NPPF requires.

**Market Signals and Affordable Housing Need**

*Market Signals*

9.15 The SHMA Update has reviewed the latest evidence on market signals considering performance against the indicators listed in the PPG. The evidence shows that:

- Median house prices for the HMA stand at £135,500 in 2016, which is 36% below the national and 16% below the regional equivalent. Housing costs are below national and regional equivalents across all four authorities.

- Long-term growth in prices has been modest during this market cycle. Over the last 10 years, prices have increased by £10,800 with annual price growth averaging 0.9% per annum, which is below the rates of England and East Midlands. Nationally prices over this period increased by £19,000 on average.

- Land values in 2015 are less than the half of the regional equivalent and less than the quarter of the national (excl London) level. Land values are influenced by housing costs; but overall the evidence does not point to a shortage of residential land in the HMA.

- Lower quartile house prices are on average 5.4 times lower quartile earnings (based on individual incomes) in 2016 across the HMA. Figures for individual authorities vary from 4.5 – 6.2. This ratio is slightly above where it was 5 years ago (4.92), but below where it was 10 years ago (5.77). The HMA ratio, as well as those for individual authorities, are below the regional and national equivalents.

- Rental costs are below the East Midlands and England equivalents. Rental growth over the 2011-16 period at 0.6% per annum has been below the national (2.1%) and regional (2.5%) equivalents, with rents effectively falling in real terms relative to inflation.

- The LQ rental affordability ratio (LQ rents/LQ earnings) in all four authorities at 25-27% is similarly below regional and national equivalents (28-30%).

9.16 The evidence points to very limited comparative pressures from market signals, consistent with that identified in the 2013 SHMA. Taking account of the adjustments made in drawing conclusions on the demographic need for housing, as considered above, GL Hearn conclude that no adjustments for market signals are warranted by the evidence.
9.17 The updated analysis in the SHMA points to an overall need for affordable housing of 388 units per annum over the 21-years to 2035 across the HMA. For individual authorities, the analysis shows an affordable need in all areas apart from Chesterfield, which has a small surplus – this looks to be driven by a high estimated future level of re-let supply.

Table 90: Estimated level of Affordable Housing Need per annum – by HMA and local authority

<table>
<thead>
<tr>
<th>Authority</th>
<th>Current need</th>
<th>Newly forming households</th>
<th>Existing households falling into need</th>
<th>Total Need</th>
<th>Supply from existing stock</th>
<th>Net Need</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>33</td>
<td>343</td>
<td>255</td>
<td>631</td>
<td>496</td>
<td>134</td>
</tr>
<tr>
<td>Bolsover</td>
<td>25</td>
<td>273</td>
<td>215</td>
<td>513</td>
<td>386</td>
<td>126</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>27</td>
<td>357</td>
<td>277</td>
<td>662</td>
<td>706</td>
<td>-44</td>
</tr>
<tr>
<td>NED</td>
<td>20</td>
<td>294</td>
<td>151</td>
<td>465</td>
<td>293</td>
<td>172</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>104</td>
<td>1,267</td>
<td>898</td>
<td>2,270</td>
<td>1,882</td>
<td>388</td>
</tr>
</tbody>
</table>

Source: 2011 Census/CoRe/Projection Modelling and affordability analysis

9.18 If the current need is to be met over a shorter five year period (compared to a 21 year period in the core analysis to enable comparison with other elements of analysis), a higher need is shown in all areas, as set out in Table 49 from 42 dpa in Chesterfield, 205 dpa in Bolsover, 236 dpa in NE Derbyshire and 239 dpa in Bassetlaw.

9.19 Table 91 below considered the notional overall level of housing provision which would be needed to meet the affordable housing need in full, based on the proportion of affordable housing expected to be delivered in mixed tenure developments. This calculation should be regarded as indicative, but follows the approach set out in the PPG.

Table 91: Notional Provision to Meet Affordable Housing Need in Full, (dpa)

<table>
<thead>
<tr>
<th>Authority</th>
<th>Net Affordable Housing Need</th>
<th>Notional Affordable Housing Delivery</th>
<th>Notional Housing Provision to Meet Affordable Housing Need in Full</th>
<th>Demographic Need, dpa</th>
<th>% Uplift on Demographic Need</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>134</td>
<td>20%</td>
<td>670</td>
<td>340</td>
<td>97%</td>
</tr>
<tr>
<td>Bolsover</td>
<td>126</td>
<td>10%</td>
<td>1260</td>
<td>247</td>
<td>410%</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>-44</td>
<td>25%</td>
<td>-</td>
<td>265</td>
<td>-</td>
</tr>
<tr>
<td>NED</td>
<td>172</td>
<td>30%</td>
<td>573</td>
<td>248</td>
<td>131%</td>
</tr>
<tr>
<td>ND&amp;B HMA</td>
<td>388</td>
<td></td>
<td>2503</td>
<td>1100</td>
<td>128%</td>
</tr>
</tbody>
</table>

Case law sets out that it may be necessary, based on the affordable needs evidence to consider an adjustment to enhance the delivery of affordable housing, but that this does not need to be necessarily done in a mechanical way whereby the affordable need on its own dictates the OAN
figure. Nonetheless it is clear that affordable housing need may support upwards adjustments to housing need within the OAN calculation, but with consideration given to the overall deliverability of housing.

9.21 GL Hearn does not consider that adjustments of over 100% in overall housing delivery are either realistically deliverable or justified. In interpreting the affordable housing needs evidence, we consider that the following needs to be recognised:

- This is a relatively low value housing market. Low house prices impact residential development viability, and this significantly impacts on the degree of affordable housing that can be delivered through mixed-tenure developments.

- There are other means of delivering affordable housing besides S106, including through schemes brought forward by Registered Providers, through rural exception site development and through delivery funded through through the National Affordable Housing Programme. These will contribute to affordable housing delivery.

- The need for affordable housing is very sensitive to housing costs and incomes. Increasing overall housing delivery can be expected to support improvements in the affordability of market housing. This will contribute to reducing the affordable housing need.

- There is a clear need for economic regeneration. Improving employment levels and incomes will contribute to reducing the affordable housing need.

9.22 There is however some basis in the evidence for considering upward adjustments from the conclusions on demographic need to support affordable housing delivery. We consider that within the OAN calculation, a 10% upward adjustment on the demographic need should be considered responding to the affordable housing needs evidence.

9.23 In addition, taking into account the economic evidence, consideration should be given to providing higher housing delivery relative to the demographic need to support economic growth. It should be remembered that higher housing provision will support both workforce/ economic growth and delivery of additional affordable homes.

**Conclusions on the Objectively-Assessed Need for Housing**

9.24 Drawing the evidence together, the OAN is calculated taking into account the adjustments made in drawing conclusions on the demographic need for homes; upward adjustments where appropriate to support baseline economic growth; and a 10% upward adjustment applied to the demographic need to support enhanced affordable housing delivery (with the exception of Chesterfield). The baseline/ minimum OAN is calculated on this basis, as set out in Table 92.
The OAN conclusions have been drawn at an HMA and local authority level. At the local authority level, the evidence does not point to the need for an upward adjustment over and above that of the adjustments made for affordable housing delivery shown in Table 92.

However considering need in NE Derbyshire specifically the evidence points to a higher need to support that District’s baseline employment growth (see also Table 30, p37). This could be achieved through either the increased housing provision shown for the District, agreeing a revised distribution of housing provision across the HMA through the Duty to Cooperate, or agreeing that the difference is sufficiently small that it could be accommodated by modest changes to cross-boundary commuting patterns which would also need to be agreed through the Duty to Cooperate. On this basis no upward adjustment for employment growth has been made in drawing conclusions across the HMA.

Conclusions on Accommodating Further Economic Growth

As set out above clearly uncertainties associated with longer-term economic performance, the NPPF sets out that the planning system should seek to positively and proactively encourage and drive sustainable economic growth (see Paragraphs 17 and 21). The Growth Scenario should be interpreted in this light as providing an assessment of the potential for the impact on housing need should the economy perform more strongly; and providing a basis for considering through the plan-making process how planning for higher housing provision and economic growth could be mutually supportive. GL Hearn would recommend that OAN figures above are therefore treated as minimum figures and where appropriate quantifying any ‘unmet housing need’, but that the Councils test the potential to support the higher Growth Scenario figures in bringing together evidence through the plan-making process. It drawing conclusions in this respect, it will be important that the economic and housing strategies within local plans are aligned with one another, as Paragraph 158 in the NPPF requires.

Table 92: Conclusions on Objectively-Assessed Housing Need, 2014-35

<table>
<thead>
<tr>
<th></th>
<th>Starting Point Projections (2014-based)</th>
<th>Conclusions on Demographic Need</th>
<th>Affordability Uplift</th>
<th>To Support Baseline Economic Growth</th>
<th>OAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>292</td>
<td>340</td>
<td>374</td>
<td>341</td>
<td>374</td>
</tr>
<tr>
<td>Bolsover</td>
<td>229</td>
<td>247</td>
<td>272</td>
<td>249</td>
<td>272</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>241</td>
<td>265</td>
<td>265</td>
<td>251</td>
<td>265</td>
</tr>
<tr>
<td>NE Derbyshire</td>
<td>221</td>
<td>248</td>
<td>273</td>
<td>283</td>
<td>283</td>
</tr>
<tr>
<td>HMA</td>
<td>983</td>
<td>1,101</td>
<td>1,184</td>
<td>1,124</td>
<td>1,184</td>
</tr>
</tbody>
</table>
Proposals for Planning for the Right Homes in the Right Places

9.28 In September 2017, Government published consultation proposals for *Planning for the Right Homes in the Right Places*. The consultation includes proposals for a new standardised approach to quantifying housing need, based on the latest official household projections with adjustments to take account of market signals (which are capped in some instances). This quantifies a *minimum* level of housing provision.

9.29 The starting point is the latest official projections, with adjustments then applied based on the degree to which the affordability ratio is over 4, with a 1% increase in the ratio of median house prices to earnings over 4 resulting in an increase in a quarter of a percent in need above the projected household growth. A cap is envisaged which is 40% above existing local plan figures where the local plan was adopted in the previous 5 years; or 40% above either the latest local plan or the household projections (whichever is the higher) where there is not an up-to-date local plan.

9.30 The proposed methodology could change as a result of consultation responses, and release of new household projections in due course, and therefore figures arising from the proposed methodology should at the time of writing be treated with a degree of caution.

9.31 The proposals based on current information (and 2014-based Household Projections) would show an OAN for 1,096 dpa across the Housing Market Area, which is 9.5% below the need shown in our core analysis. The figures for individual districts are shown in the table below.

<table>
<thead>
<tr>
<th>District</th>
<th>Indicative Housing Need (dpa)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bassetlaw</td>
<td>324</td>
</tr>
<tr>
<td>Bolsover</td>
<td>244</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>252</td>
</tr>
<tr>
<td>NE Derbyshire</td>
<td>276</td>
</tr>
<tr>
<td>HMA</td>
<td>1,096</td>
</tr>
</tbody>
</table>

9.32 The next set of official household projections will be issued in Summer 2018; with new data on affordability ratio likely to be issued in the Spring.

9.33 It seems likely that the standard methodology will apply to plans submitted from Spring 2018 onwards. The methodology includes provisions for joint working and there therefore be an opportunity for the authorities to collectively agree an alternative distribution of housing provision should they wish to do so.

9.34 The Consultation proposals encourage local authorities to work jointly, and there are opportunities to agree a distribution of housing need through the Duty to Cooperate. It sets out that Councils may
put forward proposals that lead to a local housing need above that set out in the methodology, such as to support economic growth or infrastructure delivery, and where councils do so, Planning Inspectors are advised to work on the assumption that the approach is sound unless there are compelling reasons to indicate otherwise.

9.35 The Government intends to take forwards the proposals through revisions to the NPPF, which are due to be finalised in Spring 2018. For plans submitted after this point, the standard methodology (as finalised by Government) would apply in calculating housing need and will provide a baseline assessment of the need for housing. However there are considerations within this report which the councils may wish to consider alongside the figures arising from the finalised standard methodology, such as those relating to the interaction between housing provision with economic growth and affordable housing delivery.

**Need for Different Types of Homes**

**Need for Different Types of Affordable Homes**

9.36 The cost of housing to buy in North Derbyshire & Bassetlaw is relatively cheap in comparison with national figures. Income levels to access owner-occupied housing are often lower than might be needed to rent privately. This would suggest that a key issue in the HMA is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially some mortgage restrictions (e.g. where employment is temporary).

9.37 Hence, whilst the Housing White Paper suggests a clear policy direction to provide 10% of all new housing as affordable home ownership, it is not clear that this is the best solution in the HMA. If possible, it would be more appropriate for the Councils to seek for 10% of housing to be made available with some initial upfront capital payment (such as a deposit contribution), rather than as a discount to OMV. Such a payment could cover the deposit and other initial costs, and would potentially need to be protected in some way so that the money is not lost if a household chooses to sell their property. Schemes such as Help-to-Buy could form part of such a package. This would still be targeted at the same group of households (likely to mainly be those currently privately renting but who would like to buy).

9.38 If the Councils are required to provide 10% of housing as affordable home ownership, then the analysis would suggest that shared ownership is the most appropriate option. This is due to the lower deposit requirements and lower overall costs (given that the rent would also be subsidised). The evidence shows that there is not any basis (in affordability terms) to increase the provision of affordable home ownership above the 10% figure currently suggested in the White Paper.
9.39 Subject to viability, in addition to 10% of affordable home ownership (or some alternative measure such as capital payments), the Councils should be seeking to provide additional rented housing. Such housing is cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments). The analysis in this section does not suggest that there would be much of a difference between the cost to the occupant of either social or affordable rented housing. Hence the actual tenure choice in each area could be determined by the potential availability of funding.

Need for Different Sizes of Homes

9.40 The SHMA Update indicates that there a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to long-term (21-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes:

Table 94: Strategic Conclusions on the Appropriate Mix of Different Sizes of Homes

<table>
<thead>
<tr>
<th></th>
<th>1-bed</th>
<th>2-bed</th>
<th>3-bed</th>
<th>4+ bed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market</td>
<td>0-5%</td>
<td>30%</td>
<td>50%</td>
<td>15-20%</td>
</tr>
<tr>
<td>Low-cost home ownership</td>
<td>10-15%</td>
<td>40-45%</td>
<td>35-40%</td>
<td>5-10%</td>
</tr>
<tr>
<td>Affordable housing (rented)</td>
<td>25-30%</td>
<td>45%</td>
<td>20%</td>
<td>5-10%</td>
</tr>
</tbody>
</table>

9.41 Based on the evidence, it is expected that the focus of new market housing provision will be on two- and three-bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some 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.

9.42 The analysis also looked at the housing mix in each of the four local authorities. Whilst there were differences between locations, it is not considered that these are so great as to point towards a different profile of new housing being needed when compared to HMA level findings.

9.43 The mix identified above should inform strategic 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. The analysis of an appropriate mix of dwellings could also inform the ‘portfolio’ of sites which are considered by the local authority through its local plan process. Equally it will be of relevance to affordable housing negotiations.
Housing Needs from Specific Groups or for Specific Types of Homes

9.44 The SHMA Update indicates that there is a high level of disability amongst the HMA’s population when compared with other areas; and that an ageing population means that the number of people with disabilities is expected to increase substantially in the future. Key findings include:

- 45% increase in the population aged 65+ (accounting for over 100% of total population growth);
- 24% of household growth identified in the CLG projections to be specialist housing for older persons;
- 65% increase in the number of older people with mobility problems (representing 38% of all population growth);
- 21% increase in the number of people with a long-term health problem or disability (LTHPD) (representing 80% of all population growth);
- concentrations of LTHPD in the social rented sector;
- a need for around 6% of dwellings to be wheelchair adapted (M4(3)), based on the 2014-based Household Projections.

9.45 This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings. The exact proportion of homes in categories M4(2) and M4(3) is for the Councils to consider based on this evidence and also any other relevant information (e.g. about viability). That said, the CLGs Housing Standards Review Cost Impact study (which accompanies the PPG) suggests that meeting M4(2) standards is likely to cost in the range of £520-£940 per dwelling (M4(3) being substantially higher).

9.46 In seeking M4(2) compliant homes the councils should also be mindful that such homes could be considered as ‘homes for life’ and would be suitable for any occupant, regardless of whether or not they have a disability at the time of initial occupation. The councils should also consider if a different approach is prudent for market housing and affordable homes, recognising that Registered Providers may already build to higher standards, and that households in the affordable sector are more likely to have some form of disability.

9.47 The evidence points to a modest interest in self- and custom-build development within the HMA. GL Hearn expect interest this sector to be focused on delivering small windfall developments.