Stafford Borough Council Economic and Housing Development Needs Assessment

EHDNA
Stafford Borough Council

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Executive Summary

Housing Market Area / Functional Economic Market Area

Over the past ten years or so, the Borough has experienced a strengthening level of self-containment, with migratory patterns expanding and more people moving into the Borough from the adjoining Staffordshire authorities than before. There are very strong migration links between the Borough, Stoke-on-Trent and Newcastle-under-Lyme. The Borough has a self-containment rate of 71% for in-migration, and 73% for out-migration when short household moves are considered and therefore exceeds the threshold for a self-contained Housing Market Area (HMA) set out previously in the Planning Practice Guidance (PPG).

Median house prices vary significantly across the Borough, but are in line with those in adjacent areas in neighbouring local authorities. As the Borough is a predominantly rural district with overlapping HMAs and a number of other authorities nearby, it is considered both reasonable and pragmatic to take the administrative boundaries of the **Borough as being a 'best fit' HMA for p**lanning purposes.

ONS Travel to Work Areas [TTWA] suggests that the Borough is a self-contained TTWA, albeit with some **overlap with the Wolverhampton TTWA to the south. The Borough's office and industrial property market is** understood to be characterised l**argely by localised demand, driven by the Borough's industrial property** market. However, the Borough also performs as a sub-regional hub for logistics depots due to its links to the M6 motorway. Relatively high levels of retail retention indicate a reasonably high degree of self-containment within the Borough but the Borough does fall within the Stoke-on-Trent and Staffordshire Local Enterprise Partnership (LEP). On balance, it is considered that the Functional Economic Market Area (FEMA) predominantly aligns with the **Borough's administrative boundary.**

Area Portrait

The Borough has seen significant population growth since 2002. Net migration has been consistently inward-moving since 2002, both in terms of internal and international migration. The younger working age population of the Borough has declined since 2001 whilst all other age groups have grown, with the older population growing most rapidly. Couples aged below 65 with no children are the most common household type, followed closely by couples with dependent children. There is a significant pattern of under-occupation, particularly by couples aged 65+, whilst over-occupation/over-crowding typically affects families with children.

Detached properties are the most common house type, particularly in the rural areas of the Borough, and larger properties account for a greater proportion of dwellings than the regional or national averages. Almost three quarters of properties are owner occupied, particularly in the rural areas, and there is a greater proportion of larger dwellings than is the case regionally or nationally.

House sales declined in the Borough during the recession but have since recovered, in line with the general trend in Staffordshire. Median and lower quartile house prices are higher in the Borough than the Staffordshire average, and have increased since the recession. Median house prices are generally higher in the rural areas of the Borough than in the towns of Stafford or Stone. The median rent paid in the Borough is comparable to the Staffordshire average. Affordability ratios have worsened; and lower quartile affordability ratios are worse than median ratios, indicating that those on lower incomes may struggle to afford even lower priced properties.

The results of the New Homes Survey indicate that Stafford has the greatest mix of new homes in respect of house type, tenure and size; whilst rural Stafford is dominated by larger, detached new build homes. Both Stafford Town and the surrounding rural areas tend to draw from a wider migratory catchment area than Stone, where the market seems to be more contained.

Socio-Economic Context

Being a county town, Stafford has a higher proportion of public sector jobs than Staffordshire and the West Midlands. The public sector accounts for a significant amount of employment in the Borough overall when including health and social care. The bulk of overall employment in Stafford is made up across wholesale and retail trade, health and social care services, manufacturing, and accommodation and food services. Economic activity is comparatively high and the unemployment rate is significantly below the regional and national averages. Overall, deprivation within the Borough is low, despite some areas of Stafford town being in the top 10% for deprivation nationally. There is a diverse mix of business sectors within the Borough, with concentrations in Stafford and Stone. Future job growth prospects are moderate, and the restructuring of the Borough's manufacturing sector is set to continue.

Commercial Property Market

89% of the **Borough's employment floorspace is industrial.** Office space has increased significantly since 2000 (albeit from a low base), whilst industrial space has experienced very modest growth overall, but has declined since 2009/10 as th**e Borough's manufacturing economy has restructured. The majority of** employment sites are clustered in and around Stafford itself, particularly offices, with a number of business parks and industrial estates located to the north and east of the town. The Borough has been successful in attracting substantial levels of inward investment, and has a wide variety of funding schemes and mechanisms to support growth of Small and Medium sized Enterprises [SMEs].

Commercial property market stakeholders identified tha**t the Borough's central location and excellent** connectivity to the strategic road network are key strengths. Sites on the fringes of Stafford were considered particularly popular but the market in the east of the Borough is considered less strong. Stakeholders considered there to be a shortage of good quality B-Class land across the area. There is need for greater choice in the property market; with stakeholders suggesting that the size of units available is not always suitable for prospective businesses, and that there is a relative scarcity of smaller industrial units. The industrial and logistics sectors are considered to be performing well but there is less focus on office space, with town centre sites falling out of favour with businesses. It should also be acknowledged that the numerous smaller industrial estates located in rural parts of the Borough play a particularly important role in **maintaining the sustainability of Stafford's villages and are a key element of the area's attractiveness as a** place to live and work.

Future Employment Needs

The study has considered, through modelling a range of future economic scenarios, the level of future employment land which is required over the plan period. The scenarios include labour demand, past trends in completions of employment space, and local labour supply. The modelling undertaken, and subsequent analysis, identifies a future employment land requirement of between 68 ha to 181 ha over the plan period.

It will be important to ensure that any employment land identified in the emerging plan takes into consideration the views from the market and relative market strengths to ensure demand for employment land is captured across the Borough, capitalising on its identified strengths.

Local Housing Need

The Local Housing Need [LHN] for the Borough as generated by the standard method in the National Planning Policy Framework [Framework] and Planning Practice Guidance [PPG] generates a figure of 408 dwellings per annum [dpa]. Given the demographic behaviour patterns observed in the Borough identified in the Mid Year Population Estimates [MYEs], and the alignment between these and the 2014-based Sub National Population Projections [SNPP], there are no significant exceptional circumstances to justify departing from the standard methodology approach as a minimum. However, delivering more than 408 dpa is supported through the Framework and PPG in several ways, and the Local Plan should consider the extent

to which the standard method estimate of LHN is consistent with the economic success of Stafford and the wider area.

Reasons why the Council may consider identifying a higher housing requirement figure in its emerging Local Plan include the need to accommodate a sufficient economically-active workforce to meet needs arising from projected economic growth, in particular taking into account the future strategic economic growth planned for the Borough through a potential Garden Community and Stafford Station Gateway. These developments are anticipated to generate around 12,470 jobs. 647 dpa (711 dpa based on the Partial Catch Up [PCU] Sensitivity Scenario) would be required to support this level of job growth. This represents a lower level of jobs growth than in the Past Trends scenario, which would generate 13,126 jobs and require 683 dpa (746 dpa PCU). However, it is considered unlikely that this level of jobs growth could be sustained going forward given the current economic climate.

Affordable housing need is in the range between 252 and 389 affordable homes per annum between 2020 to 2040 which represents a significant proportion of the LHN based on the standard method (408 dpa) and would require at least a 36% delivery rate even if the Regeneration PCU scenario of 711 dpa were pursued. It is for the Council to consider the evidence contained in this EHDNA when identifying a housing requirement which would support the strategy underpinning the emerging plan and whether an uplift beyond the standard method is appropriate.

Housing Mix and Type

Older households are projected to grow significantly in the Borough over the plan period. This study considered the future projected demographic changes alongside current occupancy patterns to estimate future mix. Stafford and Stone should continue to provide for a mix and range of housing across all sizes. The rural sub-area has a higher proportion of older households coupled with a small proportion of smaller **properties which could exacerbate 'empty-nesting' and limit a household'**s ability to move into a more suitable home for their needs. Opportunities should be considered to provide smaller properties in the rural sub-area and some older-person accommodation.

Needs of Specific Groups

Students

There is limited demand for new student accommodation in the Borough. The New Beacon Group have recently re-opened part of the former Staffordshire University Campus but there is still existing capacity which is considered likely to meet future needs, and further land is available should this be required.

There is no demand for Purpose Built Student Accommodation [PBSA] in the Borough, although this should continue to be monitored **to track any change in the University's plans**.

Households and families with children

Overcrowding is most significant for households and families with children in the social sector. The Council needs to consider how more effective use of existing stock, together with new developments, can help this. Although waiting list data suggests that there is the need for predominantly small units, there is also need for some larger affordable homes to address existing problems of overcrowding in the market.

Older People

Over 65's will increase by 34% by 2040, the fastest growing age group in the Borough. Different types of accommodation are required to meet their needs, and this variety of housing needs to be considered going forward to ensure a sufficient supply is provided across the various sub-market areas.

There is a small gap currently in the provision of extra care and sheltered housing which is projected to grow by 2027. Stakeholders suggested that extra care provision remains popular, but that location was a key

determinant in this popularity. A general need was identified for a range of house types and sizes, but bungalows are in particular demand.

Disabilities

Based on national data applied to projected future household growth in the Borough, there is a need for 576 dwellings over the plan period to meet M4(3) requirements, which equates to around 7% of the overall housing need based on the standard methodology. The balance of need differs between social rented properties and owner-occupation, based on national data, therefore the Council will need to consider these trends when developing policies to meet the needs of wheelchair users and the ability of homes to be adapted to meet needs.

Contents

<h1>1.0   Introduction</h1>

Background

1.1   Lichfields were appointed by Stafford Borough Council [the Council] to undertake an Economic and Housing Development Needs Assessment [EHDNA]. The overarching objective of the study is to identify future growth and local needs across Stafford Borough [the Borough] for the period 2020 to 2040 and to provide robust and up-to-date evidence upon which the new Local Plan will be developed.

1.2   This planned approach to delivering future employment and housing requirements will ensure that each community in the Borough has access to appropriate jobs and the right type of housing **in the right place, as well as improving the local communities' health and wel**lbeing. This will ensure new B-class employment land and housing provision meets local needs and wider growth requirements.

1.3   The study includes a Strategic Housing Market Assessment [SHMA] that identifies the house types, tenures and sizes required in the future alongside an Economic Development Needs Assessment [EDNA] that assesses the future B-class employment land requirements across the Borough.

Study Scope

1.4   The scope of this study is as follows:

- Assess the requirement for housing types, tenures and sizes as well as specific sector-led economic growth relevant to the Borough. Gain an understanding of how these housing needs vary by settlement and how the needs of the changing population are met by new and existing stock.

- Provide an up-to-date and robust evidence base to inform options for employment and housing growth (beyond total numbers) to underpin the land proposals in the new Local Plan. Identify the Functional Economic Market Area [FEMA] and Housing Market Area [HMA] and identify other local planning authorities with strong economic links to the Borough.

- Use the **Council's December 2018 Strategic Housing and Employment Land Availability** Assessment [SHELAA] to identify land supply options for the new Local Plan in the context of an analysis of existing employment and housing land, its quality and the future portfolio of sites in relation to suitability, availability and achievability. This will involve consultation with local property agents, developers, Registered Providers and inward investment professionals.

- Consider the recent rapid take up of employment and housing land across the Borough and identify future demand over the plan period 2020-2040, based on both past trends and economic and household projection forecasts within the context of the FEMA & HMA and identify where gaps exist in both quantitative and qualitative terms.

- Set out the housing and economic context which frames the EHDNA including the dynamics of the market.

- Demonstrate linkages between the Economic and Housing analysis and how it will be drawn together to inform the overall policy conclusions.

- Apply the revised National Planning Policy Framework [the Framework] and the Planning Practice Guidance [PPG] as well as the **Government's** *Industrial Strategy: Building a*

Britain fit for the future, the Stoke-on-**Trent & Staffordshire Local Enterprise Partnership's** [the SSLEP**'s**] Strategic Economic Plan [SEP] and other relevant strategies.

- Engage with all relevant stakeholders including the LEP, neighbouring local planning authorities, developers, land promoters, local property agents, statutory agencies, Registered Providers, housing & business partner organisations / representatives, the Chamber of Commerce and Parish and Town Councils.

1.5 The study therefore complements the **Council's** SHELAA analysis in order to demonstrate the delivery of future provision. The EHDNA does not in itself determine the overall provision of employment and housing land, as this will be subject to the New Local Plan process, including on-going Duty to Co-operate [DtC] agreements.

1.6 Progressing this evidence-based work is an important aspect of the New Local Plan 2020-2040 which will be in place by 2022. It is the Council**'s** intention that the EHDNA will be published alongside the Issues and Options report in Winter / Spring 2020, which will include consulting on employment and housing land options to meet local needs and wider growth requirements.

1.7 In this context the Council is one of the authorities across North Staffordshire and Cheshire in the Constellation Partnership seeking to maximise economic benefits from the proposed new HS2 Phase 2a rail link from Lichfield (Fradley) to Crewe.

1.8 As part of the New Local Plan, two significant development projects are being progressed: Stafford Station Gateway (located alongside Stafford railway station) and the concept of a new Garden Community. This EHDNA includes growth scenarios that would enable this scale of development to be delivered, as well as specifying the types of business sectors / investment markets that can take advantage of these proposals.

Report Structure

1.9 Following the initial background, policy overview and methodology sections, this EHDNA is split into an Economic Development Needs Assessment [EDNA] and a separate Strategic Housing Market Assessment [SHMA] and structured as follows:

Part 1: Background Context

1 Policy Context - sets out the national and local planning policy context along with the economic strategy for the Borough and the **SSLEP's SEP**.

2 EDNA/SHMA Methodology – in accordance with the revised Framework/PPG, outlining the approach taken to consultation.

Part 2: HMA/FEMA Definition

3 Defining the Housing Market Area [HMA] and Functional Economic Market Area [FEMA] that the Borough sits within.

Part 3: Economic Development Needs Assessment

4 Socio-Economic Context – contextualises the economic performance of the Borough within the wider LEP.

5 Commercial Property Market Signals and Intelligence – details the recent supply of and demand for employment space, and the dynamics of the commercial property market more generally.

6   Forecasting Future Needs **–** generating a range of scenarios for the growth of B-Class employment land, factoring in potential growth opportunities that could result from a potential new Garden Community and Stafford Station Gateway linked to HS2.

7   Review of the Council**'s SHELAA –** high level review of the Council**'s** SHELAA to inform the study conclusions on the relative balance between employment land demand and supply.

Part 4: Strategic Housing Market Assessment

8   Area profiling and market signals analysis - a detailed assessment of the Borough**'s** demographic characteristics and the housing market more generally.

9   Local Housing Need [LHN] **– the application of the Government's standard methodology** to derive a Local Housing Need figure for the Borough as a whole. This section includes an assessment of whether exceptional circumstances exist that would justify an alternative approach to be applied.

10   Identification of Housing Need at a local level, breaking down the Borough-wide LHN to parish level.

11   An analysis of the scale of affordable housing need that currently exists in the Borough.

12   In accordance with the PPG, an analysis of the type, tenure and size of housing required in the Borough.

13   The needs of specific groups, including students, families and older people.

Summary and Conclusions

14   Conclusions and recommendations **–** brings together and summarises the key findings and recommendations of the study.

Part 1: Background – Policy Context

2.0

Introduction

2.1 This study comprises the housing and employment land evidence base that will be used to inform the Council's new Local Plan policies and is in accordance with the following policy and economic documents at a national, regional and local level.

National Planning Policy Framework

2.2 The revised Framework was published on 19th February 2019. The Framework's **priorities** comprise a stronger plan-led approach, able to support the provision of new homes, improve affordability and ensure a higher rate of housing delivery than that of the 2012 version. Whilst guidance on economic growth has been pushed to the rear of the revised Framework, it nevertheless remains a key part of the planning balance and the Government retains the aspiration to support growth, innovation and above all, to improve productivity levels.

2.3 There is a renewed emphasis on strategic planning and a clear recognition that this crosses LPA boundaries, implying that joined-up working between authorities is imperative. Notably, strategic plans and policies should provide for development needs that cannot be met within neighbouring areas and should demonstrate this through new statements of common ground [SoCG].

2.4 There is a need to effectively cooperate, setting out how strategic plan-making authorities should collaborate, again emphasising that this includes where development needs cannot be met wholly in one area, and could be met elsewhere. Joint working and SoCGs are significant and for a plan to be found sound, cross-boundary strategic matters must be 'dealt with rather than deferred'. This is a significant addition to national policy, to help ensure strategic needs are planned for now. Importantly, SoCGs should be kept up to date.

Housing Policy

2.5 The Framework outlines how LPAs should determine housing needs (paragraph 60):

"To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for."

2.6 Local housing need is defined in Annex 2 of the Framework as follows:

"Local housing need: the number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 60 of the Framework)."

Employment Land / Economic Policy

2.7 The 2012 version of the Framework came as the UK economy was emerging from the deepest recession in a generation. Today, that period of recession continues to cast a long shadow in terms of impact on the public finances and productivity levels and is now complicated by the economic uncertainties created by Brexit.

2.8   In that context, the Government has chosen to make limited substantive change in terms of directing planning policy for the economy and business through the revised Framework. An "economic objective" remains the first overarching objective of the planning system (paragraph 8, point a). However, the wording has been broadened to expressly refer to the need to, "*support growth, innovation and improved productivity*" (emphasis added). Productivity is a concept rarely explored in any detail in plan-making or decision-taking, but the added emphasis seems appropriate given the national imperative on the issue.

2.9   In line with the revised Framework's new structure, economic considerations (including the rural economy) now have their own chapter (6). In the 2012 version of the Framework, "*building a strong, competitive economy*" was the first element of delivering sustainable development - tellingly, it now follows the chapter on delivering a sufficient supply of homes. In terms of content, however, the wording of the 2019 revised chapter looks familiar when compared to the 2012 version of the Framework. In line with the wider amendments to the 2012 version of the Framework, the text has been reduced and simplified.

2.10   The widely-cited line that the planning system should do, "*everything it can to support sustainable economic growth*" (paragraph 21 of the 2012 version of the Framework) disappears, but the general direction – and note the further reference to productivity - remains clear:

        "Significant weight should be placed on the need to support economic growth and productivity, taking into account local business needs and wider opportunities for development." (paragraph 80).

2.11   Regarding employment land, the 2012 version of the Framework stated that, "*planning policies should avoid the long-term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose*" (paragraph 22). This no longer appears in the economy chapter, but now features in expanded form in chapter 11 on "*making effective use of land*".

2.12   The sentiment is largely the same, but the test has been sharpened: regular reviews of allocations are required and, even prior to plan reviews, applications for alternative uses should be supported where unmet needs for development could be provided for. Furthermore, in "areas of high housing demand", the use of existing employment (and retail) land for homes is supported where this does not "*undermine key economic sectors or sites*".

2.13   The revised Framework (paragraph 82) sets out that planning policies should recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries and for storage and distribution operations at a variety of scales and in suitably accessible locations.

2.14   Ultimately, the Stafford Borough Local Plan will need up-to-date and more comprehensive evidence to inform its judgements about the need for, and relative importance of, the employment land in Stafford, particularly in the face of added pressure for release to other uses.

Technical Consultation on Updates to Framework and PPG

2.15   On 26th October 2018 the Government issued a Technical Consultation on updates to national planning policy and guidance. The consultation sought views on changes to planning practice guidance on the standard method for assessing local housing needs, as well as proposing minor clarifications to national planning policy on housing land supply, the definition of deliverable sites and appropriate assessment for habitats sites. The consultation closed on 7th December 2018 and the Government's response was published on 19th February 2019.

2.16   The consultation considered whether the PPG should be amended to specify that 2014-based projections would provide the demographic baseline for the standard method for a time-limited period. This was in light of the much lower 2016-based projections, which result in a national **housing requirement far short of the Government's target of 300,000 new dwellings every year. The Government's response to the consultation considers that its proposed approach of using** the 2014-based projections is the most appropriate approach, providing for stability and certainty in the short-term. **The Government's response also identified that the 2016**-based household projections should not be used as a reason to justify lower housing need.

National Planning Practice Guidance

2.17   On 6th March 2014 CLG launched the Planning Practice Guidance [PPG] web-based resource[1]. This website brings together many areas of English planning guidance into a new format, linked to the Framework and replaces the previous CLG SHMA Practice Guidance published in 2007, which has now been cancelled. Although the new PPG is more succinct and provides less detail on the assessment of affordable housing need than the 2007 Guidance, the overall approach remains essentially the same. Following the publication of the revised Framework, the section of the PPG addressing the calculation of objectively assessed housing needs was updated on 20th February 2019 to reflect the revised Framework. The PPG was last updated on 22nd July 2019 in terms of Housing and Economic Needs Assessment.

2.18   The PPG now states that the Framework expects strategic policy-making authorities to follow the standard method in this guidance for assessing local housing need. This uses a formula to identify the minimum number of homes expected to be planned for, in a way which addresses projected household growth and historic under-supply[2]. This takes an average of the household projections over a 10-year period and adjusts them based on the affordability of the area. A cap may be applied which limits the increase, depending on the current status of relevant policies for housing.

2.19   The PPG states that:

*"The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and **declining affordability are reflected, and to be consistent with the Government's objective of** significantly boosting the supply of homes.[3]"*

2.20   If an authority uses a different method for calculating housing need the PPG sets out how this should be tested at examination:

*"**Where a strategic policy**-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have **exceeded the minimum starting point."***

*"**Where an alternative approach results in a lower housing need figure than that identified** using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard **method. This will be tested at examination."***[4]

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[1] http://planningguidance.planningportal.gov.uk/
[2] 2a-002-20190220
[3] 2a-005-20190220
[4] 2a-015-20190220

2.21   The PPG states that for the purposes of decision making, "*there is separate guidance on how the standard method for assessing local housing need applies to calculating 5 Year Land Supply and the Housing Delivery Test*"[5].

2.22   The PPG[6] states the following:

*"**Housing requirement figures identified in** adopted strategic housing policies should be used for calculating the 5-year housing land supply figure where:*

- *the plan was adopted in the last 5 years, or*

- *the strategic housing policies have been reviewed within the last 5 years and found not to need updating.*

*In other circumstances the 5-**year housing land supply will be measured against the area's** local housing need calculated using the standard meth**od."***

2.23   On this basis, the starting point for identifying local housing needs for the purposes of decision taking should be the standard methodology.

Employment Land Need Assessments

2.24   The revised Framework requires planning policies to set out a clear vision and strategy, which positively and proactively encourages sustainable growth.

2.25   The PPG has two much-**shortened sections in 'Plan Making':**

What are the steps in gathering evidence to plan for business?

Strategic policy-making authorities will need a clear understanding of business requirements in their area. The steps in building up this evidence include:

- *working together with county and neighbouring authorities, Mayors, combined authorities and with Local Enterprise Partnerships to define the most appropriate geography to prepare policies for employment;*

- *preparing and maintaining a robust evidence base to understand both existing business needs and likely changes in the market, with reference to local industrial strategies where relevant; and*

- *engaging with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.[7]*

How can authorities use this evidence base to plan for business?

Authorities can use this evidence to assess:

- *the need for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development;*

- *the existing and future supply of land available for economic development and its suitability to meet the identified needs. This should be undertaken at the same time as, or combined with, Strategic Housing Land Availability Assessments and should include a reappraisal of the suitability of previously allocated land.*

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[5] 2a-016-20190220
[6] 68-005-20190722
[7] 61-040-20190315

- *the likely availability and achievability of employment-led development, taking into account market signals;*

- *the role, capacity and function of town centres and the relationship between them, including any trends in the performance of centres;*

- *locations of deprivation which may benefit from planned remedial action; and*

- *the needs of the farming and food production industries, including the location and extent of the best and most versatile agricultural land, and the ways in which planning could support investment in those industries[8]."*

2.26 The PPG has recently updated its guidance on the assessment of housing and economic development. This replaces the previous Office of the Deputy Prime Minister [ODPM] Employment Land Reviews: Guidance Note from 2004 (although this arguably remains a source of good practice). The PPG[9] has reintroduced its methodology for assessing economic development needs. It states that plan makers should liaise closely with the business community to understand their current and potential future requirements[10].

2.27 Plan-makers should also assess:

- the best fit functional economic market area [FEMA];

- the existing stock of land for employment uses within the area;

- the recent pattern of employment land supply and loss – for example based on extant planning permissions and planning applications (or losses to permitted development);

- evidence of market demand (including the locational and premises requirements of particular types of business) - sourced from local data and market intelligence, such as recent surveys of business needs, discussions with developers and property agents and engagement with business and economic forums;

- wider market signals relating to economic growth, diversification and innovation; and,

- any evidence of market failure – such as physical or ownership constraints that prevent the employment site being used effectively.

2.28 In terms of using market signals to help forecast future needs, the PPG[11] advises that a range of data which is current and robust should be used, such as:

- sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand);

- demographically derived assessments of current and future local labour supply (labour supply techniques);

- analysis based on the past take-up of employment land and property and/or future property market requirements; and,

- consultation with relevant organisations, studies of business trends, an understanding of innovative and changing business models, particularly those which make use of online platforms to respond to consumer demand and monitoring of business, economic and employment statistics.

2.29 In terms of how market demand can be analysed, the PPG[12] advises that plan makers should note that:

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[8]Practice Guidance Reference 61-041-20190315
[9] Practice Guidance Reference 2a-025-20190220
[10] Practice Guidance Reference 2a-026-20190220
[11] Practice Guidance Reference 2a-027-20190220
[12] Practice Guidance Reference 2a-029-20190220

"The available stock of land can be compared with the particular requirements of the area so that 'gaps' in local employment land provision can be identified.

It is important to consider recent employment land take up and projections (based on past trends) and forecasts (based on future scenarios), and to identify instances where sites have been developed or sought for specialist economic uses. This will help to provide an understanding of the underlying requirements for office, general business and distribution space, and (when compared with the overall stock of employment sites) can form the context for appraising individual sites.

Analysing supply and demand will allow policy makers to identify whether there is a mismatch between quantitative and qualitative supply of and demand for employment sites. This will enable an understanding of which market segments are over-supplied to be derived and those which are undersupplied".

2.30   In order to derive employment land requirements, the PPG[13] states that when translating employment and output forecasts into land requirements there are four key relationships which need to be quantified:

- Standard Industrial Classification sectors to use classes;

- Standard Industrial Classification sectors to type of property;

- Employment to floorspace (employment density); and,

- Floorspace to site area (plot ratio based on industry proxies).

2.31   The PPG has also added in two new sections on how authorities can assess need and allocate space for logistics[14] and how specific locational requirements of specialist or new sectors be addressed[15].

2.32   Regarding the former, the PPG recognises that the logistics industry plays a critical role in enabling an efficient, sustainable and effective supply of goods for consumers and businesses, as well as contributing to local employment opportunities, and has distinct locational requirements that need to be considered in formulating planning policies (separately from those relating to general industrial land). To address this, the PPG states that:

"Strategic facilities serving national or regional markets are likely to require significant amounts of land, good access to strategic transport networks, sufficient power capacity and access to appropriately skilled local labour. Where a need for such facilities may exist, strategic policy-making authorities should collaborate with other authorities, infrastructure providers and other interests to identify the scale of need across the relevant market areas. This can be informed by:

- *engagement with logistics developers and occupiers to understand the changing nature of requirements in terms of the type, size and location of facilities, including the impact of new and emerging technologies;*

- *analysis of market signals, including trends in take up and the availability of logistics land and floorspace across the relevant market geographies;*

- *analysis of economic forecasts to identify potential changes in demand and anticipated growth in sectors likely to occupy logistics facilities, or which require support from the sector; and*

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[13] Practice Guidance Reference 2a-030-20190220
[14] Practice Guidance Reference 2a-031-20190722
[15] Practice Guidance Reference 2a-032-20190722

- *engagement with Local Enterprise Partnerships and review of their plans and strategies, including economic priorities within Local Industrial Strategies.*

Strategic policy-making authorities will then need to consider the most appropriate locations for meeting these identified needs (whether through the expansion of existing sites or development of new ones)."

2.33   Regarding the former, the PPG states that when assessing what land and policy support may be needed for different employment uses, it will be important to understand whether there are specific requirements in the local market which affect the types of land or premises needed:

"*Clustering of certain industries (such as some high tech, engineering, digital, creative and logistics activities) can play an important role in supporting collaboration, innovation, productivity, and sustainability, as well as in driving the economic prospects of the areas in which they locate. Strategic policy-making authorities will need to develop a clear understanding of such needs and how they might be addressed taking account of relevant evidence and policy within Local Industrial Strategies. For example, this might include the need for greater studio capacity, co-working spaces or research facilities.*

These needs are often more qualitative in nature and will have to be informed by engagement with businesses and occupiers within relevant sectors."

Industrial Strategy

2.34   The long-**awaited Industrial White Paper set out the Government's plan to boost the** productivity and earning power of people throughout the UK.

2.35   On 27th November 2017, the Government unveiled its long-term plan to bu**ild a Britain "***fit for the future***"; a modern industrial strategy to capitalise on the country's economic strengths,** address its weaknesses and help businesses create better, higher-paying jobs through investment in the skills, industries and infrastructure of the future. Its policies are intended to **make the UK economy more productive; giving a competitive edge to 'raise our game' on the** world stage as Brexit looms, at the same time embracing the opportunity of technological change and innovation.

2.36   Staffordshire County Council [SCC] has set out its requirement for this study to recognise specific sectors or areas that are particularly important to the Borough**'s economy, including: the** role of the Advanced Manufacturing Innovation District and the advanced manufacturing sector more generally; the role of the city centre office market; and the role and potential of a growing logistics sector. This EHDNA will need to assist in this growth process.

Sub-Regional Evidence Base

Stoke-on-Trent & Staffordshire Enterprise Partnership Strategic Economic Plan (April 2018)

2.37   The Stoke-on-Trent and Staffordshire Enterprise Partnership [SSLEP] refreshed its Strategic Economic Plan in April 2018 to ensure it meets the evolving economic and political landscape that is developing in the area. The Plan provides more emphasis on innovation, sector development and place-making interventions. It also addresses the fact that LEPs have acquired new responsibilities around Enterprise Zones, Growth Hubs and in prioritising ESIF investments.

2.38   **The original SEP set out ambitious targets to "***grow the economy by 50% and generate 50,000 new jobs in the next 10 years***". Performance to date suggests that the LEP is** well above these

employment growth ambitions, but behind on its economic growth aspirations. The core advanced manufacturing sectors have performed well and the LEP has maintained its unique specialisms in Energy Generation, Auto-Aero, Medical Technologies, Agri-Tech and Applied Materials. Strong employment growth has been recorded in the Medical Technologies and Auto-Aero sectors and the LEP area's Applied Materials sector is one of the most specialised nationally.

2.39   The updated ambition of the SEP refresh **remains 50:50:10, i.e. to grow the LEP's economy by** 50% and generate 50,000 new jobs over a 10-year period. The strong growth in the number of jobs in the area means that the LEP is easily on track to develop 50,000 new jobs by 2024. However, generating jobs to enable the previously large unemployed cohort of residents to get work has meant that the types of jobs created have not yet enabled the achievement of growing the economy by 50%. The SEP continues to recognise that increasing productivity and supporting the creation of a greater proportion of high-value, high-wage job opportunities.

2.40   **The LEP's economic growth agenda is based on recognised strengths in key aspects of advanced** manufacturing, prioritising the following sectors:

- Energy: building on the long-standing presence of Alstom, ABB, Siemens Wind Power, General Electric and the sustainable energy programme centred around Stoke-on-Trent, to meet growing local demand by diversifying into geothermal, anaerobic digestion, biomass, energy-from-waste and energy programme;

- Auto-Aero: capitalising on the supply-chain opportunities emerging from global businesses such as JCB, Michelin, Jaguar Land Rover, Moog, and Zytek;

- Medical Technologies: in which Keele University and its Science Park are internationally recognised leaders;

- Agri-Tech: drawing on the agricultural backdrop and nearby Harper Adams University to capitalise on an increased global focus on food security and the agri-plant capacity at JCB; and,

- Applied Materials: building upon the recognised heritage in metals and ceramics in both Stoke-on-Trent and Staffordshire to exploit opportunities in applied uses for polymers, ceramics, glasses and composites.

2.41   These growth ambitions and targeted sectors will all benefit from a strong digital economy which is highly immersed with other sectors of the economy. This focus on advanced manufacturing is complemented with a longer-term interest in strengthening other key sectors including:

- The visitor economy;

- Business/professional services; and,

- Construction.

2.42   Whilst not highlighted as a specific key sector in its own right, creative industries form a significant part of a number of these key sectors and the local economy as a whole, and this has strengthened considerably in recent years.

Constellation Partnership (2017): HS2 Growth Strategy

2.43   The Constellation Partnership is an alliance of seven local authorities and two LEPs, including Cheshire West & Chester, Cheshire East, Staffordshire Moorlands, Stoke on Trent, Newcastle under Lyme, Stafford Borough and Staffordshire County Council. It seeks to make the case for creating a new, high performing constellation of places centred on three HS2 transport hubs at

Crewe, Stone on Trent and Stafford. It also makes a case for a minimum of five to seven HS2 trains per hour each way from the Crewe Hub and two HS2 trains per hour each way from Stoke on Trent and Stafford. Journey times between Stafford and London could be cut from 77 minutes currently, to just 57 minutes.

2.44   The Growth Strategy aims to grow the area by 20% by 2040, delivering at least 100,000 new homes and 120,000 new jobs by 2040, with 225,000 more people. Identified growth projects that would support the strategy include:

- The Crewe Hub Station Campus Growth area, with capacity for 3,750 homes and 20,000 jobs at the Hub Station Campus alone;

- Stafford Station Gateway Masterplan to take advantage of direct links to HS2, with 6,500 new jobs proposed in office, commercial, logistics and leisure with 800 homes;

- Stoke on Trent being the commercial, lei**sure and retail 'capital' of the constellation; and**

- Connected, thriving and distinctive constellation towns with a vibrant range of high-quality living and working environments.

2.45   To deliver optimum outcomes, the Partnership aims to work with Government to put in place the local infrastructure required to deliver transformational change at the three HS2 hub stations, building on the masterplans for each of these areas. For Stafford, this means an HS2 station capable of supporting the delivery of a high-density and high value commercial and residential district. This will require:

- Station and access improvements including a new western station access; and,

- Stafford Western Access Road **– an 'early win', already funded by the Department for** Transport - supporting station access and masterplan growth.

CDLG Midlands Engine Strategy (March 2017)

2.46   **Building on the Government's National Industrial Strategy, the Midlands Engine Strategy sets** out actions the Government is taking to address productivity barriers across the Midlands, enabling businesses to create more jobs, export more goods and services and grow their productivity.

2.47   The Midlands economy suffers from three key weaknesses: a shortage of skilled workers; an economy that is fragmented into small, poorly connected areas; and a lack of entrepreneurship and economic dynamism. To address these issues and rebalance economic growth, the Government intends to focus on 5 key objectives in the Midlands:

> i   Improving connectivity in order to raise productivity;
>
> ii   Strengthening skills in order to make the Midlands a more attractive location for businesses;
>
> iii   Supporting enterprise and innovation in order to foster a more dynamic regional economy;
>
> iv   Promoting the Midlands nationally and internationally in order to maximise trade and investment in the region; and,
>
> v   Enhancing quality of life in order to attract and retain skilled workers, as well as to foster the local tourist economy.

2.48   To support delivery of these objectives, the Government has committed to give Midlands LEPs £392 million to invest over the next four years, of which £23.3 million will go to the Stoke and

Staffordshire LEP. Through the Local Growth Fund, the government intends to support industrial clusters across the Midlands.

2.49   The Strategy identifies £6.9 million to support development of three projects to form an Advanced Manufacturing Hub in the Stoke and Staffordshire area. This includes an AgriSTEM academy at South Staffordshire College, an advanced manufacturing and design centre at Stafford College and additional workspace at the JCB Academy to increase apprenticeship provision.

Midlands Engine Investment Opportunities (February 2018)

2.50   The Midlands Engine Investment Portfolio states that the demand for Grade A offices across the Midlands is continuing to increase, particularly within core city centres and also around future transport hubs such as UK Central and East Midlands. It also notes that the Midlands is the **UK's premier location for logistics and distribution operations with the region offering attractive** investment opportunities. In particular, Station Gateway in Stafford represents an important opportunity area suitable for a mix of uses.

Staffordshire County Council: Staffordshire Evidence Base: Extra Care and Care Homes (April 2018)

2.51   The Extra Care and Care Homes report was published in April 2018. It provides information on the evidence that Staffordshire County Council holds on the current and future extra care and care home needs of people in Staffordshire.

2.52   It is estimated that around 7,000 Staffordshire residents over 18 are living in care homes with or without nursing in 2017. This is equivalent to 1% of the population aged 18 and over (0.2% of those aged 18-64 and 3.3% of those aged 65+) and is higher than the national average, as is care home occupancy. It is estimated that, between 2017 and 2037, there will be a 7% reduction in the number of people aged 18-64 in care homes across Staffordshire, but a 97% increase in the number of people 65 or over in such accommodation.

2.53   The report identifies that there is a concentration of residential care home beds and nursing care home beds in Stafford town, with smaller levels of provision in Stone, Great Haywood and Barlaston. Recent trends suggest that the number of nursing homes and beds in Staffordshire has declined in recent years with the total number of care beds reducing in Stafford by 2.3% between 2015 and 2018. This is a slightly greater reduction than experienced across Staffordshire as a whole. There has also been a rapid decrease in the number of dementia beds, particularly in nursing beds, across Staffordshire between 2017 and 2018. The Borough has experienced the greatest reduction of nursing care beds (13% or 67 beds) but a growth of 11% (40 beds) in residential care beds. This results in an overall decrease (by 3% or 27 beds) in all care beds for dementia.

2.54   The report identifies that there is considered to be sufficient provision of extra care units across Staffordshire as a whole, but that there is a gap of 30 units in the Borough. The outputs of modelling suggest that this will have risen to a gap of 120 units by 2027, with a shortfall of 510 extra care units across Staffordshire.

2.55   With regard to residential and nursing care beds, there are currently sufficient beds to meet need across Staffordshire. The Borough has a current shortage of 20 (3%) residential care beds, but a surplus of 250 (58%) nursing beds.

2.56   However, future projection modelling suggests the numbers of care home beds needs to increase at a faster rate than just the adult population growth to keep up with projected need, unless other more preventative solutions can be found to reduce reliance on high end care. The report

therefore suggests that it is timely to consider prioritising care in residential and nursing care only for those individuals whose needs cannot be better met elsewhere. It is estimated that Staffordshire will have a shortfall of 45% residential beds (2,710 beds) by 2037 and 37% nursing care beds (2,520 beds). The Borough is the only district not expected to have a gap in the number of nursing beds by 2017.

2.57   With regard to dementia care, modelling indicates that there is adequate provision in dementia nursing both now and up to 2037 across Staffordshire. There is currently an estimated gap between need and supply of residential dementia beds of around 190 beds (8% of expected need) across Staffordshire, projected to increase to 2,300 beds by 2037.

Staffordshire County Council: Staffordshire Evidence Base: Population Demographics and Adult Social Care Needs

2.58   The Population Demographics and Adult Social Care Needs report was published in February 2019 and updates the analysis from the Extra Care and Care Homes report. It provides information on the evidence on projected growth of those requiring extra care and care homes, including at a district level, but does not consider this against existing and future provision.

2.59   The report highlights that, in 2017, **21% of Staffordshire's population were aged 65 or above** and that 9% were aged 75 and over, both of which are above the England average. It estimates that by 2039, **Staffordshire's population aged 75 and over will have grown by** 51,300 people (58%).

2.60   The report highlights that the Healthy Life Expectancy in Staffordshire is 63 years for men and 64 years for women. This means that, on average, men spend 16 years in poor health and women spend 19 years. The Healthy Life Expectancy for men and women in Staffordshire is greater than or equal to the West Midlands or England averages.

2.61   The report projects that the number of older people in the Borough with a long term limiting illness will increase by 43% (2019 – 2039). Over the same period, older people who are unable to manage at least one self-care activity on their own will increase by 45%. Those unable to manage at least one domestic task on their own will also increase by 45%.

2.62   Dementia is highlighted as a significant issue, particularly within the older population, and it is estimated that the population aged 65 and over affected by this condition will grow by 64% across Staffordshire between 2019 and 2039. In the Borough, it is expected that the number of people aged 65 years and over with Dementia will increase by 62% (2019 – 2039). The **Alzheimer's Society estimate t**hat 38.7% of those with late-onset dementia live in care homes with the remainder living in the community.

2.63   With regard to adults aged 18-64 in Staffordshire, it is estimated that between 2019 and 2039, the number of people aged 18 and over with moderate or severe learning disabilities will remain stable (around 3,400), the number aged 18-64 with moderate or serious physical disability will decrease by 4,300 people, whilst the number with a mental health condition will fall by 5,100 people.

2.64   In the Borough specifically it is projected that between 2019 and 2039:

- The number of adults (18 to 64 years) with learning disabilities will decrease by 1%;

- The number of adults with mental health conditions will decrease by 5%;

- The number of adults with a moderate or severe disability will decrease by 8% and 9% respectively; and,

- The number of carers aged 18 and over will increase by 4%.

Stafford Borough Council Planning Policy / Evidence Base

The Plan for Stafford Borough 2011 – 2031 (Adopted 19th June 2014)

2.65   The Plan for the Borough between 2011-2031 and is the first part of the Stafford Borough Local Plan and sets out the strategic policies, identifies Strategic Development Locations for housing and employment and more detailed topic-based policies for deciding planning applications.

2.66   The Plan sets out a Spatial Vision that by 2031, the Borough will have (amongst other things) a range of housing types and tenures to meet the needs of the Borough, including for the ageing population, affordable housing and provision for gypsies and travellers. The Vision seeks for the county town of Stafford to have:

- provided an enhanced national and regional profile through major new housing and employment developments as the growth point, supported by a range of new infrastructure provision;

- achieved a strengthened and diverse economy with high quality jobs, based on specialist industries, including Small & Medium-sized Enterprises [SMEs] and the Ministry of Defence; and,

- significant levels of high-quality housing including affordable and specialist housing as well as extra care provision in recognition of an ageing population.

2.67   The Vision states that by 2031, the market town of Stone will have:

- a vibrant local economy and community activities; and,

- an increased mix of high-quality residential developments supporting first class business development.

2.68   **The Borough's** villages will have:

- delivered a range of new housing at selected villages to provide for objectively assessed needs; and,

- supported a diverse and regenerated rural economy.

2.69   Key issues and challenges highlighted in the Plan include:

- **Delivering and managing the Borough's growth;**

- Providing affordable homes;

- Adapting to local demographic change; and,

- Providing additional employment opportunities that meet local needs, concerns and aspirations for a diverse local economy.

2.70   Spatial Principle 2 (SP2 – Stafford Borough Housing & Employment Requirements) sets out that the Borough will accommodate new growth and investment and that provision will be made for the development of 500 dwellings per year over the plan period, not including additional requirements for military housing, and provision for gypsies, as well as approximately 8 hectares per year of employment land, to provide for the future needs and prosperity of residents.

2.71   Spatial Principle 4 (SP4 – Stafford Borough Housing Growth Distribution) sets out that 70% of new housing development will be directed to Stafford, 10% to Stone, 12% to Key Service Villages and 8% to the rest of the Borough. Spatial Principle 5 (SP5 – Stafford Borough Employment Growth Distribution) states that the distribution of employment land development will be 56% to Stafford, 12% to Stone and 32% to the rest of the Borough.

The Plan for Stafford Borough: Part 2 2011 – 2031 (Adopted 31st January 2017)

2.72　　The Plan for Stafford Borough: Part 2 2011-2031 is the first part of the Stafford Borough Local Plan and sets out an approach to development in the sustainable settlement hierarchy, establishes settlement boundaries for Stafford, Stone and the Key Service Villages, together with boundaries for the Recognised Industrial Estates; considers retail frontages; and addresses the need for gypsy and traveller allocations.

2.73　　The Plan identifies that, based on commitments as of 31st March 2015, more houses are likely to be delivered over the plan period than the target figure of 10,000 houses. As such, the Plan Part 2 does not make specific allocations for additional housing sites.

2.74　　Spatial Principle 7 (SP7 – Supporting the location of new development) sets out that development or activities of a scale and nature appropriate to secure the sustainability of each settlement will be supported within the settlement boundaries and restricts development in other locations, subject to exceptions. The settlement boundaries are set out in Policy SB1 (Settlement Boundaries).

Stafford **Borough's** Strategic Housing Market Assessment (2012)

2.75　　The Stafford Borough Strategic Housing Market Assessment [SHMA] was published in September 2012 and provides analysis of the social, economic, housing and demographic situation across the Borough. A key element of the study was to explore the scale of housing need and the extent to which additional affordable housing was needed. The SHMA identified 500dpa as the target for new housing delivery and an overall net shortfall of 210 affordable dwellings across the Borough per year over the than period to 2031, particularly smaller, 1 or 2-bedroom properties.

2.76　　Using 2001 Census data, the SHMA identified that the Borough is not self-contained in terms of migration. This was supported by additional data on migration which demonstrated strong linkages with Stoke-on-Trent and Cannock Chase, indicating that the Borough was part of a larger housing market area. Travel to work Census data showed that 68.2% of residents lived and worked in Stafford, with a further 27.6% working elsewhere in the West Midlands, indicating that Stafford is part of a broader functional market area which extends sub-regionally into Stoke-on-Trent.

2.77　　The SHMA set out that house prices had increased by 151.4% in the Borough between 2000 and 2011, identifying higher priced wards (Church Eaton, Milford and Milwich) and lower-priced wards (Highfields and Western Downs, Common, Coton and Forebridge).

2.78　　The SHMA identified that 74.9% of properties in the Borough are houses, of which detached properties are most prevalent, and that almost half of all dwellings have three bedrooms. The majority of dwellings are private sector owned (87.1%). Vacant properties comprised 3.4% of the total dwelling stock.

2.79　　Using the 2010-based SNPP, the SHMA estimated that the population aged 65 and over would increase by 45.5% by 2035 and that those aged 75 and over would increase by 101.7%, **representing a significant demographic shift in the Borough's population.** Consequently, the need to diversify the range of housing for older people, who generally wish to stay in their own homes, was acknowledged.

Stafford **Borough's** Employment Land Review (2012)

2.80 The Stafford **Borough's** Employment Land Review [ELR] was produced in 2012 with the intention of establishing the suitability of land and buildings in the Borough for employment use. Of the 25 existing B-Class employment sites, 16, or 64%, were ranked as being excellent from a sustainability perspective, accounting for 300 ha, whilst 'good' sites accounted for a further 56 ha of land.

2.81 The ELR concluded that the existing employment sites within the Borough (and those that have extant planning permission) score well and will therefore be retained as part of the employment land portfolio. However, the former nursing home at Groundslow Grange was the exception, scoring either poorly or very poorly on all of the criteria. Therefore, it is considered that the former nursing home at Groundslow Grange should be removed from the employment land portfolio.

2.82 The ELR proceeded to forecast future need for employment land in the Borough. It reported that over the previous decade (2002/03- 2011/12), some 89.19 ha of B-Class land had been developed in the Borough (8.91 ha per annum), leaving 109.2 ha available, 97.6 ha of which had full planning permission (as of April 2012). Over the short term, delivery had been lower, at 29.46 ha over the previous 5 years (5.9 ha annually).

2.83 Trending this forward over a 20-year plan period from 2011 to 2031, and netting off the 9.72 ha delivered in the first year of that period, leaves a residual land requirement of 108.28 ha based on a 5 year average build rate, and 168.48 ha based on a 10-year average build rate (see Table 2.1).

Table 2.1 Potential Land Required, based on Past Take-Up

	Estimated Land Supply Requirement 2011/12	Completions 2011/12	Estimated Residual Land Required 2011-31	Estimated Annual Average Rate of Completions (2012-31)
Based on 5-year average build rate	118	9.72	108.28	5.69
Based on 10-year average build rate	178.2	9.72	168.48	8.87

Source: Stafford ELR 2012, Table 4

2.84 The ELR also provides details of the latest forecasts from the Cambridge Econometrics [CE] Local Economy Forecasting Model, with a base date of 2008. Over the period 2006-26, the forecasts suggest a net job growth of -9,800, or -14%predominantly in Manufacturing (-4,600), Public Services (-3,000) and Transport & Communications (-1,700). By making various assumptions concerning employment densities, plot ratios and excluding negative employment growth, this results in an increase of 106,400 sqm 2006-26, or 24.53 ha.

2.85 In terms of the objectively assessed need for B-Class employment land, the report concluded that 160 ha should be provided for over the 20-year plan period on the basis that:

- *the (CE) model consistently underestimates land requirements and as such, could not be considered as a sufficiently reliable method in determining future land requirements. Also, the low level of employment growth forecast is inconsistent with the **Framework's** vision of securing economic growth in order to create jobs and prosperity. Therefore, it is considered that the past trends model offers the most effective way forward;*

- *Past trends development in Stafford Borough has been relatively buoyant over recent years (particularly in the B8, distribution and warehousing sector). However, the recession has resulted in a decrease in the demand for employment land which would suggest that previous buoyant levels of local development, particularly in the B8 sector (and the larger amounts of land that this requires) will lessen into the medium and longer term future. This will result in a decrease in the employment land requirements from the 178 hectares identified in the past trends approach; and*

- *Furthermore, the Phase II revision of the West Midlands RSS specifies that 160ha of new employment land is required over the plan period. However, the Phase II revision of the West Midlands RSS does not form part of the development plan because it has not been approved and will not progress any further. Nevertheless, taking account of results of the past trends approach (and remaining consistent with the Phase II revision of the West Midlands RSS evidence base), it is considered that the most robust approach is to provide 160ha over the period 2011-2031.*

2.86   As the largest settlement in the Borough, Stafford town will accommodate 56% of the new employment land development (of 160 ha), with new allocations to the north and east of the town. Stone will accommodate 12% of the new employment land development with a new allocation at Stone Business Park. The rural areas will provide for 32% of new employment land development, with new allocations at Ladfordfields and Raleigh Hall Industrial Estates.

Stafford Borough Council Corporate Business Plan 2018 – 2021

2.87   This three-year corporate business plan sets out how the Council will deliver economic growth and new houses, support local communities and promote the Borough as a great place in which to live, work and visit. The Business Plan states that over the next 3 years, the Council will:

- Deliver at least 600 new homes in the Borough per year including 210 affordable homes;

- Generate 3,750 new jobs across the Borough by 2021;

- Support the development of key infrastructure including the Stafford Western Access Route and Stafford Station Gateway;

- Support the development of key projects proposed as part of the HS2 investment that will deliver economic development and housing;

- Grow the visitor economy;

- Support vibrant town centres in Stafford and Stone; and,

- Attract new businesses and help existing businesses to expand.

Stafford Station Gateway Project

2.88   The Stafford Station Gateway Project is a £500 million scheme that could see a hotel, top of the range office space, and new homes developed in Stafford. **The 'Stafford Sta**tion Gateway **Masterplan'** looks to develop up to 28 hectares of under-utilised land adjacent to Stafford railway station. The masterplan indicates housing development of up to 800 units alongside 750,000 sq. ft. of office space creating around 6,500 new jobs. The Council is a member of the Constellation Partnership which is made up of two Local Enterprise Partnerships and seven local authorities who are working together to maximise the potential economic benefits of HS2.

2.89   The key spatial outputs of the Station Gateway Masterplan include[16]:

- A high value, high density new business district;

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[16] SBC Cabinet Report on the Stafford Gateway Masterplan dated 6th July 2017

- Distinctive residential neighbourhoods;

- New high quality civic/public squares;

- Enhanced access to Stafford Station;

- Improved connectivity and linkages both with the Gateway sites and with the wider town centre and Burleyfields strategic housing site;

- Added value to delivery of the Stafford Western Access Road (SWAR); and,

- Significantly enhanced green networks and open space.

2.90   The key developable outputs of the Masterplan include:

- 70,000 m² Office floorspace;

- 650 Apartments, 150 Houses;

- 5,000 m² Hotel;

- 3,000 m² Retail/Leisure;

- 3,000 m² Industrial; and,

- 1,400 Multi Storey Car Parking Spaces.

Stafford Town Centre Strategic Framework

2.91   The Council and Staffordshire County Council have jointly commissioned an overarching masterplan framework for Stafford town centre to help guide development for the long term that recognises recent developments and aligns the outputs from current live projects. Detailed studies will also be completed on other opportunities within the town centre.

2.92   Plans have also been submitted for a new 120-bedroom hotel in the centre of Stafford. The proposal for an Ibis Styles hotel is earm**arked for vacant premises on Hunter's Row** at the north of the town centre.

Stafford Borough Council Land for New Homes (2019)

2.93   The Land for New Homes report is the Council**'s annual housing monitoring report.** It provides an analysis of the provision and delivery of new dwellings given planning permission by the Council. The report identifies that 699 dwellings were completed in 2018/19, which is higher than the annual average of 604 dwellings per annum between 2011 and 2019. This exceeds the annual target for housing delivery of 500 units per annum set out in the Borough**'s Local Plan.**

2.94   Key findings highlighted in the report include:

- Focus of development in sustainable settlements – last year 91% of completions were in Stafford Town (51%), Stone (20%) or Key Service Villages (20%);

- In 2018, 56% of completions were on windfall compared to 44% on allocated sites;

- During 2018/19, 73% of completions were on Greenfield land, although since the beginning of the plan period, 54% of completions have been on Previously Developed Land; and,

- As of 31st March 2019, committed sites totalled 4,591 units. 70% of these are in Strategic Development Locations. 81% of commitments are on Greenfield sites; and 95% of Windfall permissions granted in 2018/19 were in urban areas of Stafford, Stone or Key Service Villages. 81% of all Windfall permissions were on Previously Developed Land.

Stafford Locality Profile (2018)

2.95   The Stafford Locality Profile identifies priorities at district and ward level to support the effective targeting of resources and place-based working. The profile is a robust intelligence base across a wide range of indicators which cover the three Staffordshire Partnership outcomes:

- Access more good jobs and feel the benefits of economic growth;
- Be healthier and more independent; and,
- Feel safer, happier and more supported in and by their community.

2.96   The profile helps to identify communities that experience multiple needs and have a range of poor outcomes and provides evidence to support a necessarily holistic approach to enable them to improve their outcomes. It also supports the development and implementation of smaller and more focused district and place-based strategies.

2.97   The profile assesses **the Borough's** wards against the average for England for a range of health and education indicators, identifying particular wards with higher levels of need to which resources can be targeted more effectively. Those wards identified as having high need include; Common, Highfields and Western Downs, Forebridge, Doxey and Castletown, Coton and Penkside.

Levvel: Economic Viability of Housing Land in Stafford Borough (July 2011)

2.98   The *Economic Viability of Housing Land in Stafford Borough* study examines economic conditions in the Borough and carries out financial appraisals of a range of sites representative of the types of development likely to come forward across the area over the plan period, in order to assess their ability to deliver affordable housing. The sites assessed range from 5 to 150 new homes. Larger sites are considered in the Stafford Borough Infrastructure Strategy.

2.99   The study concluded that developments in most areas of the Borough will be able to support up to 30% affordable housing and as a consequence, a 30% target would represent an ambitious but realistic target for a Borough-wide policy. In some areas, up to 40% affordable housing may be viable on sites whose alternative uses are limited to agricultural use or perhaps surplus industrial land. However, in other areas, values will support less affordable housing with the north of Stafford town being identified as an area where viability is more challenging. The study also identified that viability position of developments comprised solely of flats, or developments which contain a significant proportion of flatted development, are far more likely to display a less favourable viability position.

3.0   **EDNA/SHMA Methodology**

3.1   This section provides a broad overview of the EHDNA methodology, with commentary on the approach taken to defining the spatial areas for assessment. A more detailed overview of each element of the methodology is provided at the beginning of each section. To align with the emerging Local Plan, the timeframe for the analysis is from 2020 to 2040. The approach has been set out separately for the EDNA and SHMA elements (Parts 1 and 2).

Approach to the Part 1 EDNA

3.2   **The Framework requires local authorities' strategic policies to** *"set out overall strategy for the pattern, scale and quality of development, and make sufficient provision for: housing (including affordable housing), employment, retail, leisure and other commercial development"* [§20].

3.3   Considering this in evidence base terms, the Framework states in paragraph 80 that:

"Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development."

3.4   Lichfields has assessed the scale of future demand and growth potential of the Borough to quantify the amount and type of floorspace needed across the main employment (B) use classes and main town centre uses between 2020 and 2040, in both quantitative and qualitative terms. This has been broken down by economic sectors and, where possible, number of units.

3.5   The revised PPG notes that LPAs should develop an idea of future needs based on a range of data which is current and robust. LPAs will need to take account of business cycles, and make use of forecasts and surveys to assess employment land requirements. **Lichfields' approach** generated three broad scenarios of future economic development needs to give flexibility and cater for uncertainty in future economic growth levels. This utilised Lichfields' in-house employment land model developed as part of our WORKspace framework. This 2019 Framework/PPG-compliant methodology can be summarised as follows:
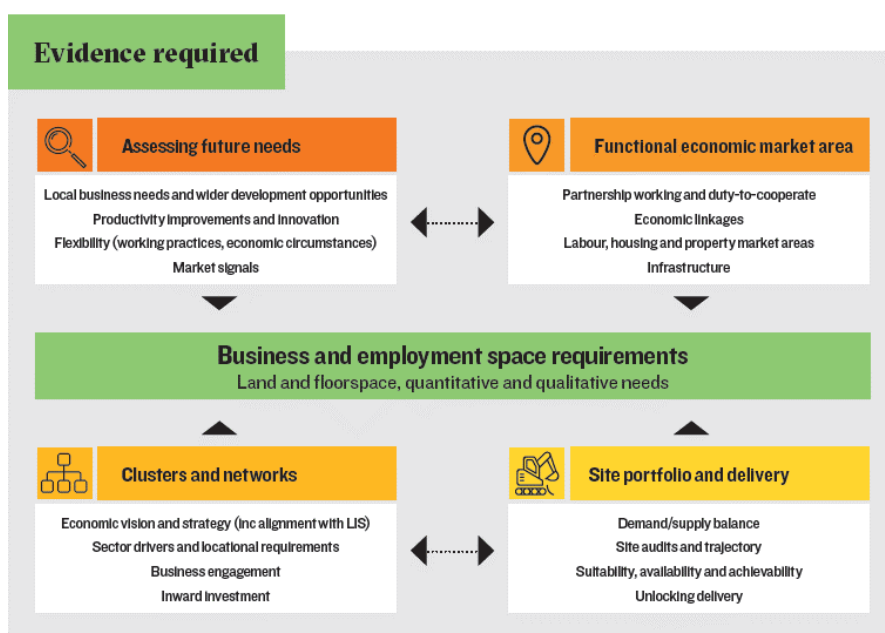
3.6　　Within this context, a number of potential economic scenarios have been developed in this study to provide a framework for considering future economic growth needs and B-Class employment space requirements in the Borough up to 2040.

3.7　　Lichfields has followed the approach outlined in the 2014 PPG, modelling a range of scenarios including:

1.　　Projections of employment growth in the main B-Class sectors (labour demand) derived from economic forecasts produced by CE (2018 model run). The CE projections comprise the **'baseline'**, or policy off projection.

2.　　Lichfields also modelled 2 **'policy on'** / regeneration scenarios. The first policy on scenario explored the potential impact of two major developments (Stafford Station Gateway and a potential New Garden Community). The proposed new settlement could contain up to 10,000 new homes and potentially 200 ha of employment land, whilst the Stafford Station Gateway site (linked to HS2) is likely to involve a further 28 ha of new development including around 80,000 sqm of B-Class, retail and leisure floorspace. The second involved a 50% uplift to the net job growth in the CE baseline to reflect the positive impacts from HS2 in isolation. These scenarios are described as 'policy on' because they model the effects on the baseline of potential government investment, but this should not be taken to indicate that the council has determined its policy approach.

3.　　Consideration of past trends in completions of employment space based on monitoring data collected by the Council, and how these trends might change in the future.

4.　　Estimating future growth of local labour supply based on the latest housing requirements contained in Part 2 of this EHDNA, the SHMA, and the amount of jobs and employment space that this could support, based on the SHMA's demographic model runs.

3.8　　All these approaches have limitations and consideration needs to be given as to how appropriate each is to the circumstances in the Borough. Further, to be robust, the economic growth potential and likely demand for employment space in the Borough needs to be assessed under a variety of future scenarios, to reflect both lower and higher growth conditions that could arise in the future.

3.9　　It is important to acknowledge that there will be an element of landless growth / contraction here, whereby job growth / decline will not automatically give rise to an immediate increase/decrease in floorspace, or land, requirements. This is due in part to the current spare capacity across many firms in the Midlands, where companies that have laid off staff in the immediate aftermath of the recession, have been operating out of the same building and hence can accommodate a return to past staffing levels without having to physically expand their operations. Such latent capacity will have a bearing on the extent to which the Council may wish to tailor its B1/B2/B8 allocations going forward and should be monitored over time.

Approach to the Part 2 SHMA and Identifying Local Housing Needs

3.10　　In response to the need to generate locally-derived requirements for growth, Lichfields developed HEaDROOM, a conceptual framework for identifying local housing requirements **providing a robust basis for planning through Local Plans. Lichfields' HEaDROOM Framework** (so called given its focus on the Housing, Economic and Demographic factors underpinning the

need for housing in a locality) has been applied in this study (See Figure 3.1) to identify the Local Housing Need.

Figure 3.1   HEaDROOM Framework for Objective Assessment of Need for Housing
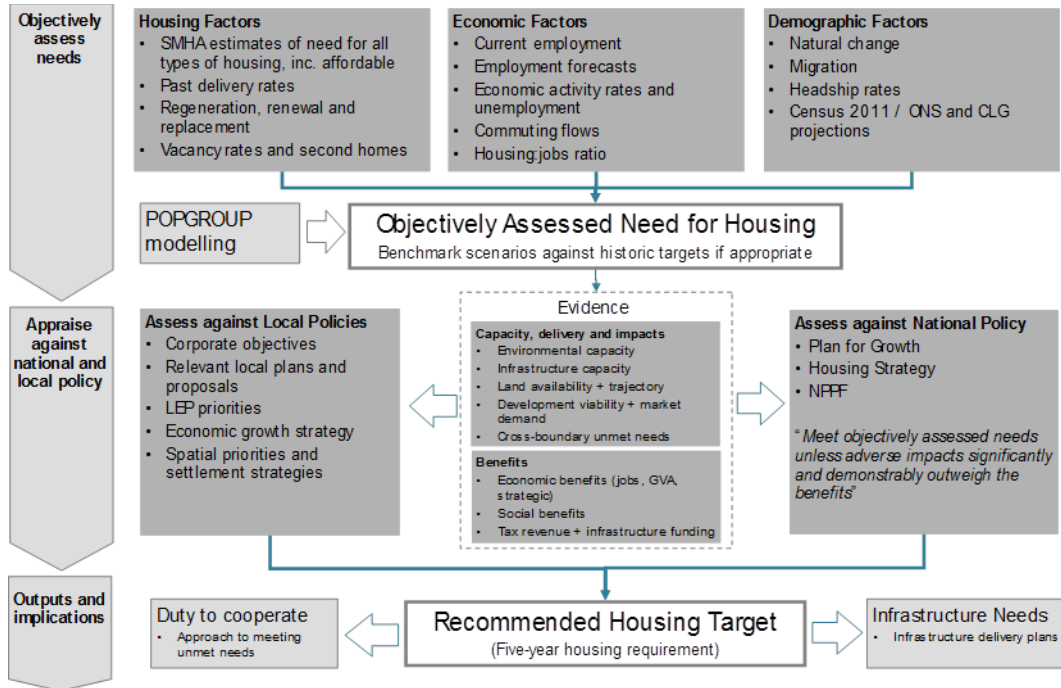
Source: Lichfields

3.11   The approach has evolved over the years so that it continues to align with the changing requirements of the Framework**, the PPG, and the CLG's former SHMA** Practice Guidance, **providing the necessary evidence and 'core outputs' to estimate local future housing need and** demand. The approach taken in arriving at a housing requirement for the Local Plan will need to consider relevant national and local policy factors at a high level and the duty to cooperate. Although these are strictly factors outside of the remit of this EHDNA, it will nevertheless have due regard to them.

Approach to defining the overall Local Housing Need

3.12   As set out in more detail in Section **10.0, this study has applied the Government's standard** method to derive an overall local housing need for the Borough. This uses the most recent 2016-based household projections for 2019-2029, plus a market signals uplift based on the most recent (2018) workplace-based affordability ratio data for the Borough.

3.13   On 26th October 2018 the Government issued a technical consultation on updates to national planning policy and guidance, which represents an important reinforcement of the direction of change the Government is following to deliver more homes. This recommends using the 2014-based data in the short term, which has been modelled in this SHMA.

3.14   The Government is clear that the figure derived by the LHN target is intended to be a minimum figure, with the 2019 PPG setting out that there will be circumstances when a higher figure than that generated by the standard method might be considered. This is because the standard method does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour which includes whether growth strategies are in place; where strategic infrastructure improvements are in

place; or where there is unmet need from neighbouring authorities. We are also advised to consider previous delivery levels and recent assessments of need.

3.15   These issues have been tested by Lichfields in Section 10.0 of this report to come to a view on the LHN for the Borough.

Identification of housing need for each neighbourhood

3.16   The Framework requires strategic policies to set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations. This is a policy choice for the Council to apply based on these considerations.

3.17   The PPG provides a broad overview of how a housing requirement figure should be set for designated neighbourhood areas[17]:

"The NPPF expects most strategic policy-making authorities to set housing requirement figures for designated neighbourhood areas as part of their strategic policies. While there is no set method for doing this, the general policy making process already undertaken by local authorities can continue to be used to direct development requirements and balance needs and protections by taking into consideration relevant policies such as the spatial strategy, evidence such as the Housing and economic land availability assessment, and the characteristics of the neighbourhood area, including its population and role in providing services. In setting requirements for housing in designated neighbourhood areas, plan-making authorities should consider the areas or assets of particular importance (as set out in paragraph 11, footnote 6), which may restrict the scale, type or distribution of development in a neighbourhood plan area."

3.18   Within this broad context, Lichfields took into account the following considerations to provide an indicative breakdown of potential housing need in each neighbourhood area[18]:

- Assessment of neighbourhood populations, based on 2011 data on the number of households as a starting point to determine each sub-**area's 'fair share' of housing need.** This is amalgamated into five sub-areas: Stafford Town; Stone Town; Rural East, Rural West and Rural North (see Appendix 1);

- Analysis of services within each settlement;

- The availability of land in each neighbourhood/sub-area, based on information **contained within the Council's December 2018 SHELAA**, including any identifiable shortfall in any type of housing e.g. bungalows or large family homes; and,

- Neighbourhood Plans.

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[17] PPG Refeence ID: 41-101-20190509
[18] 2011 parish boundaries have been used as these are the closest fit to Neighbourhood Plan boundaries. Stafford town has been considered separately (including the parish of Doxey), whilst the town of Stone represents an amalgamation of the 2 parishes of Stone and Stone Rural)

Figure 3.2   Stafford Borough Sub-Areas
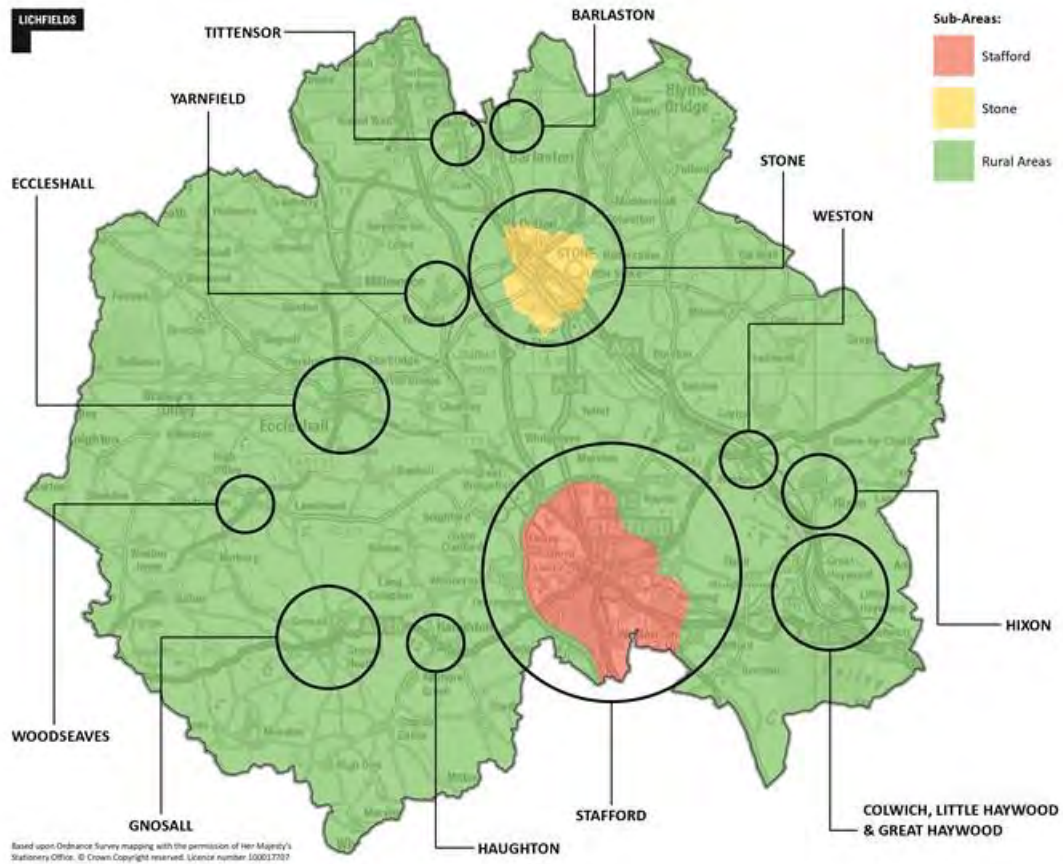
Source: Lichfields

Identification of the type, tenure and size of housing required

3.19   Paragraph 61 of the Framework states that:

"...the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes)."

3.20   The PPG sets out guidance on how plan-making authorities should identify and plan for the housing needs of particular groups of people. It states that:

"This may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method.

Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area, taking into account:

- *the overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);*

- *the extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and*

- *the anticipated deliverability of different forms of provision, having regard to viability"*[19].

3.21   This element of the work identifies the type, tenure and size of housing required. The demographic modelling outlined above has been used as the starting point to quantify need by neighbourhood. This has then been broken down by the following categories as required by the Framework:

- Private rented sector;

- self-build and custom building;

- family housing;

- housing for older people;

- housing for people with disabilities/mental health;

- student housing;

- service families; and,

- affordable housing.

3.22   The needs of travellers will be considered separately in the Gypsy and Traveller Accommodation Needs Assessment.

3.23   The revised PPG states that plan-making authorities will need to count housing provided for older people against their housing requirement[20]. For the purposes of this study however, the needs of individuals living in communal C2 accommodation, such as elderly residents living in Care Homes and students living in halls of residence, have been assessed separately.

Affordable Housing Needs

3.24   Lichfields has developed a clear methodology to enable a tenure split between intermediate, social rent, affordable rent and Starter Homes. The approach adopted by Lichfields examines the interaction between housing costs and income. An analysis will be taken of the ability of households with insufficient income to afford access to market housing, and to afford different types of affordable housing.

3.25   This element of the SHMA draws upon a wide range of existing sources of data to identify affordable housing needs, relating to:

1   The local housing market;

2   Market signals, including house prices and affordability issues;

3   The existing stock of affordable housing;

4   Anticipated future changes in the affordable housing stock; and,

5   Current and anticipated future levels of need for affordable housing.

3.26   The affordable housing target has been broken down by tenure, size and type. Lichfields also considered the affordable rent model and the ability of households across the Borough to pay up to 80% market rents, as well as the need for intermediate housing and starter homes.

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[19] ID: 67-001020190722
[20] ID: 63-016a-20190626

3.27   The PPG also requires a calculation to be made of the total annual need for affordable housing, as follows:

"*The total need for affordable housing will need to be converted into annual flows by calculating the total net need (subtract total available stock from total gross need) and converting total net need into an annual flow based on the plan period.*

The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments. An increase in the total housing figures included in the plan may need to be considered where **it could help deliver the required number of affordable homes."[21]** [Lichfields' emphasis]

Stakeholder Consultation

3.28   Stakeholder consultation is vital for realistic and robust outputs, particularly as the EHDNA must be defensible at the forthcoming Local Plan EIP and planning inquiries. In this situation, significant attention has to be paid to the views of neighbouring local authorities in accordance with the duty to co-operate; Registered Providers [RPs] who operate in the area, local agents, developers, the Chamber of Commerce, and other key stakeholders.

3.29   This consultation has included:

- A New Build Householder Survey, undertaken by NEMS in late 2018, was issued to 2,000 households living in recent new-build housing developments identified by the Council. This survey was intended to reveal where households were moving from, and where they commuted to on a daily basis. A response rate of 20% was achieved.

- Stakeholder Workshops: Lichfields undertook a stakeholder workshop on 4th June 2019 which was split into two sessions. The first covered economic issues, with the second addressing housing issues. The economic workshop was attended by 16 stakeholders and the housing workshop was attended by 13. Stakeholders included officers from neighbouring districts; housebuilders, developers, commercial agents, the LEP, business representatives and other interested parties. The two workshops followed a similar format, split into two discrete elements: initial findings on housing/employment land requirements; and initial findings on the EHDNA. Both stages involved representatives from Lichfields presenting the initial findings and a question and answers session was conducted in relation to the initial requirement findings. Following the second presentation, the participants were involved in detailed workshop discussions. A list of attendees is included at Appendix 2.

- An online business survey was undertaken by Lichfields using Smart Survey, an online survey tool to gather the views of local businesses across the Borough. This was issued to all companies **on the Council's database**, with a total of 55 businesses responding. The results of the survey are included in Appendix 3.

- Stakeholder discussions: The neighbouring local authorities were approached directly by Lichfields in May 2019 on an individual basis to establish their relationship with the Borough and to assess whether there was likely to be a need to accommodate any of the housing/employment land requirement of these authorities in Stafford, and vice versa. Registered Providers (RPs) were also contacted in June 2019 to gain a more detailed view of the affordable housing requirements in the Borough, including any key recent changes in the sector, and the needs of specific groups. Interviews were also held with local agents,

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[21] PPG: ID: 67-008-20190722

land promoters, the County Council, developers, Registered Providers, the Chamber of Commerce and Parish and Town Councils and inward investment professionals.

3.30   The feedback from stakeholders at the workshop and the consultation exercises undertaken in May/June 2019 has assisted Lichfields in assessing the assumptions used in the EHDNA and the assessment of housing/employment land requirement. Details of this feedback have informed various sections of this report and are highlighted where appropriate in those sections.

4.0   # **Part 2: Defining the HMA/FEMA**

Introduction

4.1   This section provides a broad overview of the Borough and its likely position within a wider Housing Market Area [HMA] and/or Functional Economic Market Area [FEMA]. The following provides an up to date analysis of the extent of the HMA/FEMA in accordance with the guidance contained within the 2019 PPG, using the latest 2011 Census data on migration and commuting levels.

4.2   Whilst the standard methodology for assessing local housing need assumes that each local authority administrative area forms its own HMA, identifying the extent of the HMA using the approach set out in this chapter is an important step in understanding the dynamics of the local housing market which will help inform and underpin the housing policies to be adopted in the local plan.

4.3   The methodology adopted for this study follows the PPG approach on defining HMAs/FEMAs within and across local authority areas[22].

4.4   Regarding HMAs, the PPG states that this is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. These can be broadly defined by analysing:

- *"The relationship between housing demand and supply across different locations, using house prices and rates of change in house prices. This should identify areas which have clearly different price levels compared to surrounding areas.*

- *Migration flow and housing search patterns. This can help identify the extent to which people move house within an area, in particular where a relatively high proportion of short household moves are contained, (due to connections to families, jobs, and schools).*

- *Contextual data such as travel to work areas, retail and school catchment areas. These can provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use)."*

4.5   As for FEMAs, the PPG notes that since patterns of economic activity vary from place to place, there is no standard approach to defining a FEMA. However, it is possible to define them taking account of the following factors[23]:

- *"extent of any Local Enterprise Partnership within the area;*

- *travel to work areas;*

- *housing market area;*

- *flow of goods, services and information within the local economy;*

- *service market for consumers;*

- *administrative area;*

- *catchment areas of facilities providing cultural and social well-being; and,*

- *transport network."*

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[22] 010 Reference ID: 61-018-20190315
[23] 011 Reference ID: 61-019-20190315

Defining the HMA

4.6 The Localism Act 2011 includes the statutory duty to cooperate on strategic planning for cross-boundary issues, and this is a requirement reiterated in The Framework in terms of addressing issues including housing figures and job growth.

4.7 The Framework [Paragraph 31] states the following with regard to LPAs understanding their housing needs:

"The preparation and review of all policies should be underpinned by relevant and up-to-date evidence. This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take into account relevant market signals."

4.8 HMAs are inherently difficult to define. **They are a geographic representation of people's** choices and preferences on the location of their home, accounting for where they want to live and work. They can be defined at varying geographical scales from the national scale, to sub-regional scale, down to local and settlement specific scales. HMAs are also not definitive. As well as a spatial hierarchy of different markets and sub-markets, they will inevitably overlap.

4.9 **Previously, the CLG 'Identifying sub-regional housing market areas' advice note (March 2007)** recommended that a measure of migration flow patterns can identify the geographical relationships of where people move house within an area with a 70% containment rate of migratory activity typically representing a HMA. In particular:

"The typical threshold for self-contaiment is around 70 per cent of all movers in a given time period. This threshold applies to both the supply side (70 per cent of all those moving out of a dwelling move within that same area) and the demand side (70 per cent of all those moving into a dwelling have moved from that same area). Some areas maybe relatively more or less self-contained, and it may be desirable to explore different thresholds."

4.10 This level of self-containment was also recommended in the previous PPG (March 2014).

4.11 However, the PPG was revised in September 2018, removing the reference to 70% and instead **stating that migration flow and housing search patterns "***can help identify the extent to which people move house within an area, in particular where a relatively high proportion of short household moves are contained***"[24]** [Lichfields emphasis].

4.12 Migration flows and calculation of self-containment percentages within and between local authorities have been used by Lichfields to assist in defining the HMA. This is a particular issue for the Borough given its strong relationships with the adjoining authorities of Stoke-on-Trent and Newcastle-under-Lyme.

Previous analyses of HMAs for Stafford Borough and neighbouring local authorities

Stafford Borough Strategic Housing Market Assessment 2012

4.13 The previous SHMA (2012) concluded that, based on 2001 Census data, the Borough was not considered to be a self-contained HMA, on the grounds that:

- 62.9% of households that had moved in the previous year had moved from outside the Borough; and,

- 68.2% of residents lived and worked in Stafford, with a further 27.6% working elsewhere in the West Midlands (notably Stoke-on-Trent).

[24] ID: 61-018-

4.14   As a result, it was identified that Stafford was "*part of a broader functional market which extends sub-regionally into Stoke-on-Trent*". However, the HMA's extent was not delineated.

Stoke-on-Trent and Newcastle-under-Lyme Strategic Housing Market Assessment [SHMA]

4.15   Stoke-on-Trent City Council and Newcastle-under-Lyme Borough Council undertook a joint SHMA, published in July 2015. The SHMA identified that based on Census 2011 data, 75% of people who moved from an address in Stoke-on-Trent or Newcastle-under-Lyme relocated to another address within the two local authorities. Furthermore, 75% of working residents in Stoke-on-Trent and Newcastle-under-Lyme commute to a place of work within the two local authorities. As a result, the SHMA concluded that Stoke-on-Trent and Newcastle-under-Lyme together act as a single HMA. The Stoke-on-Trent and Newcastle-under-Lyme SHMA also notes that, given the findings of the Stafford SHMA, it is likely that there are market linkages with areas in the Borough in close proximity to Stoke-on-Trent.

HMA Analysis

Housing Demand and Supply

4.16   Figure 4.1 shows median house prices across the Borough and the neighbouring local authorities. Median house prices are relatively high (over £250,000) in the rural west of the Borough, and in the neighbouring areas within Newcastle-under-Lyme, Shropshire, Telford and Wrekin and South Staffordshire. Median house prices in the east of the Borough are generally lower, particularly in the area between Stafford Town and Stone, consistent with those observed across Newcastle-under-Lyme, Stoke-on-Trent, Staffordshire Moorlands and Cannock Chase.

Figure 4.1 Median House Price Paid (March 2018)
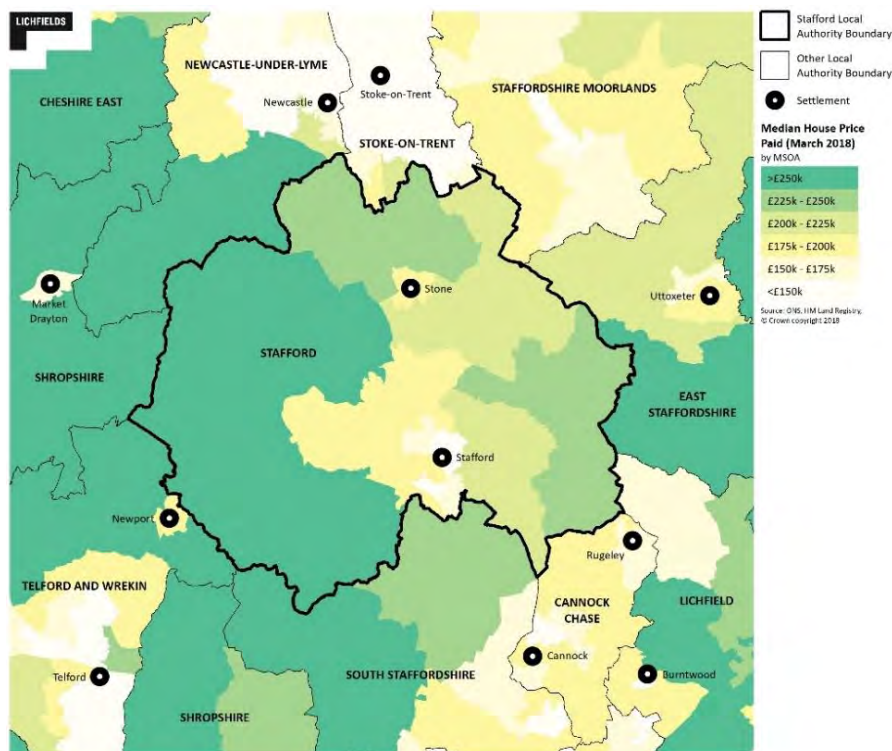
Source: ONS, HM Land Registry Price Paid

4.17   As shown by Figure 4.2, median house prices increased across the Borough between 2014 and 2018, with the greatest rate of increase (30-40%) in the south west of the Borough alongside the neighbouring areas of South Staffordshire and Shropshire. Median house prices also increased significantly in East Staffordshire and some areas within Cannock Chase. Modest rates of increase (between 1% and 20%) were experienced in the area of Stafford Town, northern Lichfield, around Newport and western Newcastle-under-Lyme. In several areas within Newcastle-under-Lyme, Stoke-on-Trent and Telford and Wrekin, median house prices have remained relatively stable or even decreased.

Figure 4.2 Median House Price Change 2014-2018
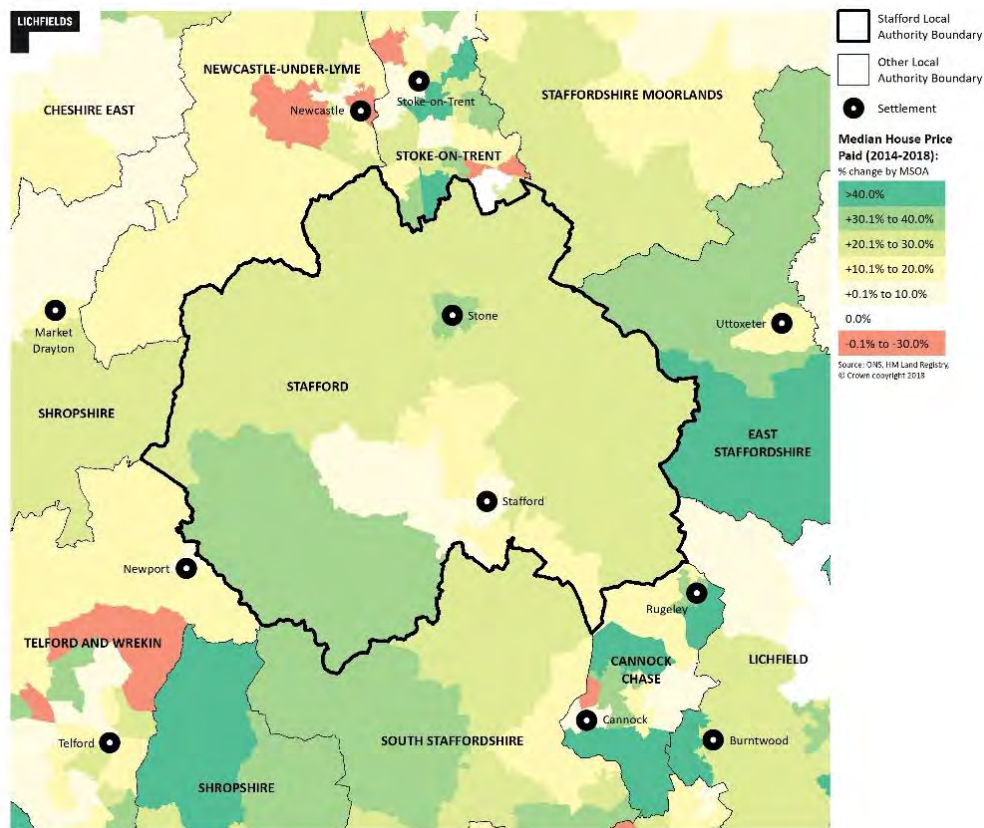
Source: ONS, HM Land Registry Price Paid

Migration Flows and Housing Search Patterns

4.18   In July 2014, origin/destination data on migration was released for the 2011 Census at local authority level. This data enables an up to date analysis of migration flows for the Borough.

Figure 4.3 Stafford Migration Flows 2010/2011
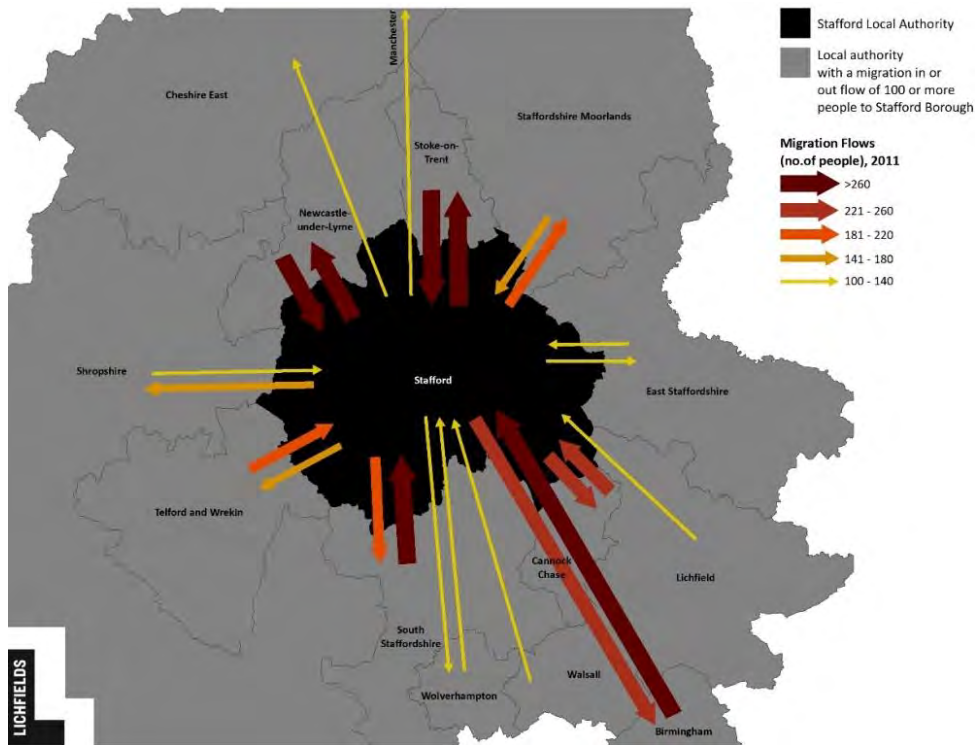
Source: ONS Census 2011/ Lichfields Analysis

4.19   Patterns of migration are a function of a range of housing market factors combined with household circumstances. Key factors that influence migration patterns and the geography of housing markets include affordability (which itself is influenced by a range of factors), and accessibility, particularly related to place of work and ease of commuting.

4.20   Figure 4.3 demonstrates that there is a relatively high level of interdependency between Stafford and surrounding local authority areas. The relationship between the Borough and Stoke-on-Trent is strongest, with 598 residents moving out of Stafford to Stoke-on-Trent, with 632 moving in the opposite direction. There is also a strong relationship between the Borough and Newcastle-under-Lyme (which accounts for 274 moves into Stafford and 269 moves out of Stafford). Both South Staffordshire and Birmingham contribute relatively large numbers of movers into the Borough (contributing 292 and 284 migrants into the Borough respectively) but receive smaller numbers of migrants from the Borough (181 and 224 movers respectively).

4.21   Table 4.1 presents the migration flows of 100 people or more between the Borough and neighbouring local authorities using data from the 2011 Census. The analysis indicates that the level of self-containment of migratory movements in the Borough is moderate with supply-side self-containment totalling 58% of all those moving out of a dwelling moving within the Borough and demand-side self-containment totalling 58% of all those moving into a dwelling in the Borough moving from that same area.

4.22   However, the 2018 PPG iteration states that when defining the HMA, there should be a **particular focus "***where a relatively high proportion of short household moves are contained***".** If the analysis is constrained to the West Midlands region, the Borough has a self-containment rate of 71.4% for in-migration, and 73.4% for out-migration.

4.23   The 2014 version PPG suggested that a containment rate of 70+% was necessary to determine a self-contained HMA, a threshold that the Borough **would meet, based on 'short household moves'.**

Table 4.1 Origin/Destination Migration Data for Stafford

District of Origin/Destination	Residents moving into/within Stafford		Residents previously living in Stafford	
	Number	%	Number	%
Stafford	7,665	57.5%	7,665	57.8%
Stoke-on-Trent	632	4.7%	598	4.5%
South Staffordshire	292	2.2%	181	1.4%
Birmingham	284	2.1%	224	1.7%
Newcastle-under-Lyme	274	2.1%	269	2.0%
Cannock Chase	240	1.8%	224	1.7%
Telford and Wrekin	185	1.4%	173	1.3%
Staffordshire Moorlands	158	1.2%	183	1.4%
East Staffordshire	138	1.0%	140	1.1%
Wolverhampton	118	0.9%	114	0.9%
Walsall	115	0.9%	-	-
Shropshire	111	0.8%	174	1.3%
Lichfield	101	0.8%	-	-
Manchester	-	-	123	0.9%
Cheshire East	-	-	102	0.8%
Other Districts	3,009	22.6%	3,090	23.3%
TOTAL	**13,322**	**100.0%**	**13,260**	**100.0%**

Source: ONS Census 2011

Contextual Data

4.24   The Town Centre Capacity Assessment [TCCA] for the Borough (September 2019) sub-divided the Borough into 8 zones which broadly reflect the catchment areas of the main centres within the Borough, apart from Stafford which has a borough-wide catchment area (shown in Figure 4.4).

Figure 4.4 Study Area Zones
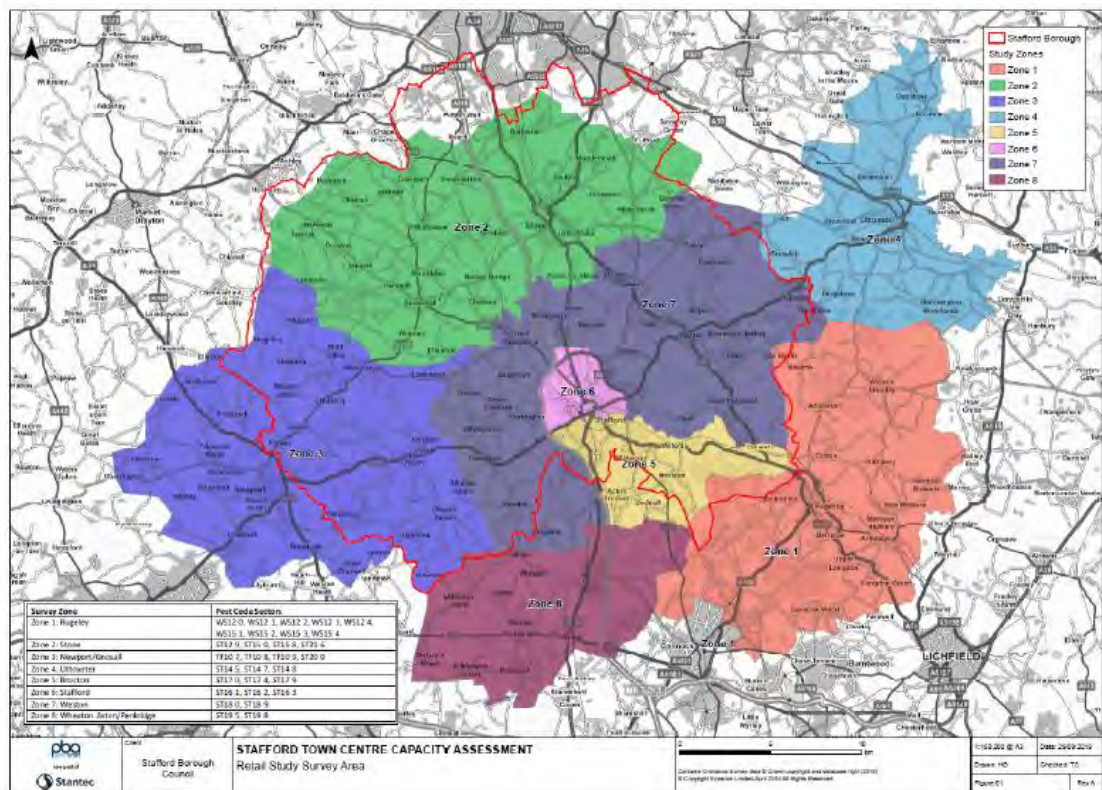
Source: Stafford Town Centre Capacity Assessment (2019)

4.25   The study highlights that 58.9% of expenditure on comparison goods is spent in town and local centres, or retail parks and freestanding stores located in the study area. The study then breaks this down in respect of the destination of comparison expenditure.

Table 4.2 Broad destinations for comparison goods expenditure

Destination	Expenditure (£m)	Expenditure (%)
Stafford Town Centre	223.35	30.4
Stone Town Centre	17.19	2.3
Eccleshall Local Centre	2.80	0.4
Other destinations within the Study Area	189.10	25.8
Total retained expenditure	432.37	58.9
Total leakage outside of the Study Area	301.59	41.4
Total	**733.96**	**100**

Source: Town Centre Capacity Assessment Stafford Borough (September 2019)

4.26   **In terms of where the main 'leakage' is for comparison expenditure, the** TCCA identifies Birmingham and Telford as the main centres who received the majority of 'leaked' expenditure.

4.27   In terms of convenience expenditure, the TCCA identifies 85.9% of expenditure by residents in the Borough is spent at retail facilities that are located in the study area. A further 5% flows to stores in and around Cannock Chase and Telford and Wrekin (1.3%).

Table 4.3 Broad destinations for convenience goods expenditure

Destination	Expenditure (£m)	Expenditure (%)
Destinations in the study area	470.7	85.9
Total retained expenditure	470.7	85.9
Retail facilities Cannock Chase	27.3	5.0
Retail facilities in Telford & Wrekin	7.0	1.3
Retail facilities in S. Staffordshire	6.1	1.1
Retail facilities in Stoke-on-Trent	5.1	0.9
Other more distant locations	31.8	5.3
Total leakage	77.3	14.1
Total	**548**	**100**

Source: Town Centre Capacity Assessment Stafford Borough (September 2019)

4.28   The TCCA states that there is wide dispersal of convenience retail expenditure in the Borough. The main leakage for convenience goods expenditure are towards the following foodstores:

- Asda, Avon Road Cannock (£12.02m/2.2%);
- **Sainsbury's Superstore, Voyager** Drive, Cannock (£8.41m/1.5%); and,
- Morrisons, High Street, Burntwood (£6.14m/1.1%).

4.29   The TCCA states that retention is particularly high in Zone 4 (89.0%) and Zone 6 (86.8%) which contains Stafford town centre. Zones 1, 2 and 3 all have a retention level of over 60%. Zones 8 and 5 have retention rates of 22.6% and 22.4% respectively.

Table 4.4 Localised convenience goods retention rates

Zone	Zonal retention rate (%)
1	74.9
2	70.0
3	64.7
4	89.0
5	22.4
6	86.8
7	2.1
8	22.6

Source: Town Centre Capacity Assessment (September 2019)

Conclusion on the extent of the HMA

4.30   The assessment of the extent of the HMA for the Borough demonstrates that over the past ten years or so, the Borough has experienced a strengthening level of self-containment, with migratory patterns expanding, more people moving into the Borough from the adjoining Staffordshire authorities than before.

4.31   The PPG previously defined **an HMA as a geography at which "***a relatively high proportion of short household moves are self-contained.***"** This was previously defined as around 70% of local moves. Excluding long-distance movements, an assessment of 2001 Census data on migration for the 2012 SHMA suggested that the Borough had a self-containment of between 63% and 68% but with the release of Census 2011 data this has increased to between 71% - 73% (excluding long distance moves).

4.32   As such, and based on a strict interpretation of the PPG, the Census 2011 data, and analysis of migratory patterns (excluding long distance moves) amongst other indicators, show that self-containment in Stafford is sufficiently high for the Borough to be considered a single HMA for the purpose of considering housing needs in the context of the Local Plan.

4.33   Furthermore, as the Borough is a predominantly rural district with overlapping HMAs with a number of other authorities nearby, it is considered both reasonable and pragmatic to take the administrative boundaries of the Borough **as being a 'best fit' HMA for** planning purposes.

Defining the FEMA

Stafford Borough Employment Land Review 2012

4.34   The 2012 Stafford Employment Land Review [ELR] sought to establish the suitability of land and buildings in the Borough, including Local Plan allocations, for employment use. In doing so, the study assessed demand for, and the supply of, land for employment use. This analysis was restricted to the Borough only; the report did not consider whether it was part of a wider FEMA, with adjoining authorities such as Stoke on Trent and Newcastle under Lyme, or whether it was self-contained.

Extent of the Local Enterprise Partnership

4.35   Stafford is in the County of Staffordshire and bordered by the authority areas of Newcastle under Lyme, Stoke on Trent, Staffordshire Moorlands, East Staffordshire, Lichfield, Cannock Chase, South Staffordshire, Telford and Wrekin, and Shropshire. Staffordshire has a two-tier political system with councils at the local authority and county levels. Stafford is a non-unitary authority, so is linked to **the County's two**-tier system.

4.36   The nearest major settlements to Stafford are Stoke on Trent, Telford, Shrewsbury and Derby. The Borough is also located near to the North Staffordshire urban area. The Borough is also well connected to the Greater Birmingham and Black Country urban areas via the M6 motorway and railway station in Stafford Town Centre on the West Coast Mainline and Cross Country routes, with regular services to Greater Birmingham, Greater Manchester, Derby and the wider West/East Midlands regions.

4.37   Stafford is situated in the Stoke-on-Trent and Staffordshire LEP (SSLEP) area alongside the rest of Staffordshire and Stoke-on-Trent. The geographic composition of the LEP is liable to change **in the future following the Government's current LEP rev**iew.

Travel-to-Work Areas

4.38   Detailed guidance on how to define a FEMA is provided by CLG[25]. This states that examining commuting flows can help to define the FEMA of an economy. These commuting flows can be assessed using the latest travel-to-work flow data from the 2011 Census.

4.39   The Office for National Statistics (ONS) defines labour market areas as those areas where the bulk of the resident population also work. Defining labour market areas requires an analysis of commuting patterns to identify Travel to Work Areas [TTWAs] for local economies. The current criteria for defining TTWAs is that at least 75% of an area's working population work in the area and at least 75% of the people who work in the area also live in the area. The area must also have a working population of at least 3,500 (Stafford has a working population of 76,000[26]).

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[25] CLG (2010) Functional Economic Market Areas: An Economic Note
[26] Source: ONS Jobs Density. Total jobs includes employees, self-employed, government-supported trainees and HM Forces for 2017

However, for areas with a working population in excess of 25,000, self-containment rates as low as **66.7% are accepted to define a TTWA as part of a limited "trade-off" betwee**n workforce size and level of self-containment[27].

4.40   TTWAs provide a good indication of which labour market a location or local authority is in and how labour market areas are split across the UK. The ONS 2011 TTWAs were developed to approximate self-contained labour market areas i.e. areas where most people both live and work and therefore relatively few commuters cross a TTWA boundary on their way to work.

4.41   The ONS 2011 TTWA mapping (Figure 4.5) suggests that Stafford forms its own TTWA (the western and eastern boundaries are broadly comparable to those of the Borough).

Figure 4.5 Stafford Borough Travel to Work Area
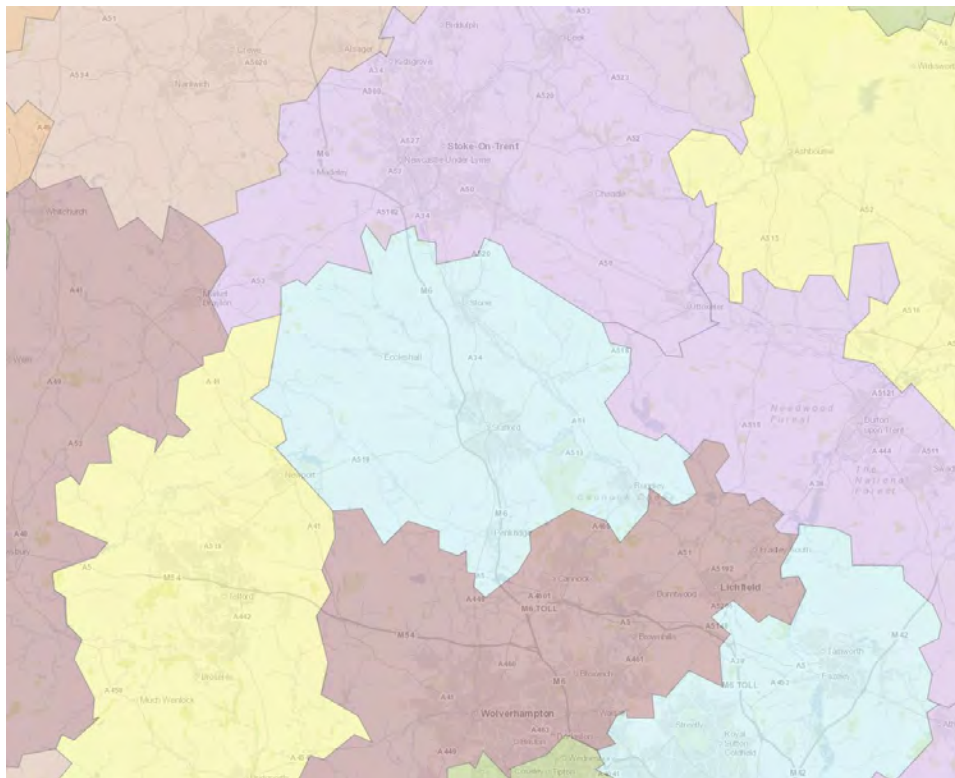
Source: ONS TTWAs 2011

4.42   In terms of commuting flows, at the time of the 2011 Census, 43,753 local residents lived and worked in the Borough out of a total of 67,743 people who work in the Borough. This equates to 64.6%, slightly below the 66.7% required to be classified as a FEMA. Furthermore, out of the 64,886 residents in employment who live in the Borough, only 43,753 both live and work there. This represents 67.4%, which is above the 66.7% threshold.

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[27] Commuting to work, Changes to Travel to Work Areas: 2001 to 2011 (ONS, December 2015)

Figure 4.6 Stafford Borough Commuting Flows
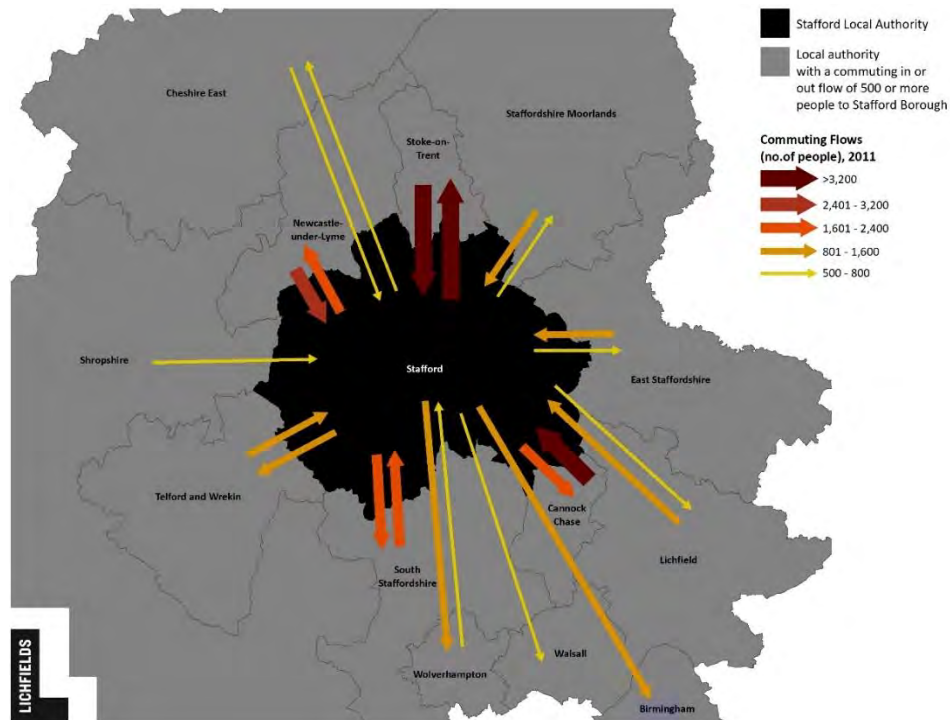
Source: ONS Census 2011/Lichfields Analysis

4.43   There is a strong relationship between the Borough and Stoke-on-Trent, with 5,119 residents of Stoke-on-Trent commuting into the Borough for work and 4,631 commuting from the Borough to Stoke-on-Trent. Large numbers of residents from Cannock Chase and Newcastle-under-Lyme commute into the Borough (3,420 and 2,487 respectively), with smaller flows of workers commuting from the Borough to these local authorities (1,720 residents from the Borough work in Cannock Chase whilst 1,616 of Stafford Borough residents work in Newcastle-under-Lyme). There is also a strong relationship between the Borough and South Staffordshire, with 1,844 South Staffordshire residents working in the Borough and 2,018 of the Borough residents working in South Staffordshire. Weaker commuting relationships are experienced between the Borough and the other surrounding local authorities.

4.44   This analysis highlights the strong relationships the Borough has with adjoining local authority areas.

Flow of goods, services and information within the local economy

4.45   The flows of goods, services and information in an area are influenced by a range of factors including digital connectivity, the location and change in the stock of commercial floorspace, commercial property market geographies and transport networks. These are considered in the sub-sections below.

Digital connectivity

4.46   The Borough of Stafford has relatively good digital connectivity as much of the Borough has access to superfast broadband (see Figure 4.7) and there are plans in place to increase availability in and around the Borough up to the end of 2018[28]. **The Borough's good access to** superfast broadband indicates that businesses and residents can easily connect to the wider

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[28] Note superfast broadband is defined as a broadband connection that has an average download speed of a minimum of 24 Mbps.

world and that Stafford's digital economic linkages likely extend well beyond the Borough boundary.

Figure 4.7 Staffordshire Superfast Broadband (2018)

KEY

- Work in progress
- Superfast broadband services available to order.
- Extension project due for completion by the end of 2018.
- Community Fibre Partnership
- Existing and planned commercial coverage.

No Colour = No planned activity "Final 4%"
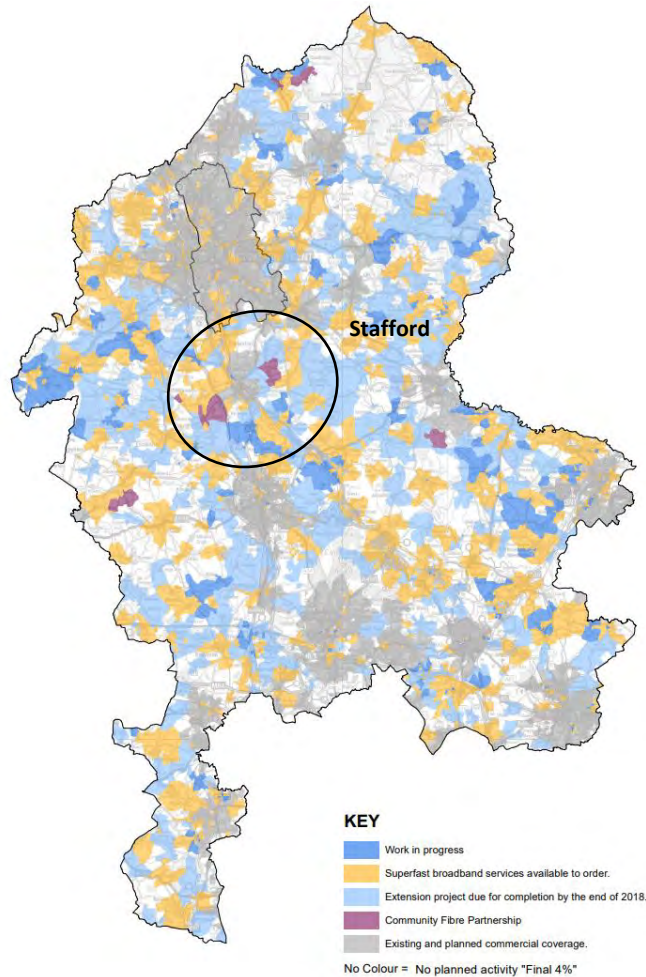
Source: Superfast Staffordshire (2018)

Commercial Market Geography

4.47   One to one telephone discussions with agents and discussions at the workshop, indicate that the degree to which the commercial property market of the Borough is localised depends on the individual businesses considered. Stakeholders recognised that proximity and ready access to the strategic road network of the M6 (particularly junctions 13 and 14) is a significant consideration for particularly larger businesses and those in the distribution sector, more so than being located within the Borough per se. This appears to be less of a consideration to smaller businesses.

Service Markets for Consumers

4.48   The Council's TCCA for the Borough (2019) provides an indication of Stafford's consumer service market geography[29]. As set out in greater detail in the HMA analysis above, the Borough's convenience goods market primarily consists of the area within its boundary as its market share was approximately 85.9% of convenience expenditure (and 58.9% of its

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[29] Town Centre Capacity Assessment (2019)

comparison expenditure)**, albeit the study area does extend beyond the Borough's southern and** eastern boundaries. The study identifies high levels of spend retention in Zone 6 (86.8%), which includes Stafford Town Centre. High levels of retention are also observed in Zone 4 (89.0%) and Zone 1 (74.9%), which are located on the eastern periphery of the Borough. Zone 2, which includes both Stone and Eccleshall, has a retention rate of 70.0%.

Transport network

4.49   Transport networks support productivity and the success of local economies by facilitating the swift movement of goods and people and supporting business operations. Stafford has excellent road links to a large proportion of the UK. The M6 runs directly north/south through the heart of the Borough, which links directly into the Stoke-on-Trent conurbation to the north, and the Greater Birmingham urban area to the south, providing further linkages onto the M54 to the southwest, the M40 and the M6 Toll. Newport and Uttoxeter are also easily accessible via the A518 (to the west and east respectively), whilst Cannock Town lies to the south via the A34 and Rugeley via the A513.

4.50   The Borough has two train stations: at Stafford and Stone. Stafford station is located on the West Coast Mainline which accommodates a variety of regular services to/from London, Birmingham, Stoke, Liverpool and Manchester including Cross Country Trains, Virgin Trains, and London North Western Railway. Stone station has a regular service provided by London North Western Railway to Stoke, Stafford, Birmingham and London.

4.51   Census origin and destination data shows that commuting to and from Stafford is typically done by driving in a car or van, with the proportions of commuters using this method of travel well above the UK average (see Table 4.5**). This ties in with the Borough's strong road linkages and is** also indicative of significant localised commuting flows shown in Figure 4.6.

Table 4.5 Method of Travel to Work

Method of Travel	Commute from Stafford	Commute to Stafford	UK Average
Underground, metro, light rail or tram	0.1%	0.1%	3.7%
Train	2.2%	1.0%	5.4%
Bus, minibus or coach	3.2%	3.9%	8.6%
Taxi	0.3%	0.4%	0.5%
Motorcycle, scooter or moped	0.8%	0.9%	0.8%
Driving a car or van	72.1%	72.6%	60.1%
Passenger in a car or van	5.7%	6.0%	5.8%
Bicycle	3.2%	3.0%	3.1%
On foot	12.2%	11.9%	11.7%
Other method of travel to work	0.2%	0.2%	0.3%

Source: ONS (2011) / Lichfields analysis

Note figures may not sum due to rounding.

4.52   Out-commuting using rail transport from Stafford is stronger than in-commuting via rail to the Borough, indicating that some people are out-commuting to locations where there are higher paying jobs than in Stafford (as might be expected given the regular (and rapid) services to Birmingham and even London). However, the proportion is well below the UK average and highlights that this type of out-commuting is less likely from Stafford than other parts of the UK.

Duty-to-Cooperate

4.53   The Localism Act 2011 sets out that the duty to co-operate applies to activities which can 'reasonably be considered to prepare the way' for a development plan or local development document. This is reaffirmed by the Framework, which sets out at paragraph 24 that Local Planning Authorities [LPAs] are under a duty to cooperate with each other, and with other prescribed bodies, on strategic matters that cross administrative boundaries, including through the preparation of Statements of Common Ground.

4.54   This EHDNA recognises that neighbouring LPAs have pursued individual Local Plans, which currently have progressed at different stages. However, it is understood at the current point that neighbouring LPAs are committed to meet their own employment land needs. It is important to note that this EHDNA reflects the district-level approach taken in other ELRs across the sub-region. Therefore, the focus and spatial extent of the EHDNA focusses on Stafford as a Borough, but its findings must be seen in the context of those other pieces of evidence in neighbouring areas, which together will form the overall evidence base for the various FEMAs.

4.55   Furthermore, the methodological approach set out and adopted in this EHDNA is underpinned by nationally consistent demographic and economic assumptions, which ensures a degree of consistency across the sub-region, in its approach for the determination of Local Housing Need and complements the neighbouring LPA's ELRs therefore ensuring a clear picture of housing and employment land need across Staffordshire and beyond.

4.56   Notwithstanding, in accordance with the duty to co-operate, the requirements of the 2011 Localism Act and the Framework, **the Council will need to continue to 'engage constructively, actively and on an on-going basis'** (Section 110:2 of the 2011 Localism Act) with its neighbouring authorities to ensure that strategic planning issues, in particular employment land needs, are met.

Conclusion on the extent of the FEMA

4.57   With respect to the Borough's **FEMA a variety of data sources have been considered by Lichfields, with each presenting a different picture regarding the extent of the Borough's** economic relationships with the neighbouring authorities:

- LEP Geography: the Borough lies within the Stoke-on-Trent and Staffordshire LEP.

- ONS Travel to Work Area: The ONS Travel-to-Work Area analysis suggests that the Borough is predominantly a self-**contained 'Stafford' TTWA, albeit with some overlap with** the Wolverhampton TTWA to the south.

- Housing Market Area: the Borough is considered to comprise its own HMA (see detailed discussion above).

- Commercial Market: **Stafford's office and industrial property market is understood to be characterised largely by localised demand. This is driven by the Borough's industrial** property market, with increasing commercial inquiries from local indigenous business population. However, in recent years the recent construction of a number of large strategic logistics depots clearly suggests that parts of the Borough are performing a sub-regional (and even regional) role, given its excellent connectivity to the motorway network.

- Service markets for consumers: The service market for consumers has comparatively strong linkages within the Borough, with a high level of retention of spending on convenience goods and a relatively high level of retention for comparison goods.

4.58   On balance, it is considered that the FEMA predominantly aligns with Stafford **Borough's administrative boundary**.

4.59   Through the duty to cooperate, the Council should undertake further discussions to determine how this interdependence impacts upon housing requirements within the adjoining HMAs/FEMAs, and how it will be addressed.

5.0 # Part 3: EDNA - Socio-Economic Context

5.1 Part 3 of this report analysis the Economic Development Needs [the EDNA] of the Borough. It begins with a local contextual review, assesses the economic conditions and trends and future economic prospects of the Borough. It then considers commercial property market signals and intelligence before forecasting the future employment land needs of the Borough.

Economic Conditions and Trends

Employment

5.2 The Borough encompasses around 136,000 people, including 82,500 people between the ages of 16 and 64[30]. 64,400 people aged 16 and over within the Borough are in employment[31], equating to 74.7% of the working age population[32]. Stafford is the county town, meaning it is the location of administrative or judicial functions for the County of Staffordshire. This naturally means that the public sector provides a lot of employment in Stafford, with Staffordshire County Council, the Borough Council and Staffordshire Police all headquartered in the Borough. Stafford is also **home to County Hospital, St George's Hospital, Stafford Prison and the Military Barracks MoD** Stafford.

5.3 Stafford has good transport links and serves as a commuter town for workers travelling to Stoke on Trent and Birmingham in particular, but also has regular services through to Manchester Piccadilly. Similarly, the town is easily accessible from the north and south, due to it lying alongside the M6, and the rest of the West Midlands via the A34, A518, A449 and A513, making it a commuting option for those travelling from Stone, Cannock, Wolverhampton, Telford and Uttoxeter.

5.4 Figure 5.1 shows employment in the Borough broken down by sector, as a percentage of total employment, and includes comparisons to Staffordshire, the West Midlands and England. As would be expected of a county town, the Borough has a higher proportion of its workforce working in the public administration and defence sector (7.9%) than across Staffordshire, the West Midlands and England (3.0%, 3.5% and 3.5% respectively). However, employment in this sector does not account for a significant amount of employment in the Borough overall.

5.5 The bulk of overall employment is made up across wholesale and retail trade (15.9%), health and social care services (14.3%), manufacturing (11.1%) and accommodation and food services (7.1%).

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[30] ONS MYE, 2018
[31] ONS Annual Population Survey (July 2018 to June 2019)
[32] ONS Annual Population Survey (July 2018 to June 2019)

Figure 5.1 Employment (% of total) by sector in Stafford Borough (2018)
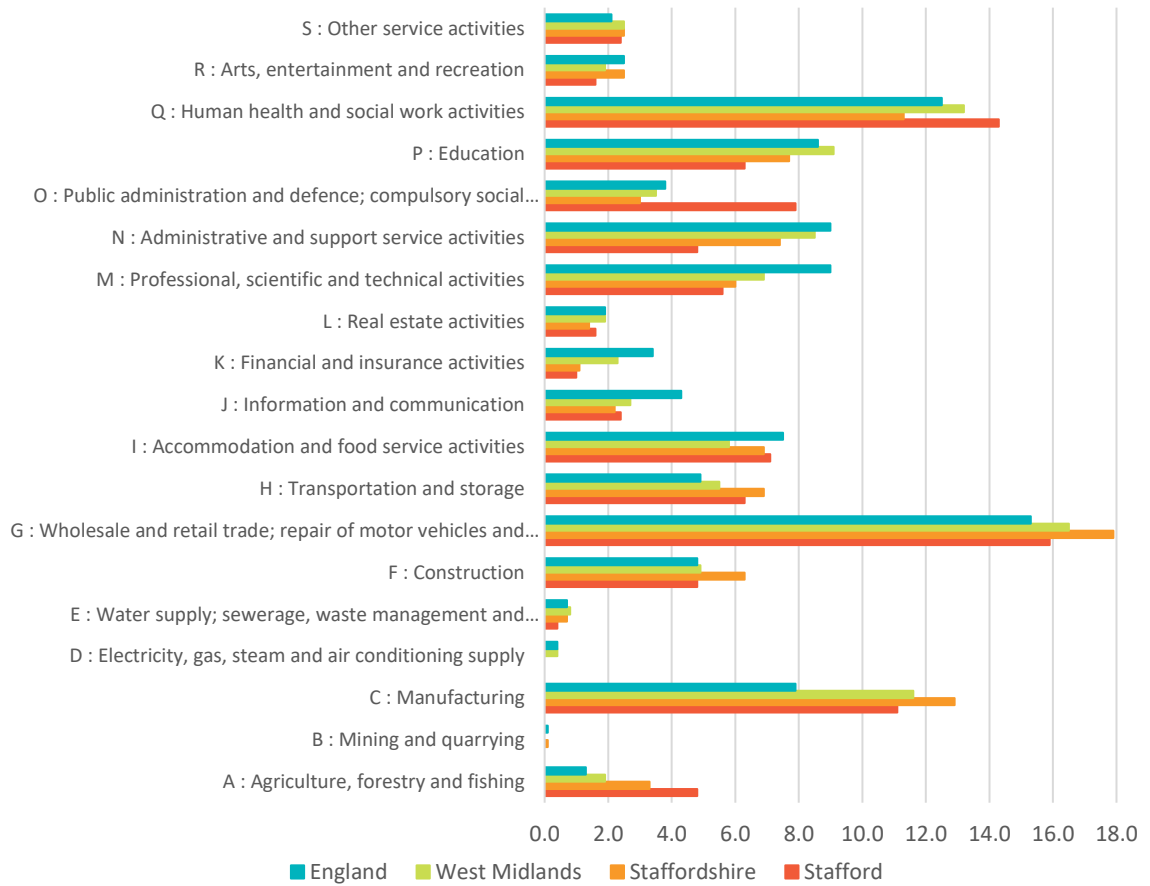
Source: ONS Business Register and Employment Survey

Labour Market Indicators

5.6   The economic activity rate (i.e. the share of working-age residents either in or seeking employment) in the Borough is 80.8%. This is lower than the rate for Staffordshire (81.2%) but higher than the regional average (77.0%) or national average (78.6%)[33].

5.7   Model-based estimates of unemployment rates for the Borough are shown in Figure 5.2. In 2018 the unemployment rate in Stafford was 2.8%[34]. This is slightly lower than the rate for Staffordshire (2.9%) but significantly lower than the average for the West Midlands (4.7%) or England and Wales (4.2%). The unemployment rate in Stafford increased from 3.6% in 2007 to a high of 6.5% in 2009 and has fallen steadily since. In comparison to the County, regional or national trends, the unemployment rate in Stafford began to decrease earlier.

[33] ONS, Annual Population Survey Jan – Dec 2018
[34] ONS, Model-based Estimates of Unemployment

Figure 5.2 Model-based Estimates of Unemployment
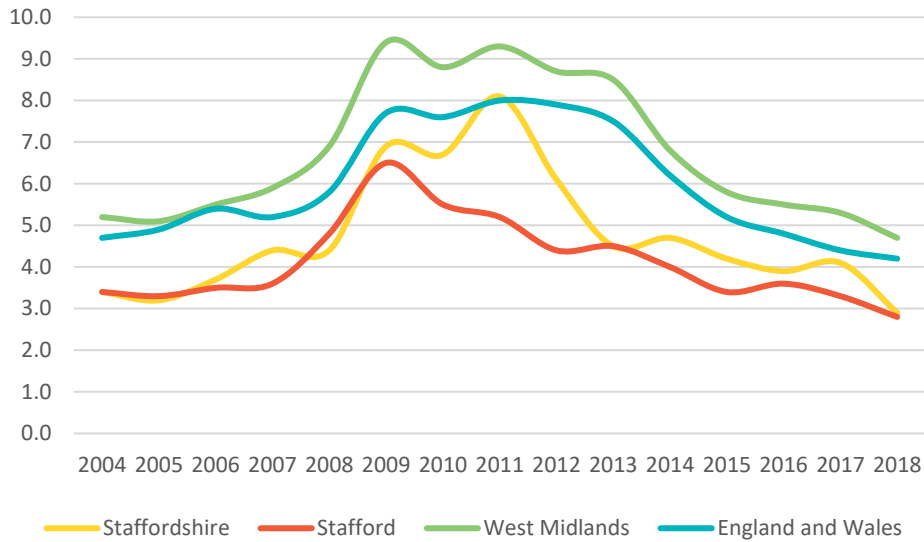
Source: ONS, Model-based Estimates of Unemployment

5.8   In December 2018, the JSA claimant rate (claimants as a proportion of residents aged 16-64) for the Borough was 1.0%. This is lower than the rate for Staffordshire (1.3%), the West Midlands (2.9%) or England and Wales (2.3%). As shown in Figure 5.3, claimant rates in the Borough increased sharply from 1.1% in 2007 to a maximum of 2.6% in 2009 but have subsequently fallen, mirroring the regional and national trend.

Figure 5.3 JSA Claimant Rate (2001-2018)
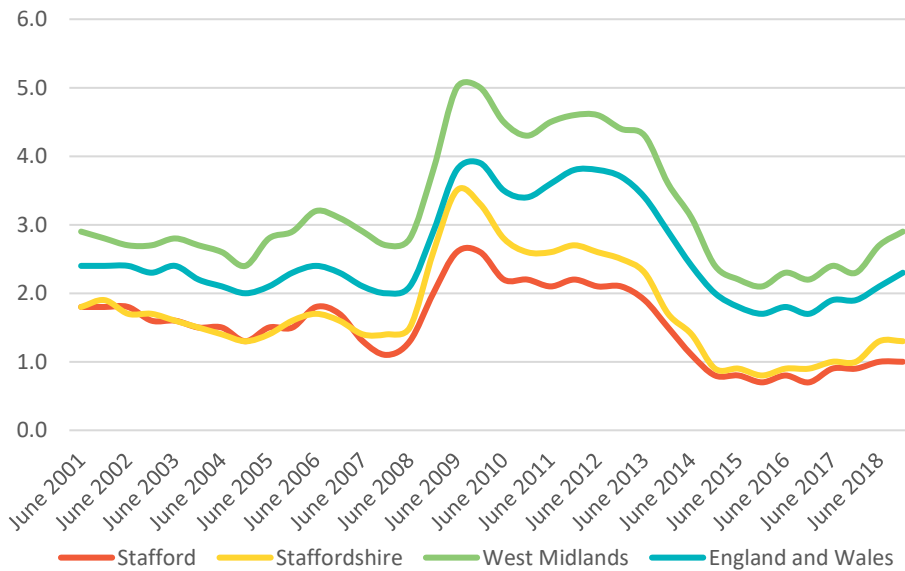
Source: ONS, JSA Claimant Count/Lichfields Analysis

5.9   The proportion of working age residents claiming Employment and Support Allowance and Incapacity Benefits is 4.8% in the Borough, which is lower than the average for Staffordshire (5.4%), the West Midlands (6.3%) or England and Wales (5.9%)[35].

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[35] ONS, Benefit Claimants – working age client group (Nov 2016)

5.10   Job density (the ratio of total jobs to population aged 16-64) in the Borough is 0.93. This is significantly higher than the ratio for Staffordshire (0.77), the West Midlands (0.82) or England and Wales (0.86).

5.11   In terms of qualifications, Stafford has a greater proportion of working age residents with NVQ qualifications at level 4 or above (47.9%), compared to average for Staffordshire (36.7%), the West Midlands or (33.1%) or England and Wales (38.8%) (Figure 5.4)[36]. The Borough also has a smaller proportion of its working age population with no qualifications (5.8%), than the county (6.2%), regional (10.3%) or national average (7.6%).

Figure 5.4 Percentage of Working Age Population with Qualifications
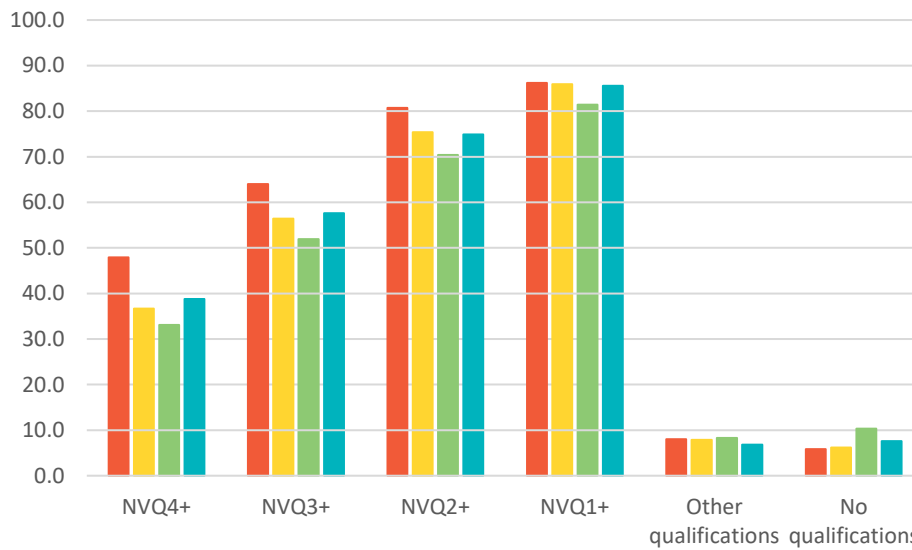
Source: ONS, Annual Population Survey (Jan - Dec 2018)

5.12   Median resident wages in Stafford (£490.00 gross per week) are significantly higher than in Staffordshire (£453.10), the West Midlands (£440.00) or England and Wales (£463.10). The wages or workers in Stafford are much lower than for residents, with the median workplace wage being £430.80 gross per week, 87.9% of the resident wage. However, this is above the median workplace wage for Staffordshire (£415.30).

Deprivation

5.13   As shown in Figure 5.5, the majority of the Borough has low levels of deprivation based on the Indices of Multiple Deprivation [IMD] (2019), which comprise a number of indices including income, employment, education, health, crime, barriers to housing services and living environment. Stafford is rated 233rd least deprived out of 317 districts, based on Rank of average rank. The Local Super Output Areas [LSOA] **which comprise the Borough's rural area** are typically within the 30% least-deprived in England. Higher levels of deprivation are observed in the LSOA northeast of Barlaston (in the top 40% most deprived LSOAs in England and particularly in Stafford, where there are four LSOAs in the top 20% most deprived in England). Stone does not show similar levels of deprivation.

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[36] ONS, Annual Population Survey (Jan – Dec 2018)

Figure 5.5 Indices of Multiple Deprivation in Stafford Borough
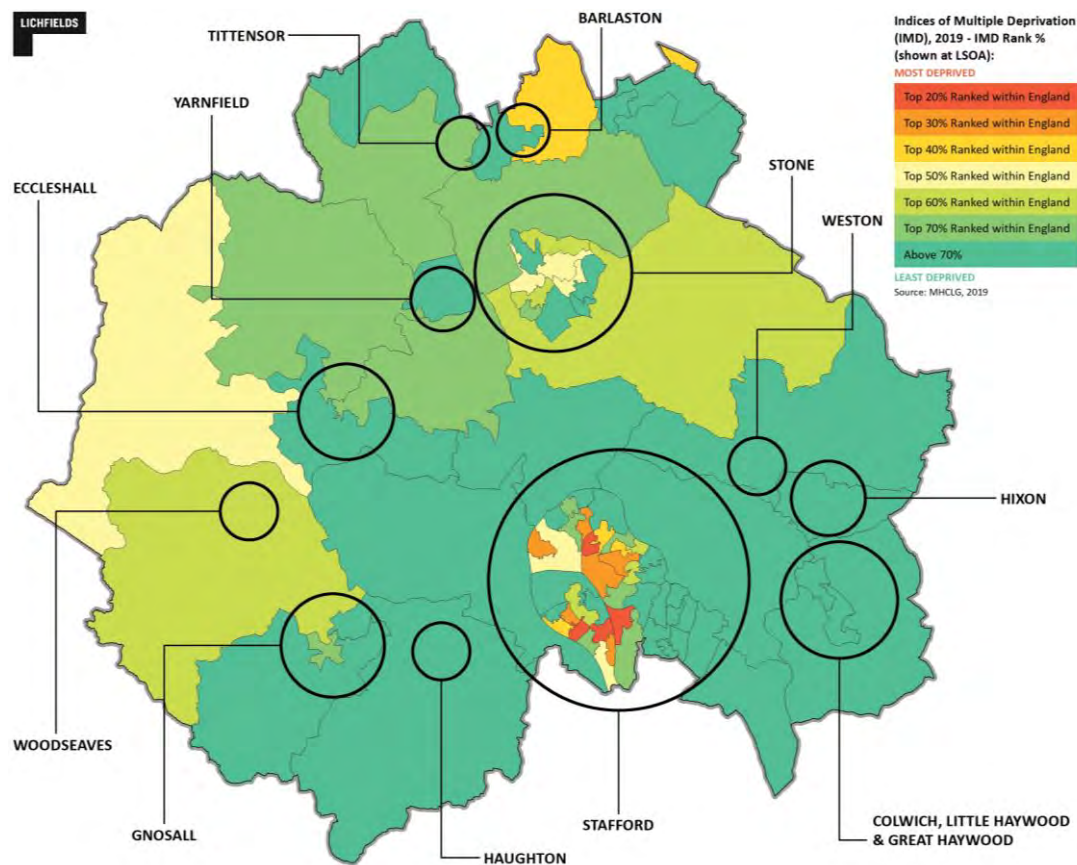
Source: CLG Indices of Multiple Deprivation (2019)

Business Demography and Enterprise

5.14 **An assessment of the size of businesses shows that the Borough's business base is dominated by** smaller firms comprising 0 to 9 employees (89.4% of enterprises). This is comparable with the Staffordshire (89.5%), regional (88.9%) and national (89.5%) average. The proportion of large enterprises with over 250 staff in Stafford is low (0.3%), although it is comparable with the Staffordshire (0.3%), regional (0.4%) and national (0.4%) average[37].

5.15 The total number of active enterprises in the Borough (5,215) indicates that there are 634 active enterprises per 10,000 working age residents. This is broadly comparable with the rates for Staffordshire (621) and the West Midlands (633) but lower than the rate for England and Wales (728).[38]

5.16 Between 2012 and 2017, the number of active enterprises in the Borough increased by 580, or 12.5%. This is comparable to the rate of growth in Staffordshire (12.6%) but significantly lower than the regional (22.8%) or national (24.3%) average.[39]

5.17 Drawing on Inter-Departmental Business Register [IDBR] data, the spatial distribution of key business clusters within the Borough can be identified and is presented in Figure 5.6. This underlines the presence of a diverse mix of business sectors within Stafford, with the largest business concentrations located around Stafford and Stone towns (shown in Figure 5.6 and 5.7)

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[37] ONS, UK Business Counts (2018)
[38] ONS, Business Demography (2017)
[39] ONS, Business Demography (2012 and 2017)

and smaller clusters in the other towns, including Barlaston, Yarnfield, Eccleshall Gnosall, Hixon, Little Haywood and Colwich, and Great Haywood. Smaller businesses, with 10 or fewer employees, particularly in the agriculture, forestry and fishing and construction sectors, are found throughout the Borough.

Figure 5.6 Stafford Borough Employment, by Sector
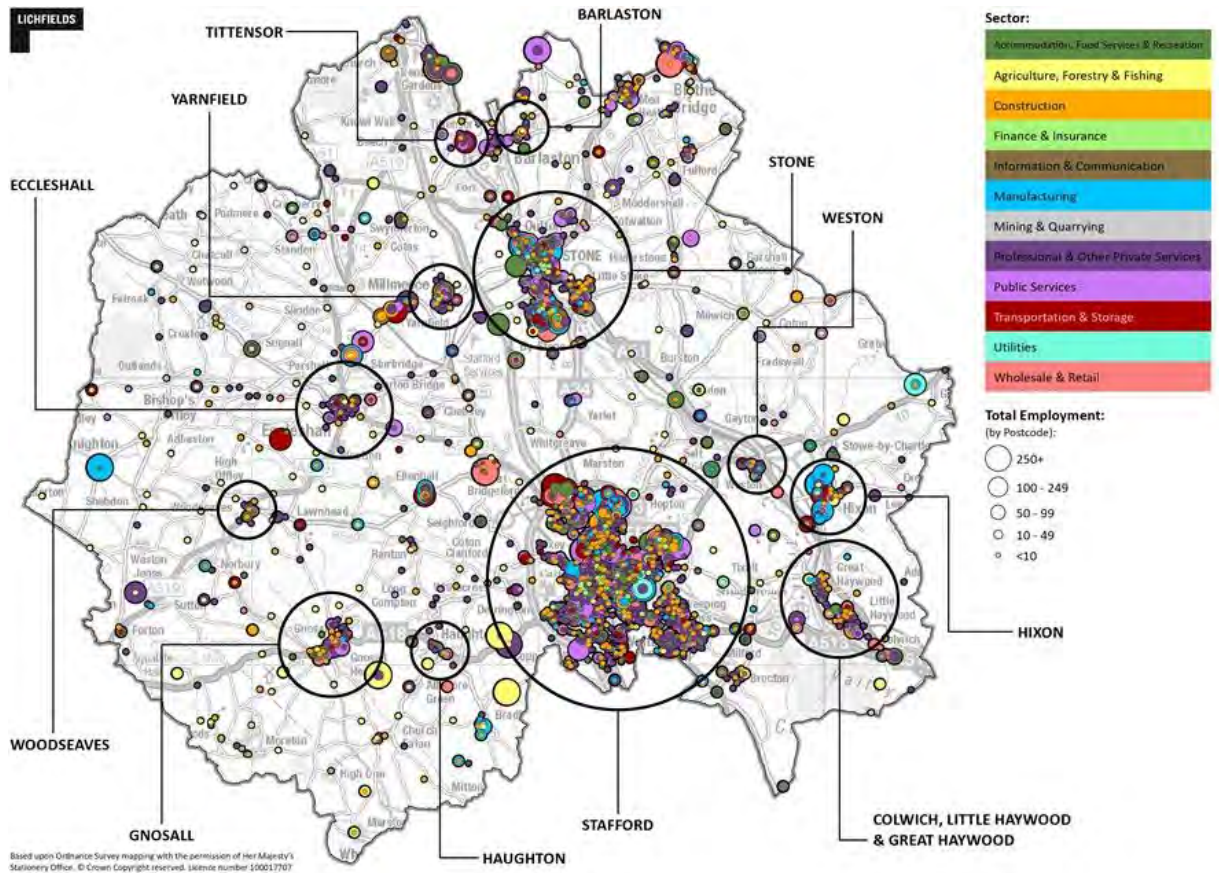
Source: ONS (2018) Inter-Departmental Business Register

5.18   Within Stafford Town, there is a significant clustering of employers in the town centre. Within this area there is a concentration of relatively large (over 100 employees) wholesale and retail employers, and smaller public services, finance and insurance and professional and other private services employers. There are several larger employers in the public services sector distributed across the town and numerous small businesses (with fewer than 10 employees) primarily in professional and other private services and construction and, to a lesser extent, information and communication businesses across the wider town.

Figure 5.7 Stafford Town Employment, by Sector
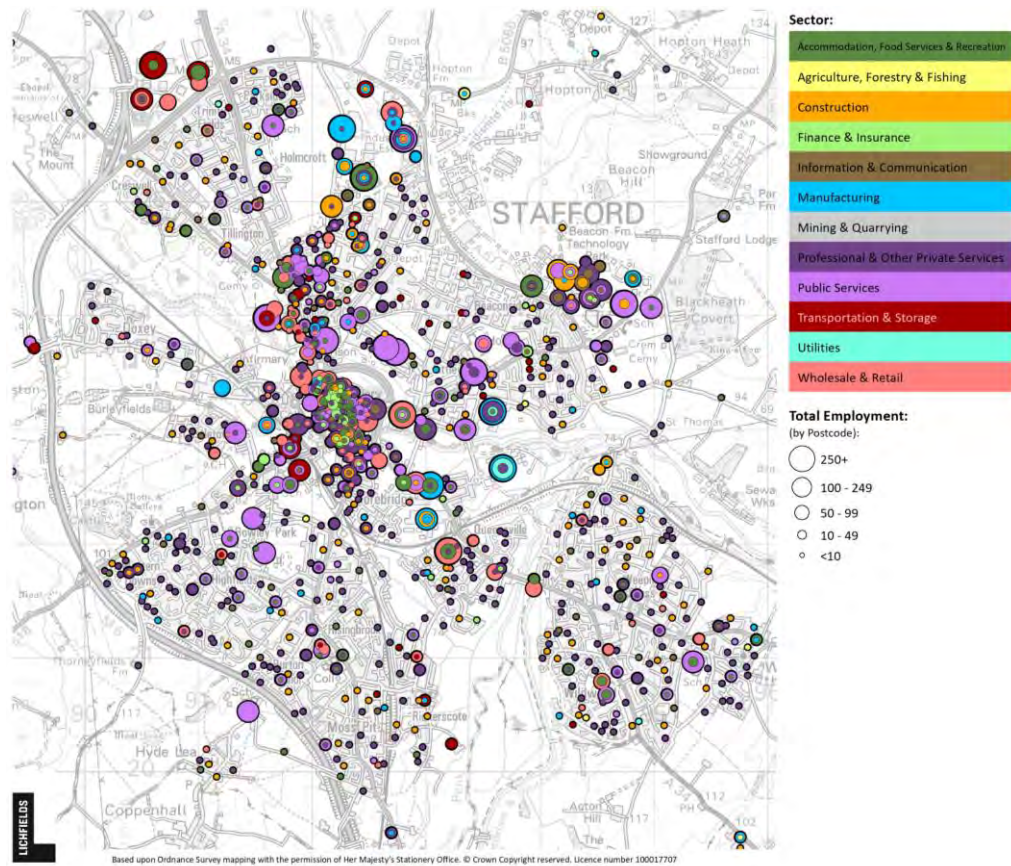
Source: ONS (2018) Inter-Departmental Business Register

5.19   The cluster of businesses in Stone is much smaller than that of Stafford town and the greatest concentration of employers is located in the area of the High Street. The sectors represented in this area predominately include public services, professional and other private services and smaller numbers of people employed in finance and insurance and accommodation, food services and recreation. A second cluster of businesses is located to the south of the town at Stone Business Park, where larger numbers of people are employed in the manufacturing, transportation and storage, information and communication and wholesale and retail sectors.

Figure 5.8 Stone Town Employment, by Sector
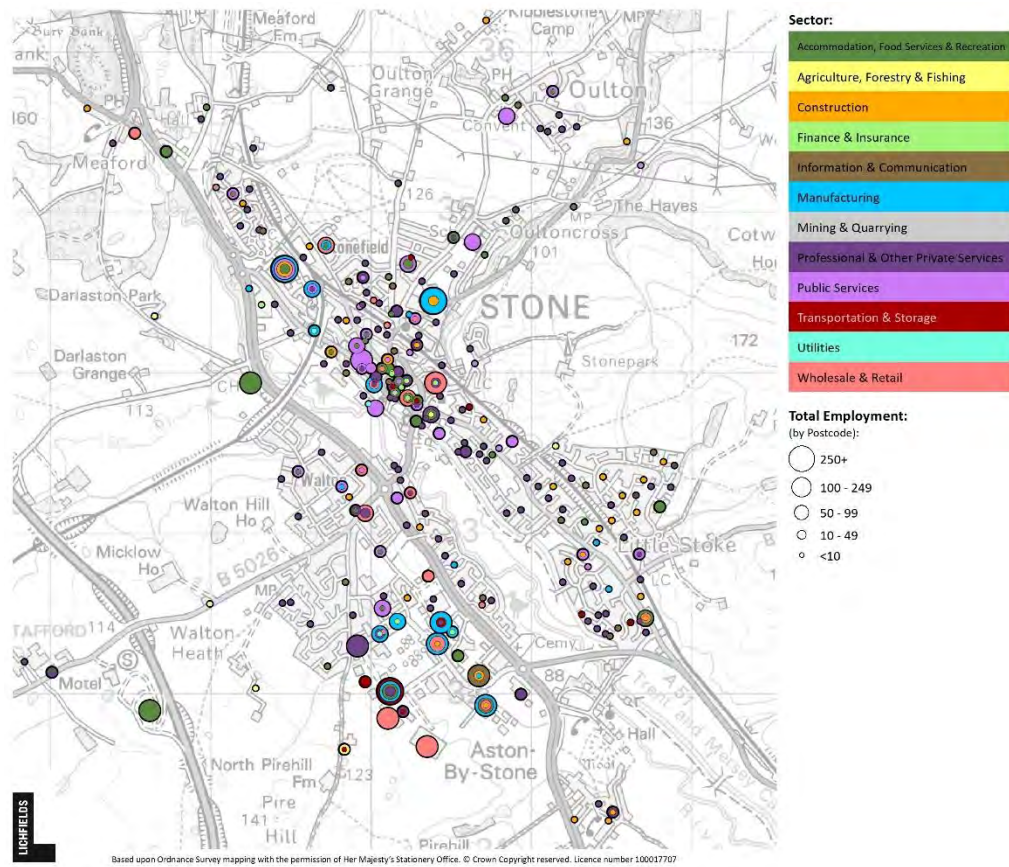
Source: ONS (2018) Inter-Departmental Business Register

Location Quotient Analysis

5.20   In order to identify the full economic potential of the Borough, it is important to consider which industrial sectors are best placed to drive future growth. This is informed by an understanding of which sectors are under or over-represented in terms of local employment and their recent growth performance.

5.21   Location Quotients [LQs] are a valuable way of quantifying how concentrated a particular industry is in a region as compared to the nation and can reveal what makes a particular region **'unique' in comparison to the national average. It is a ratio that compares a region to a larger** reference region according to some characteristic or asset. In this case, Lichfields has measured the proportion of employment in an industry at the Borough level relative to the West Midlands average. Analysis of locational quotients enables us to understand what the key growth opportunities are by industrial sector (i.e. which have been performing at, or above the national average and which have the best prospects for future growth).

5.22   In the graph, the LQ are shown using an orange bar. A value above 1.0 denotes a higher local representation of a sector compared to the West Midlands average, whilst anything below 1.0 signifies an under-representation. The further the orange bar is from 1.0, the greater the extent of any over or under-representation. In addition, the blue bars show the absolute level of employment within Stafford accounted for by each sector.

Figure 5.9 Stafford Borough Location Quotients Analysis
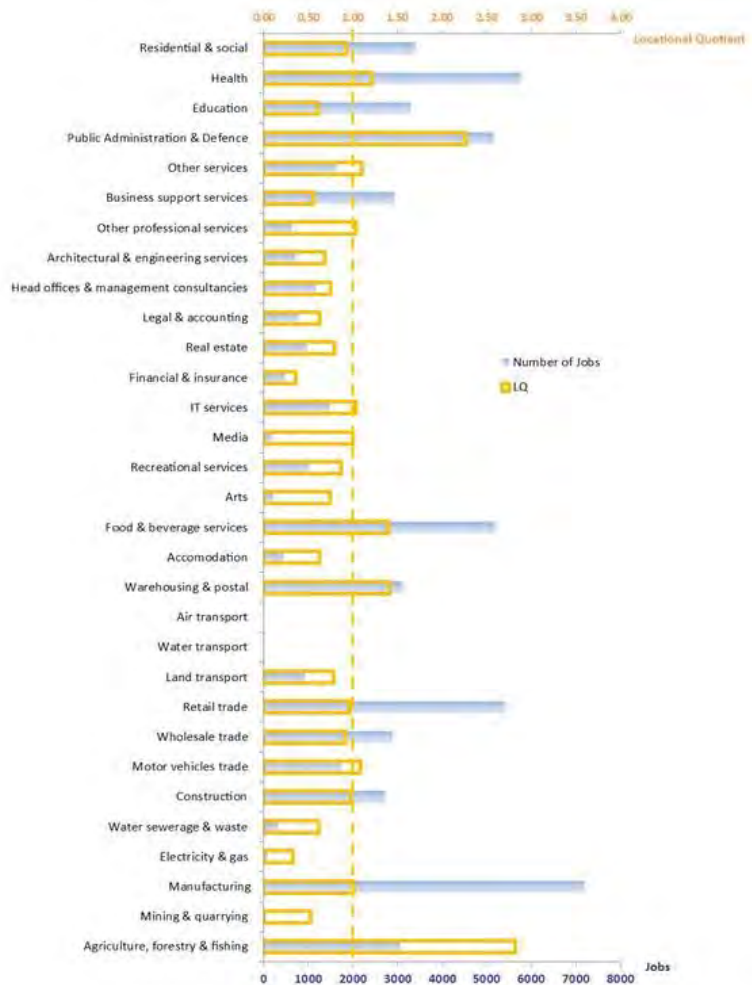
5.23   Figure 5.9 illustrates that Stafford is a typical example of a county town, with high levels of employment and a significant over-representation of public administration and defence jobs compared to the rest of the West Midlands.

5.24   In terms of the Borough's particular strengths, there is significant over-representation of jobs in agriculture, forestry and fishing, despite this not being a sector of relatively high employment for the Borough. The health and food and drink sectors offer high levels of employment and have a strong representation in the Borough compared to the wider region, highlighting their strength and potential for future growth.

5.25   Other sectors of high employment include manufacturing and retail, although these are not particularly out of line with the West Midlands average. Both education and business support services are under-represented in the Borough despite supporting many jobs.

Future Employment Prospects

5.26   Lichfields obtained November 2018 CE job growth projections for the Borough. The Borough is projected to have moderate level of growth of 5,926 workers between 2020 and 2040 (8.1% in total, equating to a Compound Annual Growth Rate [CAGR] of 0.39%). This compares to past CAGR of 0.78% since the turn of the century, where the number of jobs increased by an impressive 10,075.

Table 5.1   Historic and Projected Employment Change

	2000 to 2019			2020 to 2040		
Stafford	+10,075	+16.0%	+0.78% CAGR	+5,926	+8.1%	+0.39% CAGR

Source: Cambridge Econometrics (November 2018) Workforce Jobs: Lichfields analysis.

5.27   The CE projections indicate that the Borough's **future job growth prospects** are moderate. However, it stands in stark contrast to the sharp historic job decline experienced between 1998 and 2008 where 7,356 jobs were lost (net). This occurred mainly due to the onset of the recession and **restructuring of the Borough's manufacturing sector, which** lost 7,655 workers in ten years, a fall of 52.3%. Whilst the manufacturing sector stabilised between 2008 and 2018 and indeed actually slightly increased by 541 jobs, over the longer term (2020-2040), the decline is projected to continue (-842 manufacturing jobs, or -11.2%).

5.28   Table 5.2 shows the top ten sectors in terms of their respective growth in share of total employment in the Borough between 2020 and 2040. Food and beverage services and health look to be sectors of significant potential for growth in the Borough, growing in employment share by 2.12% and 1.59% respectively.

Table 5.2 Growth in share of overall Employment in Stafford Borough by Sector, 2020 - 2040

Sector	%
Food & beverage services	2.12%
Health	1.59%
Warehousing & postal	0.49%
Business support services	0.21%
Construction	0.16%
Accommodation	0.15%
Real estate	0.10%
Recreational services	0.05%
Arts	0.04%
Water sewerage & waste	0.03%

Source: Cambridge Econometrics (November2018) Workforce Jobs: Lichfields Analysis

5.29   It is worth noting that the CE forecasts are based on past trends and do not take account of future policy interventions. Whilst they show a decline in manufacturing up to 2020, this is a reflection of recent declines in the number of traditional manufacturing jobs. Discussions with council officers and stakeholders have identified significant future growth aspirations for the manufacturing sector within the Borough, particularly for advanced manufacturing. In fact, advanced manufacturing is expected to be a key growth area for the Midlands in the future, but these jobs will be different to those supported by the heavy engineering of the past.

Summary

- Being a county town, Stafford has a higher proportion of public sector jobs than Staffordshire and the West Midlands.

- The bulk of overall employment in the Borough is made up across wholesale and retail trade, health and social care services, manufacturing, and accommodation and food services.

- Overall, deprivation within the Borough is low, despite some areas of Stafford town centre being in the top 10% for deprivation nationally.

- Future job growth prospects are modest due to past trends, and the restructuring of the Borough's manufacturing sector is set to continue.

6.0 **Commercial Property Market Signals and Intelligence**

Introduction

6.1   This section provides an overview of the current stock of B-Class employment space in the Borough, while also summarising recent trends and changes to the supply of this employment space. The amount of employment land and floorspace has been considered across the three main types of employment uses (i.e. office [B1a/b], manufacturing [B1c/B2], and warehousing & distribution [B8]).

6.2   It then provides an overview of the property market from a national and local perspective. It looks at the key office and industrial employment locations in the Borough and provides a view on rents and land values. This has been informed by a review of market trends and secondary data, as well as consultations with a number of stakeholders such as commercial agents and developers active in the Borough and the wider area. This section also provides additional information from the stakeholder discussions.

6.3   This analysis uses data from the following sources:

1.   Commercial floorspace data from the ONS and various datasets from the Valuation Office Agency [VOA];

2.   Monitoring data on commercial space from the Council;

3.   EGi Property Link database and other commercial property sources;

4.   The results of a business survey sent to all con**tacts on the Council's database in** January-June 2019; and,

5.   Discussions with a number of local agents and other commercial stakeholders and the findings of the stakeholder workshop, held in June 2019.

Employment Space

6.4   In total, the Borough has approximately 1,245,000 sqm of employment floorspace, of which 89% is industrial. Figure 6.1 shows that over the period 2000/01 to 2015/16, commercial office space in the Borough increased by 55% to approximately 133,000 sqm. However, this increase was from a comparatively low base (86,000 sqm). In comparison, the increase across the West Midlands region was 16.0%. Total industrial space increased by a modest 8,000 sqm, or 1%, to approximately 1.11 million sqm over the same period, compared with a decrease of 8.2% across the West Midlands as a whole. However, as can be seen from Figure 6.1, the recent trend is downward since around 2009/10, which is likely to be due to the continuing restructuring of the **Borough's manufacturing economy.**

Figure 6.1 Stock of Employment Space (2000/01 to 2015/16)
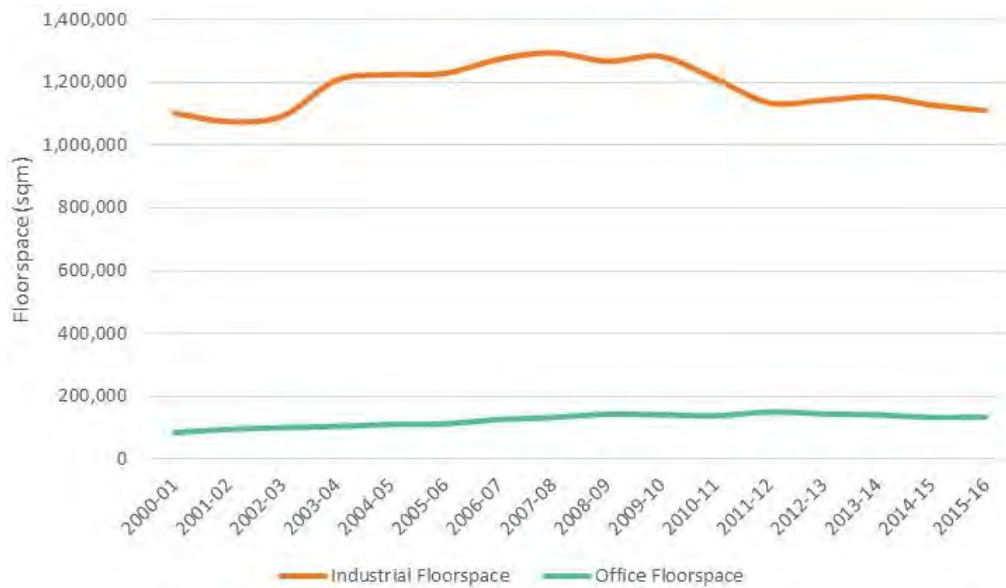
Source: Valuation Office Agency (2016) Floorspace Statistics

6.5   When compared to the adjacent Staffordshire local authorities (and Telford & Wrekin), the Borough has gained proportionally more office floorspace than any of the comparator areas, albeit less in absolute terms than either Telford & Wrekin or Stoke on Trent (Table 6.1). The reverse is true of industrial floorspace (with the exception of Stoke on Trent, which has seen a marked decline in overall levels of industrial floorspace in recent years), with the Borough having the lowest level of both absolute and proportionate industrial floorspace of any of the other 5 districts.

Table 6.1 Employment Floorspace (2001-2016)

		Stafford	Lichfield	South Staffordshire	Cannock Chase	East Staffordshire	Telford & Wrekin	Stoke on Trent
Offices	Floorspace (sq.m) (2016)	133,000	91,000	40,000	66,000	147,000	214,000	230,000
	Absolute Change (2001-2016)	47,000	27,000	9,000	9,000	29,000	50,000	55,000
	% Change (2001-2016)	54.7%	42.2%	29.0%	15.8%	24.6%	30.5%	31.4%
Industrial	Floorspace (sq.m) (2016)	1,111,000	852,000	655,000	899,000	1,598,000	2,036,000	2,509,000
	Absolute Change (2001-2016)	8,000	37,000	31,000	227,00	171,000	59,000	-879,000
	% Change (2001-2016)	0.7%	4.5%	5.0%	33.8%	12.0%	3.0%	-25.9%
Retail	Floorspace (sq.m) (2016)	229,000	138,000	63,000	231,000	256,000	326,000	651,000
	Absolute Change (2001-2016)	36,000	13,000	-3,000	38,000	19,000	43,000	39,000
	% Change (2001-2016)	18.7%	10.4%	-4.5%	19.7%	8.0%	15.2%	6.4%

Source: VOA (2016) / Lichfields analysis

Spatial Distribution

6.6 Figure 6.2 presents the spatial distribution of B-class employment space across the Borough using the latest available VOA data. This indicates that the majority of employment sites are located in Stafford, with only smaller business clusters situated outside the town in Stone, and isolated factories/distribution centres at key nodes on the strategic highways network.

6.7 As can be seen in Figure 6.3, economic activity within Stafford is focused around a number of locations in the centre, northern and eastern edges and immediate surroundings. As might be expected, there is a particular concentration of offices within the Town Centre serving both the public and private sector. The former provides accommodation for both the Council and Staffordshire County Council [SCC], whilst the Town also accommodates the County records office, NHS Trust, the police and emergency services.

6.8 **Outside the Town Centre, Stafford's** main areas of economic activity are focused on two broad locations on the northern and eastern edges of the Town, including the largest factory site in the **Borough, General Electric's 80,800 sqm factory** plant at its Lichfield Road site (although it is noted that the majority of the site is vacant and closed and it is understood that the owner is proposing redevelopment). The northern locations are focused around:

- Tollgate Industrial Estate, an older Industrial estate at the northern edge of the town off the A513 that predominantly provides small and medium sized accommodation for local businesses including Simmons of Stafford, Armstrong Metal Ceilings, AWE and Rowley Engineering.

- Tollgate Park, which is a more recent development immediately beside Tollgate Industrial Estate, the largest workshop premises comprising those of Elster Metering Systems (5,300 **sqm workshop), UK Mail (2,320 sqm warehouse), Horsely's of Stafford Removals (1,730** sqm warehousing) a**nd Leon's Coaches (1,060 sqm workshop)**.

- Redhill Business Park, a modern industrial estate located within 1 mile of junction 14 of the M6 along the A34. It contains a number of national companies including Screwfix (occupying two large warehouse units, one of which is 11,300 sqm in size), General Electric, Culina Logistics and Iron Mountain. Two new industrial / warehouse units are currently being marketed for 6,190 sqm and 7,145 sqm respectively.

6.9 The eastern locations include:

- Staffordshire Technology Park, a large business park located next to Staffordshire University on the A513 Beaconside, Stafford. The largest unit on the Park is occupied by Stafford and Rural Homes, the largest social landlord in Stafford, which has a 2,430 sqm office unit at Parker Court. Allied Healthcare also occupies a large office unit at the park, 1,600 sqm at Lakhpur Court. The Park has a high vacancy rate, with a number of office units currently being actively marketed including the Capula building, which has 6,730 sq. ft. available; 2 Parker Court, 300 sqm. (3,226 sq. ft.) at £9 per sq. ft.; 2,375 sq. ft. at Elite House and 1,525 sq. ft. at Beaconsfield, both available at £10 per sq. ft.

- Beacon Business Park and Extension: The Park is situated on the A518 Weston Road close beside Staffordshire University and the aforementioned Staffordshire Technology Park. It comprises a mix of industrial and warehousing units, whilst planning permission has been approved to develop the adjoining 50 acres as a mixed-use employment zone with Stafford. Infrastructure works were completed in 2014 and the site is currently being built out for a mix of B1c, B2 and B8. Occupiers of some of the larger units at the Park include Wacker Neuson Ltd, the Football Association (in a unit 12,200 sq. ft. in size), Staffordshire County Council archives (across 2 units 6,600 and 5,000 sq. ft.), Transverse Europe Ltd

(11,000 sq. ft.) LAUK Ltd (18,000 sq. ft.), Camso (two large units, of 42,000 sq. ft. and 24,000 sq ft), Staffordshire Police (45,940 sq. ft.) and UK Garden Buildings (40,700 sq. ft.).

6.10   Stone is the second largest town in the Borough and as can be seen in Figure 6.4, accommodates a number of well-established commercial and industrial areas including the Town Centre itself, Whitebridge Industrial Estate and Stone Business Park:

- **Whitebridge Industrial Estate**: located on the A34 dual carriageway on the edge of Stone Town, this privately-owned estate is home to a wide variety of business accommodating generally small-medium sized B1 commercial and B2 industrial units, the majority of which are used by indigenous companies such as Cornerstone Systems, ESK International Limited, Flather & Co, Integral Bulk Packaging and many others. There is currently a 12,753 sq. ft. industrial unit to let off Whitebridge Way, with another 2,015 sq. ft. industrial unit to let for £11.41 per sq. ft.[40] A 1,300 sq. ft. office unit is also currently being marketed (Unit 7D).

- **Stone Business Park**: This Business Park is a well-established commercial area off the A34 to the south of the Town, with good access to the strategic road network. It features a number of large international and national occupiers, including RBS, which occupies the largest B1a office unit in the Borough, the Stone Data Centre - a 11,400 sqm computer centre and office premise off Brooms Road. Other large companies based on the Park include Bibby Scientific Limited; City Link; Owlet Jaton and Capula Limited. There are a number of office units currently vacant and being actively marketed[41]. A range of office suites at Kem House ranging from 404 sq. ft. to 9,195 sq. ft, for £15-£17.50 per sq. ft; other units ranging from 404 sq. ft. to 9,195 sq. ft. at the same two 443 sq. ft suites at Reward House, Diamond Way. There are also 7 modern purpose-built business/industrial/warehouse units being marketed from 1,464 sq. ft. to 11,733 sq. ft.

6.11   Other important industrial estates and business parks in the Borough include:

- Astonfields and Common Road Industrial Estates, Stafford;

- Greyfriars Industrial Estate, Stafford;

- Hixon Airfield Industrial Estate, Hixon;

- The Former Indesit Factory, Blythe Bridge;

- Ladfordfields Industrial Estate, Great Bridgeford;

- The Former Meaford Power Station site, Meaford, Stone;

- Moorfields Industrial Estate, Cotes Heath;

- Pasturefields Industrial Estate, Hixon; and,

- Raleigh Hall Industrial Estate, Eccleshall.

6.12   This list indicates that there are a considerable number of smaller industrial estates scattered throughout the Borough away from the major settlements of Stafford and Stone. As can be seen in Figure 6.2, there are numerous Industrial Estates in the smaller rural settlements right across the Borough, particularly in Hixon, near Eccleshall, at Cold Meece and Weston amongst others. These provide a very important role in providing rural jobs in close proximity to local residents, making settlements more sustainable and often comprising highly attractive places to work.

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[40] https://www.primelocation.com/to-rent/commercial/property/staffordshire/stone/whitebridge-lane/
[41] https://www.primelocation.com/to-rent/commercial/property/stone-business-park/

Figure 6.2 Spatial Distribution of Employment Space in Stafford Borough, 2018
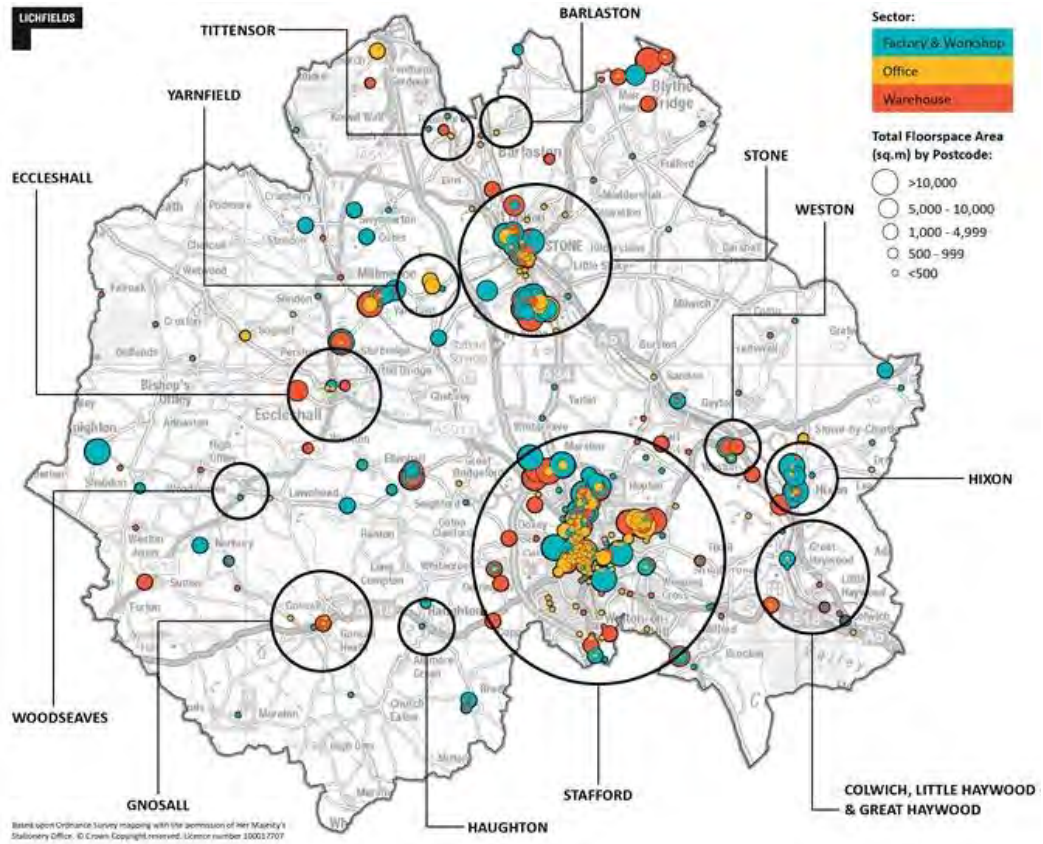
Source: VOA Business Floorspace Data / Lichfields analysis

Figure 6.3 Spatial Distribution of Employment Space in Stafford Town, 2018
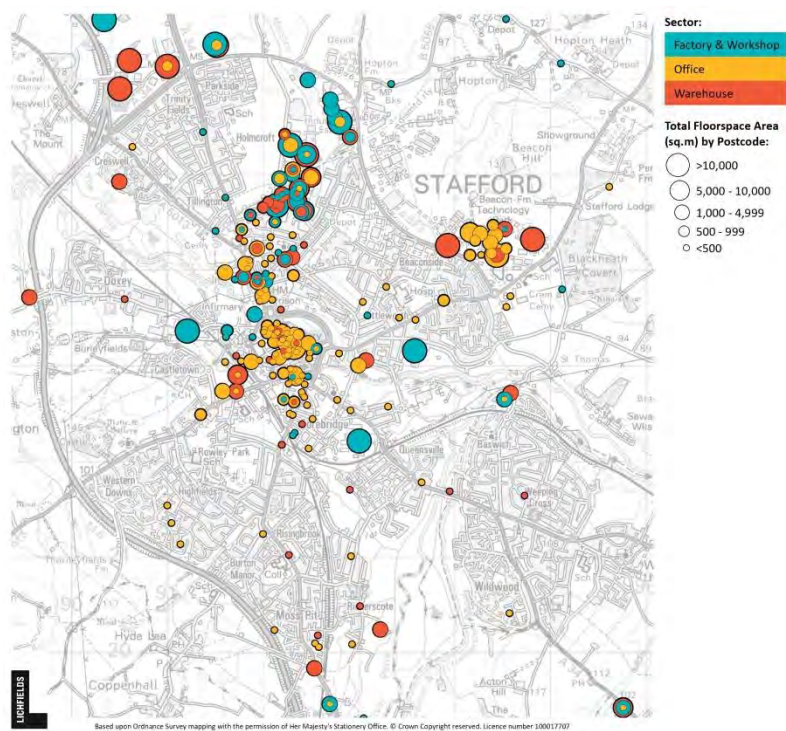
Source: VOA Business Floorspace Data / Lichfields analysis

Figure 6.4 Spatial Distribution of Employment Space in Stone Town, 2018
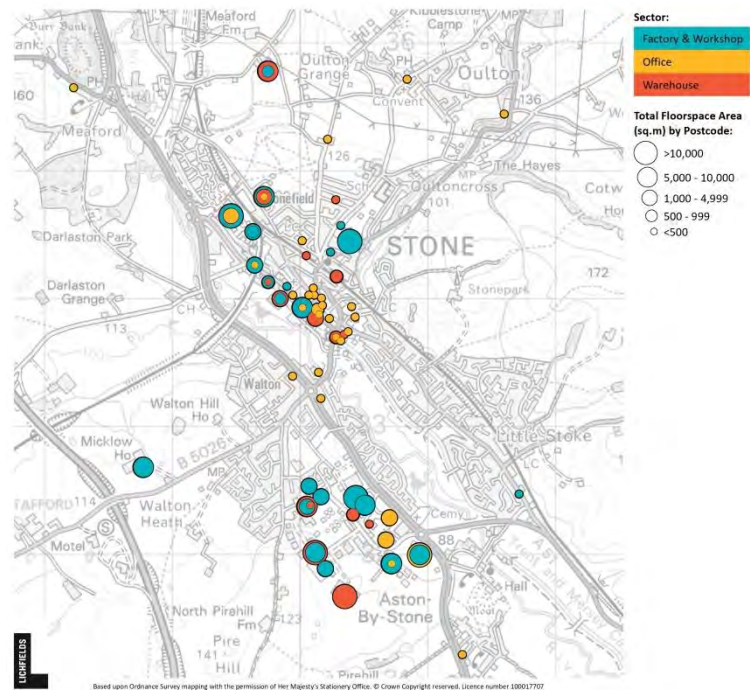
Source: VOA Business Floorspace Data / Lichfields analysis

Development Rates

Completions

6.13 The Council collates data on the development of employment land for annual monitoring purposes. Take-up (i.e. completions) of floorspace for employment development has been provided between 2011/12 and 2018/19 (obtained from the Council's annual AMRs, with data provided up to 31st March 2019). Prior to 2011/12 employment land data has been retrieved from the Council's 2012 ELR (see Figure 6.2). Gross completions have totalled an impressive 140 ha over the past 17 years stretching back to 2002/03, at an average of 8.24 hectares annually. However, it is worth noting that completions fluctuated from year to year; the annual average provides a 'smoothed' indication of delivery over the whole period. There have been 3 peaks, in 2002/03, 2006/07 and 2018/19, where 24.74 ha, 26.06 ha and 25.97 ha of B-Class land was developed respectively.

Figure 6.5 Gross Annual Employment Land Completions 2002/03-2018/19
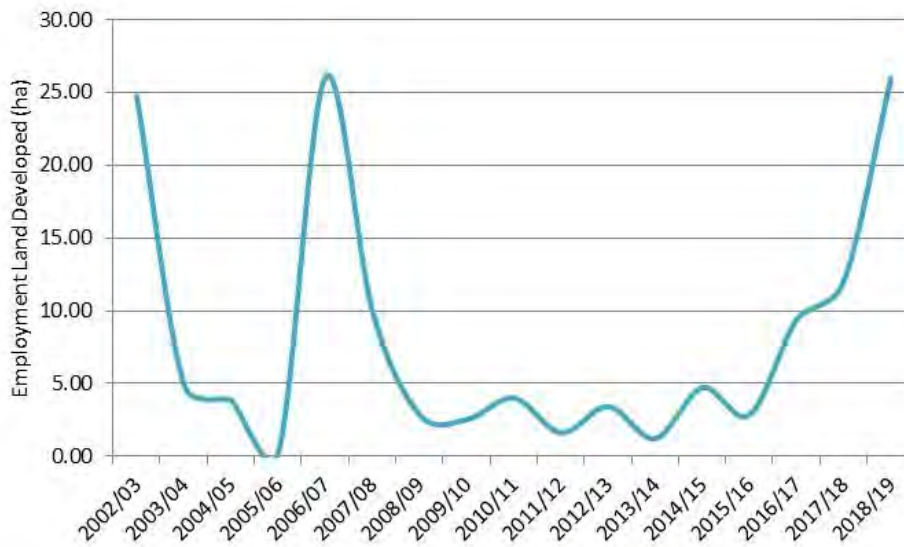
Source: SBC AMRs / Stafford ELR 2012 / Lichfields analysis

6.14   The recent Authority Monitoring Reports [AMRs] provide a breakdown of the employment floorspace take up by B-Class uses, as summarised in Figure 6.6. It indicates that of the 440,288 sqm of B-Class floorspace that has been delivered over this 10-year period, 52,862 sqm has been developed for B1a/b office/research and development; 36,862 sqm has come forward for B1c/B2 light/general industrial uses; and 102,361 sqm relates to B8 warehousing. An additional 39,480 sqm of employment floorspace was not identified for any specific B1, B2 or B8 use. Excluding this latter figure, this suggests that 23% of floorspace that has been delivered comprises B1a/b offices; 16% B1c/B2 industrial; and 61% B8 warehousing.

6.15   The bar for 2018/19 initially appears to be anomalous; however, it relates primarily to a 21.07 ha site at Jaspar Way which is primarily to be used for external vehicular storage. The description of development [ref: 17/27434/FUL] for the full planning application was for a:

"Vehicle distribution compound comprising 6,189 surfaced standard car parking facilities. 29 surfaced car charging parking spaces, 61 visitor and staff parking spaces. 44 No. surfaced 9 car loading lanes, ancillary operational buildings totaling 1,312 sqm (GEA), a jet wash, a substation, access from Jasper Way, a cycle shelter, a drainage attenuation pond, diversion of an existing ditch, external fencing and other security features, and associated screening landscaping."

Figure 6.6 Annual Employment Land Completions by B-Class Use, 2007/08-2018/19
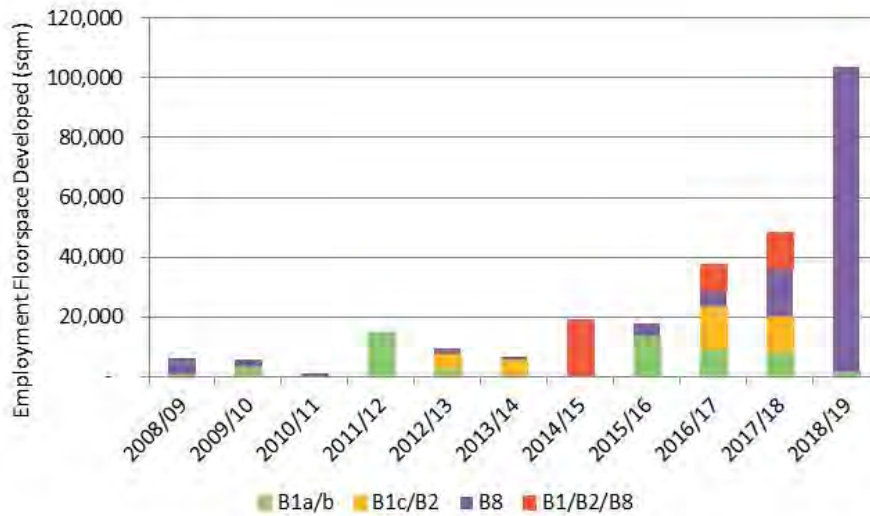
Source: SBC AMRs / Lichfields analysis

Note: for the last 3 years, only employment land details have been provided. To translate to floorspace to enable direct comparisons, a plot ratio of 40% has been applied.

Losses

6.16   B-Class employment losses are also recorded by the Council, dating from 2009/10 to 2018/19 although this was not available by B-Class Uses (see Figure 6.7).

Figure 6.7 Annual Employment Land Losses by B-Class Use, 2009/10-2018/19
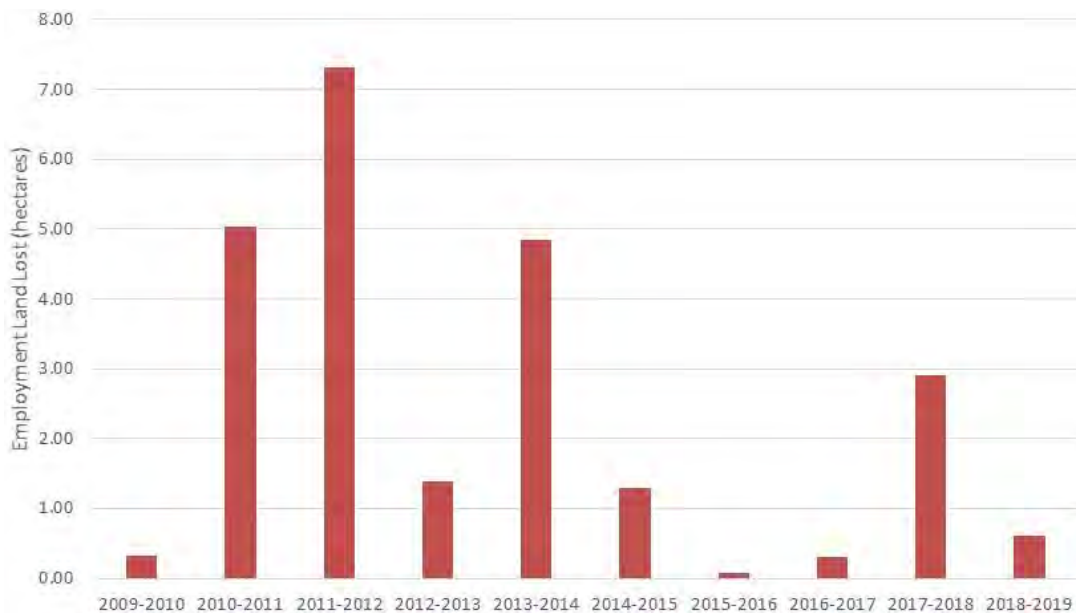
Source: SBC AMRs / Lichfields' analysis

6.17   In total, some 24.10 ha of B-Class employment land has been lost to alternative uses over the past 10 years at a rate of 2.41 ha annually.

6.18   Data provided by Council Officers also suggests that at the time of writing, there are 3 sites with extant planning permission for non-B Class uses on existing employment land, totalling 0.15 ha.

Commitments

6.19   As well as seeing strong levels of completions in recent years, the Borough is likely to see this continuing in the years ahead. This is because (as at 31st March 2019) there is a total of 46.7 hectares of B-Class employment land in the pipeline with Full or Outline planning permission, across 12 sites, with a further 1.81 ha on smaller sites less than 0.4 hectares. Furthermore, there are 26.63 hectares of land allocated in the Plan for the Borough currently without planning consent.

6.20   The sites with planning permission include:

- Meaford (Stone) - remainder of outline permission: 15.93 ha;

- Meaford Power Station - Meaford Energy Centre: 16.6 ha;

- Land at Beacon Business Park, Stafford: 1.14 ha;

- Plots 21 and 22 Land adjacent to Beacon Business Park: 0.37 ha;

- Unit 4 Beacon Business Park: 0.01 ha;

- Redhill Business Park Plot 1, Stafford: 1.39 ha;

- Land at Beacon Business Park: 0.81;

- Land Adjacent to Sleeper Spinney, Shackleton Way, Stafford: 4.78 ha;

- Land at Paton Drive, Tollgate Business Park, Beaconside, Stafford: 3.27 ha;

- Land Off Diamond Way, Stone: 1.2 ha;

- Neptune Business Park, Great Haywood: 0.44 ha; and,

- Formerly Blurton Poultry Farm, Barlaston Road, Blurton: 0.72 ha.

Inward Investment and Funding

6.21   The Council has been successful in attracting substantial levels of inward investment into the Borough in the past few years. This has included:

- Jaguar Land Rover, which invested in a new vehicle storage facility on Stone Business Park, with the creation of 90 new jobs in March 2018;

- BT Openreach, which expanded its existing site at Yarnfield for digital engineering and training with the creation of 200 new jobs, also in March 2018;

- Screwfix logistics, which expanded its operations in April 2015 with the development of 23,800 sqm of B8 warehousing and the creation of 140 new jobs at Prologis Park, Stafford;

- Aegis Media, a Japanese company in digital advertising that took 400 sqm of offices at Victoria House, Stafford, with the creation of 60 new jobs;

- Arctrend Ltd, a manufacturer of pipework and precision engineering, located on Meaford Business Park in Spring 2019, creating 15 jobs and safeguarding 35 others; and,

- RKW, specialising in houseware distribution, which took a 22,300 sqm warehouse on Stone Business Park with the creation of 230 new jobs.

Commercial Overview

National Economy

6.22   Macro-economic trends are a critical influence on the future performance of **Staffordshire's** economy. These shape the level of demand for the sale of goods and services. In turn this

affects business formation and survival, investment decisions, recruitment, wages and productivity.

6.23   According to the International **Monetary Fund's [IMF] latest World Economic Outlook [WEO]** Update, the global economy is expected to grow by a relatively modest 3.7% in 2018 (despite weaker performance in some economies, notably Europe and Asia), falling to 3.5% in 2019 and 3.6% in 2020, which is a modest 0.2 and 0.1 percentage points below the October 2018 projections[42].

6.24   According to the IMF, the global growth forecast for 2019 and 2020 had already been revised downward in the last WEO partly because of the negative effects of tariff increases enacted in the United States and China earlier in 2018. The further downward revision since October partly reflects carry over from softer momentum in the second half of 2018—including in Germany following the introduction of new automobile fuel emission standards and in Italy where concerns about sovereign and financial risks have weighed on domestic demand—but also weakening financial market sentiment as well as a contraction in Turkey now projected to be deeper than anticipated.

6.25   The IMF is concerned of further risks to global growth that could arise from an escalation of trade tensions beyond those already incorporated in the aforementioned growth forecast. Financial conditions have already tightened in recent months, and the IMF warns that a range of triggers beyond escalating trade tensions could spark a further deterioration in risk sentiment with adverse growth implications, especially given the high levels of public and private debt. **These potential triggers include a 'no-deal' Brexit withdrawal** of the United Kingdom from the European Union and a greater-than-envisaged slowdown in China.

6.26   The main shared policy priority is for countries to resolve cooperatively and quickly their trade disagreements and the resulting policy uncertainty, rather than raising harmful barriers further and destabilizing an already slowing global economy. Across all economies, measures to boost potential output growth, enhance inclusiveness, and strengthen fiscal and financial buffers in an environment of high debt burdens and tighter financial conditions are imperatives.

6.27   The IMF forecasts growth of about 1.5% in the United Kingdom in 2019-20, although it warns that this projection comes with substantial health warnings reflecting the negative effect of prolonged uncertainty about the Brexit outcome and the positive impact from fiscal stimulus announced **in the 2019 budget. The IMF's baseline projection assumes that a Brexit deal is** reached in 2019 and that the UK transitions gradually to the new regime. However, at the time of writing, and ahead of a General Election in December 2019, the shape that Brexit will ultimately take remains highly uncertain.

6.28   **The Office for Budget Responsibility's [OBR] latest economic outlook states that economic** growth in the UK and globally has slowed since the Budget in October, leading them to revise down their near-term GDP forecast. However, tax receipts performed better than was expected in the final months of 2018-19 and the OBR judged that much of this buoyancy will endure. Together with downward pressure on debt interest spending from lower market interest rates, this delivers a modest medium-term improvement in the public finances.

6.29   The OBR currently estimates Gross Domestic Product [GDP] growth of 1.2% in 2019 for the UK as a whole, more than reversing the upward revision they made in October in response to the Gov**ernment's discretionary fiscal loosening in the Budget**[43]. However, the OBR has not altered its assessment of the outlook for potential output, so their medium-term forecast is little

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[42] International Monetary Fund (January 2019) World Economic Outlook
[43] Office for Budget Responsibility (March 2019) Economic and Fiscal Outlook – March 2019

changed: GDP growth still settles down to around 1.5% a year as underlying productivity growth improves.

6.30   It is of course noted that this forecast was produced against the backdrop of considerable uncertainty over the next steps in the Brexit process. At the time it was produced, discussions in Parliament and Brussels were continuing, and OBR had no meaningful basis for changing the broad-brush assumptions that have underpinned its forecasts since the referendum. Hence they are continuing to assume – consistent with government policy at the time they finalised their forecast in March 2019 – that the UK makes an orderly departure from the EU on 29th March into a transition period that lasts to the end of 2020. Clearly this did not happen, and at the time of writing (and ahead of a General Election in December 2019), the situation is no clearer as to if and when the UK will leave the EU.

6.31   With the economy currently running slightly above potential, the effect of higher public spending on GDP growth is assumed by the OBR to fall to zero as the economy adjusts through wages and prices, as well as changes in monetary policy. Despite the Brexit-related uncertainties that continue to affect the economy, the GDP growth in the medium term from the **OBR's latest forecast provided rare good news for the Government.**

Commercial Property Market Stakeholder Engagement

6.32   One to one telephone discussions were conducted with Commercial Property Agents and a member of the Staffordshire Chamber of Commerce to gain an understanding of the current characteristics of the Borough commercial property market, the supply and demand of employment sites and probable future trends.

Current Trends

6.33   Stakeholders stated that rental levels were historically higher in the Borough than the neighbouring local authorities but that in recent years, these have come into line with those in Newcastle-under-Lyme. There continues to be a demand for out of town premises with good access to the strategic road network. Rents in the town centre are less. The fringes of Stafford Town Centre were considered by agents to represent popular areas for businesses and it was stressed that it will be important to ensure a supply of employment land in these areas going forward.

6.34   The sectors anticipated to drive demand are primarily Industrial, including engineering and warehousing. Agents stated that Stafford could grow its Tourism sector and needs to become a destination for eating, drinking and leisure activities. The main employment sites in the Borough were identified as Beacon Business Park, the Town Centre and Stafford Technology Park.

6.35   Views were expressed during the workshop that there is a general shortage of land in the Borough compared to the Black Country and Southern Staffordshire areas. Furthermore, in terms of the strength of the market, the eastern part of the Borough is not as strong as the areas immediately to the north/south of Stafford town. There is a shortage of good quality B-Class land across the area.

6.36   Examples were provided of St Modwen starting to build on a speculative basis over the past couple of years, with Arctrend moving into one completed unit at Meaford earlier this year, although other units are not being constructed at present. Stakeholders considered that a broader portfolio of sites is required due to an increased number of players in the market.

6.37   In terms of current vacancy rates, the 11% industrial rate suggested by Lichfields was considered to be slightly on the high side, although the 13% vacancy rate for offices was considered about

right. However, this was anecdotal, and no quantitative evidence was provided by agents to support a specific vacancy rate below 10%. It is noted that there are some large units currently vacant within the Borough, including Triton at Redhill Business Park, which may contribute to the view of agents that the current vacancy rate is below 10%.

Strengths

6.38   **The Borough's central location and excellent connectivity to the strategic road network** (particularly the M6) were identified as key strengths for the Borough. Agents considered that successful development of employment land associated with a new garden community would depend on these sites being connected to the M6 motorway.

6.39   Stafford Town is recognised as having facilities and the potential to attract people to the Borough to support the labour force, particularly if the right types of housing are provided. The existing labour force was identified as a strength and it was considered that the Borough was an attractive place to live. HS2 clearly represents a significant opportunity, though it was highlighted that the Borough would need to retain its workforce to avoid out commuting to other areas, including London.

6.40   Thirteen current employment sites in the Borough were assessed in 2015 by JLL. Of these, 3 were assessed as being in a '*prime location*' (i.e. with ready access to junctions on the M6) and a further 7 were considered to be in secondary locations (with access to the motorway along A-roads). Eight of the thirteen sites were also considered to be in a '*prime situation*' – sites already with strong occupiers.

6.41   **Agents highlighted that finding land in the 'Golden Triangle' of logistics to the south east is** difficult and that operators are moving further north west towards Stafford for opportunities. It was considered that the Borough has many sites in rural areas which have been successful, and that development of such sites should be encouraged.

Weaknesses

6.42   Stafford Town Centre appears to be experiencing the nationwide decline of the High Street. A number of stakeholders highlighted that there are a number of properties (including some which have been vacant for some time) in Stafford Town Centre and that the Town Centre has shifted as a result of the new Riverside development. Vacant properties, particularly in prime areas such as the High Street create a negative perception of the Borough, reduce business confidence and can deter inward investment. It was suggested that discounted rents may help to address this but that the slight reduction in footfall in this area could represent a barrier to rents. Some concerns were raised that the forthcoming Stafford Station Gateway Development could divert business from the Town Centre. However, the Station Gateway will be established through a new strategic development framework for the town centre and therefore is expected to complement the existing town centre.

6.43   The Chamber of Commerce highlighted the need for greater choice in the property market in the Borough. The size of units is not always suitable for prospective businesses, particularly SMEs and in some cases, the classification of properties can limit what functions businesses can perform.

6.44   Agents suggested that there is an imbalance of available employment land when comparing Stafford Town and Stone, and whilst the majority of sites are located in Stone, Stafford is much better positioned for businesses. As such, there is a need for future employment sites to be provided in and around Stafford Town in areas which are have ready access to strategic road links, for instance in proximity to Junction 14 of the M6.

Site Specific Factors

6.45   Key factors firms are looking for when choosing employment sites include:

- physical connectivity (particularly road links);
- digital connectivity (fibreoptic broadband);
- land for free carparking or yards for storage/parking for work vehicles; and,
- no restrictions/uncontaminated land where development is likely to be viable.

6.46   The Chamber of Commerce stated that it is important that sufficient land is available to allow existing businesses in the Borough to expand when required, rather than expansion forcing businesses to relocate and potentially leading to them moving outside the Borough.

Industrial and Logistics Space

6.47   The Industrial sector was identified as performing well in the Borough and is notably in seeing rental values increase, with second hand industrial space generally achieving levels of approximately £4 to £5/sq. ft. This was considered by agents to be broadly the same across the Borough. This compares to around £8/sq. ft. in Blythe Valley Business Park in Solihull, identified by agents as being the highest rent in the West Midlands.   New small units (approximately 1,500 – 3,000 sq. ft.) typically achieve rents of £7.75 to £7.95/sq. ft. whereas larger units have rents of roughly £5.75/sq. ft. Demand outweighs supply in this sector and it is expected that land required over the next five years will primarily be in the industrial sector. Vacancy rates are typically low, reflecting the demand for sites. It was highlighted that the Borough has a relative scarcity of smaller Industrial sites between 2,000 and 2,500 sq. ft. per unit and that these are the units most in demand (particularly with smaller industrial firms). Stakeholders also suggested that starter units (up to 1,500 sq. ft.) were also in need.

6.48   Key employment sites in the Industrial and Logistics sectors include Redhill Business Park, Beacon Business Park. These sites are popular with employers wishing to prescribe the size of their sites. Stakeholders suggested that speculative development of larger sheds might help to support the Distribution sector, which is well-**served by the Borough's good connectivity.** It should, however, be noted that the speculatively-built Triton building on Redhill Business Park has remained vacant for several years.

6.49   The area around Beacon Business Park was also highlighted as a good potential location that might provide higher value jobs or those in the industrial growth sectors, given the popularity of the existing business park. Stakeholders stated that some large industrial sites had been converted to residential uses and that it was important to ensure that an adequate supply of such sites was preserved.

6.50   Agents also recognised the role of the rural industrial estates within the Borough. Although the estates around Stafford Town are considered to have a wider, sub-regional market, those in the rural areas, for example Hixon, have more local markets. Nonetheless, it was recognised that the rural industrial estates are important within the local economy and have a significant role in ensuring the sustainability of the **Borough's villages**. Stakeholders stated that the rural industrial estates are particularly attractive to businesses seeking easy to access sites (particularly those which use HGVs) which are free from congestion. It was also highlighted that the rural industrial estates offer greater potential for businesses to expand compared to some of the more enclosed urban estates and are typically easier to redevelop for other industrial uses.

Office Space

6.51   In contrast to the Industrial sectors, there is less focus on office space in the Borough, although serviced offices have become more popular with first time businesses. Stakeholders identified that vacancy rates for office space are higher than for industrial uses. Rents are typically a maximum of £15/sq. ft. Beacon Business Park was highlighted as a popular site for office space within the Borough. Older office properties are available in Stafford Town Centre, but these are not fit for purpose as modern offices, with businesses preferring out of town centres which can provide open plan offices, with fibreoptic broadband and free carparking. It was suggested that unoccupied older town centre office buildings may require significant redevelopment or conversion into residential uses. Sites on Foregate Street and at the Paul Reynolds Centre were highlighted as particular examples that may be suitable for alternative uses.

6.52   Stakeholders identified that there is limited choice for high quality office space, with the Technology Park comprising the main site at which this is available, and it was suggested that another similar site would likely do well. A greater need for more smaller office spaces was also identified.

6.53   Some agents considered that the 60,000 sq ft of office space proposed at Stafford Gateway was relatively high and that it would be appropriate to consider B1c Class uses instead of the large proportion of offices.

6.54   In terms of the future needs of businesses, whilst it is difficult to obtain a longer-term view from stakeholders of 5 years hence, this is clearly an important area of analysis given the dynamically changing economy. There are significant opportunities emerging in the Borough that are intended to assist in boosting the productivity of the wider area and help ensure that the Borough is well placed to benefit from the rapidly growing digital economy, from improved connectivity arising from the proposed HS2, to the new high specification office floorspace that could come forward as part of the regeneration programmes at Stafford Station Gateway and the Stafford Town Centre Framework projects. The view was expressed by stakeholders that the Council should be actively pursuing higher quality Grade A town centre office space to attract new digital age businesses, which will have excellent rail connectivity with or without HS2. Officers considered that the Stafford Station Gateway Project presents opportunities for the provision of regional offices for national/international businesses, as well as potentially providing Head Quarter Office space for local high growth businesses. Agents consider that the strength of the office market of Stafford Town Centre is currently unproven, the only major office development occurring there in recent years being that of the County Council Offices, but the provision of accessible, high quality Grade A office floorspace in this location can help to stimulate the market in this regard.

6.55   Council Economic Development Officers expressed the view that there was a clear need to embrace new start-up businesses and examine the needs of technology businesses and professional services who may wish to share cohabiting space with other non B-Class uses such as leisure uses and coffee shops. Given the quality of much of the built environment in Stafford **Town, there may also be opportunities to convert Listed or 'quirky' build**ings into more modern office accommodation, although given the additional costs likely to be involved this may require some form of gap funding or other intervention by the public sector to make such schemes commercially viable.

7.0 **Forecasting Future Needs**

Introduction

7.1 The Framework requires local authorities' strategic policies to:

"set out overall strategy for the pattern, scale and quality of development, and make sufficient provision for: housing (including affordable housing), employment, retail, leisure and other commercial development" [§20].

7.2 Considering this in evidence base terms, the Framework states that:

"Significant weight should be placed on the need to support economic growth and productivity, taking into both local business needs and wider opportunities for development." [§80]

7.3 Within this context, a number of potential economic scenarios have been developed in this study to provide a framework for considering future economic growth needs and B-Class employment space requirements in the Borough up to 2040.

7.4 As discussed in Section 2.0, Lichfields has followed the approach outlined in the PPG, modelling a range of scenarios including:

1. projections of employment growth in the main B-Class sectors (labour demand) derived from economic forecasts produced by CE **and two 'policy on'** / regeneration scenarios factoring in the likely growth opportunities resulting from a New Garden Community and Stafford Station Gateway linked to HS2;

2. consideration of past trends in completions of employment space based on monitoring data collected by the Council, and how these trends might change in the future; and,

3. estimating future growth of local labour supply based on the latest housing requirements contained in the EHDNA, and the amount of jobs and employment space that this could support, based on our demographic model runs.

7.5 All these approaches have limitations and consideration needs to be given as to how appropriate each is to the circumstances in the Borough. Further, to be robust, the economic growth potential and likely demand for employment space in Stafford needs to be assessed under a variety of future scenarios, to reflect both lower and higher growth conditions that could arise in the future.

7.6 It is important to acknowledge that there will be an element of landless growth / contraction here, whereby job growth / decline will not automatically give rise to an immediate increase/decrease in floorspace, or land, requirements. This is due in part to the current spare capacity across many firms in the Midlands, where companies that have laid off staff in the immediate aftermath of the recession, have been operating out of the same building and hence can accommodate a return to past staffing levels without having to physically expand their operations. Such latent capacity will have a bearing on the extent to which the Council may wish to tailor its B1/B2/B8 allocations going forward and should be monitored over time.

A. Econometric Job Forecasting

7.7 Forecasts of total workforce employment growth in the Borough for the period up to 2040 were obtained from CE November 2018 release. It is important to note that there are inherent limitations to the use of economic forecasts of this type, particularly within the context of recent

changes in the economy. National macro-economic assumptions are taken as the starting point and then modelled down to the regional and local levels by reference to the existing economic profile and sectoral composition of an area.

7.8   Local level data is less comprehensive and reliable than at national and regional levels, which can affect how the modelling is calibrated. Similarly, top-down forecasts do not take account of specific local factors that might influence employment growth. However, forecasts are seen as a valuable input to indicate the broad scale and direction of future economic growth within different sectors, which helps assess the future land requirements of a local area.

Scenario 1) CE Economic Forecasts (November 2018)

7.9   The forecasts of job growth by sector reflect recent trends and are based upon projections at the regional level and how sectors within the Borough have fared relative to historic growth in the region. For example, where particular sectors have performed well compared with the regional average (i.e. West Midlands) the forecasts generally assume that these sectors will continue to drive growth within the Borough in the future. These projections also reflect the current post-recession/pre-Brexit economic climate.

7.10   For the Borough, the November 2018 CE baseline workforce employment projections reported a period of a strong growth in employment between 2000 and 2018 (see Figure 7.1). There was a growth of 10,074 workforce jobs over this period, at a Compound Annual Growth Rate [CAGR] of 0.83%. However, there were considerable fluctuations over this period, with a particularly sharp growth between 2015 and 2017. In 2018 the total number of workforce jobs was 73,102 in the Borough. Going forward, the total number of jobs is forecast to moderate growth of 5,924 over the 20-year period 2020 to 2040 at a much lower CAGR rate of just 0.39%.

Figure 7.1 Employment change in Stafford (historic and projected) 1998 to 2018
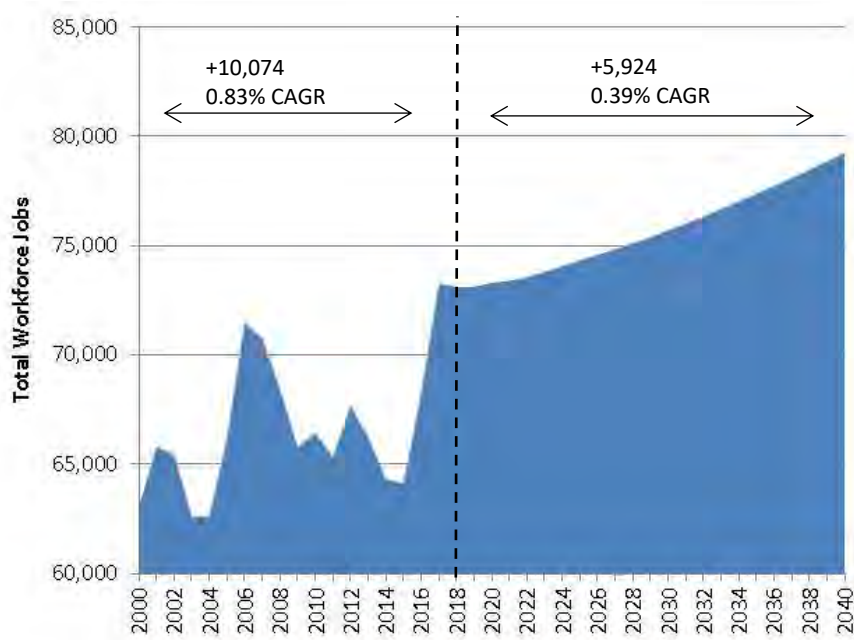
Source: Cambridge Econometrics (November 2018)

7.11   Figure 7.2 summarises both historic and projected future growth for individual industrial sectors, whilst Table 7.1 summarises those sectors expected to experience the largest absolute increases or reductions in employment over the next 20 years in the Borough.

7.12   The data indicates that over the past 18 years, there has been a very strong decline in manufacturing jobs, of over 5,100, most of which were in 3 broad categories: the manufacturing of machinery (-2,025); non-metallic mineral products (-1,616); and other manufacturing & repair (-1,454). Going forward, the sector is still anticipated to decline, but at a much slower rate, of -842 over the next 20 years. In contrast, agriculture was a perhaps surprising growth area in the past, with a net growth of 1,148 jobs since the turn of the Century, whilst it is forecast to decline slightly over the next 20 years (by -157 jobs).

7.13   It should be noted that these projections are based on past trends and that many sub-sections of manufacturing are actually anticipated to grow in the future. This is likely to be a different type of manufacturing than the heavy engineering of the past.

7.14   In terms of other sectors that experienced strong levels of growth since 2000, warehousing & postal has grown by 2,171 jobs; business support services by 1,471; other services by 1,436; whilst the largest growth sector was health, which increased by 3,369 over that time period. Public administration and defence declined by 1,296 jobs as a result of ongoing austerity measures.

7.15   In terms of future growth, as can be seen in Table 7.1, the hospitality industry is forecast to grow strongly over the next few years, by 2,059 jobs, followed by health, warehousing & postal, business support and construction. At the other end of the scale, a number of sectors likely to be based in B-Class accommodation are forecast to decline, including, metal manufacturing, machinery manufacturing, non-metallic mineral manufacturing, the wholesale trade and finance & insurance.

7.16   We have some concerns regarding the CE projections as they relate to manufacturing job declines in future years. The modelling is at least partly based on past trends, despite past take up rates for manufacturing land remaining fairly strong. Stakeholders considered that advanced manufacturing (such as GE) is likely to grow in the future, and that the type of manufacturing will be very different to the heavy engineering of the past. Similarly, whilst the CE projections suggest that finance & insurance is likely to decline, this should be seen in the context of significant opportunities for Stafford Town Centre / Station Gateway developments to boost the finance and insurance sector.

Figure 7.2 Annual Workforce Job Growth implied by the CE Baseline forecasts (versus historical data)
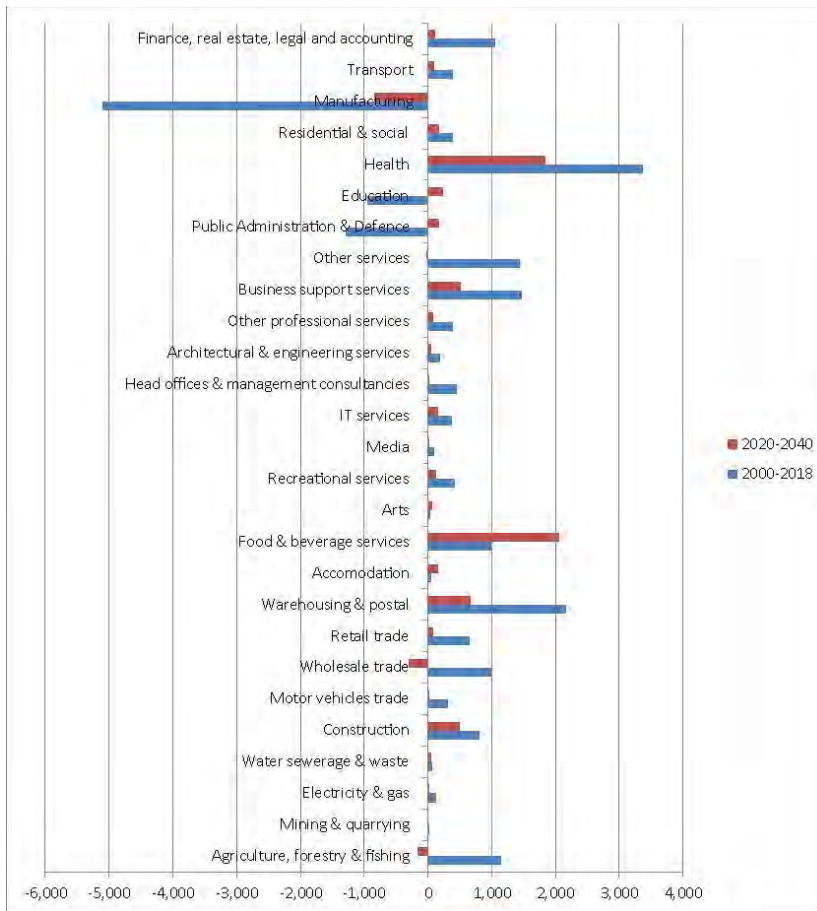
Source: CE November 2018 / Lichfields Analysis

Table 7.1   Fastest growing and declining sectors in Stafford (2020 to 2040)

Sector	Use Class	Job Change (2020 to 2040)
Food & beverage services (Hospitality)		+2,059
Health		+1,838
Warehousing & postal		+678
Business support services		+510
Construction		+501
Education		+239
Financial & insurance		-149
Metals & metal products		-155
Agriculture, forestry & fishing		-157
Machinery Manufacturing		-171
Non-metallic mineral products		-259

Source: Cambridge Econometrics (November 2018) / Lichfields analysis

Key: PURPLE = B-Class sector   ORANGE = Part B-Class sector   RED = Non-B-Class sector

7.17   If we refer back to the growth sectors promoted by the Stoke on Trent and Staffordshire LEP, we can see there is a reasonably poor match between **Stafford's projected sectoral growth** performance and the aspirations of the LEP. To recap, the LEP is seeking to pursue growth in advanced manufacturing industries (particularly in Energy, Auto-Aero; Medical Technologies; Agri-Tech; and Applied Materials). None of these manufacturing sectors are forecast to grow significantly in Stafford over the plan period in the CE baseline, whilst machinery manufacturing and metals/metal products are actually projected to see a decline in the number of jobs, whilst the number of people employed in the manufacturing of motor vehicles and other transport equipment is projected to remain constant.

7.18   In contrast, the Strategic Economic Plan **is also seeking to expand the area's digital/creative** economy, as well as boosting Business/Professional Services; Construction; and the Visitor Economy as a whole. **T**here is a much closer alignment with Stafford's future growth sectors as modelled by CE, including strong growth in Hospitality, Business Support Services and Construction.

7.19   This suggests that there is a reasonable alignment with the LEP growth aspirations for the service and creative industries, but less so with the advanced manufacturing sectors, for the **baseline 'policy off' scenario at least.**

7.20   In terms of B-Class employment **growth, CE's baseline model expects this to be modest for** the Borough, at 368 net jobs 2020-2040. This is because the forecast decrease in B1c/B2 related employment is largely offset by increases in B1a/b, B8 and non B-Class employment. This is summarised in Table 7.2.

7.21   The analysis includes an allowance for jobs in other non B-class sectors that typically utilise industrial or office space, such as some construction uses, vehicle repair, courier services, road transport and cargo handling and some public administration activities. This is because a certain proportion of these jobs will occupy premises falling within the B-Class sectors.

Table 7.2   Forecast workforce change in Stafford Borough 2020-2040

| Use class | Stafford Borough Workforce Jobs | | Change |
	2020	2040	2020-40
Offices (B1a/b)	8,276	8,713	437
Industrial (B1c/B2)	11,690	11,211	-479
Distribution (B8)	7,550	7,961	410
Total B-class Jobs	**27,517**	**27,885**	**368**
Other non B-Class Jobs	45,785	51,346	5,561
Jobs in All Sectors	**73,302**	**79,231**	**5,929**

Source: Cambridge Econometrics/ Lichfields Analysis 2019.

7.22   To translate the resultant job forecasts into estimates of potential employment space, it is necessary to allocate the level of employment change forecast for office, industrial, and wholesale / distribution uses as follows:

1   The office floorspace requirement is related to job growth / decline in the financial and business service sectors[44];

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[44] i.e. BRES Sectors 58-75, Office administration and support and 10% of Public Administration and Defence

2   The industrial floorspace requirement is related to job growth / decline in the manufacturing sectors[45]; and,

3   The wholesale / distribution floorspace requirement is related to job growth / decline in the industrial sectors of wholesale and land transport, storage and postal services.[46]

7.23   In order to translate the resulting figures into employment land projections standard employment densities have been applied to the forecast job change figures (based upon the latest HCA[47] Guidance on employment densities). These translate FTEs into workforce jobs, and plot ratios by use class.

7.24   For the purposes of this EHDNA it was assumed that:

1   One B1a/b general office workforce job requires 12.5 sqm of employment floorspace [Gross External Area, or GEA][48];

2   One B1c light industrial job requires 53.5 sqm of employment floorspace [GEA];

3   One B2 industrial workforce job requires 36 sqm of employment floorspace [GEA];

4   A combined B1c/B2 factor of one job per 45 sqm was obtained by averaging the aforementioned B1c/B2 GEA equivalents; and,

5   One job per 65 sqm for general, smaller scale warehousing and one job per 74 sqm for larger high-bay warehousing. This has been split 50:50.

7.25   This guidance takes account of recent trends in terms of the changing use of employment space, the main change being the more efficient utilisation of office space due to increased flexible working and hot-desking. This has resulted in a decrease in the amount of floorspace per office worker compared to previous guidance.

7.26   These assumptions are based on the latest HCA/OffPAT 3rd Edition guidance on employment densities. The guidance takes into account recent trends in changes of employment space usage, with the main change being the more efficient use of office space through flexible working and hot-desking.

7.27   An assessment has been made of current vacancy rates in the Borough. From a review of local **commercial property market websites and the VOA's latest floorspace data, it is calculated that** as of May 2019, the Borough has a vacancy rate of approximately 11% for industrial floorspace and 13% for office floorspace.

7.28   **On the basis that a figure of 10% more accurately reflects 'normal' market conditions, the model** has assumed that where current rates are higher, the future supply should be adjusted downwards so that the stock is brought back into balance and to achieve a vacancy rate of 10% overall. Therefore, in Stafford, an area with a slightly high vacancy rate for both office and, to a lesser extent, industrial units than is considered to be ideal, the model ensures that slightly less **land is provided to 'dampen'** vacancy rates to a more suitable level.

7.29   Where a reduction in jobs is forecast (e.g. manufacturing), the associated negative floorspace was halved (in line with common methodological practice amongst ELRs undertaken elsewhere across the country), to reflect the fact that job decline at a particular company does not automatically translate into a comparable loss of floorspace, at least not in the short-medium term, due in part to companies being locked into leasing agreements etc.

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[45] Manufacturing sectors, plus car repair, some construction and waste and remediation activities.
[46] Wholesaling less car repairs, retail car sales, plus post/couriers and land transport
[47] HCA (November 2015): *Employment Densities Guide, 3rd Edition*

7.30   The resultant floorspace estimates are provided in Table 7.3. It projects strong growth for distribution, negated in part by a continuing decline in B1c/B2 industrial floorspace, and a modest growth in B1a/b office floorspace over the next 20 years.

Table 7.3   CE workforce job growth net employment floorspace requirements 2020-2040

Use class	Stafford Borough floorspace (sqm)
Offices (B1a/b)	2,103
Industrial (B1c/B2)	-10,779
Distribution (B8)	26,224
Total	**17,548**

Source: CE / Lichfields Analysis

Scenario 2) CE Job Growth: Regeneration

7.31   An alternative job-based estimate of future needs has been compiled which is termed the Regeneration scenario. This scenario models the effects on the baseline of government investment. Following discussions with Council Officers, and as set out in Section 2.0 of this EHDNA, Stafford has a number of key development and/or regeneration projects that could have significant positive impacts on both housing and employment growth in the years to come. These are summarised as follows:

Potential New Garden Community

7.32   On 25th March 2019 the Government announced £3.7 million to fund 5 new garden towns across the country, which will be shared by councils to help to deliver the homes and infrastructure needed for both neighbouring communities and future. A New Garden Community or Major Urban Extension in the Borough is being investigated through the New Local Plan 2020-2040 process in order to deliver up to 10,000 new homes, schools, transport links, health provision, open spaces, community facilities, digital connectivity and employment areas, subject to the scale and location.

7.33   More detailed information, provided by the Council, suggests that around 456,000 sqm of employment floorspace could be provided on a site (net), of which 400,000 sqm could specifically relate to B-Class employment.

7.34   In terms of what this may mean for workforce jobs, we have assumed that construction will begin in 2030, at an indicative rate of 300 dpa. This would mean that approximately 30% of the total floorspace/job creation set out in Table 7.4 might be expected to be constructed over the period 2030-2040 (using the HCA Employment Density Guide 2015).

Table 7.4   New Garden Community: Indicative Workforce Jobs on Employment Land

Use class	Net Floorspace (sqm)	Employment Density (Floorspace per workforce job, in sqm)	Gross Workforce Jobs
Offices (B1a)	20,000	12.5	1,600
B1c Light Industrial	160,000	53.5	2,991
General Industrial (B2)	140,000	36	3,889
Warehousing and Distribution (B8)	80,000	65	1,231
Retail (A1)	56,000	21	2,667
Total	**456,000**		**12,377**

Source: Lichfields Analysis / SBC data

7.35   It is understood that up to 10,000 new homes could potentially be <u>additional</u> to the Borough's local housing need. On this basis (and working on the understanding that the employment land element will broadly serve the new settlement and unmet need from elsewhere in the sub-region resulting from a step change in economic growth) then it has been assumed that <u>all</u> of these new jobs could be net additional. As set out in the Table above, this could result in as many as 12,377 additional B-Class jobs.

7.36   The Council considered that as a starting point for the calculation, it could be assumed that around 300 homes could be delivered annually at a New Garden Community (accepting that there will inevitably be peaks and troughs in the delivery rates as the scheme progresses, as well as certain delivery points when the retail/industrial/commercial jobs will come forward). Working on the premise that 3% of the total jobs would also come forward in tandem with the housing growth (i.e. 300/10,000 homes), and with a start date of 2031 for delivery, this could suggest that 3,713 jobs could be delivered on site by 2040 (i.e. 10-years' worth of jobs @ 371 annually). Of this figure, it is estimated that 2,913 could be based on B-Class land, with the remainder comprising retail/leisure jobs.

Stafford Station Gateway

7.37   As set out in Section 2.0 of this EHDNA, the Gateway site is located immediately adjacent to Stafford Railway Station and at 28 ha, the Gateway site is considered to be one of the most strategic development locations within North Staffordshire. Historically, the Gateway site has consisted of manufacturing, industrial and rail-related uses, though many of these uses (particularly to the north) have now ceased. A cluster of light industrial uses remain active across the site, mainly located immediately to the west of Stafford Railway Station.

7.38   The masterplan indicates housing development of up to 800 dwellings alongside 70,000 sqm of office space which the masterplan estimates could create around 6,500 new jobs. The Gateway North area is also considered to provide for residential-led redevelopment (approximately 400 apartments), small scale industrial and warehousing uses and retail revitalisation.

7.39   Page 45 of that document provides a helpful breakdown of the individual floorspace elements. To ensure consistency with the New Settlement employment assumptions, Lichfields has employed slightly different employment density assumptions to translate the forecasts into workforce jobs, resulting in the following breakdown (Table 7.5).

Table 7.5   Stafford Station Gateway Indicative Workforce Jobs

Use class	Floorspace (sqm)	Employment Density (Floorspace per workforce job, in sqm)	Gross Workforce Jobs
B1a Financial	17,240	11.5	1,499
B1a ICT	17,248	13.0	1,327
B1a Professional	34,488	13.5	2,555
B1c light Industrial	752	53.5	14
B1c Workspace	732	36.0	20
B2	720	36.0	20
B8	700	65.0	11
B-Class Sub-Total	**71,880**		**5,446**
Leisure	2,235	16.0	140
Retail	750	16.0	47
Hotel	5,068 (120 bedrooms)	1 job per 3 beds (assumed to be mid-range 3/4 star hotel)	40
Total	**79,933**		**5,672**

Source: *Stafford Station Gateway Spatial Masterplan (March 2017) /* Lichfields Analysis

7.40   The total workforce jobs, at 5,672, is 840 below the number quoted in the Spatial Masterplan due to the use of slightly higher employment densities. Of this, 5,446 relate to B-Class jobs.

7.41   Working on the assumption that around 50% of the jobs will already be factored in within the CE baseline, with the **remaining 50% related to 'policy on'** / regeneration inward investment, a displacement rate of 50% would suggest a net growth of 2,836 jobs, of which 2,723 would relate to B-Class uses.

Regeneration Summary

7.42   To summarise, by factoring in the two largest regeneration schemes currently proposed for the Borough (the New Garden Community and Stafford Station Gateway), this could generate 17,989 jobs in the Borough (gross) (12,377 at the New Settlement plus 6,512 at the Station Gateway), of which 15,157 could be based on B-Class land.

7.43   Assuming that around half of the 5,446 Stafford Gateway B-Class jobs and all of the 2,913 New Settlement B-Class jobs (to 2040) are additional, this would equate to 5,636 net additional jobs based on B-Class employment land (6,549 in total).

7.44   Applied to the CE Baseline job growth, this could increase the overall employment total by 12,478 between 2020 and 2040, of which 6,004 are likely to be based on B-Class land (i.e. the 368 CE Baseline plus 5,636 Regeneration project jobs).

Table 7.6   Regeneration Net Additional Indicative Workforce Jobs (Net)

Use class	Regeneration Projects	CE Baseline	Regeneration Total Net Job Growth
Offices (B1a/b)	3,170	437	3,607
Industrial (B1c/B2)	2,091	-479	1,612
Distribution (B8)	375	410	785
Total B-class Jobs	**5,636**	**368**	**6,004**
Other non B-Class Jobs	913	5,561	6,474
Jobs in All Sectors	**6,549**	**5,929**	**12,478**

Source: Lichfields Analysis

7.45   In particular, the greater increase in manufacturing jobs above the baseline CE projections is considered to be a much closer fit with the qualitative evidence on the need for additional industrial land from our discussions with agents and Staffordshire County Council. The need to provide additional advanced manufacturing floorspace is therefore considered to weigh positively in the balance of scenario selection following these discussions.

7.46   The resultant floorspace estimates are provided in Table 7.7. It projects strong growth across all sectors, but particularly for B1c/B2 industrial, at 176,568 sqm.

Table 7.7   Regeneration Scenario workforce job growth net employment floorspace requirements 2020-2040

Use class	Stafford Borough floorspace (sqm)
Offices (B1a/b)	46,135
Industrial (B1c/B2)	74,032
Distribution (B8)	56,401
Total	**176,568**

Source: CE / Lichfields Analysis

Scenario 3) 50% Boost

7.47   A further scenario that was modelled involved a simple 50% uplift to the net CE baseline job growth figure of 5,929 between 2020 and 2040. This was requested by the Council to form the basis for a scenario on the grounds that it would reflect the growth aspirations arising from HS2 and other regeneration projects in the Borough, excluding the transformational uplift of a potential New Garden Community. This would result in an increase of 8,894 workforce jobs, to 82,196 by 2040. The proportion of B1/B2/B8 jobs remains the same as per the CE baseline projections in 2040, hence much of the growth is in non B-Class sectors.

7.48   In terms of B-Class employment growth, this straightforward boost to overall growth would result in a net growth of 1,411 jobs. This is summarised in Table 7.8.

7.49   The analysis includes an allowance for jobs in other non B-class sectors that typically utilise industrial or office space, such as some construction uses, vehicle repair, courier services, road transport and cargo handling and some public administration activities. This is because a certain proportion of these jobs will occupy premises falling within the B-Class sectors.

Table 7.8   Forecast workforce change in Stafford Borough 2020-2040, 50% Boost Scenario

Use class	Stafford Borough Workforce Jobs		Change
	2020	2040	2020-40
Offices (B1a/b)	8,276	9,039	763
Industrial (B1c/B2)	11,690	11,630	-60
Distribution (B8)	7,550	8,258	708
Total B-class Jobs	**27,517**	**28,928**	**1,411**
Other non B-Class Jobs	45,785	53,267	7,482
Jobs in All Sectors	**73,302**	**82,196**	**8,894**

Source: Cambridge Econometrics/ Lichfields Analysis 2019.

7.50   Applying the same assumptions as above regarding employment densities and an adjustment for vacancy rates, the resultant floorspace estimates are provided in Table 7.9. This scenario projects a net B-Class employment floorspace growth of 55,508 sqm, of which the main driver is B8 distribution floorspace.

Table 7.9   50% Boost Scenario net employment floorspace requirements 2020-2040

Use class	Stafford Borough floorspace (sqm)
Offices (B1a/b)	+6,631
Industrial (B1c/B2)	-1,431
Distribution (B8)	+50,218
Total	**+55,508**

Source: CE / Lichfields Analysis

Scenario 4) Past Trends Job Growth

7.51   The PPG requires ELRs to analyse past job growth trends to test whether these are likely to represent a reasonable basis for future plan making. As summarised elsewhere in this report, Stafford has experienced comparatively high levels of job growth in recent years, with the Borough experiencing growth of 10,074 workforce jobs between 2000 and 2018 at a Compound Average Growth Rate [CAGR] of 0.83% - well above the CE baseline job growth of just 0.39% for the years ahead (2020-2040).

7.52   This growth was driven particularly by non-B-Uses, such as health (+3,369 jobs 2000-2018), agriculture (+1,148), food and drink services (+997) and other services (1,436); however, the Borough did experience strong growth in certain sectors more strongly linked with B-Class land including Business support services (+1,471), warehousing and postal (+2,171), wholesale trade (+990) and legal/accounting (+575). This was countered by declines in certain manufacturing sectors (notably machinery, -2,025; non-metallic minerals products, -1,616, and other manufacturing and repair, -1,454).

7.53   Going forward, this scenario applied the 0.83% growth rate to the overall 2020 workforce job figure, but kept the proportionate share of each industrial sector the same in 2040 as with the CE baseline to reflect continuing structural trends. This approach results in a net job growth of 13,128, of which 2,902 would comprise B-Class jobs as summarised in Table 7.10.

Table 7.10   Forecast workforce change in Stafford Borough 2020-2040, Past Trends Job Growth Scenario

Use class	Stafford Borough Workforce Jobs		Change
	2020	2040	2020-40
Offices (B1a/b)	8,276	9,505	1,229
Industrial (B1c/B2)	11,690	12,230	540
Distribution (B8)	7,550	8,684	1,134
Total B-class Jobs	**27,517**	**30,419**	**2,902**
Other non B-Class Jobs	45,785	56,012	10,226
Jobs in All Sectors	**73,302**	**86,430**	**13,128**

Source: Cambridge Econometrics/ Lichfields Analysis 2019.

7.54   Applying the same assumptions as above regarding employment densities and an adjustment for vacancy rates, the resultant floorspace estimates are provided in Table 7.11. This scenario projects a net B-Class employment floorspace growth of 118,007, of which the main driver is B8 distribution floorspace.

Table 7.11   Past Trends Job Growth Scenario net employment floorspace requirements 2020-2040

Use class	Stafford Borough floorspace (sqm)
Offices (B1a/b)	13,100
Industrial (B1c/B2)	20,413
Distribution (B8)	84,494
Total	**118,007**

Source: CE / Lichfields Analysis

B. Labour Supply

7.55   It is also important to take into account how many jobs, and hence how much employment space, would be necessary to broadly match the forecast growth of the resident workforce in the Borough. In contrast to the other approaches, these scenarios focus on the future supply of labour rather than the demand for labour. These scenarios indicate the amount of new jobs needed to align with the future working-age population, and how much employment space would be needed to accommodate these jobs.

7.56   Part 4 of this report comprises a SHMA, which contains the Local Housing Need in the Borough. The SHMA has explored a number of models in PopGroup, a demographic modelling tool, **including the LHN based on the Government's standard methodology, which generates a need** for 408 dpa.

7.57   Under this scenario, the following economic assumptions have been applied by Lichfields throughout the forecast period:

1   The Borough economic activity rates (16−89 years old), with adjustments made to all age groups in line with the Office of Budget Responsibility [OBR] analysis;

2   Commuting ratio for Stafford (0.93); and,

3   2017 unemployment rate of 2.8% for Stafford, fixed throughout the forecast period.

7.58   To translate this job growth into employment floorspace requirements, similar assumptions concerning vacancy rates and employment densities as per the econometric demand-side

forecasting work were applied to the job projection. It has been assumed that the projected floorspace split of B1a/B2 and B8 jobs will mirror the CE baseline projections in 2020 and 2040.

7.59   This approach produces a very similar set of figures as the CE baseline, with a net job growth of +5,588 overall to 2040 (compared to 5,929 based on the CE projections), with almost all of the growth in the non B-Class sectors.

Table 7.12   Forecast workforce change in Stafford Borough 2020-2040, 408 dpa LHN Scenario

| Use class | Stafford Borough Workforce Jobs | | Change |
	2020	2040	2020-40
Offices (B1a/b)	8,276	8,676	399
Industrial (B1c/B2)	11,690	11,163	-527
Distribution (B8)	7,550	7,926	376
Total B-class Jobs	**27,517**	**27,765**	**248**
Other non B-Class Jobs	45,785	51,125	5,340
Jobs in All Sectors	**73,302**	**78,890**	**5,588**

Source: Lichfields Analysis 2019

7.60   This level of employment growth could sustain a total of 10,866 sqm of B-Class floorspace, despite a loss of 12,441 sqm of B1c/B2 industrial floorspace.

Table 7.13   Stafford Borough B-Class net floorspace required from labour supply growth scenario 2020-2040 (sqm)

Demographic scenario	Offices (B1a/b)	Industrial (B1c/B2)	Warehousing (B8)	Total B-Class
LHN – 408 dpa	1,583	-11,864	23,468	**13,188**

Source: Lichfields analysis

Estimating the Land Requirement

7.61   The next step involves translating floorspace into land requirements for office, industrial and warehousing uses. Land requirements have been calculated by applying appropriate plot ratio assumptions to the floorspace estimates (40%). The resulting net land requirements for the labour demand and labour supply scenarios are set out in Table 7.14. They range from a low of 3.3 ha (Scenario 5) to a high of 44 ha, reflecting the significant disparities in net B-Class job growth (ranging from +184 to +6,004).

Table 7.14   Stafford Borough net land requirements by labour demand and supply led scenarios (ha) 2020-40

Scenario	Offices (B1a/b)	Industrial (B1c/B2)	Warehousing (B8)	Total B-Class (Net)
1) CE Baseline	0.53	-2.70	6.56	**4.39**
2) Regeneration	11.53	18.51	14.10	**44.14**
3) 50% Boost	1.66	-0.34	12.56	**13.88**
4) Past Trends Job Growth	3.27	5.10	21.12	**29.50**
5) Labour Supply – 408 dpa LHN	0.40	-3.00	5.87	**3.30**

Source: Lichfields Analysis

C. Past Development Rates

7.62   Because they reflect market demand and actual development patterns on the ground, in some situations long term completion rates of employment floorspace can provide a reasonable basis

for informing future land needs, particularly where land supply or demand has not been unduly constrained historically. However, the future demand picture may not necessarily reflect past trends and some adjustments may be needed.

Scenario 5) Past Developments Rates

7.63   Monitoring data on past completions by B-Class uses between 2002/03 and 2018/19 was provided by the Council and illustrated in Figure 7.3. Over this time period, a total of 140.12 ha was delivered (8.28 ha annually), of which 54.90 ha was delivered over the past 5 years (for which more detailed information is available). A review of AMR data over the period 2008/09-2018/19 suggests that around 20% of B-Class floorspace was for B1a/b office; 14% was for B1c/B2 industrial; 52% was for B8 Storage and Distribution, and the remaining 15% was unspecified General B-Uses. Excluding this latter category, this equates to 23% of floorspace was specified as office; 16% as industrial and 61% warehousing.

7.64   There is no detailed breakdown provided by the Council for the years 2002/03 and 2006/07, which saw the highest levels of past delivery in any one year (25 ha and 26 ha respectively). However, in recent years, significant developments (albeit of a much smaller scale) have continued to be recorded, including:

- Storage land at Jasper Way, Walton, Stone: 21 ha of B8;

- Redhill Business Park Plots 3 & 5, completed in 2017/18: 3.97 ha B1b/c;

- Former Runway Land, Hixon, Stafford, completed in 2017/18: 2.6 ha (B8 with ancillary B1a);

- Redhill Business Park Plot 7a, completed in 2016/17: 4.5 ha light industrial and R&D;

- Redhill Business Park Plots 4 and 6, completed in 2016/17: 2.5 ha single warehouse for industrial or storage purposes;

- Land adjacent to Airfield Industrial Estate, Hixon, completed in 2016/17: 1.5 ha commercial building of B1/B2/B8;

- Land adjacent to Beacon Business Park, Plots 6, 7 and 8, completed in 2015/16: 1.49 ha B8; and,

- Orbital Gas Systems Ltd completed in 2015/16, 1.25 ha office.

7.65   Data is available from the Council on employment land that has been lost to alternative uses, from 2009/10 onwards. This has averaged 2.41 ha.

7.66   Deducting this from the annual average gross figure of 8.24 ha, this equates to 5.83 ha net take up annually.

Figure 7.3 Take-Up of B-Class employment land in Stafford Borough, 2002/03 - 2018/19
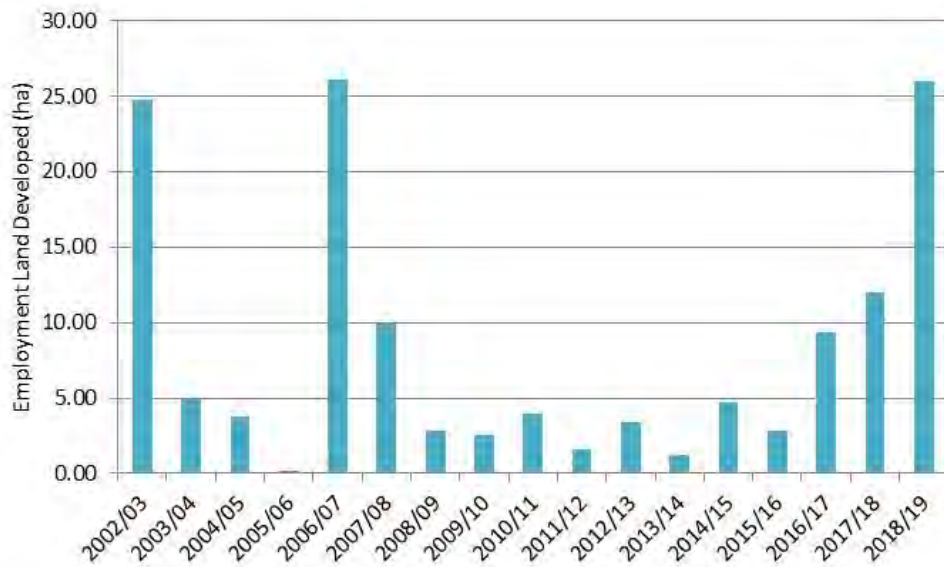
Source: SBC / Lichfields Analysis

7.67   Table 7.15 presents the net annual take-up for the Borough by B-use class and projects this rate forward over the 20-year plan period. The data suggests that if past trends were to be replicated in future, this could justify the provision of around +0.91 ha (net) in Stafford annually, or 8.24 ha gross. Projected forward over 20 years, this equates to a need for 165 ha of B-Class land.

Table 7.15 Net Employment Space Requirements Based on Past Completions Trends, 2020-2040

		Annual Net Land Change (ha)	Annual Gross Change (ha)	Total Gross Land Requirements (2020-2040) (ha)
Stafford	Offices (B1a/b)	1.34	1.896	37.92
	Industrial (B1c/B2)	0.94	1.322	26.44
	Warehousing (B8)	3.56	5.024	100.49
	Total	**5.83**	**8.24**	**164.84**

Source: SBC / Lichfields Analysis

7.68   This approach assumes that past trends of development would continue unchanged, which may not fully reflect changes in the economy as it returns to growth. On the other hand, future development rates for industrial space may be lower than has been achieved historically as the sector rationalises and/or makes more efficient use of space. Clearly the recession and prolonged economic downturn and decline in manufacturing had a significant effect on the development of B-Class space in the Borough in recent years.

7.69   In addition, all of the following suggest that past take up rates may not significantly increase in the future:

1   The move towards a more Business Services-orientated economy with significantly higher employment densities;

2   The continued restructuring of the traditional manufacturing economy with the potential for 'recycling' of older sites;

3   **The Government's measures to facilitate the change of use from** B1a office, B1c light industrial and B8 warehousing to residential without the need for planning permission;

4   The long-term impacts of the economic downturn and uncertainty surrounding Brexit;

5   The significant reduction in public sector spending available to deliver difficult brownfield sites; and,

6   The need to consider alternative uses for existing B-class sites (i.e. for waste and recycling).

7.70   **Contrary to this is the fact that according to the Council's latest AMR for** 2019, there is a very substantial amount of employment land that has extant planning permission totalling 48.5 ha:

Table 7.16 Employment Land Commitments as at 31st March 2019

Site Name	Application Number	Commitments with Planning permission (ha)
Meaford (Stone) - remainder of outline permission	98/35897/OUT & 10/13609/EXT & 14/21379/EXTO	15.93
Meaford Power Station - Meaford Energy Centre	MEAFORD GAS FIRED GENERATING STATION ORDER 2016	16.6
Total Meaford		**32.53**
Land at Beacon Business Park, Weston Road, Stafford	18/28711/FUL	1.14
Plots 21 and 22 land adjacent to Beacon Business Park	18/28667/FUL	0.37
Unit 4 Beacon Business Park	18/29673/COU	0.01
Total land adjacent Beacon Business Park		**1.52**
Redhill Business Park plot 1	16/25490/FUL	1.39
Total Redhill Business Park		**1.39**
Total Stone SDL		**0.00**
Land at Beacon Business Park, Weston road, Stafford	18/28711/FUL	0.81
Land adjacent to sleeper spinney, Shackleton Way, Stafford	16/24949/FUL	4.78
Land at Paton Drive, Tollgate Business Park, Beaconside, Stafford	12/17490/FUL	3.27
Land off Diamond Way, Stone	16/23975/FUL	1.2
Neptune Business Park, Great Haywood	14/21190/FUL	0.44
Formerly Blurton poultry farm, Barlaston Road, Blurton, Stoke-on-Trent, Staffordshire, ST3 3LD	16/24484/COU	0.72
Total (other)		**11.22**
Total Large Sites (>0.4 ha)		**46.7**
Total Small Sites (smaller than 0.4 ha not listed above)		**1.81**
Total All Sites		**48.5**

Source: SBC 2019

7.71   On balance, for the Borough, it is suggested that the 165 ha requirement based on past take up rates represents a valid figure going forward over the remainder of the plan period. This should be regularly monitored by Council Officers and amended as necessary.

Convert Net to Gross Floorspace Requirements

7.72   To convert the net requirement for employment space into a gross requirement (the amount of employment space or land to be allocated), an allowance is also typically made for some replacement of losses of existing employment space that may be developed for other, non- B-

Class uses in future. This is a widely accepted approach in planning for future employment land needs.

7.73 A judgement was therefore made on the suitability and degree of the allowance for future losses **which it would be appropriate to apply here based on the consultants' u**nderstanding of supply-side deliverability factors in the Borough and current trends in the market. Not all losses need necessarily to be replaced as some will reflect restructuring in the local economy as less space may be needed in some sectors in future. However, some replacement is needed to refresh the quality of the stock and to avoid the employment land supply continually declining.

7.74 There is an argument that not all such losses of employment land should necessarily be replaced or reflected in an increased gross land requirement. This would be on the basis that the stock of employment land in Stafford contains some older sites less likely to meet future needs and is of a scale that reflects past industrial patterns, rather than the amounts of land needed in future.

7.75 However, against this argument is the likelihood that other sites may also be lost by 2040, and these will represent losses to the overall land portfolio, reducing choice within the market. The introduction of Permitted Development Rights **streamlining 'office to residential' conversion** may exacerbate losses over the long term.

7.76 The scale of B-Class losses to alternative uses appears moderate, at 24.10 ha, or 2.41 ha annually, which has been fairly consistent over the past 10 years.

7.77 Consequently, allowance has been made for the replacement of 2.41 ha of employment land annually in the Borough, or 48.20 ha over the 20-year plan period.

7.78 An alternative approach to calculating land requirements with a margin of choice is to apply a **rate of 'churn' equivalent to 1% of** the Borough**'s** existing stock per annum (see other local employment land studies e.g. Lichfield District, West of England, Greater Exeter). For the Borough, this could roughly equate to demand for around 3.2 ha per annum (based upon 1% of 1.28 million sqm of existing floorspace in the Borough and multiplied by 40% plot ratio), a figure that is slightly higher than the 2.41 ha allowance for losses identified above, which suggests the our loss replacement figure may be on the conservative side. It should therefore be monitored by the authority over the next few years and adjusted as necessary.

Safety Margin

7.79 To estimate the overall requirement of employment space that should be planned for in allocating sites, and to allow some flexibility of provision, it is normal to add an allowance as a safety margin for factors such as delays in some sites coming forward for development. This margin is a contingency factor, providing a modest additional land buffer so that supply is not too tightly matched to estimated demand, and so that shortages of land do not arise if future demand turns out to be greater than the forecasts. Such flexibility is sensible given the uncertainties in the forecasting process and the scope for delays in developing employment space.[49]

7.80 The former South-East England Planning Partnership Board [SEEPB] guidance on employment land assessments recommended an allowance that is equivalent to the average time for a site to gain planning permission and be developed, typically about two years. For the Borough, the 16.48 ha margin set out in Table 7.15 were added for B-Class uses, based on two years of average gross take-up, is considered to be an appropriate level relative to the estimated scale of the original requirement.

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[49] This safety margin is separate from the consideration of vacancy rate.

Table 7.17   Stafford Safety Margin Allowances

Uses	Gross Average Annual Take-up (ha)	2-year Safety Margin Added 2020-2040
Offices (B1a/b)	1.896	3.792
Industrial (B1c/B2) & Warehousing (B8)	6.346	12.693
Total	**8.242**	**16.484**

Source: Lichfields Analysis

7.81   The model steps are summarised in Figure 7.4. The same steps described above to convert the net employment projections from net to gross (with a 2-year margin of choice) have been applied to the net historic take up figures described above for consistency.

Figure 7.4   Staged Approach to Employment Land Requirements (2020-2040)

7.82   In summary, the demand-led range of total gross land requirements to 2040, factoring in a 2-year margin of choice, results in the following demand projections for the Borough:

1   Econometric demand led projections: 69 ha – 109 ha;

2   Labour Supply Projection: 68 ha; and,

3   Past Take Up: 181 ha.

Table 7.18 Stafford Borough Gross Employment Land Comparisons 2020-2040

		B1a/b	B1c/B2	B8	TOTAL
1) CE Baseline	2020-2040 (net)	0.53	-2.70	6.56	**4.39**
	2020-2040 (gross)				**52.59**
	+ Flexibility factor				**69.07**
2) CE Regeneration	2020-2040 (net)	11.53	18.51	14.10	**44.14**
	2020-2040 (gross)				**92.34**
	+ Flexibility factor				**108.82**
3) CE 50% Boost	2020-2040 (net)	1.66	-0.34	12.56	**13.88**
	2020-2040 (gross)				**62.08**
	+ Flexibility factor				**78.56**
4) Past Trend Job growth	2020-2040 (net)	3.27	5.10	21.12	**29.50**
	2020-2040 (gross)				**77.70**
	+ Flexibility factor				**94.18**
5) LHN 408 dpa	2020-2040 (net)	0.40	-3.00	5.87	**3.30**
	2020-2040 (gross)				**51.49**
	+ Flexibility factor				**67.98**
6) Past Take Up Rates	2020-2040 (net)	26.83	89.81		**116.64**
	2020-2040 (gross)				**164.84**
	+ Flexibility factor				**181.32**

Source: Lichfields Analysis

7.83   The labour supply projections for the Borough are illustrated alongside the econometric and past take up projections in Figure 7.5.

Figure 7.5 Comparison of scenario requirement for B-Class land 2020 to 2040
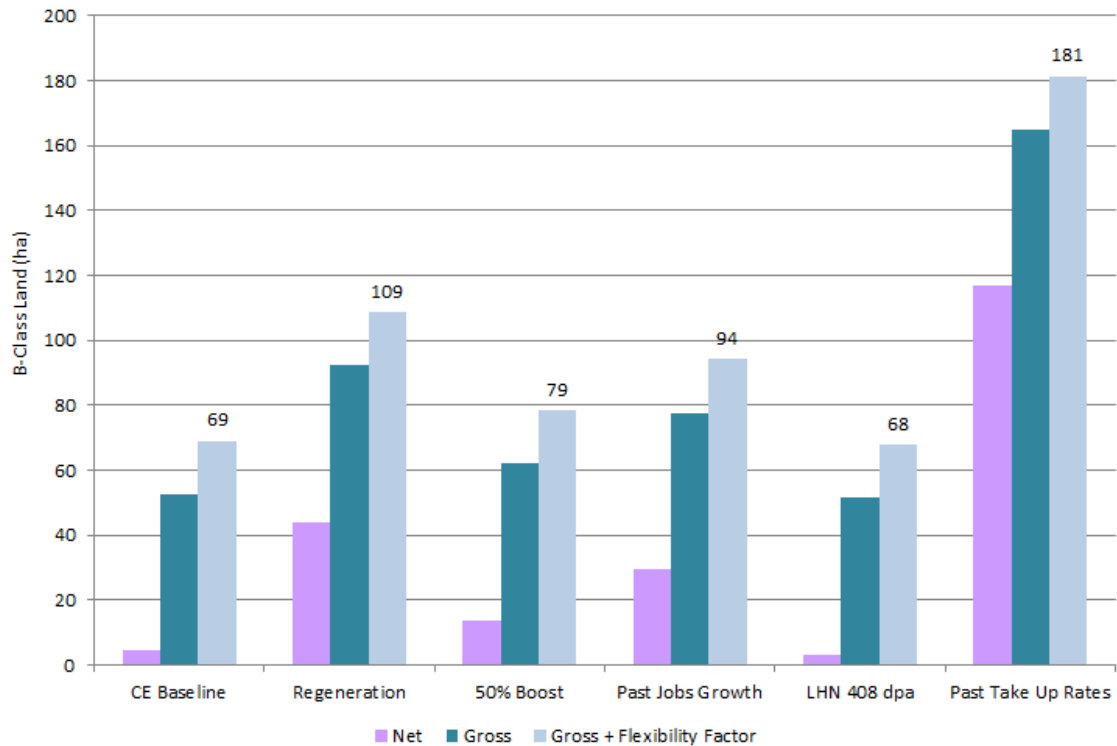
Source: Lichfields Analysis

Reality Check

7.84 Clearly the levels of future demand for B-use class land projected by the various projections differ. The projections are largely trend-based; in particular, the past take up has been (at least partly) recorded during an unprecedented recession in the commercial market nationally. It is likely that the actual performance of **Stafford's** economy and commercial property market will lie somewhere between the econometric and past trends projections.

7.85 In order to provide a clearer steer as to what level of growth the Borough should be planning for, it is important to apply reality checks.

Adjustments to Plot Ratios

7.86 The estimates of land requirements are clearly highly sensitive to the various assumptions used. The job / floorspace ratios and plot ratios adopted here reflect those in the former ODPM guidance[50]. At present, it is assumed that the plot ratio[51] of 40% is generally applied to out-of-centre office space, industrial space and warehousing.

7.87 However, Stafford is moving away from a more traditional industrial economy and towards an economy focused more towards the service sector (as can be seen by the priority sectors pursued by the LEPs that cover Stafford) **which tend to have higher plot densities. With the Framework's** requirement for office space to be located in town centres rather than out of centre, this could point to plot densities increasing, rather than decreasing in future. On this basis, it is

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[50] Employment Land Reviews Guidance Note, ODPM (2004)

[51] A plot ratio is the total building square footage (building area) divided by the site size square meterage (area of the plot). Therefore, a plot ratio of 150% would indicate that the total floor area of a building is 1.5 times the gross area of the plot on which it is constructed. For practical purposes, this would equate to a 3-storey building with fifty percent plot coverage, the remaining plot area being occupied, for example, by access roads, parking and landscaping.

considered reasonable to assume that the majority of future development in the Borough will be at plot ratios closer to 40% than 30%.

Adjustments to the Margin of Choice

7.88   A significant assumption in terms of sensitivity testing is the 2-year safety margin added. A 2-year margin of choice may ordinarily be seen as being reasonable, particularly in the light of uncertainties in the commercial property market and the need to provide market ready sites to prevent occupiers from moving beyond the authority area when searching for appropriate sites. Hence an increased margin of choice would help to provide a balanced portfolio.

7.89   In summary, it is suggested that the approach taken in defining a two-year margin of choice remains valid.

Conclusions

7.90   Part 3 of this report has appraised a range of employment land projections for the Borough using a variety of methodologies in accordance with the PPG.

7.91   Consequently, on the basis of these analysis, it is recommended that the Borough's B-Class employment land OAN should range from 68 ha to 181 ha between 2020 and 2040.

7.92   In terms of how this employment land requirement could be split between the B1a/b, B1c/B2 and B8 uses, it is not possible to directly translate the net split into gross requirements, as the data is not sufficiently robust to enable a precise breakdown of land lost/margin of choice by use type. The following quantitative and demand-based factors can be taken into account to understand the potential requirement for different B-Class employment space:

1   The CE baseline scenario projects that there will be a modest gain in B-Class jobs between 2020 and 2040 (+368) compared to a much stronger gain in non B-Class uses. In comparison, the demand-led Regeneration scenario, driven by the New Garden settlement, would generate more substantial increases in B-Class jobs due to economic restructuring and increased local demand for premises. In particular, the greater increase in manufacturing jobs above the baseline CE projections is considered to be a much better fit with the qualitative evidence on the need for additional industrial land from our discussions with agents and Staffordshire County Council. The need to provide additional advanced manufacturing floorspace is therefore considered to weigh positively in the balance of scenario selection following these discussions;

2   There has been a net annual gain of employment land each year between 2009/10 and 2018/19 of 43.5 ha (67.6 ha taken up against 24.1 ha lost). If this trend continues then it would result in a moderate increase in the supply of employment land. Gross take up of B-Class land has been very high in recent years, at 10.98ha over the past 5 years, driven primarily by B8 storage and distribution.

3   The Borough has strong commuting relationships with adjoining local authority areas. However, ONS jobs density data for 2017 shows that there are 76,000 jobs in Stafford at a density of 0.93, which is above the West Midlands (0.82) but Great Britain (0.86). This indicates that for every ten people aged 16-64 living in Stafford, there are a little over 9 jobs. This jobs density figure is very high and suggests that the Borough is becoming increasingly self-contained from an economic perspective since 2011.

4   Rebalancing the land uses of the Borough to ensure that more (and better quality) jobs are **provided could help maintain this trend and 'claw-back' out**-commuters, increasing net in-commuting rates.

5 The LHN labour supply scenarios indicate that the labour force (the number of economically active people of working age) is forecast to increase to 2040. On this basis 93 ha (gross) could be required.

7.93 Taking the above factors into account, it is suggested that the following indicative split of B-Class employment space could be appropriate for the Borough over the period 2020 to 2040:

1 25% for B1a/B1b office; and,

2 75% for B1c/B2/B8 industrial/distribution.

> This report does not seek to make a planning or policy judgement; this is a matter for the Council when taking account of the information before them. The report therefore represents a first stage for further consideration of all relevant factors through the Local Plan process.
>
> On this basis, the recommended employment land range for the Council is between 68 and 181 ha between 2020 and 2040
>
> Of this range, it is suggested that around 75% should be identified for B1c/B2/B8 industrial/warehousing, and the remaining 25% for new office space.

7.94 The selection of the final employment land requirement will depend upon the preferred level of employment growth for the Borough and the extent to which Officers consider that this aligns **with the Council's economic aspirations and housing targets, including the need to reduc**e net out commuting. The selection of the job target will be based upon the identification of policy aspirations relating to the promotion of key sectors in accordance with the economic and spatial vision for the area.

8.0 Review of Strategic Housing & Employment Land Availability Assessment (SHELAA)

Introduction

8.1 This section provides a high-level review of the Borough Council's **SHELAA to inform the study's conclusions on the relative balance of demand and supply over the plan period. This** summarises the quantum and quality of existing and pipeline of housing and employment land across the Borough and its suitability in accommodating economic development needs over the short, medium and longer term before comparing this with the future demand for sites across the range of scenarios.

Overview of the SHELAA

8.2 The SHELAA shows that there are 8 deliverable sites. The proposed uses of these sites include both residential and employment. Combined, these sites have the potential to deliver 113.5 hectares of employment land and 497 residential units. Of the 8 sites that were assessed as deliverable, one of the sites is partly allocated in the Local Plan - this site is CRE02 and has been submitted as land for potential employment development. The site is 113.5 hectares. Of this, 12.9 ha are allocated for employment in the adopted Local Plan. Therefore, this site is capable of delivering 100.6 hectares of windfall employment land.

8.3 The remaining 7 sites which have been identified as deliverable residential sites are all windfall sites and provide a potential combined yield of 497 residential units.

8.4 There are 47 sites that are potentially developable subject to compliance with Policy C5 of the adopted Plan for the Borough and Paragraph 71 of the Framework, all being located adjacent to a sustainable settlement as identified in the Plan for the Borough Part 2. Combined, these sites have the potential to accommodate 9,162 residential units. A further 2 sites submitted for use as employment land are situated adjacent to sustainable settlements and are therefore developable subject to a review of the settlement boundaries through the new Local Plan. These sites could provide 15.4 hectares of developable employment land.

8.5 The four sites that are potentially developable subject to compliance with Paragraph 145, Section G, of the Framework are brownfield sites within the Green Belt. Combined, these sites have the potential to accommodate 251 residential units. However, the combined developable areas of these sites will not be capable of accommodating this level of housing, as only the brownfield sections of these sites have the potential to be developable. Therefore, the actual potential yield will be lower than 251 units.

Table 8.1 Summary of SHELAA (2018) Sites

	Number of sites	Employment land (ha)	Housing Units
Total assessed	191		
Deliverable	8	113.5	497
Developable	43	15.4	9,162
Developable subject to Para 145 NPPF compliance	4	n/a	>251
Total		**128.9**	**9,910**

Source: Stafford Borough Council SHELAA

Market Indicators and Commentary

8.6   The sectors anticipated to drive demand in the future were identified as primarily industrial, including engineering. The main employment sites in the Borough were identified as Beacon Business Park, the Town Centre and Stafford Technology Park.

8.7   Discussions with stakeholders undertaken through one to one telephone discussions and a workshop highlighted there continues to be strong demand for land across the Borough, particularly in areas which have strong connections to the road and rail network. Stakeholders felt that in terms of existing sites there is a shortage of sites in Stafford compared to Stone and that there is less interest in sites to the east of Stafford as a consequence of poorer transport connections to these areas. Views from market agents highlighted that a number of sites identified in the SHELAA are located in secondary or tertiary locations, with only a handful in locations which are particularly attractive to the market.

8.8   Stakeholders stressed that land provided around key junctions with the M6, particularly Junction 13 and 14 was in demand and any further land in these types of location identified for employment use would be quickly developed out. One agent commented that there is a real opportunity in Stafford for future employment land driven by the difficulty some logistics operators are having finding suitable sites in the East Midlands and therefore moving towards Stafford to identify opportunities.

8.9   In terms of demand for office accommodation there was agreement that land for offices should be focused on Stafford and Stone. Stakeholders felt that the plans at Stafford Station Gateway would provide new office accommodation which would be attractive to the market. However, there were concerns that delivery of office accommodation may not be viable and there would need to be some intervention to support delivery in at Stafford Station Gateway.

Demand/Supply Balance

8.10   Stakeholders overall felt that there was not enough employment land identified in Stafford and a disproportionate amount of land in Stone. Overall the view was there were more sites required across the Borough of a range of sizes to increase the number of active players in the market.

8.11   In discussion regarding the Stafford Station Gateway, it was considered that 70,000sqm of office floorspace was considered high and although this development was considered to be really exciting for Stafford, office developments as a consequence of viability are slow to be brought forward.

8.12   Demand for employment land for industrial use is high, with demand outweighing supply. This demand is partially being driven by the lack of suitable sites in the East Midlands, in particular from logistics operators.

8.13   Stakeholders were concerned that additional employment land should be identified beyond the amount identified at a New Garden Community, given the timescales involved in delivering development there.

Summary

8.14   Overall, through a range of discussions, stakeholders have confirmed the strength of the market across the Borough. There was an identified need to ensure that enough land is identified where it benefits from:

- Physical connectivity (particularly road links);
- Digital connectivity (fibreoptic broadband);

- Land for free carparking or yards for storage/parking for work vehicles; and,
- No restrictions/uncontaminated land where development is likely to be viable.

9.0 # Part 4: SHMA - Area Profiling and Market Signals Analysis

Introduction

9.1 This section provides evidence at a national, regional and local level to provide context for the housing market analysis, exploring the demographic context as well as trends in the housing market including house holding, occupancy rates and a range of market signals.

Demographic Context

9.2 Understanding the demographic context of an area is critical to understand the foundations for a robust objective assessment of housing need. Up-to-date demographic evidence, informed by the 2011 Census and other nationally consistent data sources such as the Annual Population Survey [APS] and ONS Mid-Year Population Estimates [MYE], enables us to understand:

- how the Borough's population has evolved in the past;

- how the key components of change (notably births, deaths and migration) have influenced this; and

- how they are likely to continue shaping population and household change in the future.

Population and Household Change

9.3 The latest Mid-Year Population Estimates for Stafford indicate that the population of the Borough was 135,880 residents in 2018. This represents an overall population increase of c.14,470 people since 2002 (+11.9).

Figure 9.1 Population and Household Change in Stafford Borough
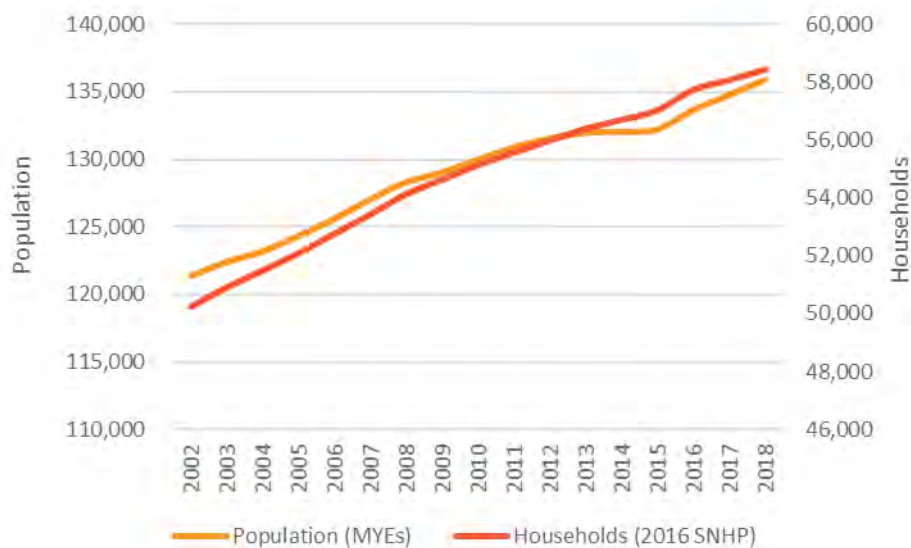
Source: ONS Mid-Year Population and Household Estimates (2002- 2018)

9.4 The number of households in the Borough also rose steadily over the period 2002 to 2018, to 58,431 – an increase of 8,210 (16.3%). The faster rate of household growth is likely to have been driven by a nationwide social trend towards smaller household sizes.

Components of Population Growth

Natural Change

9.5 **Stafford's population growth in recent years has been driven by natural** demographic change (i.e. the rate of births exceeding that of deaths), internal and international migration. Between 2002 and 2018 the population grew by circa 14,470 people.

9.6 Natural demographic change was greater during the period 2006 to 2011. After 2011, the role of natural demographic change has declined in respect of being a driver of population growth.

Migration

9.7 As illustrated in Figure 9.2, net migration has been consistently inward-moving over the period 2002 to 2018. Net internal migration is generally higher than international migration and has been positive each year since 2002, with the exception of 2014 and 2015 (when there were net losses of 178 and 36 internal migrants respectively). Net internal migration was particularly high between 2002 and 2007; however, it declined during the recession and has since remained stubbornly low between 2008 and 2015. Subsequently, net internal migration has increased to +1,025 in 2018, the highest level since before 2002.

9.8 Net international migration has also fluctuated over the period, between -77 (2002) and +425 (2008), but has been positive over the last ten years, averaging +195. The consistently positive levels of net international migration may reflect the high number of employment opportunities in the healthcare sector within the Borough, which often attracts skilled workers from abroad.

Figure 9.2 Net internal and international migration for Stafford 2002 - 2018
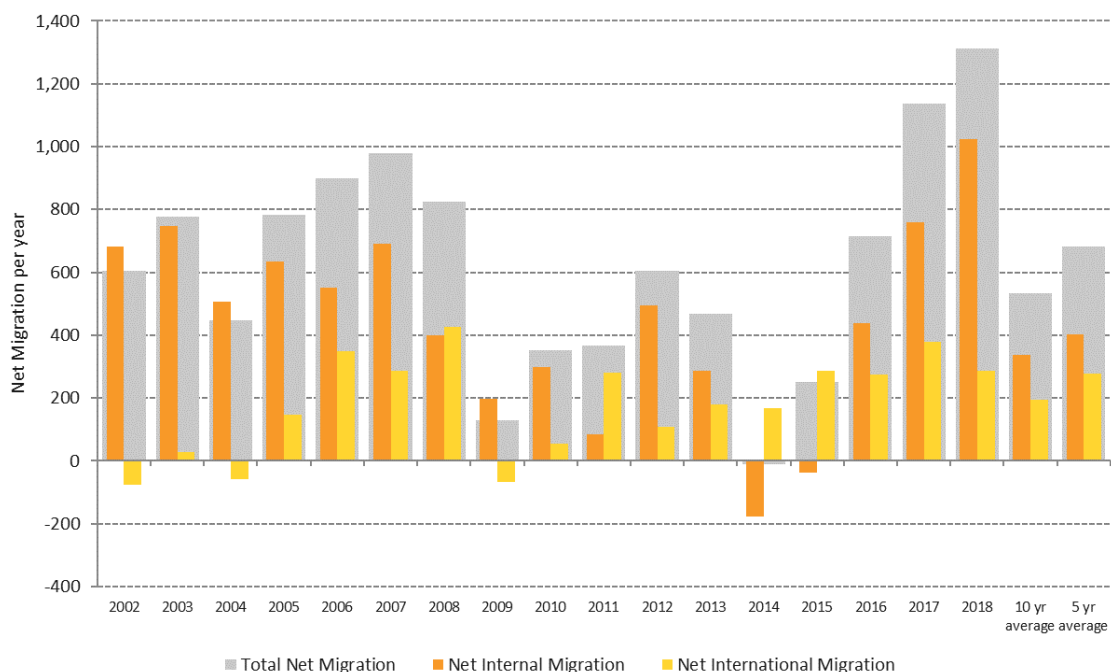
Source: ONS Migration Estimates - Revised Mid-Year Estimates Series

9.9 Figure 9.3 illustrates a breakdown of the age of migrants based on Census 2011 data. This highlights that younger households moved into and within Stafford the year before the Census. People aged 20 to 24 were the largest age group to move into and within the Borough, followed

by people aged 25 to 29. The number of young people under 14 moving in suggests a large proportion of migrants were young families moving into the Borough.

Figure 9.3 Age structure of migrants
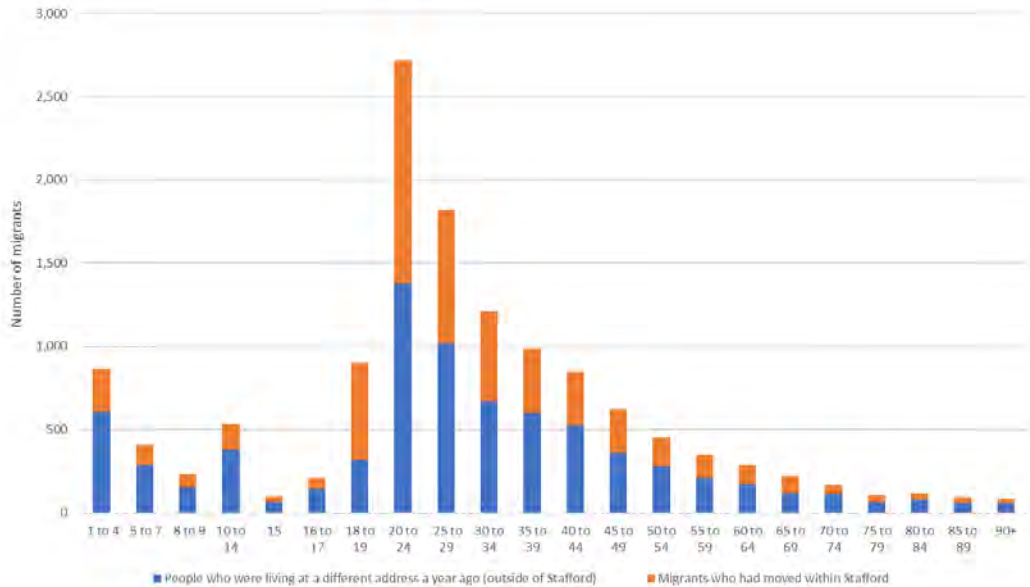
Source: Census 2011/Lichfields analysis

Current Demographic Profile

9.10   Table 9.1 shows how the population structure of the Borough has changed since 2001. The total population grew by 12.6%% between 2001 and 2018, from 120,670 in 2001 to 135,880. All age groups experienced growth, with the exception of the young working age population (aged 18 to 44), who experienced a decline of -1.7%. This was offset by significant growth of the 65 – 84 age group (48.5%) and those aged 85 and over (49.3%).

Table 9.1 Population Change in Stafford Borough 2001 – 2017

	2001	2018	% population share at 2018	Change 2001 - 2018	Change 2001 - 2018 (%)
0 – 17	25,082	25,839	19.0%	757	3.0%
18 – 44	42,377	41,676	30.7%	-701	-1.7%
45 – 64	32,836	38,094	28.0%	5,258	16.0%
65 – 84	17,931	26,622	19.6%	8,691	48.5%
85 +	2,444	3,649	2.7%	1,205	49.3%
Total	120,670	135,880	~	15,210	12.6%

Source: ONS Census 2001 and Mid-Year Estimates 2018

9.11   Figure 9.4 presents the population structure of the Borough as compared to Staffordshire in 2018. The population of the Borough and wider Staffordshire are broadly comparable with the greatest discrepancy between the proportion of the population comprising younger people aged between 14 and 23 years of age. The proportion of the population comprising older people is very similar in the Borough compared to Staffordshire as a whole.

Figure 9.4 Population structure of Stafford Borough
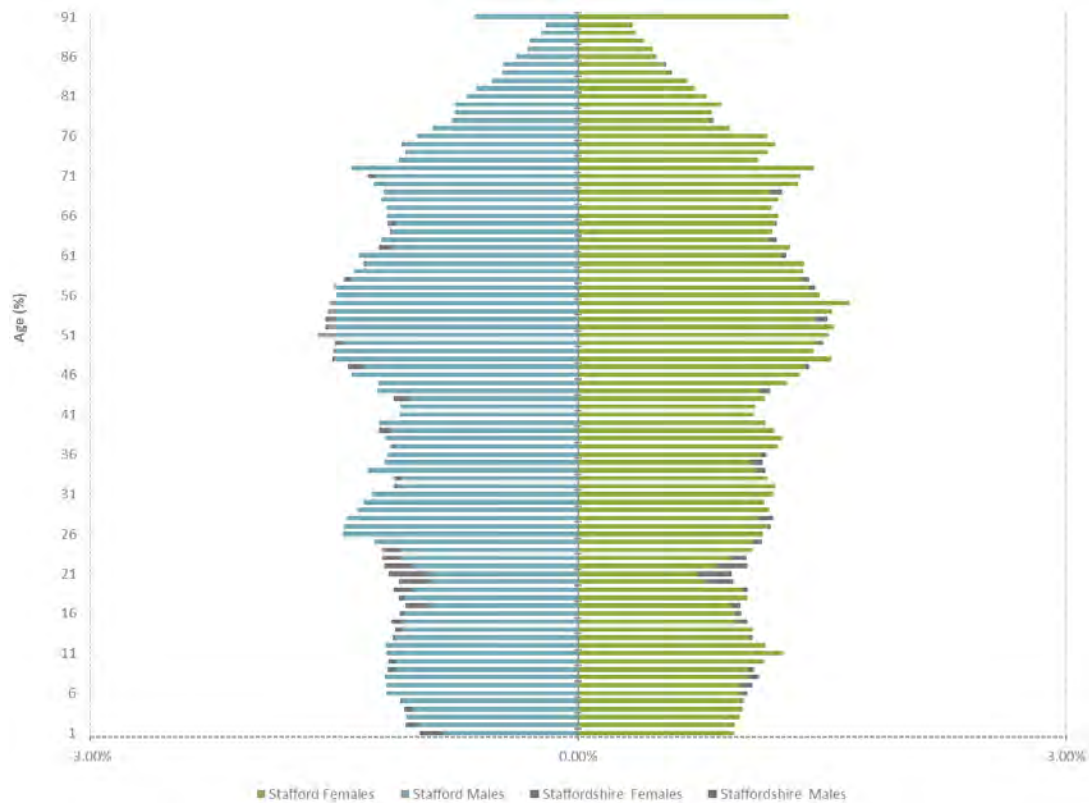
Source: ONS Mid-Year Population Estimates 2018

Students in the SNPP

9.12   Students living in halls of residence (and other non-household populations) are projected by MHCLG as part of the 'not in household' population. This means that they are removed from the total population projection before any assumptions around household formation are applied, as shown in Figure 9.5. Any students which live in private housing (either as a wholly student household, living alone or within another household) are included in the household projections.

Figure 9.5 Household and communal populations in the projections
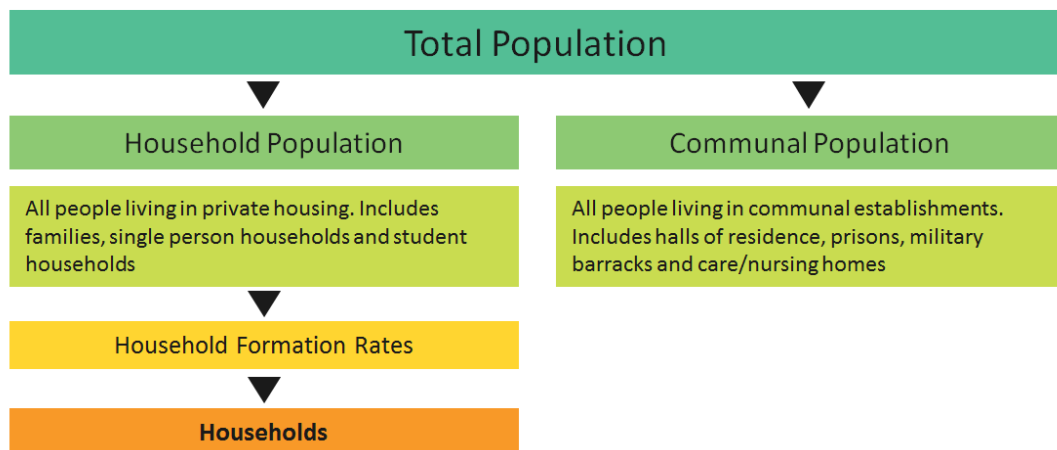
Source: Lichfields

9.13   MHCLG's methodology for projecting the 'not in household' population is to assume that below age 75, the number of people living in communal establishments remains constant, and above 75 the proportion of people living in communal establishments is constant. For students, this effectively means that even if there is growth in student numbers, the MHCLG methodology assumes the number living in halls is fixed. The impact of growth in the number of students and purpose-built student accommodation [PBSA] is considered further in Section 15.

Household composition

9.14   As shown in Table 9.2 at the time of the 2001 Census, the most common type of household in the Borough was couples with dependent children, accounting for 22.2% of all households, followed by couples with no children (21.7%). By 2011, the number of households classed as couples with dependent children had remained stable, whilst modest growth was experienced in the number of households without children, resulting in this becoming the most prevalent household type (20.5% of the total).

9.15   There was significant growth in the number of households with single people under 65, an increase of 2,770 households (+43.6%).

9.16   The proportion of households comprising older people increased; households with single people over 65 grew by 6.5%, whilst households with older couples increased by 13.3%. There was also growth in the proportion of lone parent households with both dependent children and non-dependent children, which grew by 21.8% and 19.2% respectively.

Table 9.2 Change in Household Composition in Stafford Borough 2001 - 2011

Type	2001		2011		Change in %
	No.	%	No.	%	
Single 65+	6,691	13.4%	7,123	12.8%	6.5%
Single <65	6,346	12.7%	9,113	16.4%	43.6%
Couple 65+	5,194	10.4%	5,887	10.6%	13.3%
Couple, no children	10,870	21.7%	11,405	20.5%	4.9%
Couple, dependent children	11,122	22.2%	11,126	20.0%	0.0%
Couple, non-dep. children	3,494	7.0%	3,570	6.4%	2.2%
Lone parent, dep. children	2,487	5.0%	3,030	5.4%	21.8%
Lone parent, non dep. children	1,363	2.7%	1,625	2.9%	19.2%
Other, no dep. children	1,533	3.1%	1,564	2.8%	2.0%
Other, dep. children	714	1.4%	936	1.7%	31.1%
Students	211	0.4%	324	0.6%	53.6%
All Occupied Household Spaces	**50,025**	**100.0%**	**55,703**	**100.0%**	**11.4%**

Source: Census 2001 and 2011

Occupancy Patterns

9.17   In the open market, households typically do not strictly occupy housing in line with their 'needs', or their household size. This is because households are free, within their financial means, to buy or rent property in line with what they want, rather than what they might be considered to 'need'. Households may wish to have additional space generally or for a specific purpose, e.g. for working from home. Growing families may also live in housing with a view to having more children, or older couples may live in the family home even once adult children have left (often

referred to as 'empty-nesting'). In the Borough, only 14.4% of households in the private market live in housing in line with their 'needs'[52].

Figure 9.6 Number of Bedrooms by Household Type - Stafford Borough (All Households)
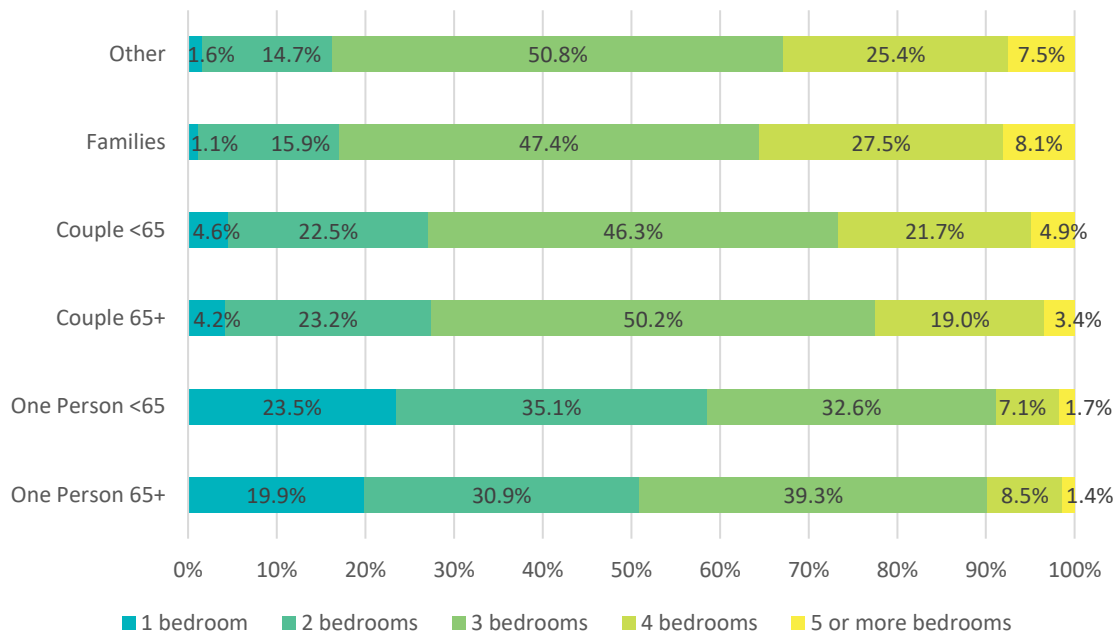
Source: Census 2011

9.18   Figure 9.7 shows how different household types in the Borough occupy housing (as per the 2011 Census). 2, 3 and 4-bedroom properties account for the majority of households across all household types.

9.19   Single person households under 65 are most likely to live in 2-bedroom properties (35.1%) or 3-bedroom properties (32.6%), with around a quarter living in 1-bedroom properties. Single person households aged 65 or over are even less likely to live in 1-bedroom properties (19.9%), Nearly 40% of this household type living in 3-bedroom properties, evident of empty-nesting and a product of ageing. Older couples are the most significant under-occupiers in the market, with only 4.2% occupying 1-bedroom properties and over a fifth occupying 4 or 5-bedroom homes. This may suggest that older single person households may be more inclined to downsize than couples, perhaps due to the maintenance required for larger homes.

9.20   Couples under 65 are also significant under-occupiers in the market, with 46.3% of this household type occupying 3-bedroom properties; these could either be young families looking to have children or be older couples still living in the family home. As expected, households with dependent children primarily live in in larger homes, with 75% living in 3 or 4-bedroom properties. However, a significant proportion of families occupy smaller 1 or 2-bedroom properties (17%), suggesting that there could be some overcrowding in certain sectors of the market. Other types of households include student households and families with non-dependent children, which explains why these types of households occupy a higher proportion of large housing.

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[52] For the purposes of this analysis, 'need' is taken to be the number of bedrooms a household would need according to ONS' definition. This takes into account the ages of the household members and their relationships to each other are used to derive the number of rooms/bedrooms they require, based on a standard formula.

9.21   **In a perfectly functioning 'ideal' market, the housing stock would be used most** efficiently to ensure that households which under-occupy housing do not block larger households from accessing larger homes, leading to overcrowding. At present in the Borough (the same pattern as seen nationally) there is a co-existence of small households living in large homes, and large families living in small homes. This demonstrates why net growth in the number of smaller households (i.e. single and couple households) does not necessarily translate into a need for smaller housing units, unless for example there are specific measures targeted at encouraging downsizing and movement within the market.

Figure 9.7 Occupancy Ratings by Household Composition
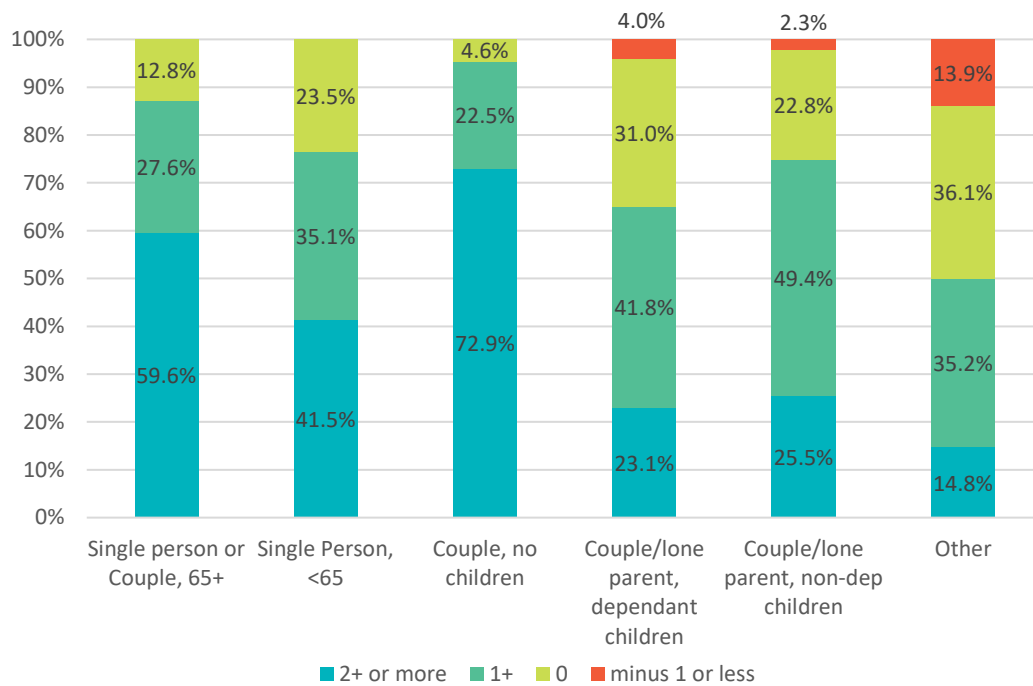
Source: Census 2011

9.22   Figure 9.7 builds on this picture by illustrating which household types are experiencing over occupation most commonly across the Borough. It shows that 4.0% of families with dependent children have an occupancy rating of -1 or less, indicating that they have one or more rooms fewer than the number required for the members of the household based on their ages and relationships to one another.

Summary

- The population of the Borough grew by 11.9% between 2002 and 2018. The number of households grew by 16.3% over the same period, reflecting the national trend towards smaller household sizes.

- Between 2001 and 2018, the young working age population (aged 18-44 years) declined by 1.7%. This was offset by 48.5% growth of the elderly population (65-84 years) and 49.3% growth of the very old population (aged 85+ years).

- The most prevalent household type across the Borough in 2011 was couples with no children (20.5% of households). Between 2001 and 2011 there was a high rate of growth in the number of households comprising single people aged under 65 (43.6%). Lone parent households and couples aged 65+ also grew significantly.

- There is a pattern of under occupancy of dwellings within the Borough. Comparatively small proportions of single person households (both those aged under 65 and those aged 65) occupy 1-bedroom properties. Couples aged 65+ years are the most significant under occupiers of housing with over a fifth occupying 4 or 5-bedroom properties.

- Over occupation typically affects families with dependent children, with 4.0% living in dwellings with at least 1 room fewer than required.

Housing Stock

Existing Stock, by Type

9.23   The 2011 Census identifies that the Borough had c. 57,660 household spaces. The types of housing stock currently available in the Borough is illustrated in Figure 9.8 to Figure 9.11. Table 9.3 shows that houses and bungalows make up the majority of household spaces within Stafford (a total of 86.9%), whilst flats comprise only 12.6%. This is comparable to the dwelling profile of Staffordshire, where houses and bungalows comprise 88.4% of all household spaces. This is higher than the average for the West Midlands (83.4%) and England (77.5%).

9.24   In terms of house types detached properties are most common, 37% of all households in Stafford, which is higher than the Staffordshire (33.2%), West Midlands (23.7%) or England average (22.3%). The second most prevalent house-type in Stafford is semi-detached; (32.7%), which is lower than the average for Staffordshire (37.9%) and the West Midlands (36.8%), but higher than the national average (30.7%).

9.25   Flats, maisonettes and apartments account for a small proportion of house types in Stafford (12.6%). This is slightly above the average for Staffordshire (11.0%) but substantially lower than across the West Midlands (16.2%) or England (22.1%).

Table 9.3 Type of Housing

Type		Stafford		Staffordshire	West Midlands	England
		No.	%	%	%	%
House or Bungalow	Detached	21,342	37.0%	33.2%	23.7%	22.3%
	Semi-detached	18,870	32.7%	37.9%	36.8%	30.7%
	Terraced	9,885	17.1%	17.4%	22.9%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats	5,686	9.9%	9.1%	13.3%	16.7%
	Part of a converted or shared house	1,095	1.9%	1.2%	1.9%	4.3%
	In a commercial building	456	0.8%	0.8%	1.0%	1.1%
Other	Caravan or other mobile/temp. structure	323	0.6%	0.5%	0.4%	0.4%
Total	All Occupied Household Spaces	57,657	100.0%	100.0%	100.0%	100%

Source: Census 2011

9.26   Figure 9.8 shows the distribution of detached properties across the Borough. Detached houses account for a small percentage (no more than 15.0%) of the total stock in the urban areas of Stafford and Stone compared to the rest of the Borough, particularly the rural west and east areas, where over 60.0% of stock are detached. Moderate levels of detached housing are present in the corridor surrounding the M6 between Stafford and Stone and in the north of the Borough around Barlaston.

Figure 9.8 Stock Profile in Stafford Borough: Detached as % of Total Stock (2011)
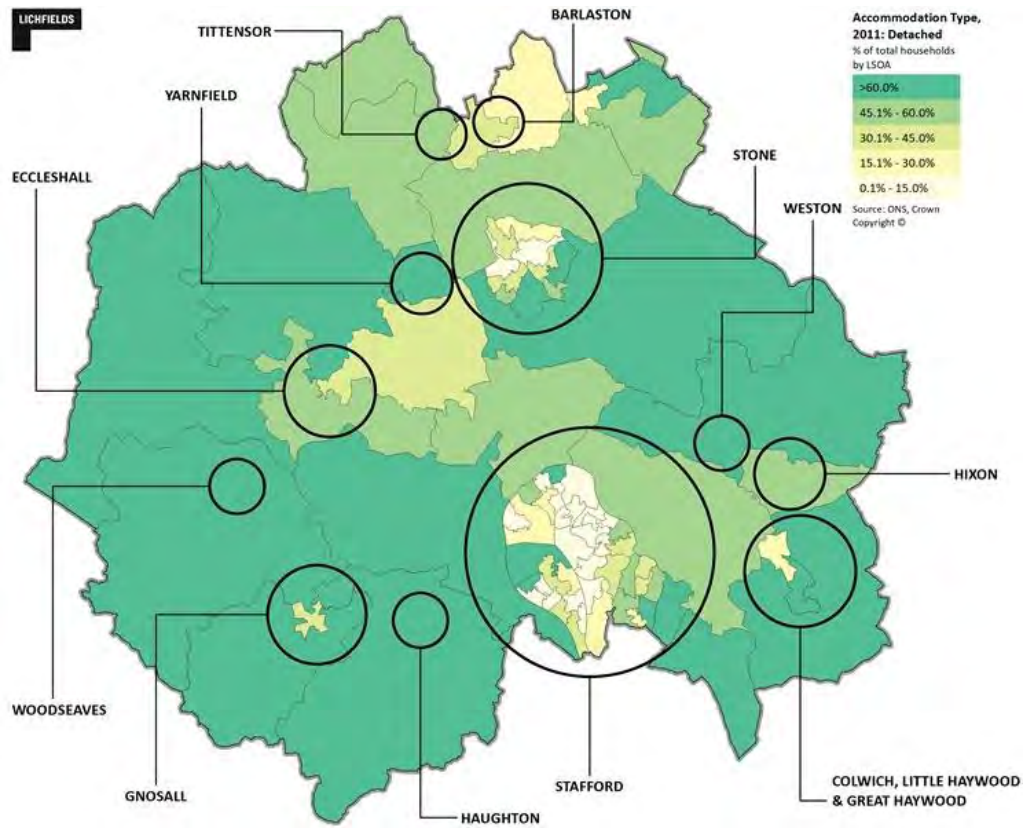
Source: Census 2011/ Lichfields Analysis

9.27   Figure 9.9 shows that semi-detached houses are most common in the suburban area around
            Stafford (comprising more than 40% of the stock), but make up a much smaller percentage of
            houses in the urban core itself (10% or less). Semi-detached houses make up a high proportion
            of households in the smaller settlements of Eccleshall, Barlaston and Great Haywood (more
            than 40% of households) and in the north. Across the rural west and east of the Borough, semi-
            detached houses typically comprise 20% to 30% of stock.

Figure 9.9 Stock Profile in Stafford Borough: Semi Detached as % of Total Stock (2011)
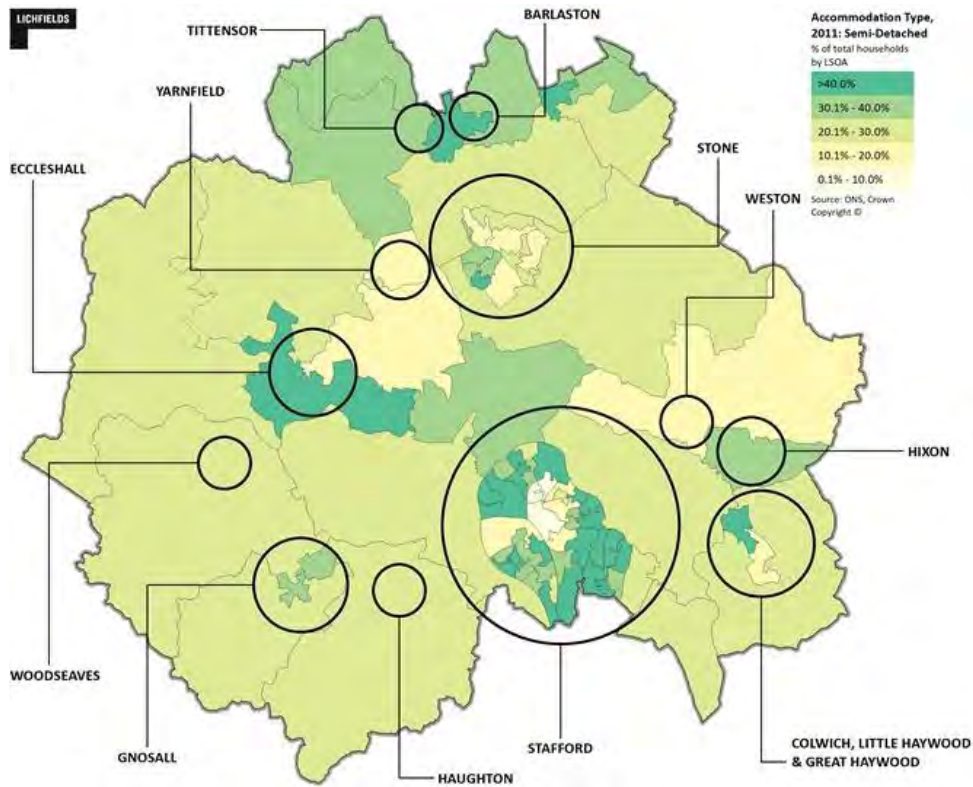
Source: Census 2011/ Lichfields Analysis

9.28   The highest proportions of terraced houses are located in the urban areas of Stafford and Stone and to the north east of Barlaston (more than 20%) (Figure 9.10). Across much of the rural west and east, terraced households comprise less than 10% of the total households, with slightly higher concentrations found to the east of Stafford town and between Eccleshall and Stone.

Figure 9.10 Stock Profile in Stafford Borough: Terraced as % of Total Stock (2011)
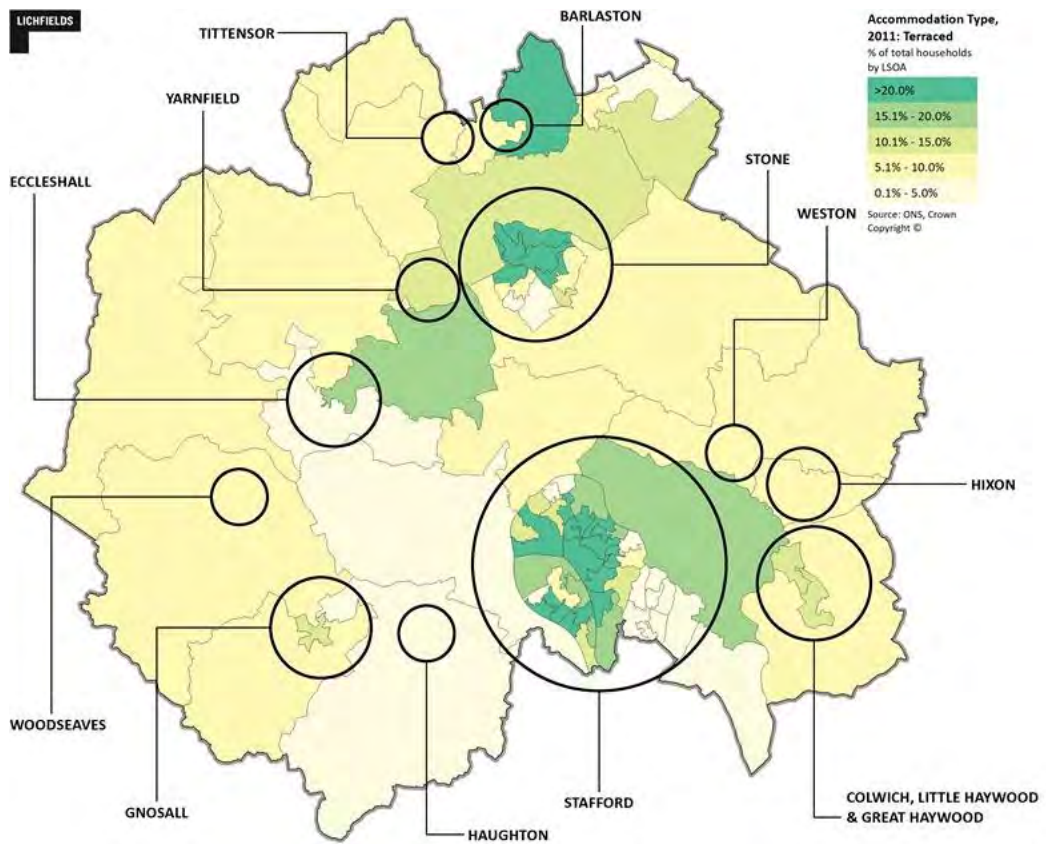
Source: Census 2011/ Lichfields Analysis

9.29   Flats comprise a small proportion of houses in the Borough (Figure 9.11). Their distribution is
        similar to that of terraced properties, with the highest percentages of flats located in Stafford
        and Stone town centres (more than 20%), moderate levels being found between Eccleshall and
        Stone and north east of Barlaston, and low levels (less than 5%) being present throughout the
        more rural areas of the Borough.

Figure 9.11 Stock Profile in Stafford Borough: Flats as % of Total Stock (2011)
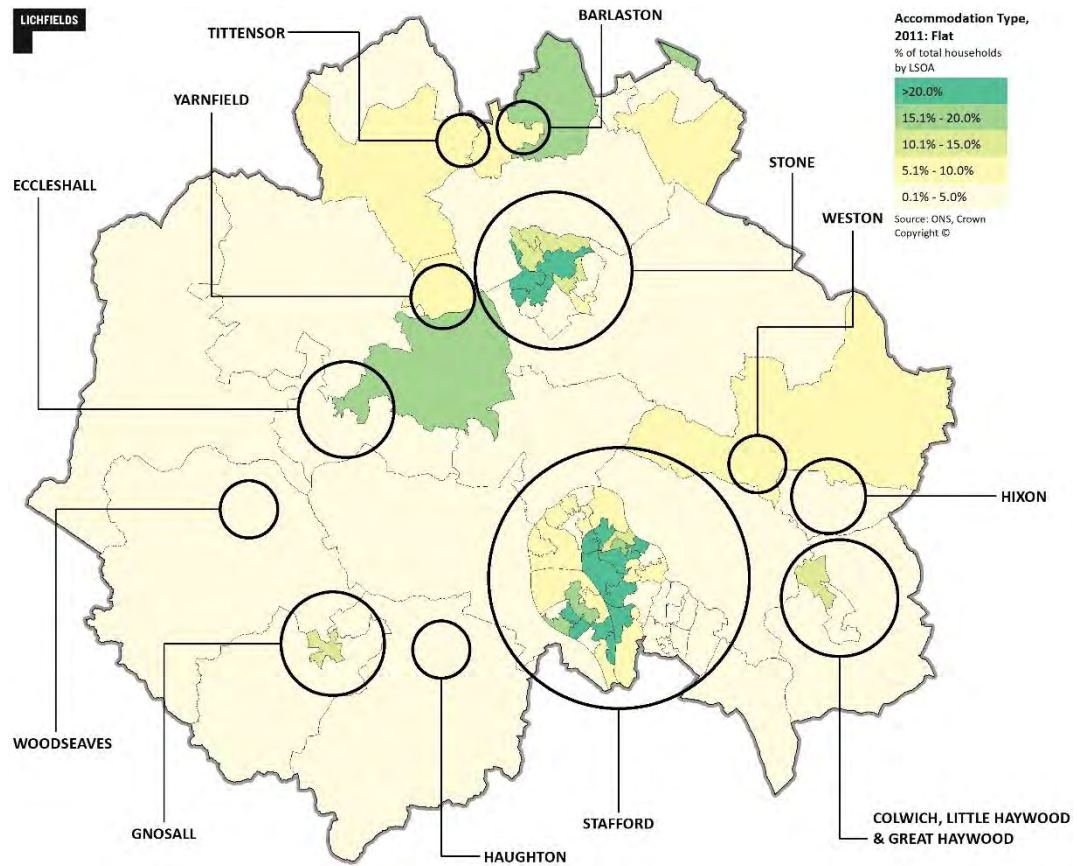
Source: Census 2011/ Lichfields Analysis

Size of Accommodation

9.30   In respect of the size of accommodation, the most up-to-date and robust indication of the size distribution of stock remains the 2011 Census. Table 9.4 illustrates that in 2011, properties with 6 rooms were most common in the Borough (22.4%), in line with the regional average (21.6%) and slightly higher than the national average (19.4%).

Table 9.4   Size of Accommodation

	Stafford (%)	West Midlands (%)	England (%)
1 room (household space)	0.5%	0.5%	0.8%
2 rooms	1.4%	2.0%	2.9%
3 rooms	7.1%	8.7%	10.3%
4 rooms	14.4%	16.8%	19.2%
5 rooms	20.7%	26.7%	24.7%
6 rooms	22.4%	21.6%	19.4%
7 rooms	13.8%	10.7%	10.1%
8 or more rooms	9.8%	6.7%	6.3%
9 or more rooms	9.9%	6.4%	6.4%

Source: Census 2011

9.31   Over a third (33.6%) of all households have seven or more rooms. This is substantially higher than is found across the region (23.8%) or nationally (22.8%). Conversely, properties with three or fewer rooms make up 8.9% of houses in Stafford, which is lower than the regional average

(11.2%) or national average (14.0%). This indicates that the Borough has a greater proportion of larger properties on average.

Tenure Profile

9.32   The tenure profile of the Borough is shown in Figure 9.12, Figure 9.13, Figure 9.14 and Table 4.1 (with a parish-by-parish breakdown tabulated in Appendix 1). The proportion of owner-occupied properties in Stafford is 71.6%, which is slightly lower than Staffordshire County (72.3%) but higher than across the West Midlands (64.9%). Private rented accommodation comprises 12.9% which is slightly higher than the Staffordshire average (11.3%) but lower than the regional average (14.0%). 13.7% of the housing stock in the Borough are social rented properties, lower than the averages for Staffordshire (14.7%) and the West Midlands (19%).

9.33   Owner occupied properties dominate across much of the Borough (Figure 9.12), and account for more than 70 to 80% of across the rural sub-area. Lower levels of owner occupation are experienced around the centre of Stafford, Stone and the area north east of Barlaston.

Figure 9.12 Household Tenure Profile in Stafford Borough Owner Occupation (2011)
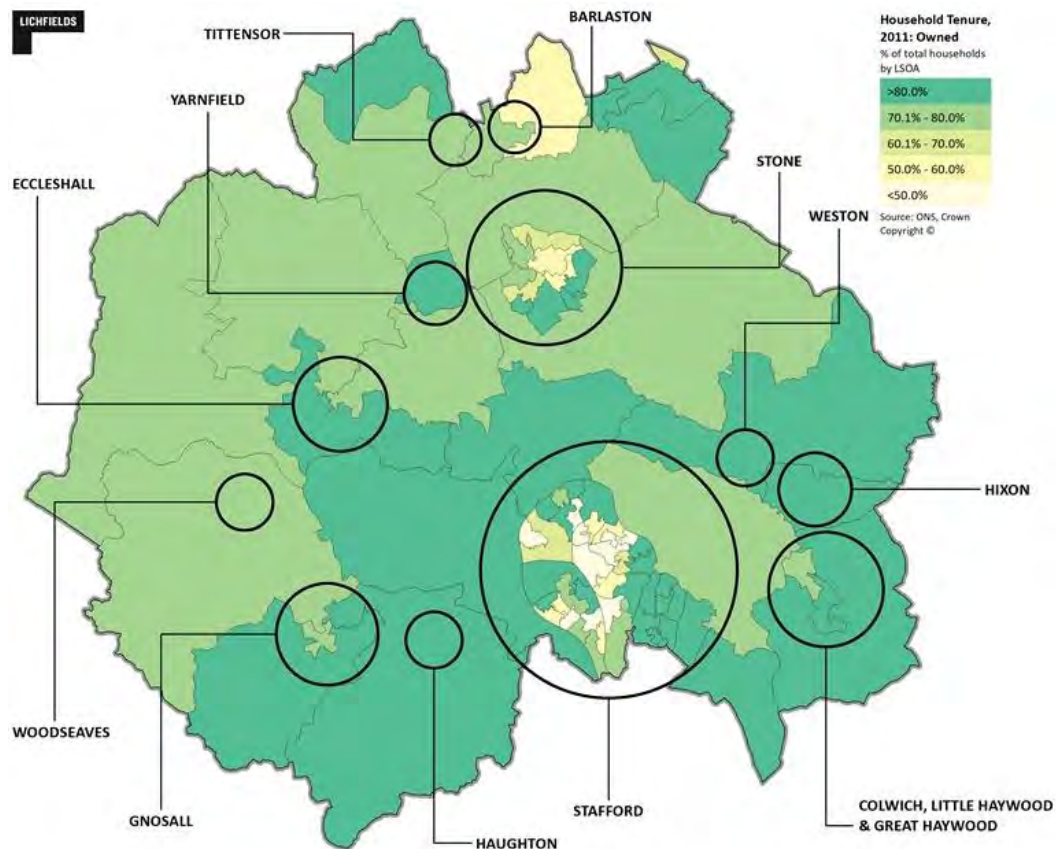
Source: Census 2011/ Lichfields Analysis

9.34   The greatest concentrations of private rented households are located in Stafford and Stone, where private rented households account for more than 20% of all stock (Figure 9.13). Across most of the rural sub-market, private rented households account for between 5% and 15% of all stock, although slightly higher proportions (between 15% and 20%) are found in the area immediately east of Stafford and to the west of Eccleshall.

Figure 9.13 Tenure Profile in Stafford Borough Private Rented (2011)
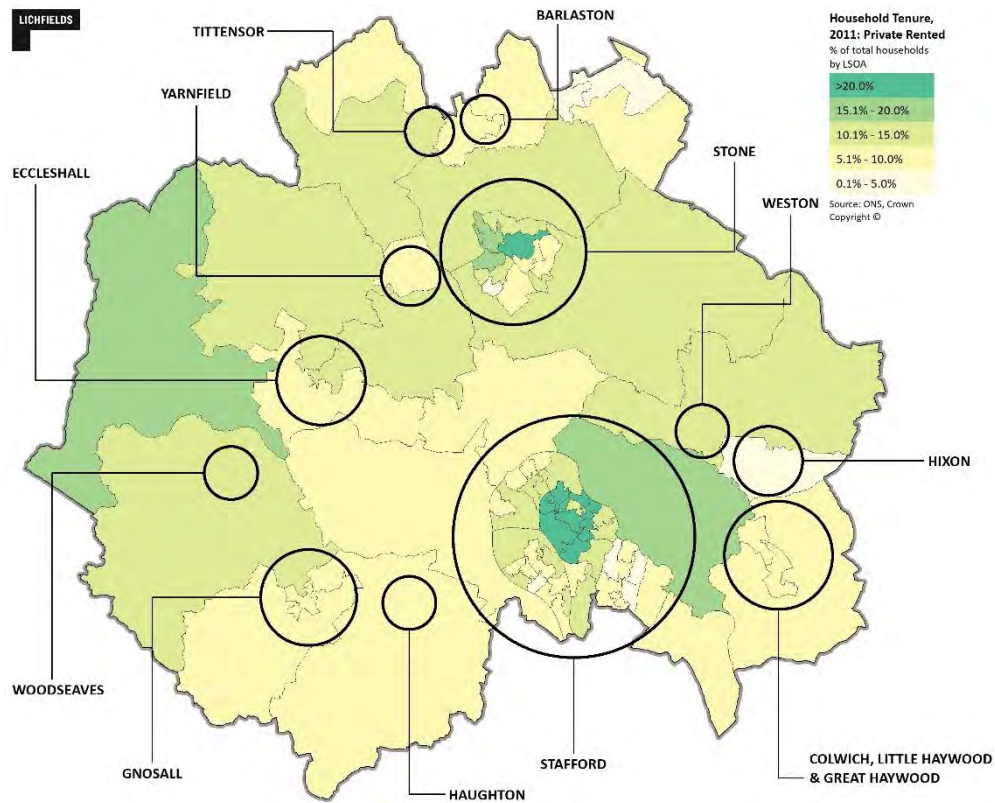
Source: Census 2011/ Lichfields Analysis

9.35   Social rented households within the Borough are concentrated within the centre and west of Stafford, Stone and north east of Barlaston, comprising over 20% of stock in several LSOAs. There are moderate levels of social rented households in Gnosall and between Eccleshall and Stone (between 15% and 20%) but low levels across the rural west (between 5% to 10%) and to the east of Stafford (less than 5%).

Figure 9.14 Tenure Profile in Stafford Borough Social Rented (2011)
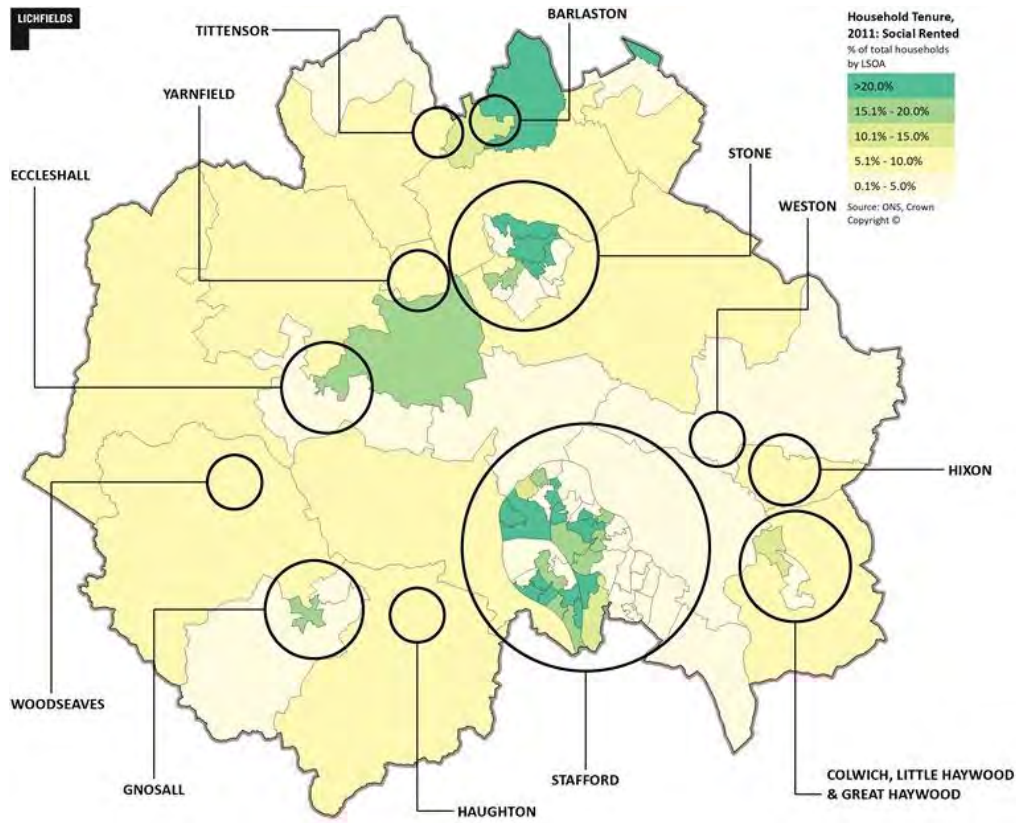
Source: Census 2011/ Lichfields Analysis

Table 9.5   Tenure Profile of Households in Stafford, Staffordshire and the West Midlands, 2011

Tenure	Stafford		Staffordshire	West Midlands
	No.	%	%	%
Owned: Outright	20,259	36.4%	36.2%	32.3%
Owned: With a mortgage or loan	19,621	35.2%	36.1%	32.6%
Shared ownership (part owned/part rented)	279	0.5%	0.5%	0.7%
Social rented	7,618	13.7%	14.7%	19.0%
Private rented: landlord or letting agency	6,239	11.2%	10.1%	12.8%
Private rented: Other	967	1.7%	1.2%	1.2%
Living rent free	720	1.3%	1.2%	1.5%
Total	55,703	100.0%	100.0%	100.0%

Source: 2011 Census

Stock Condition

9.36   The Stafford Housing Strategy Evidence Review explores the link between housing conditions and health and draws on the findings of the BRE 'Quantitative Health Impact Assessment' (December 2015). The study found that the most common health hazards were as a result of excess cold, falls on stairs and falling on level surfaces. Of the estimated 11,335 Category 1 hazards in the Borough's private sector stock, over 2,284 are within the private rented sector.

9.37   The report concludes that poor housing conditions are responsible for over 427 harmful events requiring medical treatment every year.

9.38   The BRE Study found that most of the Category 1 hazards were found in the rural areas out with Stafford and Stone.

Summary

- The majority of the **Borough's housing stock compri**ses houses and bungalows (86.9%). Detached properties are most common (37%), followed by semi-detached properties. Detached properties are most common in the rural east and west of the Borough, with lower levels being found in Stafford and Stone.

- Terraced properties account for 17.1% of stock and are concentrated in Stafford Town Centre, Stone and north east of Barlaston. These are also the areas in which flats, which make up 12.6% of stock, are most concentrated.

- The Borough has a greater proportion of larger dwellings than the regional or national average with over a third of properties having 7 rooms or more.

- The majority of properties in the Borough are owner occupied (71.6%). This is greater than the Staffordshire or regional average. 12.9% are privately rented and 13.7% are social rented. Owner occupied properties account for over 70% in the rural areas of the Borough and lower proportions in Stafford, Stone and north east of Barlaston. These areas have higher concentrations of social rented tenures and, in the case of Stafford and Stone, of private rented accommodation.

The Active Market

Changes in Stock

9.39   Net housing completions in the Borough fluctuated significantly between 2001/02 and 2018/19. The average number of net completions over this period was 587 dwellings, 87 dwellings above the housing requirement of 500 dpa between 2011 and 2019 set out in the Borough**'s adopted** Local Plan (2014).

Figure 9.15 Net Dwelling Completions in Stafford, 2001/02 - 2018/19
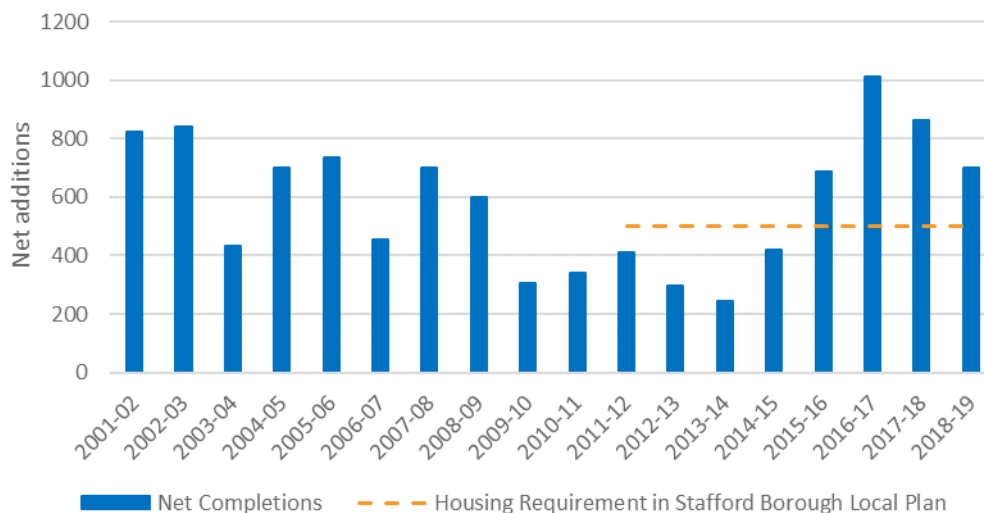
Source: MHCLG Live Table 122/ SBC for 2018/19 data

9.40   Net housing completions were relatively high, above 600 dpa, between 2001/02 between 2007/08 (with the exception of 2003/04 and 2006/07) but decreased during the recession, reaching a minimum of 246 dwellings in 2013/14. This is well below the **Borough's** Local

Housing Need of 408 dpa, based on the standard methodology alone. Net housing completions have recently increased, peaking at 1,010 dwellings in 2016/17 before falling to 699 dwellings for the most recent reporting year (2018/19).

Table 9.6   Net Dwelling Completions in Stafford, 2001/02 to 2018/19

Net Completions	Stafford
2001-02	824
2002-03	839
2003-04	434
2004-05	699
2005-06	735
2006-07	454
2007-08	702
2008-09	601
2009-10	305
2010-11	339
2011-12	411
2012-13	298
2013-14	246
2014-15	418
2015-16	688
2016-17	1,010
2017-18	863
2018/19	699
Average	**587**

Source: MHCLG LT122 / SBC for 2018/19 data

9.41   Market demolitions in the Borough are low, with a total of 7 market demolitions between 2014/15 and 2017/18, of which 6 were in 2016/17. With regard to affordable housing, the Council confirmed that 54 social rented flats were demolished at Hesketh Road in 2016/17 and have been replaced by 63 social rented apartments. 16 affordable units at Woodlands Road have been replaced by 40 new affordable units and at Blythe Lodge, 22 affordable older person units have been replaced by 13 affordable units. As a result, the 92 affordable housing demolitions across these sites have been offset by construction of 116 affordable units.

Transactions and Prices in the Private Market

9.42   Pre-recession dwelling sales across the Borough were between 2,477 and 3,102 transactions per annum, representing c.4.6% to 5.9% of dwelling stock (Figure 9.14). During this period, turnover rates were higher or equal to the rates for Staffordshire as a whole. Transactions declined sharply in 2008 as a result of the recession, reaching a minimum of 1,301 transactions in 2009. The number of transactions remained below 1,500 until 2013 but has since risen steadily and is approaching the pre-recessional average (between 2001 and 2007 of 2.730), with 2,571 transactions in 2017. **This is equivalent to 4.2% of the Borough's total stock.** This is higher than the turnover for Staffordshire which was 3.9% in 2017.

Figure 9.16 Property Sales and Stock Turnover 2001 - 2017
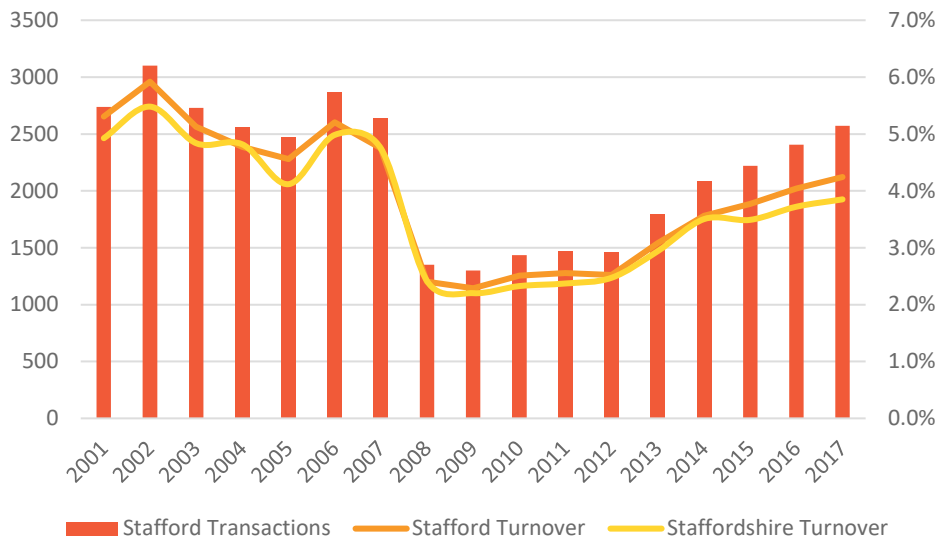
Source: ONS HPSSA Dataset 6 Residential property sales for administrative geographies and CLG Live Table 125: Dwelling Stock Estimates by Local Authority District (2017)

Median, mean, LQ and Upper Quartile house prices

9.43   House prices increased between 1995 and 2018 in the Borough, with a particularly steep increase between 2001 and 2006. This trend was mirrored across Staffordshire as a whole. Median house prices remained stable between 2007 and 2013 and since this time have started to creep upwards. The median house price in the Borough has been broadly comparable to that of Staffordshire as a whole. Although the median house price in the Borough fell below that of Staffordshire between 2004 and 2016, this gap has subsequently closed.

9.44   Analysing the change in median house price for Staffordshire and the Borough it is evident that there have been some clear impacts on the housing market which correlate with the recession. Figure 9.17 demonstrates that housing in the Borough followed the pattern seen across Staffordshire as a whole.

Figure 9.17 Median House Prices in Stafford and Staffordshire 1995 to 2018
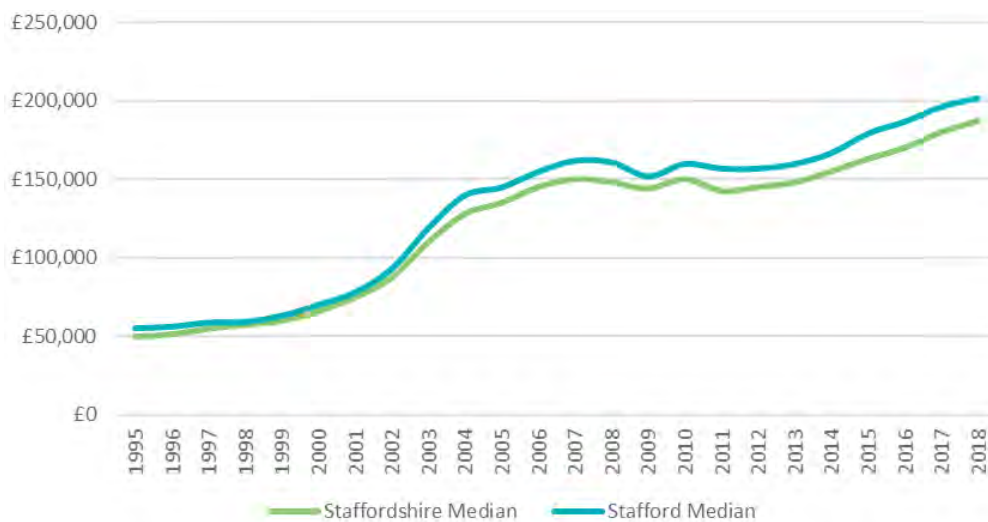
Source: HPSSA Dataset 9. Median house price for national and subnational geographies, quarterly rolling year

9.45 Figure 9.18 illustrates that in the period 1995 to 2018, Lower Quartile [LQ] house price in the Borough has been broadly comparable to that in England and higher than in Staffordshire. The gap between the Borough and Staffordshire has grown since 2006, although it has contracted slightly since 2017. In March 2018, the lower quartile house price in the Borough was £150,000. Lower quartile prices in Staffordshire and England at this time were £136,000 and £152,995 respectively.

9.46 There was an increase in lower quartile house prices in the Borough between 2000 and 2007. Between 2007 and 2012, lower quartile house prices in the Borough remained stable but have subsequently risen. This trend is similar to Staffordshire and England as a whole, although lower quartile house prices in Staffordshire experienced a greater decline following a peak in prices in 2007 and have taken longer to recover.

Figure 9.18 Lower Quartile House Prices in Stafford, Staffordshire and England
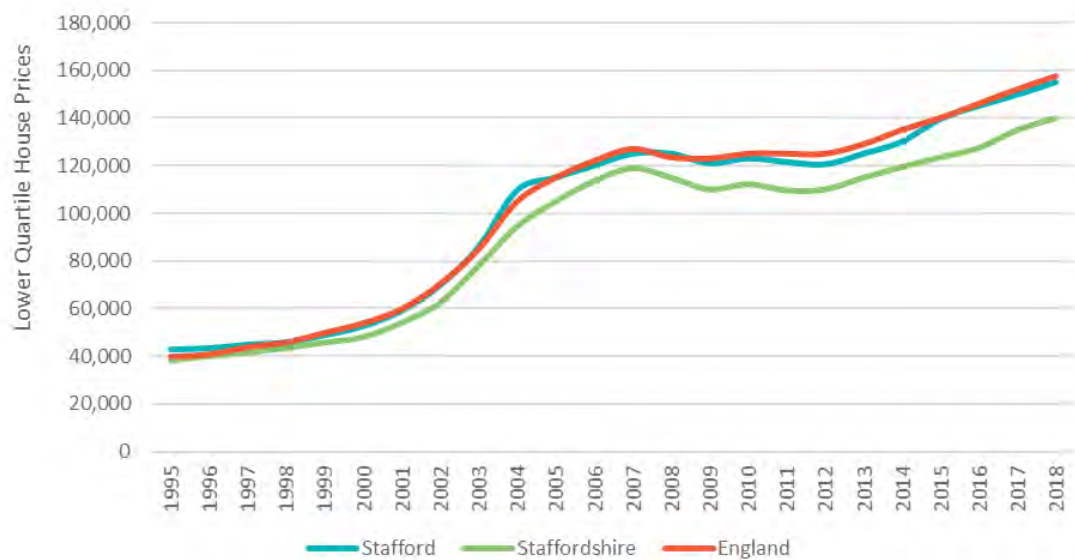
Source: HPSSA Dataset 15. Lower quartile house price for national and subnational geographies, quarterly rolling year

9.47 Table 9.7 shows median and lower quartile house prices in the Borough, Staffordshire and England from 2018. For each house type, the median and lower quartile prices for the Borough are higher than the Staffordshire average but lower than the national average. As would be expected, median and lower quartile prices are highest for detached properties in the Borough at £285,995 and £233,000 respectively. Semi-detached properties cost approximately 60% of the price of detached properties, both for median (£174,950) and lower quartile (£148,000) prices.

Table 9.7 Median and Lower Quartile House Prices by House Type (2018) - Stafford Borough

	Median			Lower Quartile		
	Stafford	Staffordshire	England	Stafford	Staffordshire	England
Detached	£285,995	£281,998	£340,000	£233,000	£227,500	£250,000
Semi-detached	£174,950	£169,998	£215,000	£148,000	£140,000	£153,500
Terraced	£147,500	£138,000	£189,000	£124,250	£112,000	£125,000
Flats/Maisonettes	£133,500	£119,950	£218,000	£94,000	£89,500	£135,000

Source: HPSSA Dataset 9 and Dataset 15

9.48 In both the Borough and Staffordshire County, the median and lower quartile price paid for terraced properties is greater than that for flats or maisonettes, whereas nationally, the median

and lower quartile price for flats exceeds that for terraced properties, indicating the high cost of flats in urban cities.

9.49   Figure 9.19 shows the distribution of median house prices by Parish across the Borough, based on HM Land Registry Price Paid Data for 2018. The highest median house prices (over £400,000) are found in the rural sub-market, particularly in the east of the Borough, in the Parishes of Milwich, Fradswell and Stowe-by-Chartley, and in Tixall and Bradley. The lowest median house prices (between £150,000 and £200,000) are found in Stafford, Stone, Barlaston, Hilderstone and Whitgreave.

Figure 9.19 Median House Prices Paid (2018) by Parish
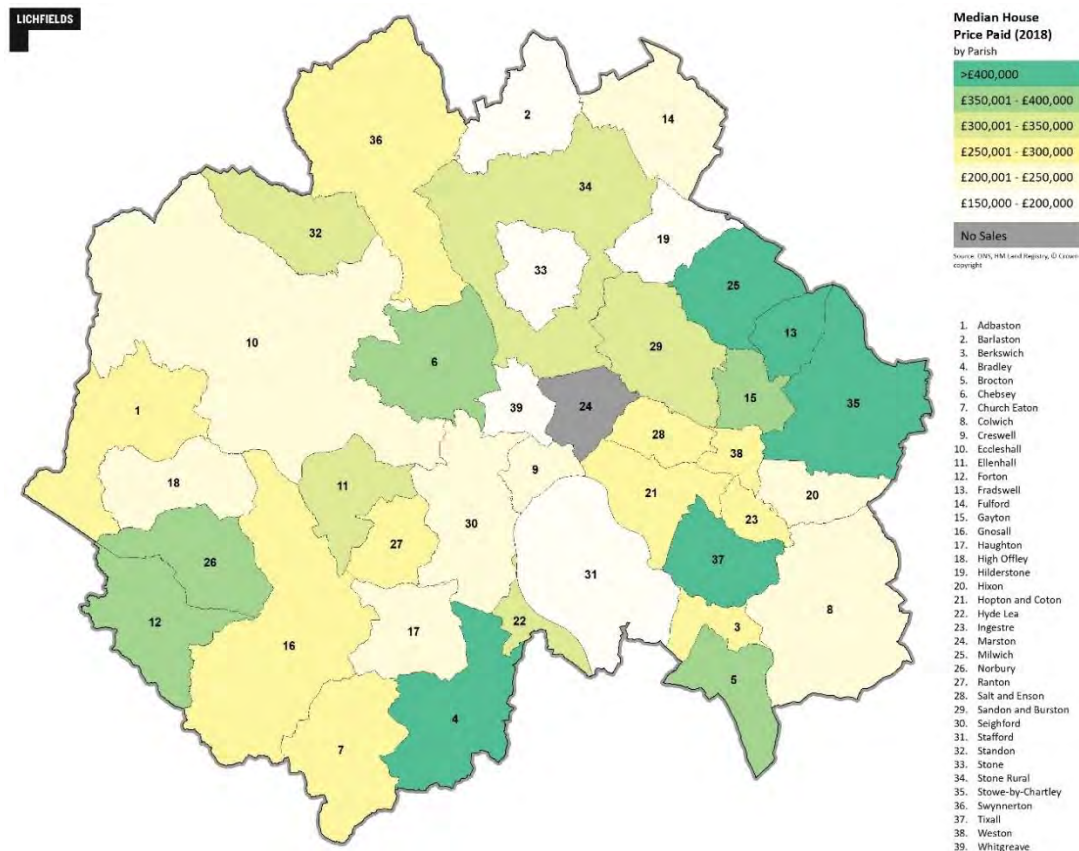
Source: ONS, HM Land Registry (2018)

Rental Levels

9.50   High and increasing rents in an area are a further signal of stress in the housing market. Median rents in the Borough in September 2017 were £585 per month, with median rents ranging from £435 per month for a 1 bed property, to £875 per month for a 4+ bed house (Figure 9.20). The median rent paid in Staffordshire was slightly lower on average, at £575 per month. The range is marginally wider at the lower end, from £430 per month for a 1-bedroom dwelling to £875 for a 4+ bed house. Overall, rental values in the Borough are 15% below the national average.

Figure 9.20 Median Monthly Rental Prices in Stafford, Staffordshire and England (2017)
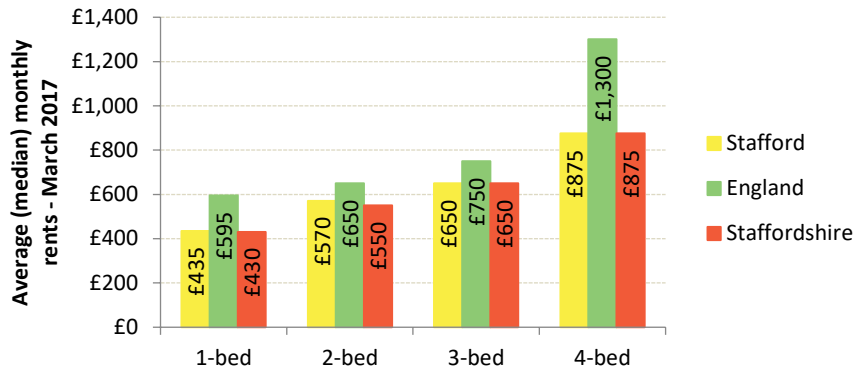
Source: VOA (2018) Private rental Market Statistics

9.51   Figure 9.21 shows private market rent levels across the Borough, based on data from Rightmove (February 2019). The median rental price across the Borough is £620 pcm based on 343 properties across all dwelling types. Parishes shown in grey represent areas where there were no properties for rent at the time of data collection.

Figure 9.21 Median Rents by Parish
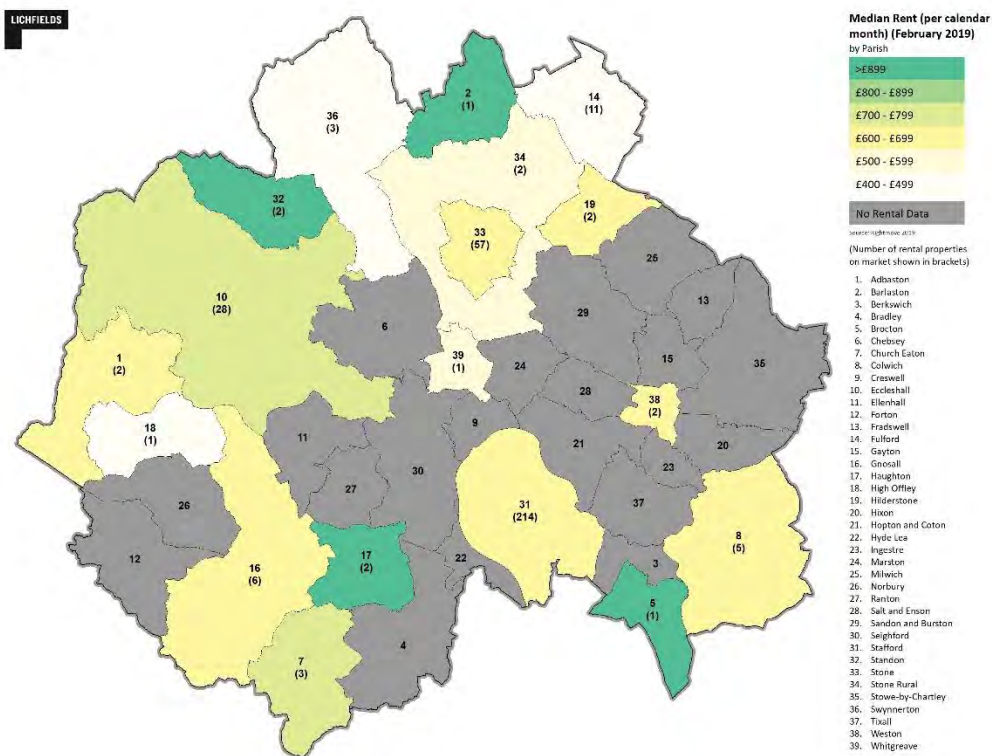
Source: Rightmove (Feb 2019)/Lichfields Analysis

9.52   Although median rents across all house types and sizes range from £400 pcm in High Offley to £3,500 in Barlaston, these two values were based on just one property in each of these parishes (a 1 bedroom flat in High Offley and a 5-bed detached house in Barlaston) which are unlikely to accurately reflect the true nature of the rental market.

9.53   For each of the parishes with rental levels of £900 pcm or more, only a handful of properties (all of which were larger detached or semi-detached properties) were listed, although it may be the case that smaller properties to rent simply do not exist in these areas. The median rent for Stafford (£600 pcm based on 214 properties) appears relatively low for the Borough, as is the case in Stone (£650 pcm based on 57 properties).

9.54   The lower quartile rent across the Borough, based on the 343 properties on the market in February 2019, was £510 pcm, as shown by Table 9.8. The lowest lower quartile rents were experienced in the Rural North sub-area (£460 pcm) whilst the highest were experienced in the Rural East (£631 pcm), although this may in part reflect the small number of properties that were listed for rent at the time of data collection. Stafford and Stone had lower quartile rents of £500 pcm and £540 pcm respectively.

Table 9.8 Lower Quartile Rents by Sub-Area

	Lower Quartile Rent (pcm) February 2019
Stafford	£500.00
Stone	£540.00
Rural East	£631.25
Rural North	£460.00
Rural West	£585.00
Stafford Borough	£510.00

Source: Rightmove (Feb 2019)

Affordability Ratios

9.55   The former CLG SHMA Practice Guidance version 2 (2007) defines affordability as a *'measure of whether housing may be afforded by certain groups of households'* (Annex G). A household can be considered able to afford to buy a home if it costs 3.5 times the gross household income for a single earner household or 2.9 times the gross household income for dual-income households. Where possible, allowance should be made for access to capital that could be used towards the cost of home ownership (page 42).

9.56   The PPG**'s standard methodology for calculating local housing needs incorporates the most** recent median workplace-based affordability ratios as an uplift to the average annual household growth. This is a helpful measure of identifying areas where the market is under stress, as affordability involves comparing costs against **a households' ability to pay, with the higher the** ratio, the more unaffordable a home is in that locality.

9.57   As shown in Figure 9.22, the ratio of median house price to median residence-based earnings in the Borough was 6.82 in 2018. This is significantly lower than the median affordability ratio for England, which was 8.0 in 2018. However, lower quartile affordability ratios in Stafford are worse (7.68 in 2018), indicating that even the lower price houses may be unaffordable to those on lower incomes living in Stafford. In general affordability ratios have increased over time, highlighting that properties have become less affordable, although the median affordability ratio for the Borough decreased notably between 2007 and 2013, coinciding with the recession.

Figure 9.22 Residence-based Median/Lower Quartile Affordability Ratios for Stafford and England

Source: ONS Ratio of House Price to Residence-based Earnings (Lower Quartile and Median)

9.58   Workplace-based affordability ratios are higher in the Borough than residence-based ratios. In 2018, the ratio of median house price to median workplace-based earnings was 7.39 and the lower quartile ratio was 8.01 (Figure 9.22). This compares to a median affordability ratio for England of 8.00 and a lower quartile ratio of 7.29. This again indicates that even lower priced houses may be unaffordable to those on lower incomes working in Stafford. Workplace-based affordability ratios show the same trend as residence-based ratios over time.

Figure 9.23 Workplace-based Median/Lower quartile Affordability Ratios for Stafford and England

Source: ONS Ratio of House Price to Workplace-based Earnings (Lower Quartile and Median)

Vacancy Rates

9.59   On 1st October 2018, CLG[53] recorded a total of 1,962 vacant dwellings in the Borough. Of these dwellings, 670 were classified as 'long term' vacant properties (i.e. they had been vacant for longer than 6 months). Homes become vacant for many reasons, including natural churn in the market (e.g. a void between tenancies or short-term vacancies as people move home). However, long term vacancies may indicate either structural weaknesses in the housing market (e.g. low demand) or may be reflective of problems with the stock of housing (e.g. condition or type). Of the 1,962 vacant dwellings, 320 are categorised as second homes (16%).

9.60   Across the Borough, overall vacancy rates remained between 2.7% and 3.2% over the period 2004 to 2018. The overall vacancy rate has been relatively stable over the period as shown in Figure 9.20. The vacancy rate peaked in 2015 at 3.2% and has since remained at broadly this level.

Figure 9.24 Total and long-term vacancy rates in Stafford Borough and Staffordshire

Source: CLG Live Table 615 Vacant dwellings by local authority district and CLG Live Table 125: Dwelling Stock estimates by local authority district

9.61   Long term vacancy rates in the Borough have experienced a trend of gradual decline between 2006 and 2011, from 2.5% in 2006 to around 0.9% in 2013 and 2014. The figure has slightly risen since then to 1.1% in 2016 and has since kept broadly at this level. This figure is slightly higher than the national long-term vacancy rate of around 1% and the Staffordshire rate in 2018 of 0.9%.

9.62   Figure 9.25 illustrates the number of vacant social housing in the Borough between 2005 and 2017. In 2017, the amount of vacant Registered Provider dwellings as a proportion of stock was 0.59%, whilst the long-term vacancy rate was just 0.31%.

[53] Calculation of Council Tax Base for Formula Grant Purposes, October 2018

Figure 9.25 Vacant Registered Provider dwellings in Stafford and Staffordshire 2005 – 2018
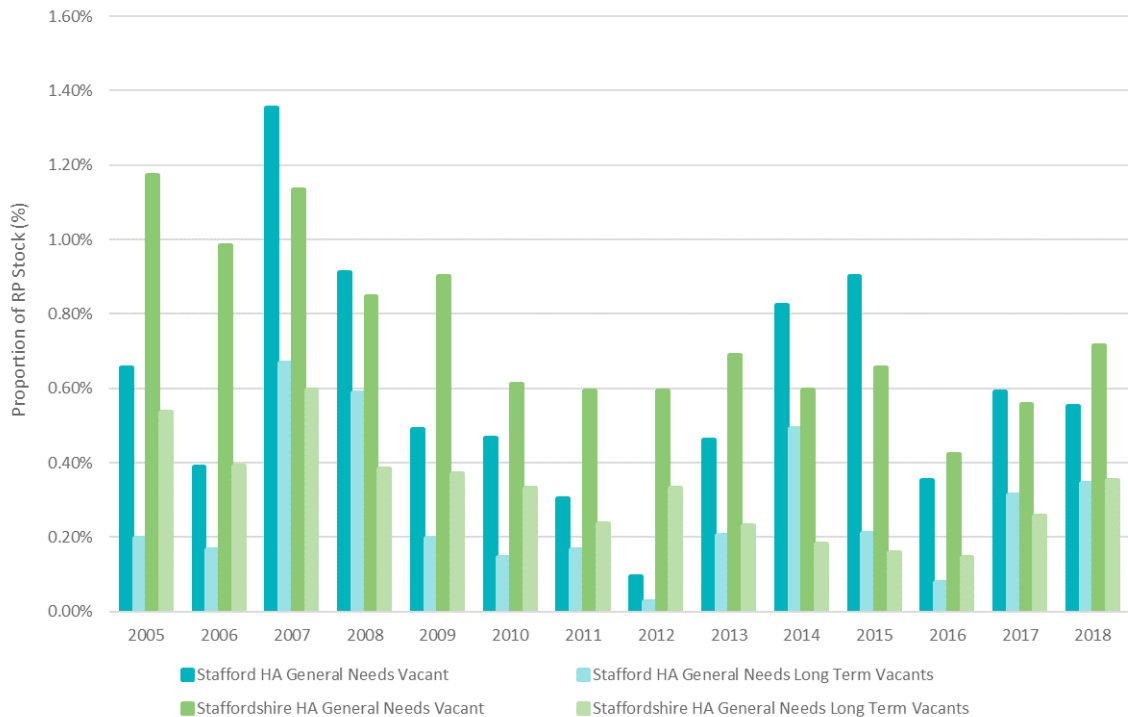
Source: CLG Live Table 615: Vacant dwellings by local authority district and CLG Live Table 115: Dwelling stock: PRP stock by district

9.63   In terms of the differences in tenure on vacant homes, CLG data for the Borough shows that 45 Registered Provider properties were vacant in 2018, with just 28 of those comprising long term vacancies. This indicates a much lower level of total vacancy within affordable tenures than the private market and very few long-term vacant properties, which could be suggestive of a mismatch between demand and supply in the Borough.

Overcrowding and Homelessness

9.64   Indicators on overcrowding, sharing households and homelessness can demonstrate unmet need for housing within an area. The previous 2014 version of the PPG stated that indicators on:

"...overcrowding, concealed and sharing households, homelessness and the number in temporary accommodation demonstrate unmet need for housing. Longer term increases in the number of such household may be a signal to consider increasing planned housing numbers..."[54].

9.65   Whilst this section has now been removed from the latest iteration of the PPG, overcrowding and homelessness nevertheless represents an important housing market indicator.

9.66   The Census measures overcrowding based on a standard formula; this measures the relationships between members of a households (as well as the number of people in that household) to determine the number of rooms they require. A rating of -1 or less indicates a household has one fewer room than required, +1 or more indicates a household has one or more rooms than needed. At the national level, affordability issues in recent years, as well as a shortfall in housing supply, have meant that people are either willing to accept sub-optimal

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[54] §2a-019-20140306

living conditions (e.g. living in a smaller home to manage costs) or are forced into accepting such housing outcomes (e.g. are priced out of the market and have to share with friends/family).

9.67 Table 9.9 illustrates that overcrowding against the occupancy rating in the Borough is not considered to be severe, with just 3.8% of households living in a dwelling that is too small for their household size and composition. This compares to 4.0% across Staffordshire, 6.8% in the West Midlands and 8.7% nationally. It represents a consistent level with that recorded in the Borough a decade earlier in 2001 (3.0%) which is again below the national trend (7.1%) at that time.

9.68 It is recognised that Census 2011 data is now quite dated and there have been significant changes to welfare policy since the Census. However, it remains the most comprehensive data set which is available to assess these issues.

Table 9.9   Overcrowding: Household Room Occupancy Rating

	2001			2011		
	Total Households	-1 room occupancy or less	-1 room occupancy or less (%)	Total Households	-1 room occupancy or less	-1 room occupancy or less (%)
Stafford	**50,012**	**1,491**	**3.0%**	**55,703**	**2,129**	**3.8%**
Staffordshire	328,236	11,772	3.6%	355,263	14,372	4.0%
West Midlands	2,153,672	121,130	5.6%	2,294,909	156,344	6.8%
England	20,451,427	1,457,512	7.1%	22,063,368	1,928,596	8.7%

Source: Census 2001/Census 2011

Note: the definition of the Census 'bedroom standard' is slightly different from the 'occupancy rating' that informs the Government's Under-Occupancy Charges, i.e. the Census states that 'two persons of the same sex aged between 10 and 20' can occupy one bedroom, whilst the Under-Occupancy Charge changes this to 'any two children of the same sex aged under 16'. It is possible that if the Government's policy continues into the long term, then changes will be made to the categorisation of the Census's Occupancy Rating to bring the two datasets into line.

9.69 The Census also recorded the number of concealed families, i.e. where there is more than one family present in a household. Nationally, this rose significantly between 2001 and 2011, at least in part due to the impact of recession on younger households' ability to afford their own home. This meant that many younger people, including families, remained in the family home for longer than might have been expected in the past, either through choice (to save money) or through necessity.

9.70 At the time of the 2011 Census, 1.9% of all families in England were concealed; this represented 275,954 families. This is a rise compared to 2001, when 1.2% of families were concealed. In the Borough, there were 459 concealed families at the time of the 2011 Census, a rise from 0.7% in 2001. Staffordshire had a comparable proportion of concealed households (1.3%). Both the Borough and Staffordshire have a substantially smaller proportion of concealed families than the West Midlands (2.2% in 2011). This is shown in Table 9.10.

Table 9.10   Concealed Families in Stafford, Staffordshire and England - 2001-2011

	2001		2011		Change in number of concealed families	% change in number of concealed families
	No.	%	No.	%		
Stafford	262	0.7%	459	1.2%	+197	75.2%
Staffordshire	2,001	0.8%	3,314	1.3%	+1,313	65.6%
West Midlands	21,435	1.4%	34,461	2.2%	+13,026	60.8%
England	161,254	1.2%	275,954	1.9%	+114,700	71.1%

Source: Census 2001/2011

9.71   The levels of overcrowding and concealed households in the Borough are moderate when compared with the national average. However, the number of concealed families has grown at a quicker rate in the Borough than is the case across Staffordshire, West Midlands or England.

9.72   The level of overcrowded households may also reflect cultural preferences of some households who chose to live with multiple generations and extended family members through choice rather than necessity. The level of overcrowding and number of concealed households is not so significant so as to conclude that there is severe market pressure, but it nevertheless highlights a degree of inadequacy in the housing market. This could be closely linked to the proportion of 2-up, 2-down housing stock and/or number of households living as extended families requiring larger properties that may not be available or affordable.

9.73   Levels of overcrowding are therefore stable in the Borough, whilst the rate at which national and in other areas within the region is increasing. In this regard, the level of overcrowding in the Borough has only marginally worsened between 2001 and 2011, from 3.0% to 3.8% (by way of comparison, the lowest rate nationally was 1.96%, in Broadland, whilst the highest in 2011 was 34.90% in Newham. The national rate was 8.7%, substantially higher than the Borough's.

Summary

- Sales have recovered since 2013, reaching 2,571 in 2017. This represents 4.2% stock turnover, which is slightly higher than the Staffordshire average.

- The median house price in the Borough was £180,000 in 2018, in line with the Staffordshire average. Median house prices have increased since 1995, stabilising between 2007 and 2013 as a result of the recession. Lower quartile house prices follow the same pattern over time. In 2018, the lower quartile house price in the Borough was £150,000, which is below the national average but higher than that for Staffordshire.

- The highest median house prices in 2018 were in the rural submarket area, particularly in the east of the Borough. The lowest median prices were in Stafford Town, Stone and the parishes of Barlaston, Hilderstone and Whitgreave.

- Private rents in the Borough range from £435 pcm for a 1-bedroom property to £875 for a 4+ bedroom property. These values are comparable to the Staffordshire average but are lower than the national average, particularly for larger property sizes.

- Median affordability ratios (both residence and workplace-based) have generally increased over time, indicating worsening affordability. Lower quartile ratios in Stafford are worse than median ratios, indicating that those on lower incomes may struggle to afford even lower priced properties.

- Overall and long-term vacancy rates are generally stable but have increased slightly in recent years and are above the Staffordshire average. There is a much lower level of total

vacancy within affordable tenures than the private market and very few long-term vacant properties.

- Overcrowding is not considered severe in Stafford, with only 3.8% occupying a property too small for their requirements. This is lower than the Staffordshire, regional or national average. The proportion of concealed families is lower than the regional and national averages but grew at a quicker rate between 2001 and 2011.

The Universities and Students

Current position

9.74   Stafford town **is home to Staffordshire University's Centre of Excellence which is focussed on** delivering healthcare courses. In 2016, Stafford University sold the Stafford Campus and merged a number of courses with its Stoke campus.

9.75   Discussions with the University highlighted there are between 1,600 and 2,000 students located at the campus in Stafford. A further discussion with the New Beacon Group (who bought the Staffordshire University Campus in Stafford) highlighted that there are currently 50 students living in the halls-of-residence on the Stafford Campus, though there is the potential for 600 students in existing halls. The New Beacon Group is currently investing and modernising the existing halls of residence.

9.76   Stafford College, part of Newcastle and Stafford Colleges Group, is also located in Stafford.

Historic Change

9.77   The 2011 Census showed that there were 1,360 people in the Borough living in student households and a further 439 single person student households (i.e. students living alone), a total of 1,799 students. Furthermore, there were 324 households where all occupants were students plus a further 439 single person student households, totalling 736 households, giving an average household size of 3.7 for student households (e.g. those living in privately rented houses in multiple occupation).

9.78   There were a further 909 students living in other households (living in one family households with spouse, partner or children – 522 students and living in other household type – 387 students) and a further 4,821 living with parents, however this includes some full-time students who attend sixth form and not at University.

9.79   Mosaic data published by Experian shows that there are clusters of student housing close to the Centre of Excellence (north east of Stafford Town Centre) as shown in Figure 9.26.

Figure 9.26 Distribution of 'Rental Hub' classification types by Postcode
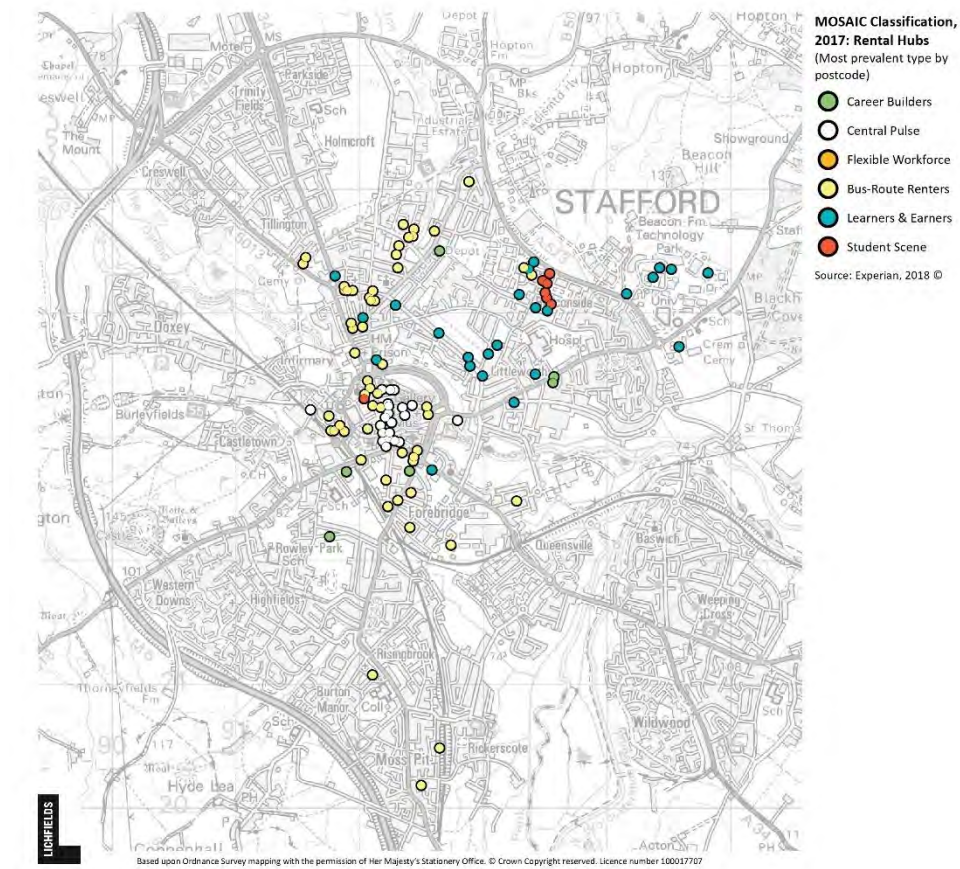
Source: Lichfields using MOSAIC

Affordable Housing

Supply of, and Demand for, Affordable Dwellings

9.80   The supply of new affordable dwellings provided in the Borough has varied in line with market factors in recent years. Table 9.11 demonstrates that affordable housing completions in the Borough peaked in 2016/17, when 343 affordable completions were delivered (of which 187 were affordable rent completions). The average affordable housing completion rate over the past 6 years has been an impressive 193 dpa.

Table 9.11   Affordable Housing Delivery in Stafford Borough

	Social Rent	Affordable Rent	Intermediate	Total
2013/14	13	49	29	**91**
2014/15	51	135	13	**199**
2015/16	22	110	27	**159**
2016/17	86	187	70	**343**
2017/18	150	29	40	**219**
2018/19	66	34	47	**147**

Source: SBC Officers 2019

9.81   According to Council Housing Officers, there were 196 households on the official Council Housing Register as of 26th June 2019, who were not already living in social housing (comprising 289 households in priority need, of whom 72 are already in social housing and a further 21 are in supported housing). The Housing Register and MHCLG HSSA data shows that with the recent substantial decline in the number of households on the housing register, the Waiting List total is now the lowest it has been since before 1997. The numbers on the waiting list fluctuated significantly prior to the recession, with the pre-recession peaks in 2001/02 and 2003/04. The low waiting list totals in 2007/08 may reflect the large number of completions in 2004/05.

10.0 # Local Housing Need

Introduction

10.1 The Framework states that to determine the minimum number of homes needed in an area, strategic policies should be informed by a Local Housing Need [LHN] assessment, conducted using the standard method as set out in the PPG, unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. This section reports the findings of this analysis for the Borough.

Starting Point – Standard Methodology

10.2 At present, the standard methodology would result in a local housing need figure of 408 dpa for the Borough. This is based on the 2014-based household projections for 2019-2029, which equates to household growth of 337 per annum (3,367 over the 10-year period), plus a market signals uplift of 21%. This latter figure has been generated as follows, based on the most recent (April 2019) affordability ratio data for the Borough:

- Median local workplace-based affordability ratio[55] (2017) = 7.39
- deduct 4 = 3.39
- divide by 4 = 0.8475
- multiply by 0.25 = 0.212 (21%)

10.3 This 408 dpa figure is slightly lower than the 424 dpa figure generated by the standard methodology in September 2017, despite the fact that affordability ratios have been worsening in the Borough (increasing from 6.67 in 2016 to 7.39 in 2018). This is due to the household projections being lower over the period 2019 to 2029, than the over period used previously.

10.4 The Council's adopted Local Plan figure is 500 dpa (Policy SP2), this dates from June 2014 and is therefore more than 5 years old. The PPG states that where the relevant strategic policies were adopted more than 5 years ago, the local housing need figure is capped at 40% above whichever is the higher of:

- the projected household growth for the area over the 10-year period identified in step 1; or
- the average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).

10.5 As per example 2b in paragraph 2a-004-20190220 of the PPG:

- the average annual housing requirement figure in the existing relevant policies is 500 dpa;
- the average annual household growth over 10 years is 337;
- the minimum annual local housing need figure is 408 dpa;
- cap is set at 40% above the higher of the most recent average annual housing requirement figure or household growth; and
- therefore, the cap calculation is as follows: = 500 dpa (adopted housing requirement) x 40% = 700 dpa.

10.6 The capped figure is greater than the minimum annual local housing need figure and therefore does not limit the increase to the Borough's minimum annual housing need figure of 408 dpa.

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[55] ONS (2018): Ratio of median house price to median gross annual (where available) workplace-based earnings by local authority district, England and Wales, 1997 to 2018 (Appendix 6)

10.7   The starting point for assessing local housing need in Stafford is 408 dpa and will be used as the minimum LHN starting point for the remainder of this report.

Consideration of a different figure to the LHN generated by the standard method

10.8   The Framework is clear that the standard methodology is the default approach for calculating **local housing need unless there are "exceptional circumstances" which could justify an** alternative approach which also reflects current and future demographic trends and market signals [paragraph 60].

10.9   The Government is clear that the figure derived by the LHN target is intended to be a <u>minimum</u> figure, with justifications to go below this relating to environmental or policy constraints rather than issues over the reliability of the household projections:

"Local housing need does not represent a mandatory target – it is simply a starting point for planning, and local authorities may either choose to plan in excess of this or to conclude that they are not able to meet all housing need within their boundaries, for example due to constraints such as protected designations and Green Belt, or whether that need is better met elsewhere. This means there is flexibility for local authorities to manage movements in local housing need locally."[56]

10.10   The PPG states that once a strategic policy-making authority has established a housing need figure, it will need to consider the extent to which it can be met, which presumably factors in the aforementioned policy considerations. These are therefore outwith the scope of a SHMA and are for the Council to consider as part of its plan-making process.

10.11   However, the 2018 PPG also sets out that there will be circumstances when a <u>higher</u> figure than that generated by the standard method might be considered. This is because the standard method does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour.

10.12   Circumstances which might justify an uplift include where[57]:

- *growth strategies are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- *strategic infrastructure improvements are likely to drive an increase in the homes needed locally;*
- *an authority has agreed to take on unmet need from neighbouring authorities, as set out in a statement of common ground;*

In addition, there may also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment (SHMA) are significantly higher than the outcome from the standard method. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.

10.13   The PPG also provides guidance on how the housing needs of particular groups relate to the overall housing need calculated using the standard method:

"The [housing need of particular groups of people] may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the

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[56] MHCLG (October 2018): *Technical consultation on updates to national planning policy and guidance*, page 13
[57] PPG Reference ID: 2a-010-20190220

whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method.

Strategic policy-making authorities will need to consider the extent to which the needs of specific groups can be addressed in the area, taking into account:

- *the overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);*

- *the extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and the anticipated deliverability of different forms of provision, having regard to viability. The household projections that form the baseline of the standard method are inclusive of all households including travellers as defined with Planning Policy for Traveller Sites.*[58]*"*

10.14 The PPG goes on to give additional guidance as to how the needs should be met in the future for older people, disabled people and planning policy for traveller sites. The PPG[59] states that for rural areas:

*"**The nature of rural housing needs can be reflected in the spatial strategy set out in relevant** policies, including in the requirement figures for any designated rural areas. A wide range of settlements can play a role in delivering sustainable development in rural areas, so blanket policies restricting housing development in some types of settlement will need to be supported by robust evi**dence of their appropriateness."***

10.15 For the purposes of this study however, the needs of individuals living in communal C2 accommodation, such as elderly residents living in Care Homes and students living in halls of residence, have been assessed separately.

10.16 Finally, the PPG also requires a calculation to be made of the total annual need for affordable housing, as detailed above.

10.17 The remainder of this chapter addresses each of the aforementioned elements in order to assess whether exceptional circumstances exist to justify uplifting the 408 dpa LHN figure generated by the standard method.

Demographic Analysis

Population Projections

10.18 Sub National Population Projections (SNPP) project the population of all local authorities in England over the period for a 25-year period and are based on the assumption that demographic trends (births, deaths and in/out migration) that were experienced during the preceding 5-year period will continue into the future.

10.19 The 2016-based SNPP are the most up-to-date population projections published in May 2018, these update the 2014-based projections. However, as mentioned previously, the 2014-based population projections are used as demographic starting point for the assessment of local **housing needs in this study, in alignment with the Framework's aim to 'significantly boosting the supply of homes'**[60] **and the aim of delivering 300,000 new homes by the mid 2020's.**

10.20 The 2014-based SNPP anticipate that the population of the Borough will increase by 11,300 people over the period 2014 and 2034 (8.5%) equivalent to 452 persons per annum. This is a

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[58] PPG: ID: 67-001-20190722
[59] PPG: ID: 67-009-20190722
[60] NPPF (2018) paragraph 59

greater growth than projected by the 2016-based projections which project a growth of 7,100 people over the period 2016 and 2041 (5.3%); 284 persons per annum.

Figure 10.1 Components of population change in Stafford Borough 2016-2039
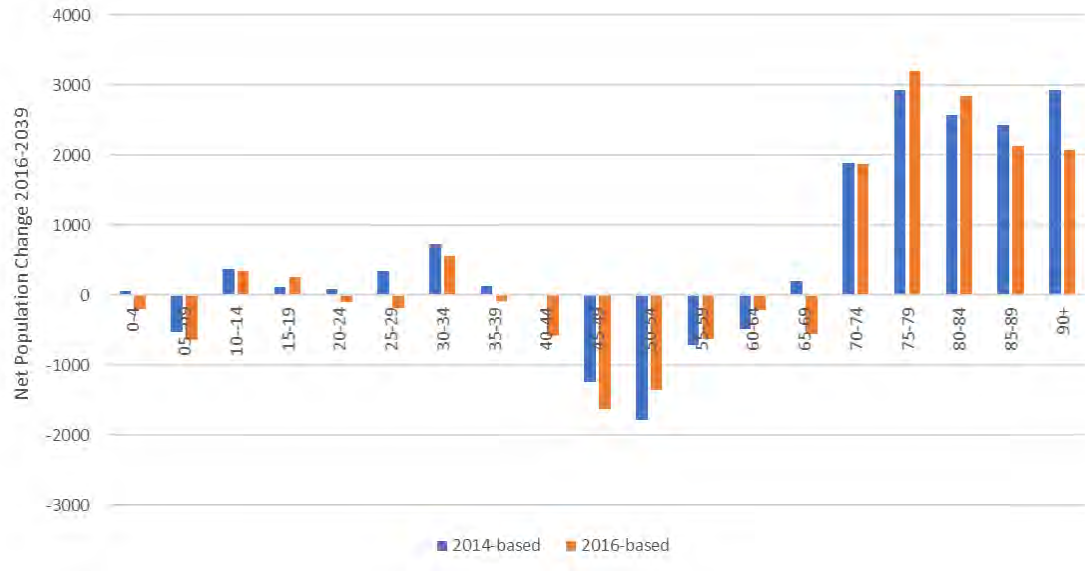
Source: 2014-based SNPP vs 2016-based SNPP

10.21   Figure 10.1 indicates that the pattern of individual age cohorts shows:

- A negative growth in younger age groups 20-29-year olds compared to positive growth projected by the 2014-based projections;

- 65-69-year olds where the 2016-based SNPP project a negative change to this age group compared to a small positive growth under the 2014-based SNPP; and

- 90+ age group where there 2016-based projections project.

10.22   Population projections, both the 2014-based and 2016-based indicates that population growth in the Borough will be driven by the over 70s. Whilst those aged between 20 and 40 will increase modestly (1,289) in the 2014-based projections, the number of residents aged between 40 and 60 will decline by 4,225. This could have a negative impact on the local economy unless there are measures implemented to increase the employment rate. In contrast the number of older residents over 60 is projected to increase by 12,460 (33%) over the next 23 years.

10.23   Based on the 2014-based projections, the population change in the Borough over the Local Plan period is expected to be driven by net migration from elsewhere in England, c. 10,000 people over the period 2014 to 2039. Net international migration is expected to contribute c. 5,000 immigrants over the projection period. Natural change is expected to be negative over the period as a result of more deaths compared to births across the Borough.

Household Projections

10.24   As a consequence of the downward revisions to the population projections highlighted through the comparison of the 2014 and 2016 based projections, the 2016-based household projections also resulted in considerable revisions compared to the 2014-based household projections. This was a consequence of two factors:

1   The revised 2016-based population projections upon which the household projections are based; and

2   The changes to the methodology underpinning the 2016-based household projections.

10.25   The 2016-based household projections were the first set of projections to be produced by ONS. The methodology underpinning the projections included the move to assessing household trends on a shorter time period, back to 2001 compared to the previous projections which utilised a longer trend back to 1971. This change in methodology implied a much sharper decline in formation rates in the shorter term.

10.26   There was already a concern that the 2014-based household projections were affected by some suppression of household formation, but the 2016-**based projections firmly 'bakes in' the**se problems as a consequence.

10.27   Over the 25-year projection period the 2014-based projections project an average household growth of 309 households per annum [hpa] compared to 229 hpa for the 2016-based SNHP. The rate of growth projected by the 2016-based projections is therefore considerably lower than both the 2012-based and 2014-based SNHP for the Borough.

10.28   The 2014-based projections suggest that by 2039 there will be c. 64,600 households in the Borough; c. 1,000 more than the 2016-based SNHP.

Figure 10.2 Household Growth Projections for Stafford Borough
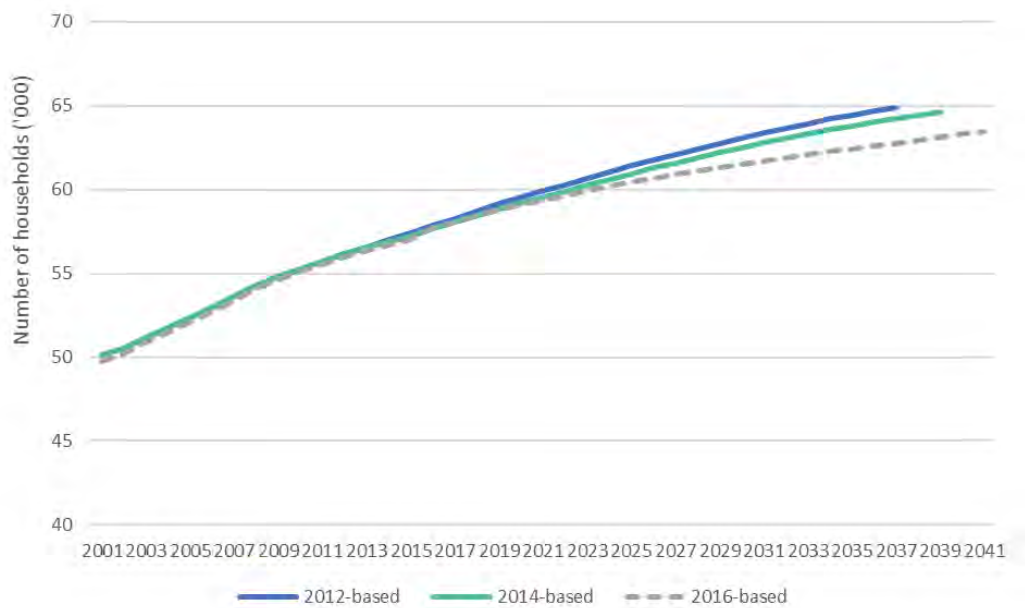
Source: CLG 2012/2014 /ONS 2016 Household Projections

Household Formation

10.29   Figure 10.3 shows how the average household size in Stafford has changed historically, and how each of the most recent Government projections projected average household size to change. It highlights that there has been a steady decline in average household size, with the 2014-based and 2016-based household projections showing a more pronounced slowing in average household size.

Figure 10.3 Historic and Projected Average Household Size in Stafford Borough
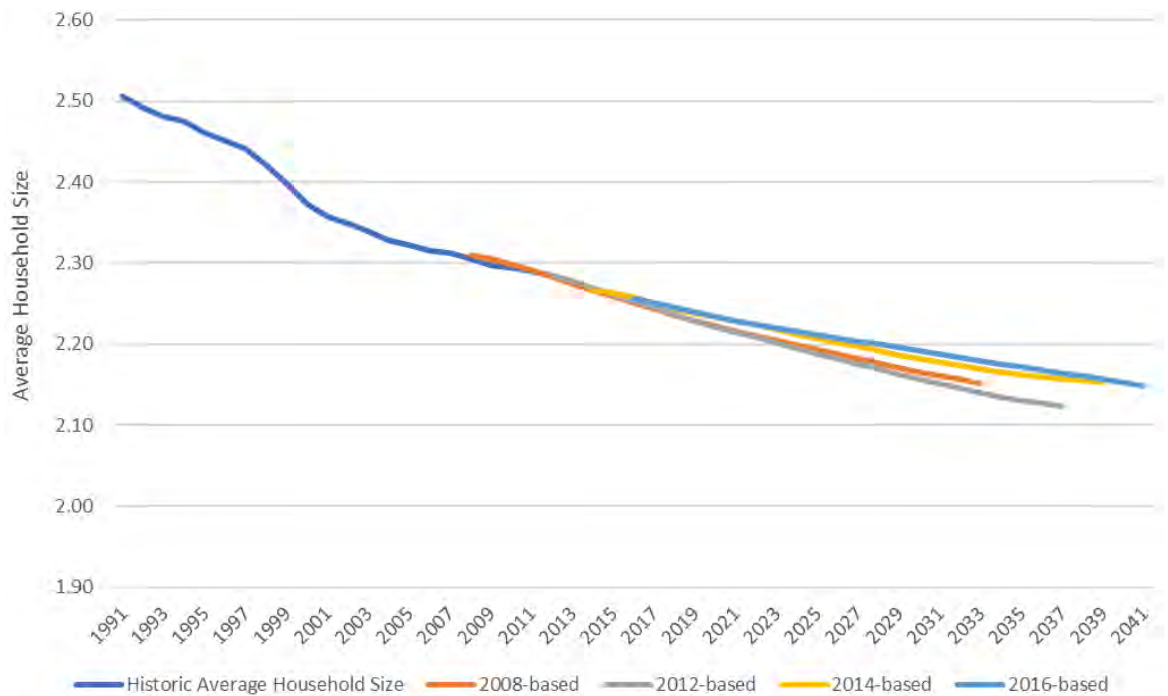
Source: Lichfields analysis based on 2012/2014/2016 based household projections

10.30   The household projections project forward constrained levels of household formation. In order to assess how many homes will actually be required in the Borough over the Local Plan period (2020 to 2040), it is important to consider the extent to which household formation rates might be expected to increase in the future. The 2014-based household projections anticipate different levels of change in headship rates for different age cohorts set out in Figure 10.4.

Figure 10.4 Change in headship rate by age cohort - 2014-based projections
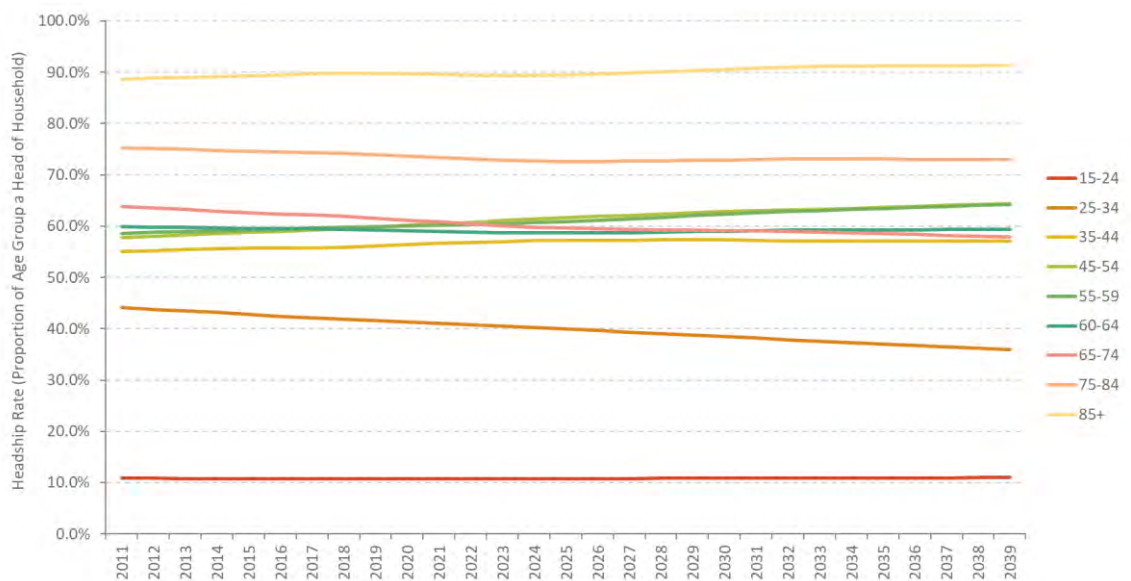
Source: CLG 2014-based sub national household projections for Stafford Borough

10.31   The different household formation rates by age cohort reflects the fact that very few people aged between 15 and 24 are likely to be able to establish their own households and the 25 to 34 age

cohort is similarly (and increasingly) likely to face pressures in establishing households. The projection suggests that headship rates amongst 25-34-year olds are likely to decrease significantly over the plan period. By contrast, the headship rate is likely to be very high amongst older people (noting that these figures do not include those that live within institutions such as nursing homes).

10.32   Figure 10.5 shows the headship rates for the age groups 15 to 24 years and 25 to 34 years for both the Borough and England. It is apparent that the headship rates are lower in the Borough than the national average for 15 to 24-year olds. For 25 to 34-year olds, whilst the headship rate for the **Borough is higher than the national average up until 2019, from 2020 the Borough's** headship rate falls below the national average.

10.33   Figure 10.5 shows that, in addition to being lower than the national average by 2034, headship rates amongst those aged 25 to 34 declined more rapidly in the Borough than nationally.

Figure 10.5 Headship Rates for 15 to 34-year olds for Stafford Borough and England
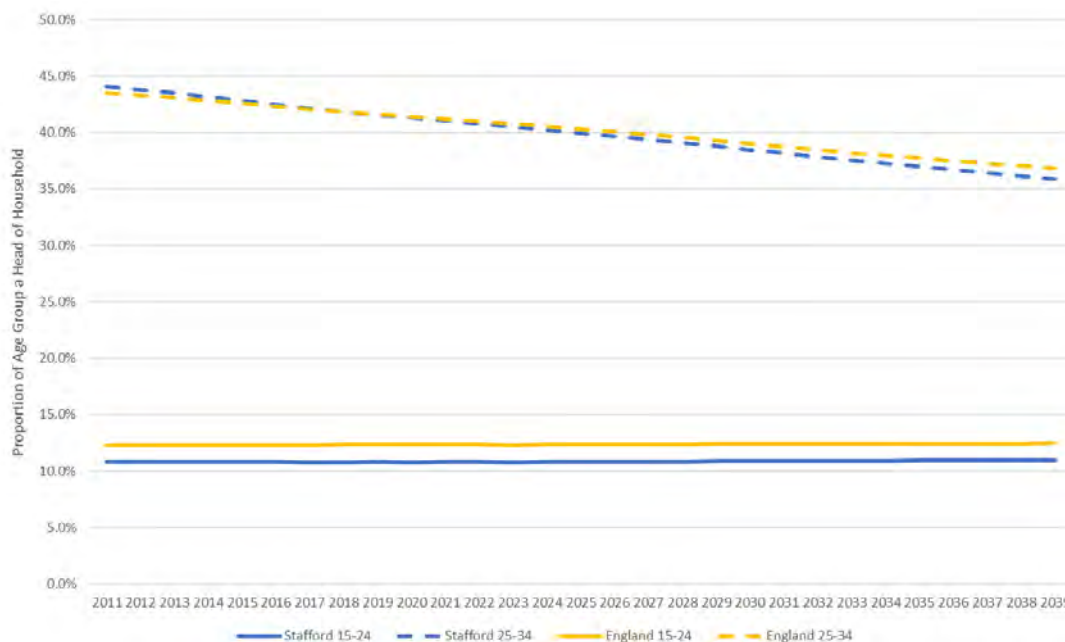
Source: 2014-based SNHP/Lichfields Analysis

Table 10.1 Headship Rates for 15 to 34-year olds (2019 to 2034)

	2019	2034	Difference
Stafford 15-24	10.8%	10.9%	0.1%
England 15-24	12.3%	12.4%	0.1%
Stafford 25-34	41.6%	37.3%	-4.3%
England 25-34	41.6%	38.0%	-3.7%

Source: 2014-based SNHP/Lichfields Analysis

10.34   It has been argued elsewhere that the affordability uplift which forms part of the standard methodology for assessing LHN provides some adjustment within the methodology to account for supressed household formation rates during the recession. However, the analysis in Table 10.1 indicates that the propensity for younger people in the Borough to form a head of a household is lower than the national average. As a result, in the subsequent sections of this report a partial catch-up rate (PCU) for households aged 15 to 34 has been considered when assessing future housing need in Stafford.

Summary

10.35 Overall, it is considered that the 2016-based household projections for the Borough do not underpin the **Government's ambition to 'significantly boosting the supply of homes'** and as such the 2014-based projections represent the most reasonable assessment of likely future growth in the context of past trends and likely future change.

10.36 Although the change between the 2014-based and 2016-based household projections are not as pronounced in respect of household size, both show a significant slowdown compared to historic trends. It is likely that the ageing population is a key driver of future housing growth across the Borough which is similar to many other parts of the UK.

Future Housing Scenarios

10.37 Based on the trends identified through the demographic and economic assessment of the Borough, a number of scenarios have been considered to sensitivity test whether any adjustment is required which deviates from the locally assessed need identified by the standard method.

10.38 The scenarios demonstrate the extent to which the population of the Borough could change over the Plan period and how this change would be translated into households, dwellings, numbers of economically active residents and the number of jobs that might be supported by the local population.

10.39 The number of households is translated into dwelling needs through the application of an assumption about the proportion of vacant properties/second homes that are currently recorded in the Borough.

10.40 Lichfields has modelled each of these scenarios using industry standard PopGroup demographic modelling software. The detailed assumptions utilised in the modelling can be found in Appendix 4.

Sensitivities – assumptions and approach

10.41 The following sensitivities have been considered. The starting point remains the baseline scenario (A), with various data variables and assumptions applied for each of the subsequent scenarios for the Plan period 2020 to 2040 as follows:

- Scenario A – Standard Method – **based on the Government's LHN methodology 2019 to 2029 (408 dpa)**;

- Scenario B: Baseline 2014 – a scenario utilising the 2014-based SNPP and headship rates from the CLG 2014-based SNHP;

- Scenario C MYEs 2018 – a scenario applying the same assumptions as Scenario A but utilising the 2018 Mid-Year Estimates [MYEs] for the Borough to adjust the starting point to the latest population position;

- Scenario D CE Baseline – this considers the implications of achieving the net job growth set out in the CE baseline forecasts (c.5,920 jobs over the period 2020 to 2040);

- Scenario E CE Jobs Growth – Regeneration – this scenario considers a regeneration scenario which includes the growth projected to occur at a new garden community and Stafford Station Gateway, equal to around 12,500; and

- Scenario F: Past Trends Job Growth – projecting forward the CAGR job growth of 0.83% achieved between 2000 and 2018 over the 2020-2040 plan period;

- Scenario G Jobs Growth - Jobs Boost – based on the CE baseline forecast, with the net growth increased by 50% (resulting in a total jobs growth of c.8,900)

10.42   Scenarios B-G have also been run using accelerated headship rates (PCU). Starting post-2017, headship rates amongst 15-34 year olds are projected to make up 50% of the difference of long term trends. These age groups were most significantly impacted during the recession as a result of tougher deposit requirements and falling relative incomes. As the household projections draw on past trends, this results in household formation rates continuing to be supressed going forward, locking in patterns of low household formation rates for particular age cohorts. Applying PCU rates to the modelling rebalances the household formation rates to reflect the accelerated rates young people are able to form households since the end of the recession.

10.43   It should be noted that the 2014-based projections project forward over a 25-year period to 2039, therefore for the purposes of modelling it is assumed a pro rata change for one year to 2040

Modelling Results

10.44   The scenarios use components of population change (births, deaths and migration) to project how the future population, household composition and consequent need for housing will support future employment growth. The headline results for each scenario are outlined below.

10.45   For the demographic scenarios, a 21% market signals (or affordability) uplift has been applied as per Step 2 of the standard method.

Scenario B: 2014 SNHP Baseline

10.46   The standard method is based on using the 2014-based SNHP alongside the 2014-based SNPP. This scenario extends the projection period so that it equates to Stafford's identified plan period 2020 to 2040. This results in a household growth of 281 hpa 2020 to 2040. Taking into a suitable allowance for vacant and second homes (based on Council Tax data), this translates into a need for 288 dpa, increasing to 349 dpa factoring in a 21% uplift in line with the standard method.

10.47   When PCU rates are applied, this results in the need for an additional 46 dpa over the baseline need, a total of 334 dpa. This would be uplifted further in respect of the 21% affordability uplift with the need for an additional 56 dpa, a total of 404 dpa.

10.48   The summary of the demographic outputs for Scenario B are shown in Table 10.2

Table 10.2 Summary of demographic outcomes - Scenario B

2020-2040	Scenario B: 2014 SNHP Baseline	
Job growth	1,230	
Labour force growth	1,179	
Population change	8,243	
Of which natural change	-3,952	
Of which net migration	12,196	
		PCU
Households	5,611	6,510
Dwellings	5,761	6,684
Dwellings per annum	288	334
21% uplift in alignment with SM	**349**	**404**

Source: Lichfields using PopGroup

Scenario C: Official projections, updated with the 2018 MYE

10.49   As set out above, the latest 2018 MYE suggest that the population of Stafford could be increasing at a slightly faster rate than the 2014-based SNPP anticipated. In addition, population estimates provide and update the age structure in 2018, which can affect household formation patterns over the plan period.

10.50   Updating the population base to 2018 **using the ONS's 201**8 MYE, the projected housing need over the period 2020 to 2040 is 267 dpa, rising to 324 dpa including the 21% affordability uplift. When PCU rates are applied, the housing need is 315 dpa, or 381 dpa with an additional 21% uplift for affordability.

10.51   A summary of the demographic outcomes under Scenario C are shown in Table 10.3.

Table 10.3 Summary of demographic outcomes - Scenario C

2020-2040	Scenario C 2018 MYE	
Job growth	1,369	
Labour force growth	1,312	
Population change	8,508	
Of which natural change	-3,686	
Of which net migration	12,194	
		PCU
Households	5,210	6,135
Dwellings	5,349	6,299
Dwellings per annum	267	315
21% uplift in alignment with SM	**324**	**381**

Source: Lichfields using PopGroup

Future Jobs-led Change

10.52   Chapter 6 of Framework focuses on the need for planning policies and decisions to create conditions to help support economic growth.

10.53   Paragraph 81c states that planning policies should:

"seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment" [Lichfields' emphasis]

10.54   Ensuring a sufficient supply of homes within easy access employment opportunities represents a central facet of an efficiently functioning economy and can help to minimise housing market pressures. Achieving employment growth needs to be supported by an adequate supply of suitable housing.

Assumptions used in the modelling

10.55   To determine the scale of housing required to support a given level of jobs growth, some assumptions must be made about future economic activity, unemployment and commuting. These assumptions have been modelled as follows:

- Unemployment – model-based estimates for unemployment for Stafford have been obtained from the Annual Population Survey [APS]. These show that in 2018, the Borough's unemployment rate was 2.8%. This rate is lower than in preceding years and has been held constant over the period to 2040.

- Economic Activity Rates – these rates are applied to the overall population (by sex and each five-year age cohort) to determine how many people are active in the labour market (‘active’ being either in employment or unemployed and available for work). **To project** economic activity rates, the modelling uses labour market participation rates published by the Office for Budget Responsibility [OBR] in January 2017. These provide long-term projections at the national level by sex and age, by the trends can be applied to local authority areas to provide local projections.

- Labour Force Ratio – this comprises the ratio of the number of residents who are economically active in an area to the number of jobs in that area. It therefore implicitly **captures both commuting patterns and ‘double-jobbing’ (where one person may occupy** more than one job). Applying the economic activity rates to the base population in 2018 (i.e. the MYEs) gives an estimate of the total labour force as at 2018. This is then compared with the total number of jobs (as given by CE) to create the labour force ratio which is held constant across the period.

- For Stafford the 5-year average labour force ratio of 0.93 has been held constant in the modelling from 2019 onwards, which demonstrates a net in-commute. This means that the Borough is a net importer of labour.

- Other assumptions – inputs related to births, deaths, migration and household formation are the same as those applied in the demographic scenarios i.e. are taken from the 2014-based SNPP/SNHP. The modelling constrains/inflates migration to a level, which taking account of the profile of migrants moving in and out (plus natural change), produces a labour force sufficient to support forecast job growth, taking account of the ratio of labour to jobs.

Scenario D: CE Baseline

10.56   This scenario considers the jobs growth of c.5,920 over the plan period in line with the CE baseline projections. In order to support this level of jobs growth between 2020 and 2040, 435 dpa (489dpa PCU) are required.

10.57   A summary of the CE baseline economic scenario is set out in Table 11.3.

Table 10.4 Summary of outcomes - Scenario D

2020-2040	Scenario D CE Baseline	
Job growth	5,929	
Labour force growth	5,683	
Population change	16,402	
Of which natural change	-2,251	
Of which net migration	18,653	
		PCU
Households	8,467	9,518
Dwellings	8,693	9,773
Dwellings per annum	435	489

Source: Lichfields using PopGroup

Scenario E: CE Jobs Growth Regeneration

10.58   The policy-on economic scenario for the future of Stafford taking into account identified sites for future growth would deliver c.12,470 jobs over the plan period; this includes jobs growth

anticipated through an identified New Garden Community. 647 dpa (711 dpa PCU) over the 20-year plan period would be required to support this level of growth.

Table 10.5 Summary of outcomes - Scenario E

2020-2040	Scenario E CE Jobs Growth: Regeneration	
Job growth	12,473	
Labour force growth	11,955	
Population change	27,210	
Of which natural change	-1,467	
Of which net migration	28,677	
		PCU
Households	12,605	13,845
Dwellings	12,942	14,215
Dwellings per annum	647	711

Source: Lichfields using PopGroup

Scenario F Past Trends

10.59 This scenario considers the level of housing required across the Borough over the plan period to support a level of growth commensurate with that achieved between 2000 and 2018 (0.83% CAGR). This level of economic growth would require 683 dpa (746 dpa PCU) to ensure there is a sufficient population to support the jobs created.

Table 10.6 Summary of outcomes - Scenario F

	Scenario F Jobs Growth: Past Trends	
Job growth	13,126	
Labour force growth	12,581	
Population change	28,653	
Of which natural change	-646	
Of which net migration	29,299	
		PCU
Households	13,313	14,527
Dwellings	13,668	14,915
Dwellings per annum	683	746

Source: Lichfields using PopGroup

Scenario G CE Baseline +50%

10.60 This scenario considers the level of housing required across the Borough over the plan period to support a jobs growth of c.8,900. This level of growth is based on a 50% uplift to the net CE Baseline job projection. This level of future economic growth would require 540 dpa to ensure there is a sufficient population to support the jobs created, rising to 597 dpa when PCU rates are applied.

Table 10.7 Summary of outcomes - Scenario G

	Scenario G Jobs Growth: CE Baseline +50%	
Job growth	8,900	
Labour force growth	8,530	
Population change	21,515	
Of which natural change	-1,464	
Of which net migration	22,979	
		PCU
Households	10,517	11,629
Dwellings	10,798	11,939
Dwellings per annum	**540**	**597**

Source: Lichfields using PopGroup

Modelling Summary

10.61   A summary of the scenarios assessed are presented in Figure 10.6. Compared to the standard methodology minimum starting point of 408 dpa, extending the 2014-based SNPP for the Borough to 20 years, and including a very modest allowance for vacant/second homes reduces housing need to 288 dpa, or 349 dpa including the 21% affordability uplift (as household formation declines significantly post 2025). When PCU rates are applied, this rises to 334 dpa, or 404 dpa including the 21% uplift. Factoring in the latest MYE would result in a housing need of 268/324 dpa (or 315/381 dpa PCU).

10.62   An assessment of the likely future scale of job growth has been made using CE baseline jobs forecasts together with various policy-on scenarios takes into account a differing level of future growth. These jobs projections, modelled in PopGroup, suggest that there would have to be an uplift to the demographic baseline if the employment growth /policy-on forecasts are to be realised, ranging from 435 dpa (Scenario D CE Economic Forecasts) to 683 dpa (Scenario F Past Trends Jobs Growth). These equate to between 489 dpa and 746 dpa incorporating PCU rates.

Figure 10.6 Summary of Housing Need Scenarios
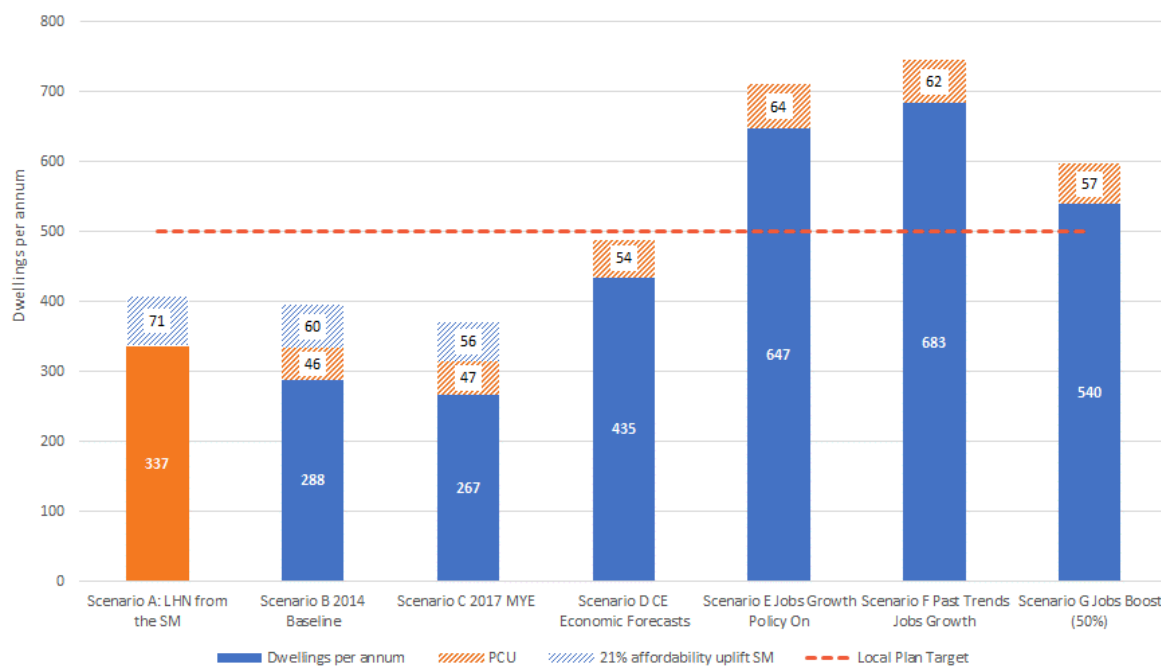
Source: Lichfields.   *Numbers may not sum due to rounding

Emerging Housing Requirement

10.63   As set out in the PPG, a local assessment of housing need should be based on the standard method formula to identify the minimum number of homes. However, MHCLG recognises that there will be circumstances where it will be appropriate to consider whether actual housing need is higher than the standard method indicates.

10.64   As summarised in detail above, the standard method figure of 408 dpa is only the minimum starting point and should not be taken forward without question. The LHN may require adjusting due to:

   1   Growth strategies for the area that are likely to be deliverable;

   2   Strategic infrastructure improvements that are likely to drive an increase in the homes needed locally;

   3   Where previous housing delivery in an area is significantly greater than the outcome from the standard method; and,

   4   Where recently-produced SHMAs suggest significantly higher levels of need.

Demographic-led Needs

10.65   The Framework and PPG sets an expectation that the standard method, underpinned by the 2014-based household projections, should be used and that any other method will be used only in exceptional circumstances.

10.66   The 2018 MYEs suggest that population growth in the Borough has increased at a slightly higher rate than was originally anticipated in the 2014-based SNPP. However, due to the ages/mix of people moving into Stafford, the impact is a slight reduction in future housing need from 349 dpa (404 dpa PCU) to 324 dpa (381 dpa PCU), including the 21% uplift for affordability.

10.67   Given the demographic behaviour patterns observed in the Borough identified in the MYEs, and the alignment between these and the 2014-based SNPP, there are no significant exceptional circumstances to justify departing from standard methodology approach. Therefore, the 408 dpa generated using the standard methodology is identified as the minimum starting point for **assessing Stafford's housing need.**

Economic Growth Strategies / Strategic Infrastructure Improvements

10.68   The Framework at paragraph 81c states that **planning policies should "***seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment***".** This retains the link between integrating economic growth and housing need. There is a clear risk that where the labour force supply is less than the projected job growth, this could result in unsustainable commuting patterns and reduce the resilience of local businesses, resulting in a barrier to investment. This sub-section explores whether, in light of likely future job growth, there is likely to be a knock-on increase in the housing need for the Borough (above that indicated by the demographic-led generated by the standard methodology).

10.69   Ensuring a sufficient supply of homes within easy access of employment opportunities represents a central facet of an efficiently functioning economy and can help to minimise housing market pressures and unsustainable levels of commuting (and therefore congestion and carbon emissions). If the objective of employment growth is to be realised, then it will generally need to be supported by an adequate supply of suitable housing. The challenge of meeting employment needs is clearly given great importance, and the Framework highlights this by

stating that "*significant weight should be placed on the need to support economic growth and productivity*" [para 80].

10.70   In this context, it is an important part of responding to both the Framework and the PPG that the Local Plan should consider the extent to which the standard method estimate of LHN is consistent with the economic success of the Borough and the wider area. In particular **considering whether 'actual housing need' is higher in response to the ec**onomic opportunities of the area.

10.71   The CE Baseline indicates considers jobs growth of c.5,930 jobs between 2020 and 2040 – with a requirement for 435 dpa (489 dpa PCU). This level of jobs growth is significantly lower than past trends in jobs growth in the **Borough and does not reflect the Council's** future growth aspirations.

10.72   In May 2019, a new Garden Community in the Borough was identified for funding by the Government. This recognition will bring with it £750k of Government funding which will help to develop detailed plans for key infrastructure such as highway improvements, schools, water and energy provision which will support sustainable development. The site could accommodate c.10,000 homes and include health provision, open spaces and community facilities along with schools and excellent digital connectivity.

10.73   The CE Jobs Growth Regeneration scenario considers the implications of a new Garden Community and Stafford Station Gateway with respect to the jobs these developments are expected to generate. With regard to a New Garden Community, Lichfields have identified that 300 dpa represents a reasonable upper limit to future housing delivery over an extended period on large sites. As such, the Regeneration scenario assumes that a new Garden Community will be delivered from 2030 onwards, with 30% of the development being delivered by 2040. This results in a jobs growth of c. 12,470 jobs over the plan period, with a housing requirement of 647 **dpa (711 dpa PCU). This scenario therefore reflects the Council's eco**nomic growth aspirations.

10.74   The Past Trends scenario assumes that the CAGR rate of jobs growth of 0.83% experienced between 2000 and 2018 is continued over the Plan Period. This results in a jobs growth of c.13,130. It is considered, given the current economic climate, that this rate of jobs growth is unlikely and would not be able to be sustained over the Plan Period. It is recognised that the current period is one of considerable economic uncertainty, in part as a result of Brexit, and that this may change, leading to more favourable economic conditions.

10.75   Discussions with stakeholders and Council Officers have highlighted aspirations to grow the **Borough's economy, particularly the advanced manufacturing sector.** The Council will need to monitor and review job growth throughout the period to ensure that the level of housing requirement remains aligned with economic conditions.

10.76   The CE Baseline + 50% scenario considers an intermediate level of jobs growth between the CE Baseline and the Regeneration scenarios, reflective of jobs growth associated with the development of Stafford Station Gateway but not including jobs associated with a potential New Garden Community development. This results in a jobs growth figure of c.8,900.

10.77   These scenarios indicate that an uplift beyond the minimum LHN as assessed through the standard methodology is required if the Borough adopts a strategy to support economic growth and seeks to ensure the labour force does not act on a drag on future economic potential. This would also align with paragraph 81c of the Framework which states planning policies should (amongst other things):

"*seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment*".

Unmet Housing Needs

10.78   The previous Stafford SHMA (2012) concluded that, based on 2001 Census data, Stafford was not considered to be a self-contained HMA and suggested it was identified that Stafford was "*part of a broader functional market which extends sub-regionally into Stoke-on-Trent*". However, the extent of the HMA was not delineated.

10.79   With the changed emphasis of the PPG (2019) focused more on short migration moves, the analysis undertaken in this study has identified that the Borough <u>can</u> be identified as a single housing market area based on short house moves. It is recognised that the Borough is part of a broader functional area particularly with the LPAs to the north and also the economic centre of Birmingham to the south.

10.80   It is understood that none of the surrounding local authorities at this current point in time will require the Borough to take on board any of their unmet housing need, or vice versa. On this basis, no uplift is required to the LHN to address any identified unmet needs from adjoining districts.

Previous delivery levels

10.81   Reviewing the Borough**'s past rate of net housing delivery** against the **Local Plan's housing** requirement of 500 dpa highlights that in the last 4 years, Stafford has delivered a greater number of homes than the requirement in the Local Plan resulting in an overall delivery of 4,633 units against a target of 4,000.

Table 10.8 Net Housing Delivery for Stafford against Local Plan Targets

	Minimum LHN	Net Housing Delivery	Difference
2011/12	500	411	-89
2012/13	500	298	-202
2013/14	500	246	-254
2014/15	500	418	-82
2015/16	500	688	+188
2016/17	500	1,010	+510
2017/18	500	863	+363
2018/19	500	699	+199
Total	**4,000**	**4,633**	**+633**

Source: ONS LT122 Net additional dwellings by local authority district, England 2001-02 to 2017-18 / The Plan for Stafford Borough, adopted 2014: Policy SP2

10.82   This level of delivery above the standard minimum suggests that there could be a greater level of housing need in the Borough compared to that identified by the standard methodology. In 4 out of the last 8 years net housing delivery in the Borough has exceeded the minimum LHN by between 40% and 100%. Net average housing delivery in the last four years has been 815 dpa, increasing from the longer-term average of 579 dpa.

10.83   Similarly, the Housing Delivery Test results were published in February 2019 and are replicated in Table 10.9. It again highlights that the Council has delivered a greater number of homes than identified by the projections, by c. 1,418 homes over the identified requirement (the lower household projections rather than the Local Plan target).

Table 10.9 Stafford Borough Housing Delivery Test 2018 Results

	2015/16	2016/17	2017/18	Total
Number of homes required	399	391	353	**1,143**
Number of homes delivered	688	1,010	863	**2,561**
Housing Delivery Test Measurements	+289	+619	+510	**+1,418**

Source: MHCLG (February 2019): Housing Delivery Test 2018 Measurement

Conclusions on Stafford Borough**'s locally**-assessed housing need

10.84　The LHN for the **Borough, as calculated using the Government's standard method, is 408 dpa.** The PPG sets out that there is an expectation that the standard method will be used and that any other method will be accepted in exceptional circumstances.

10.85　However, the standard method generates a minimum annual housing need figure. It does not produce a housing target, which is for the Council to identify and robustly justify in its Local Plan.

10.86　It is appropriate for this EHDNA to provide an overview of the evidence needed for the Council to determine whether it would be appropriate for it to deviate from the 408 dpa LHN figure.

10.87　This deviation can generate a higher figure, but in exceptional circumstances, it may be appropriate to target a lower housing requirement. The PPG states where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination.

10.88　This EHDNA has considered whether the 2014-based SNPP/SNHP, and more recent MYE, are robust for the Borough. The 2014-based projections represent the most reasonable assessment of likely future growth in the context of past trends and likely future change. Headship rates are lower for the Borough than the national average between 2019 and 2034 and therefore, usage of PCU rates to account for suppressed household formation amongst young households during the recession are important to consider when undertaking an assessment of future housing need.

10.89　A range of economic-led scenarios, from past trends to more ambitious future growth, have been considered, with a range of future housing need identified which are required to support the scenarios. These range from 435 dpa to 683 dpa (489 dpa to 746 dpa PCU). The scenarios include:

- The CE Baseline jobs growth of c.5,930 jobs results in a housing need of 435 dpa (489 dpa PCU);

- The CE Baseline + 50% scenario includes jobs growth associated with HS2 (c.8,900 jobs) and results in a housing need of 540 dpa (597 dpa PCU);

- The Regeneration scenario includes jobs growth associated with Stafford Station Gateway and New Garden Community developments (c.12,470 jobs) results in a housing need of 647 dpa (711 dpa PCU);

- The Past Trends scenario reflects the jobs growth between 2000 and 2018 results in housing need of 683 dpa (746 dpa PCU).

10.90   Given the aspirations for growth across the Borough, including the strategic growth identified around a new Garden Community and Stafford Station Gateway, it will be important that the Borough identifies a level of future housing that does not act as a drag on future economic growth. Given the jobs growth aspirations for the Borough, planning for a housing requirement of 711 dpa (Regeneration scenario including PCU) is considered a realistic approach. This level of growth is considered a more likely future scenario than a scenario based on past economic growth, given the current economic climate and the significant restructuring of the manufacturing sector that has been experienced in the Borough in recent years.

10.91   In order to support the future economic scenario for the Borough (which recognises the opportunities identified through the Stafford Station Gateway and a New Garden Community), the 408 dpa standard methodology would provide insufficient housing to support this level of future economic growth. Employment opportunities could therefore provide one driver for demand for housing in the area as people move to be closer to places of work. Lichfields view is that the future housing need in the Borough ranges from a minimum LHN of 408 dpa at the lower end, rising to 647 dpa (711 dpa PCU) at the upper end to align with the Regeneration Scenario identified need.

11.0 Affordable Housing Needs

Number of Current and Future Households in Need

11.1   Within this section, a calculation of affordable housing need, in line with the revised PPG has been undertaken for the Borough to inform the assessment of the scale of housing affordability as well as arriving at an estimate of future housing need.

11.2   The basic approach to this is:

> **Total Current Housing Need (gross) to be addressed**
> Plus
> **Total Newly Arising Housing Need (gross per annum)**
> Less
> **Annual Supply of Affordable Housing**
> Equals
> **Net Housing Need**

Background

11.3   Affordable housing is defined within Annex 2 to the Framework (2019) as:

"*housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers) and which complies with one or more of the following definitions:*

   i   Affordable housing for rent;

   ii   Starter homes;

   iii   Discounted market sales housing; and

   iv   Other affordable routes to home ownership, which is housing provided for sale that provides a route to ownership for those who could not achieve home **ownership through the market**".

11.4   With regards to the incorporation of affordable housing needs into the total housing figures included in Local Plans, the PPG[61] sets out the following:

"The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by market housing led developments. <u>An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes</u>." (Lichfields emphasis)

11.5   The PPG therefore sets out that LPAs should consider how and whether affordable housing needs can be met. This is in the context that the Framework at para 62 requires LPAs to specify the type of affordable housing required where a need is identified.

11.6   We have therefore included a consideration of addressing affordable housing needs within the LHN, but equally that does not cut across or negate the need for the Council to further consider it as a factor in determining the Local Plan housing requirement.

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[61] ID 2a-027-20180913

Affordable Housing Needs Calculation

Affordability

11.7 Steps 1.4, 2.2 and 2.3 of the affordable housing calculation refers to the results of an affordability test. Information in respect of local house prices, market rents and household income levels are set out as part of the contextual analysis in Section 2.0. This data has informed an affordability test which estimates the ability of households to afford market housing. IN particular:

1 Land Registry house price data. Banded house price data was obtained at a postal sector level and amalgamated to reflect the Borough's five sub areas. It is acknowledged that the geographical boundaries of postcodes and the sub areas do not accord exactly. However, a best-fit was made. An assumption regarding average 'entry level' house prices (i.e. the average price households entering the housing ladder at the bottom rung have to pay) was then made using lower quartile house prices for each of the sub-areas within the Borough as a proxy; and

2 Due to the lack of up-to-date settlement area data on private rents, an internet search of advertised private sector rental costs was undertaken to identify entry level (lower quartile) rents for each of the sub-areas.

11.8 In order to understand the level of income that would be required to sustain ownership or occupation of such properties, it is necessary to consider how much households can afford to spend on their housing. The former SHMA Guidance from 2007 (superseded by the Framework and PPG but still containing useful context where the PPG is silent) sets out that a household can be considered able to afford to buy a home if it costs 3.5-times the gross household income for a single earner or 2.9-times the gross household income for a dual-income household. However, the PPG does not prescribe exactly how affordability calculations should be undertaken other than to say that access to lower quartile (entry level) market housing is the relevant barometer.

11.9 The household income data utilised for the Borough, obtained from the 2019 Experian database, does not differentiate between single earners and dual earners, and as such a 3.5 multiplier is considered appropriate in order to test best-case outcomes. However, the SHMA Guidance is now some 12 years old and the loan-to-income mortgage ratios do not reflect current lending practices. In 2014, the Bank of England's Financial Policy Committee said that it would only allow 15% of new mortgages to be at multiples higher than 4.5-times a borrower's income, in effect 4.5 times as a maximum.

11.10 Lichfields has complemented this with evidence from the Council of Mortgage Lenders[62], which identifies that in 2016, average loan-to-value ratio for first time buyers in England was 84% with an income multiple of 3.61. Although there may be difficulties in newly forming households in being able to secure a 16% deposit, there are options available including Government initiatives such as Help to Buy as well as traditional sources of deposits such as parents. On this basis it is considered a useful sensitivity to test.

11.11 It should be noted that some stakeholders suggested that new sites in the Borough with 50-70% Help to Buy on houses up to £250,000 with smaller bedrooms may be storing up potential financial problems for the future.

11.12 In respect of renting, there is no official, or definitive, threshold for how much a household can spend on rent before it is unaffordable. The former SHMA Guidance (2007) set out that a

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[62] https://www.cml.org.uk/industry-data/key-uk-mortgage-facts/

household can be considered able to afford renting on the private market in cases where the rent payable was up to 25% of their gross household income.

11.13   However, there is more up to date evidence which suggests that the proportion of gross household income spent on rent may be higher than 25%. For example, data released more recently estimates that the national average is 33% of gross household income (including state assistance) is spent on rent, this increases to 37% without state assistance[63]. Whilst this may reflect current patterns of renting, it is desirable, in considering housing needs, to seek to reduce where practical the amount spent on rent from the current proportion (33%) and we are aware **of a number of Inspector's decisions and findings from Local Plan Examinations which support** such an approach.

11.14   These affordability criteria have been applied to the identified rental costs to arrive at an income threshold to support ownership/occupation of entry level market housing (Table 11.1).

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[63] MHCLG English Housing Survey 2017/18 – Headline Report, paragraph 1.43

Table 11.1: Income Thresholds for Entry Level Market Housing, Stafford Borough and Sub-Areas

	Market	Product	Cost	Basis	Income Threshold
Stafford Borough	**Private Buy**	**Lower Quartile House Prices**	**£150,000**	**3.5 x income (SHMA Guidance 2007)**	**£42,857**
				16% deposit and 3.61 x Income (CML)	**£34,903**
	Private Rent	**Lower Quartile Rental Prices**	**£510 per month**	**25% income (SHMA Guidance 2007)**	**£24,480**
				33% income (EHS)	**£18,545**
Rural East	Private Buy	Lower Quartile House Prices	£200,000	3.5 x income (SHMA Guidance 2007)	£57,143
				16% deposit and 3.61 x Income (CML)	£46,537
	Private Rent	Lower Quartile Rental Prices	£631 per month	25% income (SHMA Guidance 2007)	£30,300
				33% income (EHS)	£22,955
Rural North	Private Buy	Lower Quartile House Prices	£200,000	3.5 x income (SHMA Guidance 2007)	£57,143
				16% deposit and 3.61 x Income (CML)	£46,537
	Private Rent	Lower Quartile Rental Prices	£460 per month	25% income (SHMA Guidance 2007)	£22,080
				33% income (EHS)	£16,727
Rural West	Private Buy	Lower Quartile House Prices	£192,713	3.5 x income (SHMA Guidance 2007)	£55,061
				16% deposit and 3.61 x Income (CML)	£44,842
	Private Rent	Lower Quartile Rental Prices	£585 per month	25% income (SHMA Guidance 2007)	£28,080
				33% income (EHS)	£21,273
Stafford	Private Buy	Lower Quartile House Prices	£130,000	3.5 x income (SHMA Guidance 2007)	£37,143
				16% deposit and 3.61 x Income (CML)	£30,249
	Private Rent	Lower Quartile Rental Prices	£500 per month	25% income (SHMA Guidance 2007)	£24,000
				33% income (EHS)	£18,182
Stone	Private Buy	Lower Quartile House Prices	£150,000	3.5 x income (SHMA Guidance 2007)	£42,857
				16% deposit and 3.61 x Income (CML)	£34,903
	Private Rent	Lower Quartile Rental Prices	£540 per month	25% income (SHMA Guidance 2007)	£25,920
				33% income (EHS)	£19,636

Source: SHMA Guidance 2007, CML, English Housing Survey, Land Registry, CACI, VOA and Lichfields analysis

11.15 Lichfields has applied these thresholds to the income distributions for existing households and newly forming households in the Borough (based on data contained within the latest Experian Income data, with a base date of 2017) to identify the proportion of such households that can afford to access LQ market housing based on these scenarios.

Figure 11.1: Distribution of (gross) household income (2017) in Stafford Borough
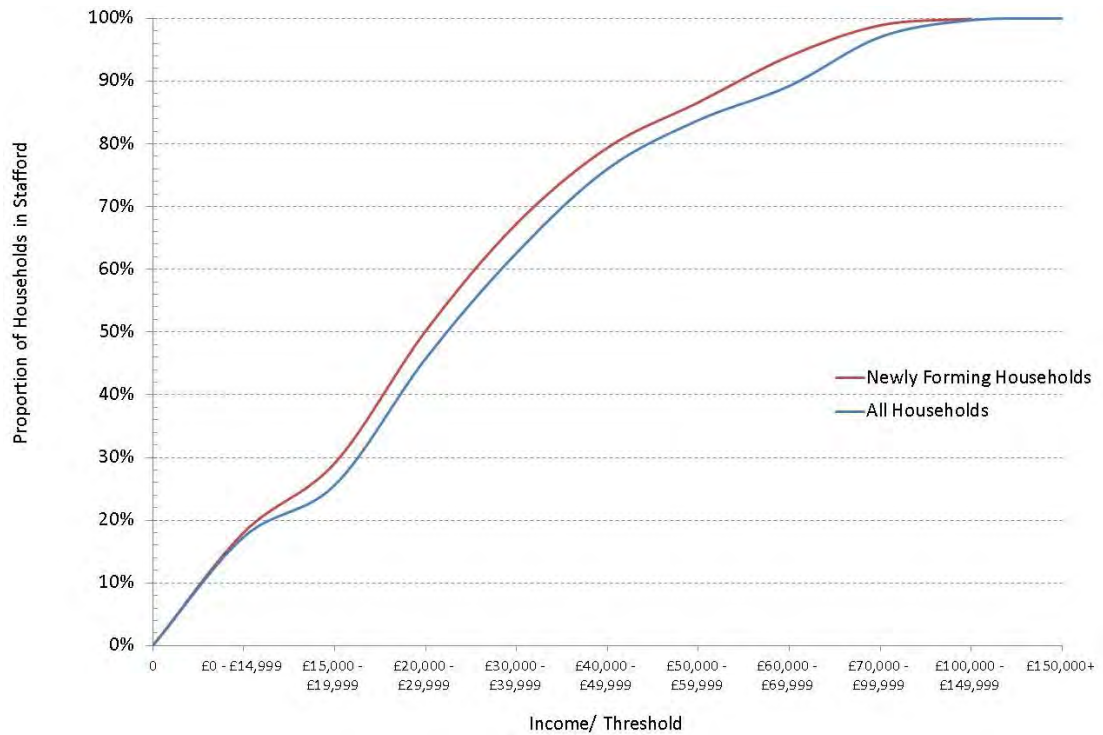
Source: Experian and Lichfields analysis

11.16   The income distribution of newly-forming households is different from total households, reflecting their lesser incomes compared to the average[64]. This means that a greater proportion of newly forming households are unable to access market housing than households overall. The PPG, however, sets out clearly that the affordability of housing for newly forming households must be considered foremost, as it is these households that will most likely fall into housing need if their housing requirements are not met in the market. The percentage of both existing and newly forming households unable to afford to buy/rent is set out in Table 11.2.

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[64] English Housing Survey 2015 to 2016: housing costs and affordability - Annex Table 2.1: Mean and median income, 2015-16. HRP aged 16-34 have an average weekly income of £718 per week compared to £780 per week for all households, meaning younger newly forming households earn 92% of the all households amount.

Table 11.2: Proportionate affordability for existing and newly forming households for Stafford Borough

	Basis	Income Threshold	Existing Households	Newly Forming Households
Stafford Borough	**Buy a LQ Property (£150,000) with 3.5 x Income**	**£42,857**	**66.4%**	**71.4%**
	Buy a LQ Property (£150,000) with 16% Deposit and 3.61 x Income	**£34,903**	**54.0%**	**59.1%**
	Rent a LQ Property (£510 p.m.) paying 25% gross income	**£24,480**	**34.6%**	**38.9%**
	Rent a LQ Property (£510 p.m.) paying 33% gross income	**£18,545**	**23.2%**	**25.9%**
Rural East	Buy a LQ Property (£200,000) with 3.5 x Income	£57,143	71.3%	76.7%
	Buy a LQ Property (£200,000) with 16% Deposit and 3.61 x Income	£46,537	58.0%	63.2%
	Rent a LQ Property (£631 p.m.) paying 25% gross income	£30,300	34.5%	38.6%
	Rent a LQ Property (£631 p.m.) paying 33% gross income	£22,955	22.4%	25.7%
Rural North	Buy a LQ Property (£200,000) with 3.5 x Income	£57,143	73.3%	77.4%
	Buy a LQ Property (£200,000) with 16% Deposit and 3.61 x Income	£46,537	62.0%	67.6%
	Rent a LQ Property (£460 p.m.) paying 25% gross income	£22,080	21.6%	25.0%
	Rent a LQ Property (£460 p.m.) paying 33% gross income	£16,727	13.7%	15.6%
Rural West	Buy a LQ Property (£192,713) with 3.5 x Income	£55,061	67.2%	72.1%
	Buy a LQ Property (£192,713) with 16% Deposit and 3.61 x Income	£44,842	53.9%	60.0%
	Rent a LQ Property (£585 p.m.) paying 25% gross income	£28,080	27.6%	31.4%
	Rent a LQ Property (£585 p.m.) paying 33% gross income	£21,273	17.2%	20.1%
Stafford	Buy a LQ Property (£130,000) with 3.5 x Income	£37,143	70.5%	76.1%
	Buy a LQ Property (£130,000) with 16% Deposit and 3.61 x Income	£30,249	58.2%	62.9%
	Rent a LQ Property (£500 p.m.) paying 25% gross income	£24,000	43.6%	48.5%
	Rent a LQ Property (£500 p.m.) paying 33% gross income	£18,182	30.3%	33.7%
Stone	Buy a LQ Property (£150,000) with 3.5 x Income	£42,857	61.6%	66.7%
	Buy a LQ Property (£150,000) with 16% Deposit and 3.61 x Income	£34,903	49.7%	54.5%
	Rent a LQ Property (£540 p.m.) paying 25% gross income	£25,920	33.9%	38.3%
	Rent a LQ Property (£540 p.m.) paying 33% gross income	£19,636	21.9%	25.0%

Source: Experian and Lichfields analysis

11.17   Table 11.2 indicates that around two-thirds of all the Borough's households, and 71% of newly forming households, cannot afford to purchase a house. If we adjust the methodology to include a 16% deposit and assume that households are able to have a higher income multiplier (3.61 rather than 3.5) to obtain a mortgage, then the proportion of households who cannot afford to buy a house falls to 54% for existing households, and 59.1% for newly forming households.

11.18   Looking at private market rents, assuming 25% of gross income is spent on rent, a minimum of 35% of all households are unable to afford to rent in the private market, increasing to 39% for newly forming households. If the proportion of gross income spent on rent is increased to 33%, then 23% of all households can afford to rent on the private market, rising to 26% of newly forming households.

Stage 1: Current Housing Need Steps 1.1 to 1.4

11.19   The first stage of the assessment considers current affordable housing need, also referred to as **the 'backlog' (those needs which exist, and are unmet, now). The PPG is clear that an estimate** should be made of the number of households who lack their own housing or who cannot afford to meet their housing needs, in the open market. The PPG[65] provides an indication of the types of housing that should be considered unsuitable which are set out below:

- Homeless households;
- Households in priority need, who are currently housed in temporary accommodation;
- Overcrowded housing;
- Concealed households;
- Existing affordable housing tenants in need; and,
- Households from other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration.

11.20   Under the new Homelessness Reduction Act (2018) Stafford received approximately 500 applications last year. 272 homeless household decisions were made last year under the relief duty.

11.21   Although potentially not including all households in need of housing, the housing waiting list is the starting point for estimating what the need and demand for affordable housing is. If all households on the waiting list and in priority need were accommodated, it would be reasonable to assume that all demand for affordable housing would be met, even if there remain households in need which are not reflected in the housing waiting list.

11.22   Therefore, it has been considered that the components of affordable housing need including those in need and within a reasonable preference group for affordable housing (e.g. homeless households and overcrowded households), currently concealed households and other groups in need, are best represented by those identified on the waiting list as a best-case proxy.

11.23   According to Council Housing Officers, there were 196 households on the official Council Housing Register as of 26th June 2019, who were not already living in social housing (comprising 289 households in priority need, of whom 72 are already in social housing and a further 21 are in supported housing).

Table 11.3 Current Backlog of Housing Need in Stafford Borough

Component	Households	Source
Net Estimate of Current Housing Need (Backlog)	**196**	Households in priority bandings not already living in social housing – Council Officers

11.24   Households in unsuitable housing already living in affordable housing have been excluded from the calculation at Step 1.4. Although these households do have a housing need, this could be addressed via a transfer within affordable housing (e.g. by transferring an overcrowded household living in social rented to a larger social rented house). This transfer would result in their existing home becoming available for someone else in need. Thus, these households do not contribute to the net requirement for affordable housing and in turn when these households move, this does not contribute to net supply.

11.25   Although existing households in need already occupying affordable housing are excluded from the affordable housing calculation, it is noted that they do still have a requirement for the right

[65] ID 2a-023-20180913

type of affordable housing to become available to meet their needs. If an appropriate unit does not become available (e.g. due to shortage of supply of a specific type or size of unit) then these households will remain in need, despite not contributing to a net need requirement. New affordable housing provision provides the opportunity to focus on the size/type of provision to balance affordable housing mix, as explained at Section 13.0.

Stage 2: Future Need steps 2.1 to 2.3

11.26   Future housing need is split into two components. The PPG[66] sets out firstly that *"the process will need to identify the minimum household income required to access lower quartile (entry level) market housing"*. **This could be either through purchasing a dwelling or renting privately.** Secondly, existing households falling into need to be considered as part of future affordable housing needs.

New Household Formation (Step 2.1)

11.27   The PPG[67] recommends that gross household formation should be used as the measure of newly forming households, as opposed to net household growth which takes into account household dissolution. This is required to ensure that household dissolution is not double-counted in the calculation, once as a net loss of households and potentially again as a re-let of the house they may have occupied. However, gross household formation is typically much higher than net rates and may represent an overestimate of the amount of households seeking new housing in each year within the Borough. This is limited to households forming who are under the age of 45, which is consistent with the former 2007 CLG SHMA Guidance (Annex B) which notes that after 45 years of age**, household formation rates 'plateau'.**

11.28   For the purposes of considering future newly forming households, the 408 dpa LHN incorporating the CLG 2014 based household projections have been used in line with the standard methodology (i.e. Scenario A from Section 11).

Table 11.4 Gross newly forming households Stafford Borough 2020 to 2040

	No. newly forming households annually (gross) 2020 to 2040
Stafford Borough	1,051

Source: CLG 2014 based household projections, Mid-Year Population Estimates and Lichfields analysis

11.29   This output of future housing need should be treated with caution. Such gross estimates may include people that form several different households over the period at different stages of their life, but does not account for their previous household no longer existing (i.e. two single person households becoming a couple and moving in together).

Those unable to rent or buy (Step 2.2)

11.30   This stage of the assessment undertakes an affordability test. Information in respect of local house prices, market rents and household income levels has informed the test which estimates the ability of households to afford lower quartile market housing. The affordability test has been calculated by identifying the costs of entry level (lower quartile) market housing, the costs of which have been obtained from the Land Registry address level data[68], as well as private rental

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[66] ID 2a-024-20180913
[67] ID 2a-025-20180913
[68] https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/lowerquartilehousepricefornationalandsubnational geographiesquarterlyrollingyearhpssadataset15

costs obtained from a search of rental properties advertised online during the first quarter of 2019.

11.31   As set out above, drawing upon the review of current house prices and private rental values, lower quartile prices for a house (price paid by local authority year ending December 2018) and a rental property have been used as an indicator of the entry price to market housing. Such houses are available within the Borough and such values are relatively typical of smaller properties on the market, ideal for newly forming households seeking to move into a first property.

11.32   The income distribution of newly forming households is different from total households, reflecting their lesser incomes compared to the average[69]. This means that a greater proportion of newly forming households are unable to access market housing than households overall. The PPG, however, sets out clearly that the affordability of housing for newly forming households must be considered foremost, as it is these households that will most likely fall into housing need if their housing requirements are not met in the market. The percentage of both existing and newly forming households unable to afford to buy/rent is set out above and equates to 38.9% for newly forming households, falling to 25.9% of all the Borough's households if a 33% gross income threshold is modelled rather than 25%.

11.33   In addition, Step 2.3 uses secondary data for the number of households who move house each year (based on past trends) to estimate the number of existing households falling into need annually. Using data for the number of people actually moving (from the Land Registry and CORE data) provides a good indicator of need, as it shows actual moves; whereas the Housing Register only provides an indication of intentions to move.

11.34   Existing households falling into need is therefore based upon an analysis of recent trends of movements from the private sector into the social sector as a proxy for existing households falling into need. These figures were averaged from CORE data over the past 3 years.

11.35   In summary, the components of the future affordable housing need for the Borough as a whole are set out in Table 11.5.

Table 11.5 Future Affordable Housing Needs for Stafford Borough

Component	Stafford Borough		Source/Calculation
	25% Income Threshold	33% Income Threshold	
Newly forming households (Gross per annum)	1,051		LHN 408 dpa based on the standard methodology
% unable to rent or buy in the private market	38.9%	25.9%	Lichfields' Affordability Modelling
Newly forming households unable to afford market housing (per annum)	409	272	Newly forming households (Gross per annum) xx% unable to rent or buy in the private market
Existing households falling into need (annual average)	272		*CORE 2015/16 to 2017/18 (307 in 2015/16, 284 in 2016/17 and 224 in 2017/18).*
Estimate of Future Housing Need (p.a.)	**681**	**544**	Newly forming households unable to afford market housing (per annum) + Existing households falling into need (annual average)

Source: MHCLG 2014-based Household Projections, CORE Data and Lichfields analysis

[69] English Housing Survey 2015 to 2016: housing costs and affordability - Annex Table 2.1: Mean and median income, 2015-16. HRP aged 16-34 have an average weekly income of £718 per week compared to £780 per week for all households, meaning younger newly forming households earn 92% of the all households amount.

11.36　Sub-Area data is provided in Table 11.6. As the number of newly forming households and existing households falling into need is only available at a Borough-wide level, it has been assumed that these will be split proportionately in line with the current number of households based in each sub-area (as recorded in the 2011 Census).

Table 11.6 Future Affordable Housing Needs by Sub-Area

Component	Rural East		Rural North		Rural West		Stafford		Stone	
	25%	33%	25%	33%	25%	33%	25%	33%	25%	33%
Newly forming households (Gross per annum)	74		158		149		535		136	
% unable to rent or buy in the private market	38.6%	25.7%	25.0%	15.6%	31.4%	20.1%	48.5%	33.7%	38.3%	25.0%
Newly forming households unable to afford market housing (per annum)	28	19	40	25	47	30	260	180	52	34
Existing households falling into need (annual average)	19		41		38		138		35	
Estimate of Future Housing Need (p.a.)*	**46**	**37**	**79**	**64**	**83**	**67**	**387**	**309**	**85**	**67**

Source: CLG Household Projections, CLG Local Authority Live Table, CORE Data and Lichfields analysis

*Balanced to sum

11.37　These outputs of future affordable housing need should be treated with caution. Utilising gross estimates of household formation may include people that form several different households over the period at different stages of their life, but does not account for their previous household no longer existing.

Stage 3: Affordable Housing Supply steps 3.1 to 3.8

11.38　This Section estimates the existing and forthcoming stock of affordable housing as per the PPG. This stage examines housing stock that can accommodate households in housing need. The information is required in order to calculate net affordable housing requirements. The model considers both <u>current</u> affordable housing stock (including how much of this is available) as well as the level of <u>future</u> annual new supply.

Current Affordable Housing Stock steps 3.1 to 3.5

11.39　The PPG[70] sets out the current components of housing stock used to accommodate current households in affordable housing need as well as future supply:

- Affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need;
- Suitable surplus stock (vacant properties);
- Committed supply of new (net) affordable units (number and size); and
- Identifying units to be taken out of management (demolition or replacement).

11.40　The PPG states that these three components are to be added together, and the number of social housing units to be taken out of management deducted, to equate to the total affordable housing stock that is available.

[70] ID 2a-025-20140306

Affordable Dwellings occupied by Households in Need (Step 3.1)

11.41   The purpose of Step 3.1 is to identify the number of affordable dwellings which become available but are occupied by households in housing need. Thus, this step considers transfers within the affordable housing stock. The movement of these households (within affordable housing) will have a nil effect overall in terms of housing need. These households have already been netted off at Stage 1 of the calculation and the figure for this step is therefore zero.

Surplus Stock (Step 3.2)

11.42   A certain level of voids are normal and allow for transfers and works to properties. The former SHMA Guidance (page 48) noted that a social housing vacancy rate in excess of 3% (and properties which are vacant for considerable periods of time), should be counted as surplus stock.

11.43   An analysis has been undertaken utilising vacancy level data. This indicates a social housing vacancy level of 0.7% in 2017.[71] Therefore, as the current vacancy rate is below the 3% rate recommended by the former SHMA guidance, a surplus stock rate of zero has been included within the model.

Committed Supply of New Affordable Housing (Step 3.3)

11.44   The former SHMA Guidance states that this step of the model should utilise information about new social rented and intermediate affordable dwellings which are committed at the point of assessment. The Local Authority Housing Statistics [LAHS] data no longer shows the number of planned and proposed affordable units. However, data on committed supply of affordable housing is available in the Council's latest Housing Monitor Land For New Homes (2018). This indicates that 366 units of affordable housing are in the pipeline from outstanding permissions. In addition, what is happening at present is that grant is being applied for in order to purchase units of affordable housing on top of s106 affordable housing obligations. This suggests that potentially, there is a considerable amount of affordable housing currently in the development pipeline.

Table 11.7: Total Supply of New Affordable Units

	Stafford
Supply of New Affordable Housing (Committed Supply) 2018/19	366

Source: SBC (2018): Housing Monitor: Land for New Homes)

Units to be taken out of Management (Step 3.4)

11.45   The former SHMA Guidance states that this stage should *"estimate the numbers of social rented or intermediate affordable housing units that will be taken out of management."* This includes properties which are planned to be demolished or redeveloped (with a net loss of stock).

11.46   There have been demolitions of affordable housing units in recent years. Based on Council data, 54 social rented apartments were demolished in 2016/17 at Hesketh Road and replaced with 63 social rented apartments., resulting in a net gain of 9 affordable housing units that were completed in 2016/17. Similarly, 16 affordable units at Woodlands Road were replaced with 40 affordable units, whilst at Blythe Lodge, 22 affordable older persons units were replaced with 35 new affordable homes.

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[71] MHCLG Data: Table 100 (2018) and Table 615 (2018)

11.47   Overall therefore, where affordable housing has been demolished, it has been more than replaced to the extent that there has been a considerable net gain in affordable housing units. Neither the Council nor SARH provided any information to suggest that this would change in the foreseeable future; hence a figure of zero has been incorporated into the model.

Total Affordable Housing Stock Available (Step 3.5)

11.48   Table 11.8 sets out these current components of supply in the Borough as at April 2018.

Table 11.8: Current Supply of Affordable Housing in Stafford Borough

Component	No.	Source
Step 3.1 (Affordable Dwellings Occupied by households in need)	**None** – already netted off at Stage 1 (Step 1.4 – 206 units)	SARH Housing Register December 2018
PLUS Step 3.2 (Surplus Stock) - Vacant but available for letting	0	
PLUS Step 3.3 (Committed Supply of New Affordable Housing)	366	SBC Housing Monitor
MINUS Step 3.4 (Units to be taken out of management) - Vacant but not available for letting	0	
EQUALS Step 3.5 Current Supply of Affordable Housing	**366**	

Source: SBC / SARH

Future Affordable Housing Supply steps 3.6 to 3.7

11.49   The final part of the calculation relates to an analysis of the level of likely future affordable housing supply coming forward, which takes into account future annual supply of social housing re-lets (net), calculated on the basis of past trends (generally the average number of re-lets over the previous three years should be taken as the predicted annual levels).

11.50   Social re-lets data has been obtained from 3 years-worth of CORE data (for 2015/16 to 2017/18). The data obtained for this component is set out in Table 11.9.

Table 11.9: Future Annual Supply of Social Re-lets

	Social re-lets
2015/16	428
2016/17	185
2017/18	198
Average	**270**

Source: 2015/16 -2017/18 CORE Data

11.51   Data for intermediate housing sales is only available from CORE for 2012/13 and 2013/14 and suggests that only 26 intermediate units came up for re-let or sale during those 2 years. We have included an annual average of 13 as a proxy for intermediate affordable housing supply going forward.

Estimate of Net Affordable Housing Needs

11.52   Bringing the above elements together the analysis can calculate net housing need. This is done on an annual basis over the whole plan period, and as such it will be necessary to convert the backlog of need into an annual quota based upon the period which this backlog will be

addressed. It is a point for any Plan's housing trajectory to set out how and when the backlog of affordable housing need will be delivered in the plan period. However, for the purposes of an LHN calculation, an average figure over the Council's 20-year plan period will still match the total affordable housing need over the plan period (even if this is addressed fully in the first 5 years). Table 11.10 sets out the calculation of net annual affordable housing need using the Housing Register.

Table 11.10 Stafford Borough Affordable Housing Need Calculation: Housing Register Approach

Stage and step in calculation	Notes	Based on 25% income	Based on 33% income
Stage 1: Current Need (Gross)			
1.1 Homeless households and those in temporary accommodation	Housing Register (excluding those already in social housing)	196	
1.2 Overcrowding and concealed household			
1.3 Other Groups			
1.4 Total current housing need (gross)	1.1+1.2+1.3	**196**	
Stage 2: Future Need			
2.1 New household formation (gross p.a.)	Under 45s only, based on 408 dpa LHN	1,051	
2.2 Proportion of new households unable to buy or rent in the market	Unable to afford LQ rents, based on Experian Income data	38.9%	25.9%
2.3 Existing households falling into need	CLG Local Authority Live Table CORE data past 3 years to 2018	272	
2.4 Total newly arising housing need (gross p.a.)	(2.1 x 2.2) +2.3	**681**	**544**
Stage 3. Affordable Housing Supply			
Current Supply			
3.1 Affordable dwellings occupied by households in need	SARH Housing Register	n/a	
3.1 Annual quota (2020-2040)		n/a	
3.2 Surplus stock (Vacant but available for letting)	CLG Tables 100 and 615	0	
3.3 Committed supply of affordable housing	SBC Annual Housing Monitor 2018	366	
3.4 Units to be taken out of management (Vacant but not available for letting)	SBC as at May 2019	0	
3.5 Total affordable housing stock available	3.1(annual)+3.2-3.4	**366**	
Future Supply			
3.6 Annual supply of social relets (net)	CLG Local Authority Live Table CORE data 3-year average to 2018	270	
3.7 Annual supply if intermediate housing available for re-let or resale	CLG Local Authority Live Table 2012/13 and 2013/14	13	
3.8 Annual supply of affordable housing	3.6 + 3.7	**283**	
Net Annual Affordable Housing Need	1.4 3.5 (annualised) +2.4 3.8	**389**	**252**

Source: CCC, Local Authority Live Tables, CORE Data and Lichfields analysis

11.53   This illustrates that net annual need based on current data over the period 2020 to 2040 amounts to between 252 and 389 affordable dpa (dependent on income percentage used). This reflects gross household formation and therefore does not account for household dissolutions, with the implication that needs are likely to be 'worst case' under this approach as it could include some double counting.

Type of Affordable Housing

11.54   The purpose of this section of the report is to establish the relative need between social rent, affordable rent and intermediate affordable housing within the overall affordable housing need figure. This exercise has examined the interaction between housing costs and household income. Starter homes are also now included in the definition and considered in further detail below.

1   Social Rent – CORE Social Housing lettings (PRP owned) – Rents and charges 2016/17. Average weekly rent by dwelling in the Borough is £83.60, rising to £85.90 including charges, or £4,467 per annum.

2   Affordable Housing for Rent - This is defined in the Framework Annex 2 as "*rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below market rents*". Lower Quartile Market rents are established earlier in the report to be £510 per month, or £6,120 per annum[72], 80% of this means affordable rent can be no more than £4,896 per annum.

3   Intermediate housing – This is included in the February 2019 version of the Framework as "housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market." **It includes shared ownership,** relevant equity loans, other low-cost homes for sale and rent to buy. This is less detailed than the previous definition of Intermediate housing in the 2012 version of the Framework, which **defined it as follows:** "*Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.*"

4   On the basis of the earlier definition, this type of housing must be more expensive than social rent (established to be £4,467 per annum) and not include affordable rent. As per the above affordable needs calculation, the average market rent is £4,896 per annum and any household that cannot afford this is in housing need. Although it is plausible that some people in affordable housing need could afford both affordable rent and intermediate housing, there is a clear gap between housing costing more than £4,467 and £4,896 which could be filled by more intermediate properties. This is cross-checked against the cost of share-to-buy properties currently available in the Borough below.

5   Starter Homes – these are homes sold to first-time buyers aged between 23 and 40 years of age, at a discount of at least 20% of the market value, with a cap of £450,000 in London and £250,000 in the rest of England. They have been a part of Government proposals since 2014, and the first homes were due to begin construction in 30 local authorities in 2017[73]. However as has been widely reported, at the time of writing (December 2019) due to delays in the necessary legislation coming forward, no Starter Homes have actually been delivered anywhere in England to date. Starter Homes are taken to include discounted market sales housing (of at least 20% below market value) for the purposes of the Table below, although clearly discounted housing is not necessarily age-limited as is the case with starter homes.

Indicative monthly housing costs for starter homes have been identified using lower-quartile market values for new build houses at a cost of £150,000, with a 20% discount and the purchaser paying a 5% deposit. Monthly mortgage costs are calculated based on 3.5% interest rate mortgage on the equity. On this basis, mortgage costs are assumed to be £576.40 per month, or £6,917 per annum.

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[72] See Table 9.8.
[73] "Green light for construction of thousands of new Starter Homes" – UK Government press release
www.gov.uk/government/news/green-light-for-construction-of-thousands-of-new-starter-homes

Table 11.11: Annual Rents and Costs

	Cost (Per annum)
Lower Quartile Rental Prices	**£6,120**
Social Rent	£4,467
Affordable Rent	£4,896
Intermediate Housing (incl. shared ownership)	£4,897 to £6,119
Starter Homes	£6,917

Source: CORE 2016/17, VOA and Lichfields' analysis

Intermediate Housing

11.55   To understand the current average cost of shared ownership properties in the Borough, the listings from www.sharedtobuy.com has been obtained. At the time of writing (June 2019) there are currently 10 shared ownership properties on the market, including:

- 2-bed apartment at St George's Mansions, St George's Parkway, Stafford: This property is on the market at a 25% minimum share for £31,250 (full price £125,000) with a £1,563 minimum deposit. The cost breakdown equates to a monthly rent of £215; service charge of £45, and an estimated mortgage payment of £157 (based on a 25-year capital repayment mortgage). This equates to a total monthly payment of £417, or £5,004.

- 2-bed apartment at Millers Reach, Stone: This property is on the market at a 50% minimum share for £64,975 (full price £129,950) with a £3,249 minimum deposit. The cost breakdown equates to a monthly rent of £149; service charge of £45, and an estimated mortgage payment of £325 (based on a 25-year capital repayment mortgage). This equates to a total monthly payment of £519, or £6,228.

- 2-bed house at Marston Grange, Stafford: This property is on the market at a 50% minimum share for £87,500 (full price £175,000) with a £4,375 minimum deposit. The cost breakdown equates to a monthly rent of £201; service charge of £45, and an estimated mortgage payment of £438 (based on a 25-year capital repayment mortgage). This equates to a total monthly payment of £684, or £8,208.

- 3-bed house at Millers Reach, Stone: This property is on the market at a 50% minimum share for £111,975 (full price £223,950) with a £5,599 minimum deposit. The cost breakdown equates to a monthly rent of £257; service charge of £45, and an estimated mortgage payment of £561 (based on a 25-year capital repayment mortgage). This equates to a total monthly payment of £863, or £10,356.

- 3-bed house at Marston Grange, Stafford: This property is on the market at a 50% minimum share for £122,500 (full price £245,000) with a £6,125 minimum deposit. The cost breakdown equates to a monthly rent of £281; service charge of £45, and an estimated mortgage payment of £614 (based on a 25-year capital repayment mortgage). This equates to a total monthly payment of £940, or £11,280.

- 4-bed house at Marston Grange, Stafford: This property is on the market at a 50% minimum share for £132,500 (full price £265,000) with a £6,625 minimum deposit. The cost breakdown equates to a monthly rent of £304; service charge of £45, and an estimated mortgage payment of £664 (based on a 25-year capital repayment mortgage). This equates to a total monthly payment of £1,013, or £12,156.

- 4-bed house at Marston Grange, Stafford: This property is on the market at a 50% minimum share for £137,475 (full price £274,950) with a £6,874 minimum deposit. The cost breakdown equates to a monthly rent of £315; service charge of £45, and an estimated

mortgage payment of £689 (based on a 25-year capital repayment mortgage). This equates to a total monthly payment of £1,049, or £12,588.

- 4-bed house at Millers Reach, Stone: This property is on the market at a 50% minimum share for £138,475 (full price £276,950) with a £6,924 minimum deposit. The cost breakdown equates to a monthly rent of £317; service charge of £45, and an estimated mortgage payment of £694 (based on a 25-year capital repayment mortgage). This equates to a total monthly payment of £1,056, or £12,672.

- 4-bed house at Millers Reach, Stone: This property is on the market at a 50% minimum share for £147,975 (full price £295,950) with a £7,399 minimum deposit. The cost breakdown equates to a monthly rent of £339; service charge of £45, and an estimated mortgage payment of £741 (based on a 25-year capital repayment mortgage). This equates to a total monthly payment of £1,125, or £13,500.

11.56   The £5,004 payment for the 2-bed apartment in St George's Parkway sits neatly between the affordable rent and the LQ rental prices and suggests that it is reasonable that smaller shared ownership properties could meet the needs of some who fall between affordable rent and average LQ market rents, albeit there may be some overlap between those who can afford affordable rent and a cheaper shared ownership property. This is particularly the case given that there are no current examples of smaller 1-bedroom properties in the Borough, which would ordinarily be expected to be less costly.

Suggested Affordable Housing Split

11.57   Information on household income has been obtained from Experian, which provides the number of households with a household income in £10,000 income bands. The income data is gross household income from all sources including earnings, benefits and investments.

11.58   The analysis seeks to estimate the number of households unable to afford market housing, intermediate housing, affordable housing and finally social housing. This assumes that a household does not spend more than 29% (a mid-point of the two affordable housing need scenarios modelled above so there are not multiple income outcomes for each housing type) of their income on rent (or for intermediate/starter home properties, combined mortgage/rent payments).

Table 11.12 Monthly Rents and Costs

Measure	Cost p/a	Income required (at 29%)	% of newly forming households who cannot afford	Split of households in need (below LQ rent)	Indicative % Split
Lower Quartile Rental Prices	£6,120	£21,103	31.5%	-	-
Social Rent	£4,467	£15,403	20.2%	64.1%	70%
Affordable Rent	£4,896	£16,883	22.3%	6.5%	
Intermediate Housing	£4,897 to £6,119	£16,886-£21,100	22.3%-31.5%	29.4%	30%
Starter Homes	£6,917	£31,579*	53.1%	-	

Source: Experian and Lichfields analysis
*calculated on the basis of 3.61-times salary

11.59   Table 11.12 shows that in theory, affordable and social rent are more affordable than intermediate homes in the Borough. However, clearly the situation is considerably more complicated than this; with some social products falling between different income thresholds if they deviate from the average. In practice however, there is very limited difference between affordable rented and social rented properties and in any case recent structural changes at a

national level – including the curtailing of capital/grant funding for social housing, with a move to revenue funding of affordable rent products through housing benefit – means there is a move away from social rented towards affordable rented tenure provision. In essence, the Government has introduced measures to facilitate the provision of affordable rented properties at the expense of social rented dwellings.

11.60   The analysis in Table 11.12 shows that to afford a lower quartile market rented property at £6,120 per annum, a household would require a yearly income of £21,103. This is affordable for 68.5% of newly-forming households, meaning that unless they have access to extensive savings, equity or another form of income, around 32% of newly-forming local households are theoretically in need of some form of social housing.

11.61   To afford intermediate housing, a household income of between £16,886 to £21,100 would be required; for affordable rent an income of up to £16,883 per annum is needed and to afford social rent, a household would need a household income of £15,403. When looking at the household incomes of newly forming households, a fifth (20%) cannot afford social rented property prices; this increases slightly to 22% who cannot afford the marginally more expensive affordable rent properties whilst between 22% and 32% of newly forming households would not have sufficient income to afford an intermediate property.

11.62   This shows that of all those newly forming households who cannot afford one or more of these three types of affordable housing assessed (i.e. 18,490 households cannot afford £6,120 per annum of their household annual income to be spent on housing, @29% of their total income), as a proportional split 64% cannot afford social rent, a further 6.5% can afford social rent but not affordable rent and finally a further 29% can afford social and affordable rent, but not intermediate housing (depending on the range).

11.63   Whilst the need for social and affordable rents have been assessed separately, in reality these needs should be combined for the purposes of considering tenure mix. Generally, across England, new affordable housing is rarely built to be occupied at traditional social rented levels. However, in the Borough affordable homes are still being built as social rented.

11.64   New housing stock which is rented at below-market rent levels tends to be provided as affordable rented housing (i.e. up to 80% of market rents), provided as part of mixed market-affordable developments, with local housing allowance making up any difference in cost which a household cannot afford.

11.65   Therefore, on the basis that in practice (at present), there is limited difference between affordable rented and social rented properties, the split of affordable housing need is presented as circa 70% social/affordable housing and circa 30% intermediate housing. However, if rents were to increase significantly then affordable rent may become increasingly unaffordable.

11.66   This exercise evidences that it is reasonable that shared ownership properties could meet the needs of some who fall between affordable rent and average lower quartile market rents, albeit there may be some overlap between those who can afford affordable rent and a cheaper shared ownership property.

Figure 11.2: Affordability (2018) in Stafford Borough
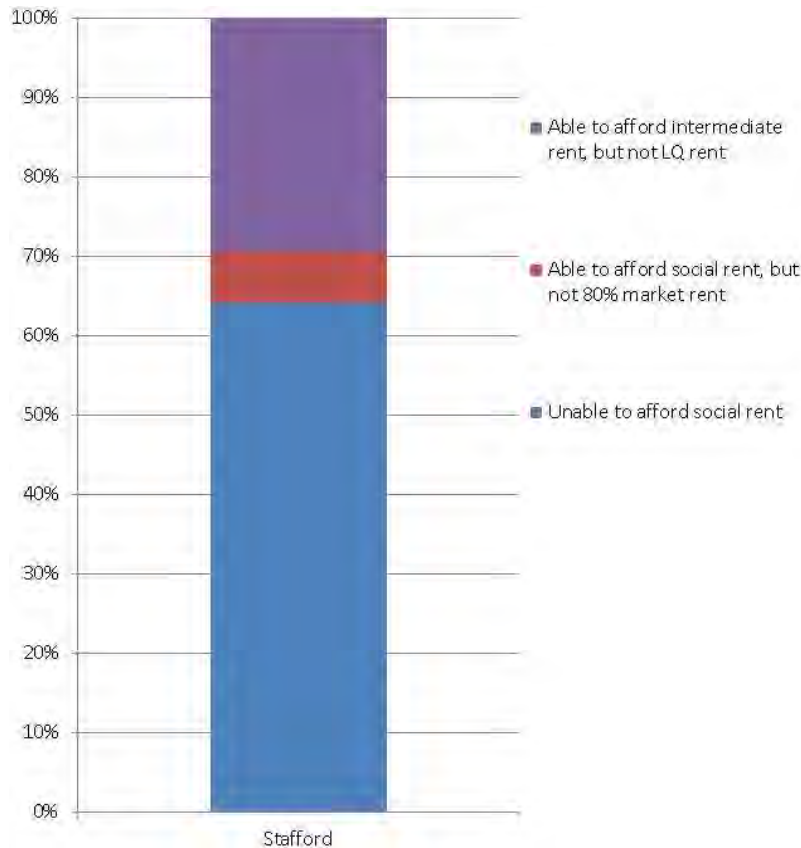
Source: Experian and Lichfields analysis

11.67   As indicated in Table 11.12, Starter Homes are likely to be less affordable than private rented properties in the Borough, though this may change in the future. If applied to the Borough (assuming a 20% discount on LQ new homes, of £150,000, plus a 5% deposit), Starter Homes would be accessible to households with an income of over £32,571 per year (based on the 3.5 income multiple, and £31,519 with an income multiplier of 3.61). This would be accessible to just 45% of newly-forming households, as new build housing in the Borough tends to attract a substantial premium above the existing housing stock that comes onto the market. Therefore, even with starter homes, around 55% of newly forming households in the Borough would still be unable to afford to buy, with many of these being in the private rented sector.

Affordable Housing Needs – Influence on Housing Requirement

11.68   Total affordable needs are in the range of between 252 and 389 affordable homes per annum 2020 to 2040. This is a significant proportion of the locally assessed need based on the standard method (408 dpa) of between 61% and 95%. If the housing need were to be increased to 711 dpa (the Regeneration scenario using PCU rates), the total identified affordable housing need could be not addressed at the current identified affordable need at 30%. The lower need of affordable housing need could be addressed at 36% but the upper end would require half of the identified requirement to be delivered as affordable. This assumes that all affordable housing would be delivered through s106 obligations, but in reality a proportion would instead be delivered through grant funding.

11.69   The PPG is clear that the total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments. In the Borough the likely delivery is a notional 30%, which is considerably lower than being able to

meet affordable needs. Whilst the full affordable, locally assessed need equates to between 840 and 1,297 dpa (252/389 @ 30%), in practice it is unlikely that this level of affordable housing delivery will be achieved, which has averaged 125 net dpa over the last 10 years (2007/08 and 2017/18) in the Borough.

11.70   It is also important to note that, because it is based on gross household formation rather than net household growth, the PPG method may overestimate affordable housing need. This is the case because some households in affordable housing need will dissolve or migrate out of the area before they are allocated affordable housing and so will not show in average annual affordable housing re-let statistics. Furthermore, the calculation assumes that no households in affordable housing need will meet their needs in the private rental sector using housing benefit. As identified above, at present a significant number of such households meet their needs in this way.

11.71   The PPG[74] suggests an increase in the total housing figures included in the plan, may need to be considered where it could help deliver the required number of affordable homes.

11.72   In line with the approach envisaged by the Framework, the affordable housing needs are an important component of the overall need for housing and the Council should seek to use its planning policy to maximise delivery of affordable housing given the scale of need identified.

11.73   In terms of the scale of any uplift, the Local Plan Expert Group [LPEG], in its Report to the Secretary of State for Communities and Local Government in March 2016, recommended various changes to the Practice Guidance with the remit of considering how local plan-making could be made more efficient and effective. Although very limited, if any, weight can be given to the LPEG approach given that it is not policy or endorsed by Government, it is at least helpful in seeking to understand what an appropriate response might be to define the influence of market signals and affordable housing needs.   LPEG recommended changes to the preparation of SHMAs and determination of housing need.

11.74   With regard to affordable housing need in the preparation of SHMAs and determination of housing requirements it proposed that where the total number of homes that would be necessary to meet affordable housing need is greater than the adjusted demographic-led OAHN, then this figure should be uplifted by a further 10%. The 10% uplift was intended to provide a streamline approach that removes judgement and debate from the process of setting OAHN (as opposed to what might be the most accurate under current Practice Guidance).

11.75   It is for the Council to consider the evidence contained in this EHDNA when identifying the housing requirement which would support the strategy underpinning the emerging plan and whether an uplift beyond the standard method is appropriate.

"*Where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point*"[75].

Summary

11.76   The range of scenarios gives a range of affordable housing needs for the Borough of between 252 and 389 affordable dwellings per annum, equivalent to between 35% and 55% of the upper estimate of economic-led needs. The extent to which affordable housing could be delivered at such proportions will need to be the subject of viability testing, but it is clear that there is a significant affordable housing need in the Borough and at current likely delivery (notionally

[74] PPG 2a-024-20190220
[75] PPG 2a-015-20190220

30% reflecting current policy) the Council needs to give consideration to whether increasing planned housing provision could help to address a greater proportion of affordable housing needs. .

12.0 # Local Housing Dynamics

Introduction

12.1 The Framework states that within the overall housing requirement for their whole area, strategic policy-making authorities should set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations:

"*Where it is not possible to provide a requirement figure for a neighbourhood area, the LPA should provide an indicative figure, if requested to do so by the neighbourhood planning body. This figure should take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the LPA*" [paragraph 66]

12.2 The PPG provides a broad overview of how a housing requirement figure should be set for designated neighbourhood areas[76]:

"The NPPF expects most strategic policy-making authorities to set housing requirement figures for designated neighbourhood areas as part of their strategic policies. While there is no set method for doing this, the general policy making process already undertaken by local authorities can continue to be used to direct development requirements and balance needs and protections by taking into consideration relevant policies such as the spatial strategy, evidence such as the Housing and economic land availability assessment, and the characteristics of the neighbourhood area, including its population and role in providing services. In setting requirements for housing in designated neighbourhood areas, plan-making authorities should consider the areas or assets of particular importance (as set out in paragraph 11, footnote 6), which may restrict the scale, type or distribution of development in a neighbourhood plan area."

12.3 Within this broad context, Lichfields takes the following considerations into account to provide an indicative breakdown of potential housing need in each neighbourhood area[77]):

- Assessment of neighbourhood populations, based on 2011 Census data on the number of households as a starting point to determine each sub-**area's 'fair share' of housing** need. This is amalgamated into five sub-areas: Stafford Town; Stone Town; Rural East, Rural West and Rural North (see Appendix 1);

- Analysis of services within and the role of each sub-area based on the Settlement Assessment Study (July 2018); and

- The availability of land in each settlement/sub-area, based on information **contained within the Council's December 2018 SHELAA**. Including any identifiable shortfall in any type of housing e.g. bungalows or large family homes.

12.4 There are a number of local housing dynamics which require consideration by the Council in terms of how the identified LHN is disaggregated spatially including;

- Local housing market sub-areas and neighbourhood characteristics;

- Neighbourhood Plans; and

- Availability of land.

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[76] PPG Reference ID: 41-101-20190509
[77] 2011 parish boundaries have been used as these are the closest fit to Neighbourhood Plan boundaries. Stafford has been considered separately (including the parish of Doxey), whilst the town of Stone represents an amalgamation of the 2 parishes of Stone and Stone Rural).

12.5 It is not the role of this study to consider the availability of land going forward. However, it is possible to set out some of the local housing dynamics which need to be considered when identifying the future spatial strategy and how future housing needs are met.

Assessment of neighbourhood area's population

12.6 The current households could be used as a starting point to portion out what each sub-area's 'fair share' of housing need would be. This would also be split by Sub-Area.

Table 12.1 Population of Stafford Borough, at Parish level – 2011 Census

	All categories: Dwelling type	Household spaces with at least one usual resident	% of all households	Share of 408 dpa
Adbaston	245	240	0.43%	2
Bradley	206	199	0.36%	1
Chebsey	230	224	0.40%	2
Church Eaton	275	264	0.47%	2
Creswell	158	150	0.27%	1
Eccleshall	2,116	2,011	3.61%	15
Ellenhall	55	50	0.09%	0
Forton	134	126	0.23%	1
Gnosall	2,114	2,048	3.68%	15
Haughton	467	451	0.81%	3
High Offley	411	398	0.71%	3
Hyde Lea	165	161	0.29%	1
Norbury	168	155	0.28%	1
Ranton	155	147	0.26%	1
Seighford	844	827	1.48%	6
Standon	332	318	0.57%	2
Whitgreave	84	80	0.14%	1
Rural West Total	**8,159**	**7,849**	**14.09%**	**57**
Barlaston	1,254	1,208	2.17%	9
Fradswell	72	68	0.12%	0
Fulford	2,611	2,521	4.53%	18
Gayton	67	65	0.12%	0
Hilderstone	244	235	0.42%	2
Hopton and Coton	316	301	0.54%	2
Ingestre	75	72	0.13%	1
Marston	63	60	0.11%	0
Milwich	184	175	0.31%	1
Salt and Enson	173	168	0.30%	1
Sandon and Burston	177	158	0.28%	1
Stone Rural	711	681	1.22%	5
Stowe-by-Chartley	172	168	0.30%	1
Swynnerton	1,384	1,326	2.38%	10
Tixall	112	104	0.19%	1
Weston	448	422	0.76%	3
Yarnfield	614	595	1.07%	4
Rural North Total	**8,677**	**8,327**	**14.95%**	**61**
Berkswich	794	762	1.37%	6

	All categories: Dwelling type	Household spaces with at least one usual resident	% of all households	Share of 408 dpa
Brocton	454	445	0.80%	3
Colwich	1,987	1,946	3.49%	14
Hixon	799	774	1.39%	6
Rural East Total	**4,034**	**3,927**	**7.05%**	**29**
Stone Town	**7,434**	**7,179**	**12.89%**	**53**
Stafford Town	**29,206**	**28,421**	**51.02%**	**208**
Stafford Borough	**57,510**	**55,703**	**100.00%**	**408**

Source: ONS 2011 Census

12.7   This would see Stafford town as the focus of future development which may not be the future spatial strategy envisaged as it is largely based on historic trends.

Settlement Assessment

12.8   The Council produced a Settlement Assessment (July 2018) which undertook an assessment of key settlements across the Borough. The purpose of the assessment was to help identify the settlement hierarchy which will underpin the new Local Plan. The Settlement Assessment considers a range of settlements of varying sizes, which are assessed against a range of factors including:

- Population;
- Number of dwellings;
- Relationship with the highway network;
- Access to employment opportunities within 3km;
- Key facilities including; shops, meeting places, general medical facilities, sports venue, cultural buildings, public houses, places of worship, library, post office and schools; and
- Settlement accessibility.

12.9   The Assessment also considers the availability of land within the settlements. Table 12.2 sets out a summary of these issues.

Table 12.2 Settlement Assessment (July 2018) Summary

	No. of houses	Post Office	Conve nience Store	Food / Drink Establish- ments	Health Facilities	Library (including mobile)	Village/ Church Hall	Schools	Hourly Bus service	2- hourly Bus Service	Daily Bus Service	Distance to Key Employment Location (km)	Proportionate Share of Standard Methodology (Parishes)	Availability of Land (Based on Settlement Assessment Appendix B (July 2018) Potential Number of Dwellings
Adbaston	67	0	0	0	0	Y	1	0	N	N	Y	2	2	~
Aston-By-Stone	95	0	0	1	0	N	1	1	Y	-	-	1		~
Barlaston	756	1	2	3	2	Y	1	1	Y	-	-	3	9	11
Barlaston Park	298	0	1	1	0	N	0	0	Y	-	-	1		~
Bradley	106	0	0	1	0	Y	1	0	N	Y	N	1	1	51
Brocton	284	1	1	1	0	Y	1	0	Y	-	-	1	3	141
Brocton A34	116	0	0	1	0	N	0	0	Y	-	-	1		~
Church Eaton	141	0	0	1	0	Y	1	1	N	Y	N	4	2	99
Cold Meece	74	0	0	0	0	N	0	0	Y	-	-	1		3,073
Cotes Heath	138	0	0	0	0	Y	1	0	N	N	Y	1		75
Creswell	145	0	0	0	0	N	0	0	Y	-	-	1	1	~
Croxton	81	1	1	1	0	N	1	0	N	N	N	5		~
Derrington	320	1	0	1	0	Y	1	0	N	Y	N	1		~
Eccleshall	1541	1	2	4+	2	Y	1	1	Y	-	-	2	15	1,519
Fulford	286	0	0	1	0	N	1	1	N	Y	N	3	18	10
Gayton	51	0	0	0	0	N	1	0	N	N	N	2	0	~
Gnosall	1903	1	3	4+	3	Y	2	1	Y	-	-	6	15	406
Great Bridgeford	304	0	0	1	0	N	1	0	Y	-	-	2		682
Great Haywood	998	1	1	3	2	Y	2	1	Y	-	-	1		156
Haughton	342	1	1	2	0	Y	1	1	Y	-	-	3	3	22
Hilderstone	164	0	0	1	0	Y	1	0	N	N	Y	5	2	20
Hixon	819	1	1	4	0	Y	2	2	Y	-	-	1	6	2,140
Hopton	104	0	0	0	0	Y	1	0	N	Y	N	2	2	44
Hyde Lea	142	0	0	1	0	N	1	2	N	N	-	3	1	~
Ingestre	72	0	0	0	0	N	1	0	N	N	N	1	1	~
Little Haywood & Colwich	966	0	0	2	1	Y	1	0	Y	-	-	2	14	261
Milford	103	0	0	4+	0	N	0	1	Y	-	-	2		~

	No. of houses	Post Office	Convenience Store	Food / Drink Establish-ments	Health Facilities	Library (including mobile)	Village/ Church Hall	Schools	Hourly Bus service	2-hourly Bus Service	Daily Bus Service	Distance to Key Employment Location (km)	Proportionate Share of Standard Methodology (Parishes)	Availability of Land (Based on Settlement Assessment Appendix B (July 2018) Potential Number of Dwellings
Milwich	53	1	0	2	0	Y	1	1	N	N	N	7	1	30
Moreton	92	0	0	0	0	Y	0	0	N	N	N	4		~
Norbury	62	0	0	0	0	Y	1	0	N	N	Y	5	1	~
Norton Bridge	85	0	0	1	0	Y	0	0	N	Y	N	4		18
Oulton	213	0	0	2	0	N	1	1	N	N	Y	2		~
Ranton	91	0	0	0	0	N	1	1	N	N	N	2	1	~
Salt	92	0	0	1	0	Y	1	0	N	Y	N	2		13
Seighford	100	0	0	1	0	Y	1	0	N	Y	N	2	6	35
Stallington	199	0	0	0	0	N	0	0	N	N	N	2		~
Swynnerton	234	1	1	1	0	N	1	1	N	Y	N	1	15	83
Tittensor	311	1	1	0	0	Y	2	1	Y	-	-	3		35
Weston	458	1	0	4+	0	Y	2	1	N	Y	N	1	5	310
Woodseaves	288	1	1	2	0	Y	1	1	N	Y	N	5		355
Yarnfield	787	1	1	1	0	Y	1	1	Y	-	-	1	7	1,875

Source: Settlement Assessment (July 2018) ~ where there is no land identified

12.10   Stafford and Stone are not included in the Settlement Assessment summary table, or the Settlement Assessment itself. However, as the administrative centre of the Borough, Stafford is well-served in respect of facilities and services. NHS Choices lists nine GP practices within approximately 2 miles of the town centre and 12 dentists. It is **the Borough's major employment centre, has the largest shopping centre and a number** of key visitor attractions which provide tourism related employment. The town has a theatre, cinema, and art gallery. It is also the principal location for sporting, leisure and indoor recreational use.

12.11   Stafford is particularly well connected in respect of the strategic road and rail network which influences its travel-to-work patterns which are particularly strong towards Birmingham.

12.12   Despite being the administrative centre for the Borough, Stafford has some of the lowest average house prices across the Borough and has experienced minimal house price growth in recent years (2014 to 2018). There is a greater mix of house types and tenures provided in Stafford compared to other sub-areas. However, there are fewer detached homes available in the Stafford sub-area compared to the rural sub-area.

12.13   There is an identified need to invest and diversify the offer with central Stafford to support the town centre going forward. As highlighted in the Plan for the Borough (2014), housing growth in Stafford should be complemented by local employment, retail and leisure growth, together with new transport and social infrastructure. Stone is located in the north of the Borough and is the second largest town after Stafford. Stone has been a key focus in recent years for housing growth through the delivery of a number of new housing developments.

12.14   Stone is a focus for retail, commercial and industrial uses which serves its own population and the surrounding rural areas. NHS Choices identifies two GPs within Stone and four dentists.

12.15   Like Stafford, Stone has a greater mix of house types and tenures, with the exception of detached homes where there is a lower proportion of these available in comparison to the rural sub-area. Stone has experienced some of the greatest house price increases across the Borough between 2014 to 2018, perhaps driven by the growth in the number of new homes in the sub-area.

12.16   A large part of the Borough is characterised as rural and contains a number of villages and hamlets of varying sizes, a large number of which are included in the Settlement Assessment

12.17   The rural sub-area is dominated by detached properties, with the highest house prices found across this sub- area, particularly to the east and south-west of the sub-area.

12.18   The rural areas are characterised by landscape and countryside which is home to a number of historic settlements and identified service villages which vary in size. The larger villages of Gnosall, Eccleshall, Barlaston, Little Haywood and Colwich, Great Haywood and Hixon help provide services and facilities to the surrounding rural areas. Table 12.2 highlights the level of services within settlements across the Borough as assessed through the Settlement Assessment (July 2018).

12.19   Barlaston stands out within the sub-area as an area which has a different housing market dynamic to the wider rural sub-area. Barlaston has greater proportions of social rented properties, which is unusual to the wider sub-area and dominated by owner-occupation. The Settlement Assessment highlights it is relatively well serviced in

terms of facilities but there is limited land availability for future growth and therefore limited opportunity to diversify the market within the area.

12.20   The differing size of villages and hamlets in the rural sub-area and the level of facilities within them will constrain the level of growth which can be accommodated in the future alongside the availability of land.

Availability of land

12.21   The Settlement Assessment highlights that, across the Parishes where the future housing need based on proportional split has been assessed, there is a reasonable availability land which could accommodate future need. An assessment of the SHELAA (2018) highlights the majority of future land identified is within the rural sub market, however a large number of sites/potential dwellings are subject to Policy C5 of the Local Plan.

Table 12.3 Housing Land Availability – potential number of units

	Deliverable	Developable subject to compliance with C5 of the Local Plan	Developable subject to Para 145 NPPF compliance
Stafford	9.9%	7.7%	0.0%
Stone	2.2%	14.0%	0.0%
Rural	87.9%	78.4%	100.%

Source: SHELAA (2018)

12.22   There are strategic opportunities for significant growth to the north of Stafford. This has been recognised for growth for a number of years which could deliver a range of new houses which could meet the needs of a number of different households.

12.23   Stafford has the greatest level of current services which are expected to be able to support the greatest housing growth in the future. However, the long-term sustainability of smaller settlements needs to be balanced alongside this.

12.24   Development has been permitted in the past within the rural sub-area but within the constraints of ensuring that the distinct characteristics of the villages and hamlets are not eroded. The rural sub-**market contains a range of 'Key Service Villages'** (KSVs) as identified in the current Local Plan, including Eccleshall, Gnosall, Hixon, Great Haywood, Little Haywood/ Colwich, Haughton, Weston, Woodseaves, Barlaston, Tittensor and Yarnfield. A number of the KSVs are recognised as being constrained by North Staffordshire Green Belt which is likely to restrict the level of future growth in these areas.

12.25   The Settlement Assessment highlights some settlements such as Fulford and Barlston, have a number of characteristics which contribute to their sustainability in terms of access to facilities and services but have limited land for future growth. Other settlements including Eccleshall and Hixon have significant land availability for future growth.

Neighbourhood Plans

12.26   The Framework at paragraph 65 recognises the need for strategic policies to set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development. In Stafford there are a number of Neighbourhood Plans which will need to be considered including:

- Barlaston – adopted July 2019;

- Colwich – adopted November 2016;

- Eccleshall – adopted July 2016;

- Gnosall – adopted November 2015;

- High Offley – submitted for independent Examination;

- Hixon – adopted September 2016;

- Sandon and Burston – submitted but not accepted;

- Swynnerton – in progress; and

- Stone Town – progressing to public referendum subject to modifications.

12.27   The Neighbourhood Plans which have been made identify a future housing need which is considered could be accommodated within the local area. This is largely based on identification of parcels of land which could accommodate future development. This needs to be considered further going forward.

Characteristics of New Build Housing

12.28   In order to understand the characteristics of households living in new build housing across Stafford alongside their home buying choices, a household survey was commissioned to explore these issues. The survey is helpful to understand the characteristics of new build homes (built since 2014) and the households who now live in them.

12.29   The survey was sent to a range of new build housing development across the Borough. The full analysis of the results can be found in Appendix 5.

12.30   Based on the respondents to the survey;

- Stafford has the greatest mix of new homes in respect of house type, tenure and size;

- Stone has a greater proportion of 2/3 person households who are living in detached and semi-detached homes; and

- Rural Stafford is dominated by larger, detached new build homes.

12.31   Stafford and Rural Stafford have a greater geographic area from which respondents have moved in from compared to Stone where the market appears to be more contained.

12.32   The majority of people who live in Stafford work in the Borough and a large number work in and around Stafford itself, although a number commute to Birmingham. Those living in Stone tend to work locally, whilst those living in Rural Stafford tend to work within the Borough or in Stoke-on-Trent.

12.33   These are important characteristics to consider when identifying the spatial approach which will underpin the emerging Local Plan.

13.O # Type, Tenure and Size of Housing Required

13.1 In addition to establishing the overall scale of housing needed, the Framework requires plan-makers to also consider the need and demand for different types of housing. Section 11.0 concluded that overall, the level of housing need is between 408 dpa and 711 dpa in the Borough. The affordable housing need is between 252 dpa and 389 dpa.

13.2 This section sets out an appropriate mix in terms of size (number of bedrooms) and tenure (affordable rent or intermediate), as well as how this might vary between the sub-areas within the Borough.

Housing Size and Type

Current occupancy patterns

13.3 In the open market, households typically do not strictly occupy housing in line with their 'needs', or their household size. This is because households are free (within their financial means), to buy or rent property in line with what they want, rather than what they might be considered to 'need'. Households may wish to have additional space generally or for a specific purpose, e.g. for working from home. Growing families may also live in housing with a view to having more children, or older couples may live in the family home even once adult children have left (often referred to as 'empty-nesting')[78].

13.4 Figure 13.1 shows how different household types in the Borough occupy housing (as per the 2011 Census). 2, 3 and 4-bedroom properties account for the majority of households across all household types. The data is summarised in Table 13.1.

13.5 Single person households under 65 are most likely to live in 2-bedroom properties (35.1%) or 3-bedroom properties (32.6%), with around a quarter living in 1-bedroom properties. Single person households aged 65 or over are even less likely to live in 1-bedroom properties (19.9%). Nearly 40% of this household type living in 3-bedroom properties, evident of empty-nesting and a product of ageing. Older couples are the most significant under-occupiers in the market, with only 4.2% occupying 1-bedroom properties and over a fifth occupying 4 or 5-bedroom homes. This may suggest that older single person households may be more inclined to downsize than couples, perhaps due to the maintenance required for larger homes.

13.6 Couples under 65 are also significant under-occupiers in the market, with 46.3% of this household type occupying 3-bedroom properties; these could either be young families looking to have children or be older couples still living in the family home. As expected, households with dependent children primarily live in in larger homes, with 75% living in 3 or 4-bedroom properties. However, a significant proportion of families occupy smaller 1 or 2-bedroom properties (17%), suggesting that there could be some overcrowding in certain sectors of the market. Other types of households include student households and families with non-dependent children, which explains why these types of households occupy a higher proportion of large housing.

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[78] For the purposes of this analysis, 'need' is taken to be the number of bedrooms a household would need according to ONS' definition. This takes into account the ages of the household members and their relationships to each other are used to derive the number of rooms/bedrooms they require, based on a standard formula

13.7 Other types of households include student households and families with non-dependent children, which explains why these types of households occupy a higher proportion of large housing.

Figure 13.1 Number of Bedrooms by Household Type - Stafford Borough (All Households)
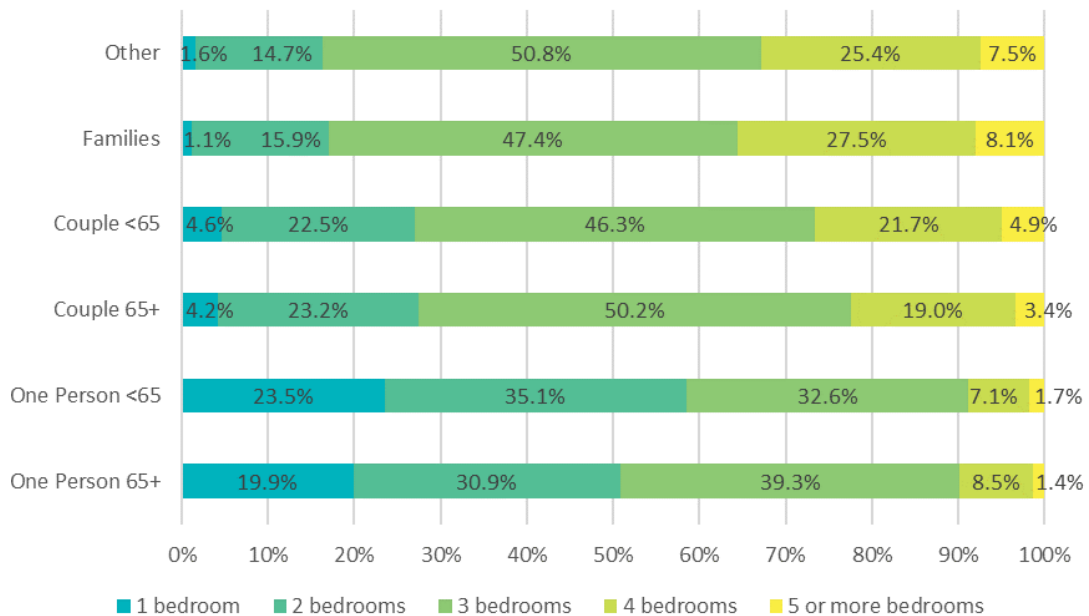
Source: Census 2011

13.8 **In a perfectly functioning 'ideal' market, the housing stock would be used most** efficiently to ensure that households which under-occupy housing do not block larger households from accessing larger homes, leading to overcrowding. At present in the Borough (the same pattern as seen nationally) there is a co-existence of small households living in large homes, and large families living in small homes. This demonstrates why net growth in the number of smaller households (i.e. single and couple households) does not necessarily translate into a need for smaller housing units, unless for example there are specific measures targeted at encouraging downsizing and movement within the market.

13.9 Table 13.1 shows the proportion of different household groups that occupy different property sizes, based on the 2011 Census. This again shows patterns of under-occupancy among older households, with 31% of single people occupying 2-bedroom homes and 39% occupying 3-bedroom homes. Similarly, half of all couples aged 65+ occupy 3-bedroom properties.

Table 13.1 Number of Bedrooms by Household Type

	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5+ bedrooms
Single 65+	20%	31%	39%	8%	1%
Single <65	23%	35%	33%	7%	2%
Couple 65+	4%	23%	50%	19%	3%
Couple <65	5%	22%	46%	22%	5%
Households with children	1%	16%	47%	28%	8%
Other	2%	15%	51%	25%	7%

Source: Census 2011

Future Need

13.10   In assessing future household growth by type, the CLG 2014-based Household Projections for the Borough have been used to align with the LHN approach. The Stage 2 projections provide a breakdown of the projected change by age and type of household. This can be compared with the Census information to show, if current occupancy patterns were to continue, what the need for different sized housing would be.

13.11   Table 13.2 shows the change in projected household type between 2020 and 2039 in the Borough, according to the 2014-based SNHP. These figures do not include an allowance for dwelling vacancies and refer only to households. Furthermore, as set out in Section 11.0, the overall LHN for the Borough is 408 dpa, which is above the household projections, in order to address market signals and other considerations including affordable housing needs. For the purposes of this assessment we have assumed that the profile of need will remain the same (i.e. pro-rata) even if the overall housing provision is different to that shown in the projections.

13.12   The numbers of all household types except couples under 65 **and 'other' household** types are expected to increase in the Borough up to 2039. The greatest increase will be seen in couple households over age 65, which will increase by 3,870, whilst the number of older single person households will increase by 2,547. The number of single people aged below 65 will also increase, by 1,626. The number of couples aged below 65 without children is projected to decrease by 2,685 but it is expected that there will be a modest increase in the number of families with children, which will remain the largest group in the Borough, representing 23.5% of all households in 2039.

Table 13.2 2014-based Household Projections by Type – Stafford Borough

	2020	2039	Net Change
Single Person, 65+	8,463	11,010	+2,547
Single, <65	10,001	11,627	+1,626
Couple, 65+	9,974	13,844	+3,870
Couple, <65 (no children)	8,563	5,878	-2,685
Households with dependent children	14,955	15,206	+251
Other	7,250	7,050	-200
Total	59,206	64,615	+5,409

Source: DCLG Stage 2 2014-based SNHP

13.13   In line with wider trends, older households will see the fastest growth in the Borough, with couples aged 65+ increasing by 38.8% and single people aged 65+ increasing by 30.1% by 2039, as shown in Figure 13.2. Growth in single people households aged 65 and over is more modest at 16.3%, though still significant. There is a notable decrease (31.4%) in the number of couples aged below 65 with no children.

Figure 13.2 Indexed Household Growth by Type - Stafford Borough
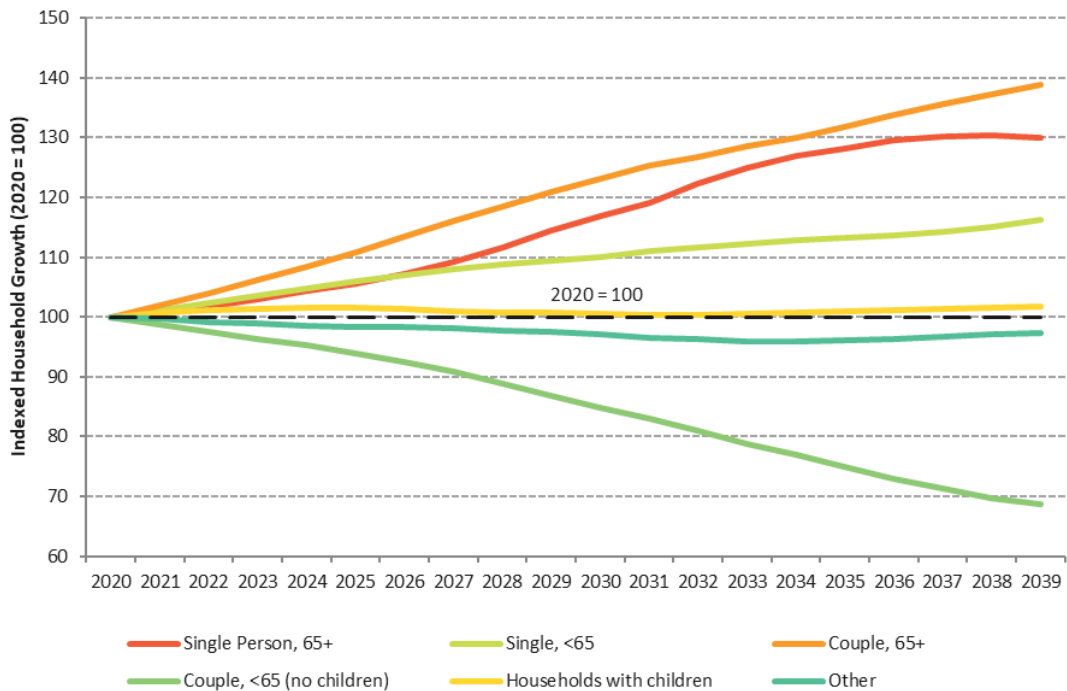
Source: Lichfields, based on CLG 2014-based SNHP

13.14   Taking the change in different types of households from the 2014-based SNHP (Table 13.2) and applying current occupancy patterns from the Census 2011, as set out in Figure 13.1, an estimation of the mix of future housing is presented in Table 13.3. This refers to the broad overall need and does not relate to any specific tenure, area (these are considered in more detail below) or site typology. It also does not take into account how future policy changes (for example, to encourage downsizing), social changes or economic changes might affect how households occupy housing. In this context, a wide recommended range has been set around these percentages.

Table 13.3 Estimated overall need/demand by size and recommended mix for Stafford Borough

	1-bed	2-bed	3-bed	4+-bed
Estimated need/demand	15%	35%	40%	10%
Recommended range	10-30%	25 – 40%	35 – 50%	5 – 20%

Source: Lichfields based on CLG/ONS

Future need by sub-area

13.15   Figure 13.3 shows the difference in household profile in each of the three main sub-areas in the Borough. Detailed parish-by-parish breakdowns are provided in Appendix 1. Figure 13.3 shows:

1   The sub-**area with the highest proportion of 'other' hous**eholds is found in Stafford Town (13.4%), although this is only slightly higher than in Rural Stafford (12.5%). Stafford Town also has the highest proportion of single person households under age 65 (19.3%).

2   Stafford Town has the lowest proportion of young couples with no children, indicating couples looking to start families typically move out. In contrast, the proportion of young couples with no children is highest in Rural Stafford (this

could be either those looking to have children or couples whose children have 'flown the nest').

3   Stafford Town and Stone both have higher proportions of families with children (28.0% and 28.2% respectively) and Rural Stafford has the overall highest proportion of older households as a result of the high proportion of couples aged 65 and over in this sub-area.

Figure 13.3 Household Profile by sub-market (2011)

Source: Census 2011

13.16   The difference in household profile is also reflected in the existing housing stock, as shown in Figure 13.4. The trends across the three sub-markets are broadly comparable with the Borough average. In the Rural Stafford sub-market, larger properties dominate, particularly those with 4 or more bedrooms. Rural Stafford has the greatest population of elderly households, which together with the data on property size, indicates empty-nesting and under occupation of larger properties by elderly couples whose children have moved out. This could be exacerbated by the very small proportion of 1-bedroom properties (5.2%) in Rural Stafford. The level of small properties in Stafford Town and Stone is significantly higher, which reflects the fact that almost a third of households in these sub-markets are single person households. However, the stock of larger homes is not insignificant; almost two thirds of homes in Stafford Town and Stone have 3 or more bedrooms.

Figure 13.4 Housing Mix Profile by sub-area (2011)

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Stafford Borough	8.3%	22.9%	44.4%	24.4%
Rural Stafford	5.2%	18.8%	42.6%	33.4%
Stone	9.1%	26.0%	38.8%	26.1%
Stafford	10.2%	25.1%	47.2%	17.5%
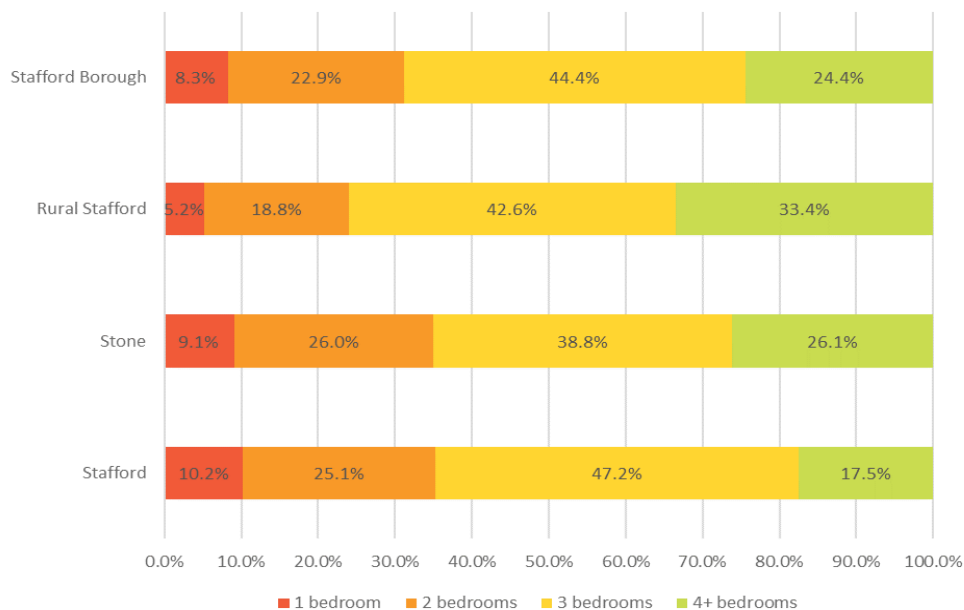
Source: Census 2011

13.17   On the basis of the above, the following recommendations are made when considering the housing mix provided across different sub-areas:

- The household and housing mix profiles of Stafford Town and Stone are comparable to the Borough average. These areas are dominated by 3 and 4-bed properties but to a lesser extent than in Rural Stafford. A range of household types are present. Future housing growth in this area should therefore provide a range of accommodation across all sizes.

- Rural Stafford has the highest proportion of older people, particularly couples, but the smallest proportion of small properties. This may exacerbate the trend of empty-nesting and it would be reasonable for this sub-market to provide more smaller properties or older-person accommodation, enabling older people to downsize and free up larger dwellings for families to move into (Rural Stafford sub-market currently has a smaller proportion of families with children than is the case in Stafford Town or Stone).

13.18   Table 13.4 summarises the above findings, demonstrating how the overall mix provided in the sub-market areas is likely to differ to the overall recommended mix identified.

Table 13.4 Summary of recommended mix across sub-market areas, relative to Borough-wide range

	1-bed	2-bed	3-bed	4+-bed
Estimated future need/demand	15%	35%	40%	10%
Recommended range	10-30%	25 – 40%	35 – 50%	5 – 20%
Broad mix by sub-market area (within range)				
Stafford	⬇	➡	➡	➡
Stone	➡	➡	➡	➡
Rural	⬆	⬆	➡	➡

⬇	Indicates provision should be at lower end of range
➡	Indicates provision should be roughly at centre of range
⬆	Indicates provision should be at higher end of range

13.19   These recommendations are based on broad indicators of housing need and demand across the district and the sub-areas. They do not take into account different types of housing site which may come forward within each sub-market, which along with other factors (such as site viability) may justify different mixes. In this context, it is not intended that these are applied prescriptively to individual sites, but provide a starting point for considering the appropriate mix of different size homes provided across the Borough.

13.20   A number of local and parish housing needs surveys have been undertaken for local areas within the Borough. When determining an appropriate housing mix in these localities the Council may wish to consider these findings alongside the findings of this SHMA.

Social Housing Property Type and Size Preferences

13.21   The Council hold the **Borough's housing register which is based on housing need. SARH's own waiting list for housing is an open list, applicants can register to be on the** waiting list and eligibility checks are carried out at the point of offer. This waiting list is not exclusive to applicants from within the Borough and many applicants are already adequately housed, often in SARH properties, but just want to move home.

13.22   That said, d**ata on affordable housing needs from SARH's Housing Register as of** November 2018 for the Borough shows that there are a total of 3,224 applications for social housing in the Borough. Of these applications, 46.5% had a requirement for a 1-bedroom property; 35.1% for 2-bedrooms; 15.4% for 3 bedrooms and just 3% for 4+ bedrooms, as shown in Table 13.5. The pattern is broadly similar when the analysis is narrowed down just to those identified by SARH as being in Priority Need Band E, albeit with a need for slightly more 4-bedroom properties and slightly fewer 2-bedroomed dwellings. This suggests that need in the affordable sector is overwhelmingly for smaller dwellings.

Table 13.5 Mix requirement for affordable housing – SARH Applications Register

	Total	%	SARH Priority Applications (Band E)	%
Current Applications on SARH's Register	**3,224**	**100.0%**	**364**	**100.0%**
…of which require				
1 bedroom	1,500	46.5%	170	46.7%
2 bedrooms	1,132	35.1%	125	34.3%
3 bedrooms	495	15.4%	52	14.3%
4 bedrooms	86	2.7%	14	3.8%
5+bedrooms	11	0.3%	3	0.8%

Source: SARH Register November 2018

13.23   However, whilst there is a clear need for additional smaller 1 and 2 bedroomed **properties, SARH's data also indicates that there is also a demand for larger properties.** Table 13.6 indicates that the properties that had the highest average number of bids per void were 3-bedroom houses (103 bids for every house), followed by 1 and 2-bed houses (average 78 and 75 bids per void respectively).

Table 13.6 Demand by Social Property Type – SARH Applications Register

	Number of beds	Number of Voids 01/04/18-23/11/18	Average Bids per Void
Bungalow	0	1	44
Bungalow	1	43	18
Bungalow	2	3	54
Bungalow	3	1	0
Flat	1	100	37
Flat	2	97	29
Flat	3	1	16
House	1	3	78
House	2	39	75
House	3	42	103
House	4	0	-
Maisonette	2	1	37
Maisonette	3	0	-
Studio Apartment	0	2	26
TOTAL		335	40

Source: SARH Register November 2018

13.24   Discussions with SARH Officers indicates that in general, they experience particularly high levels of demand for 1 and 2 bedroomed properties and bungalows. SARH suggested that there are significant challenges faced by under 35s and also older people who may be more inclined to consider downsizing if there was greater bungalow provision, in turn freeing up 2 and 3 bed homes for families.

Social Housing Tenure

13.25   Section 12.0 set out in detail the affordable housing needs assessment, and having established the overall level of need it set out based on the various costs of housing and incomes required, the split between intermediate, affordable and social rent (as shown in Table 13.7).

Table 13.7 Split between affordable housing tenures - results from affordable housing needs assessment

Measure	% split
Intermediate Housing /Starter Homes	30%
Affordable Rent / Social Rent	70%

Source: Lichfields

Social and Affordable Rent Housing

13.26   Whilst the need for social and affordable rents have been assessed separately, in reality these needs should be combined for the purposes of considering tenure mix. Across the Borough it is still expected that social rented properties will be required, in alignment with existing S106 requirements, even though there is a push at a national level to deliver more affordable rented properties. New housing stock which is rented at below-market rent levels tends to be provided as affordable rented housing (i.e. up to 80% of market rents), provided as part of mixed market-affordable developments, with local housing allowance making up any difference in cost which a household cannot afford.

13.27   On this basis the need for affordable rented housing can be taken as the need for both affordable and social rented housing and represents around 70% of the overall affordable housing need.

Shared Ownership and Other Intermediate Housing

13.28   Section 11.0 identified that approximately 30% of the overall affordable housing need was for intermediate housing. That is, households which could not afford market rents but could afford the monthly cost (rent and mortgage) of a shared ownership property. This means anyone with a household income above £21,103 (assumed to be able to afford market rents) was not assessed as being in need of any type of affordable housing, including intermediate. Those assessed as in need of intermediate housing were only those households where income fell between £16,886 and £21,100, as shown in Table 13.8.

Table 13.8 Measures used to assess need for intermediate housing as part of affordable housing needs

Measure	Cost p/a	Income required (at 29%)
Average Lower Quartile Market Rent	£6,120	£21,103
Intermediate Housing (as part of affordable needs)	£4,897 to £6,119	£16,886-£21,100

13.29   However, intermediate housing is not only a way of helping to meet affordable housing needs; it can be an effective way of helping households who <u>are</u> able afford rents but are not able to buy move out of the private rented sector and onto the housing ladder (for example, where shared ownership schemes offer 'staircasing' whereby households can progressively purchase more and more shares in their home, up to 100%).

13.30   The gap between the cost of renting and buying in the Borough is high, and particularly significant for low earners. To afford entry level market rents using 29% of income, a household income of £21,103 is required (as previously established). However, to afford to buy an entry level home (lower-quartile), at £150,000 (assuming a 16% deposit and that a household can borrow up to 3.61 x its income[79]) requires a housing income of almost £35,000 (as shown in Table 13.9).

Table 13.9 Gap between cost of renting and buying in the market

Measure	Cost	Income required
Lower Quartile House Price	£150,000 (£24,000 deposit, £126,000 mortgage)	£34,903 (at 3.61x)
Lower Quartile Market Rent	£6,120 (per annum)	£21,103 (at 29% of income)

Source: Lichfields based on VOA/ONS

13.31   This means any household with an income between £21,103 and £34,903 is ineligible for affordable housing but is not able to buy, meaning the only option for these households is renting in the market. While this may be an acceptable choice for many households, equally there are likely to be households who do not wish to remain in the private rented sector, but are forced to so do because they do not have the income which is needed to buy.

[79] This is based on the Council of Mortgage Lenders finding that in 2015 the average first time buyer loan to income ratio in
England was 3.61, as quoted in the Government's Planning for the Right Homes in the Right Places proposals.

13.32   The English Housing Survey (2015-16) shows that:

- 80% of 16-24 year olds in the private rented sector expect to buy. This falls slightly to 77% for 25-34 year olds and 66% for 35-44 year olds; and,

- Of private renters who do not expect to buy a home, 69% cite affordability as the main reason – this is by far the most common reason.

13.33   Whilst some households may prefer to be in intermediate housing (as a step towards home ownership) rather than the private rented sector, it may also be the case that some households may not be able to afford a home large enough in the private rented sector (e.g. a family in need of a 3-bedroom home) but could be able to afford an intermediate 3-bedroom home. In this context intermediate housing could be a way of addressing demand from renters who do not want to remain in the private rented sector (but are not able to obtain either affordable rented or market housing) or those who cannot appropriately meet their need in the private rented sector (e.g. for family housing) but may be able to do so in intermediate housing. These households are indicated in Figure 13.5.

Figure 13.5: Household income and tenure - potential further need for intermediate housing in Stafford Borough
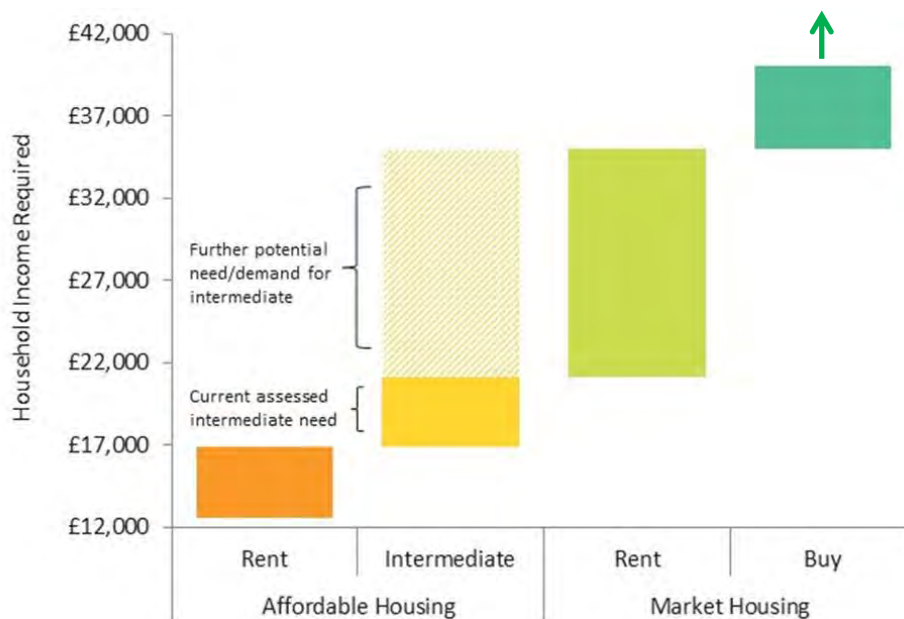
Source: Lichfields based on ONS/VOA

Starter Homes

13.34   Starter homes are homes sold to first-time buyers below the age of 40 at the time of purchase, at a discount of at least 20% of the open market value, with a cap of £450,000 in London and £250,000 in the rest of England[80]. They have been a part of Government proposals since 2014, and the first homes began construction in 30 local authorities in 2017[81].

13.35   It is intended that most of these starter homes will be available for re-sale on the open market after 5 years at their full market value, and hence they will not retain their low-cost status in perpetuity. Nevertheless, the Government has made it clear in Annex 2 to the Framework (the Glossary) that starter homes are now included within the overall

[80] ID 55-002-20150318, paragraphs 002 and 003
[81] 'Green light for construction of thousands of new Starter Homes' – UK Government press release
https://www.gov.uk/government/news/green-light-for-construction-of-thousands-of-new-starter-homes

definition of Affordable Housing on the grounds that affordable housing is about supporting households to access home ownership, where that is their aspiration, as well as delivering homes for rent.

13.36   Clearly then, whilst starter homes are included in the definition of affordable housing going forward, households will not be means-tested. Therefore, any first-time buyer under the age of 40 could apply for a starter home no matter what their income may be. This means that it is not a simple matter to set out what the potential demand is likely to be for starter homes in the Borough.

13.37   Lichfields has undertaken an analysis of the potential pool of households who may be eligible and able to purchase a starter home over the plan period 2020-2040. This process is summarised in Table 13.10.

Table 13.10   Potential Starter Homes Eligibility in Stafford (2020-2040)

	Potential First Time Buyers 2020-40	% Who can afford to purchase a new property @20% discount + 5% deposit, @3.61-times salary	Number able to afford a starter home	
			Total	Annual
Existing Households with a HRP* under 40	6,490*	51.6%	3,347	167
Newly Forming Households with an HRP+ under 40	19,659	46.9%	9,229	461
TOTAL	28,149	-	12,576	629

Source: 2011 Census Land Registry Data (2015), HPSSA Year ending June 2018, Experian Income Data (2019), LHN SM Scenario

+HRP: Household Reference Person

*Note: For existing households with a Household Reference Person [HRP] under the age of 40, it has been assumed that if they are currently living in rented accommodation then they would not previously have owned a home and would therefore be eligible for a starter home. Whilst this is likely to be true for the majority of cases, it will necessarily under-estimate the total number of households who have, for whatever reason, decided to rent having purchased a property in the past.

13.38   In the absence of any data on the likely purchase price of typical starter homes in the Borough (which is unsurprising given the lack of any starter homes delivery across the country at the time of writing), it has been assumed that this is likely to equate to the typical sales price of LQ new build properties in the Borough. The price paid figure for such properties over the year to June 2018 was £150,000[82]. Discounted by 20%, this would suggest a typical discounted price of £120,000 and a deposit of 5%, which would require a household income of at least £31,579 (assuming a 3.61 x income multiple).

13.39   Table 13.10 indicates that this would typically price out 48% of existing households with an HRP under 40, and 53% of newly-forming households with an HRP under 40. Applied to the total number of households in this age bracket, this would suggest that there is potentially an annual reservoir of 629 households (both existing and emerging) over the next 20 years who would be eligible and theoretically able to purchase a starter home.

13.40   It is of course noted that this figure is based on a number of assumptions regarding **individuals' ability to pay and how the starter homes discount is likely to work in** practice. We do not of course know how this will play out in the Borough, and whether given the low house prices generally, there will be substantial interest in this discounted product from either developers or potential occupiers.

[82]ONS (2019): HPSSA: Lower quartile price paid (newly built dwellings) for flats/maisonettes by local authority, year ending Dec 1995 to year ending Jun 2018

13.41   For example, it is likely that the demand for starter homes will come from households who are either able to afford market or shared ownership properties, rather than affordable rented/social rented housing. It is unlikely therefore to have an impact on social housing, although it is possible that there will be some overlap with intermediate housing needs.

Figure 13.6 Estimated household income needed to afford Starter Homes in Stafford Borough
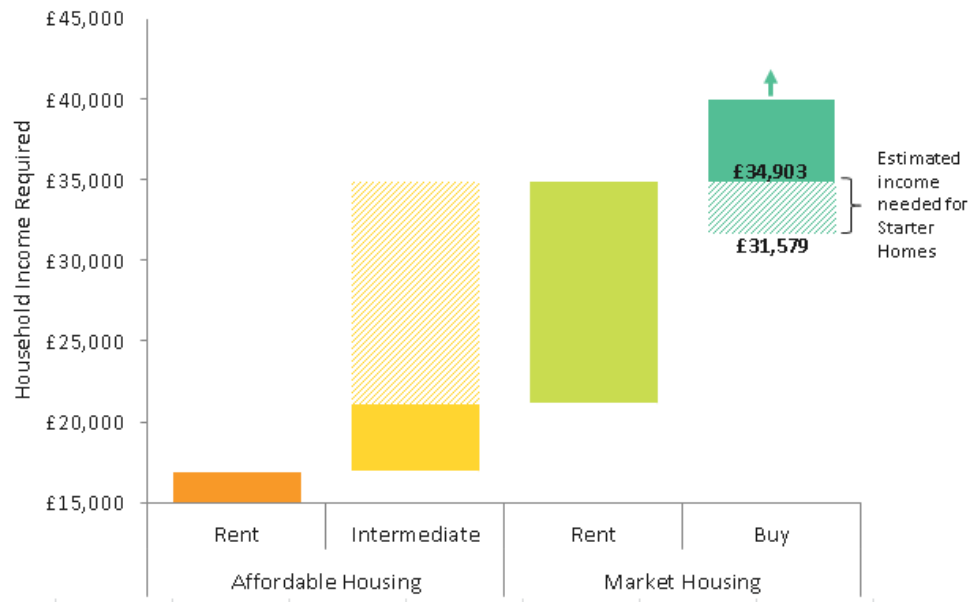
Source: Lichfields based on VOA/ONS

13.42   Our analysis shows that whilst Starter Homes have the potential to help bring some households (who would other be in the private rented sector) into home ownership, the gap between the cost of owning and renting in the Borough means this will be limited to households which already have relatively high incomes[83]. Based on an estimate that households with an income of around £31,580-£34,900 would be able to afford Starter Homes, this would only bring around an extra 10% of households into (i.e. being able to afford) home ownership. Many households would still be forced to remain in the private rented sector.

13.43   It is expected that Starter Homes will be funded through a reduced contribution of other types of affordable housing, although this is to be confirmed. Given that the affordable housing needs assessment (in Section 12.0) identified a significant level of need for affordable housing (252-389 dpa, most of which is for affordable rented housing) and that Starter Homes in the Borough are unlikely to bring many additional households into ownership (due to the wide range of house prices and the relatively low cost of rented properties) it would be advisable for the Council not to significantly reduce its affordable housing requirements in lieu of Starter Homes.

13.44   Discussions with key stakeholders suggested that there are concerns regarding the attractiveness of starter homes in the Borough. Some suggested that there is very limited if any desire from the market to deliver such housing, and that if they were to come forward they would have to be in the £160,000-£200,000 price range, but no more, with 2-3 bedrooms.

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[83] This similar to findings of housing charity 'Shelter' in its report on Starter Homes published in August 2015 - https://england.shelter.org.uk/__data/assets/pdf_file/0011/1183790/Starter_Homes_FINAL_w_Appendix_v2.pdf

13.45   Nevertheless, these remain early days for the product and the market has yet to be tested either in Stafford or the West Midlands more generally. As such, the Council will need to monitor the situation and prepare suitable policy responses, based on viability assessments, to ensure that any demand can be met without harming the wider property market (for either market or social rented properties).

Private Rented Sector

13.46   At a national level the private rented sector has been growing consistently since the mid-2000s, whilst the owner-occupied and social rented sectors have seen declines (as a share of all households)[84]. As of 2016-17 the private rented sector accounts for 4.7m households (or 20% of all households, up from 10% in the mid-2000s). Typically, the private rented sector comprises those renting their home from buy-to-let landlords; **however as set out below the 'Build to Rent' sector (in which** institutional investors build, let and manage private rented homes) is becoming increasingly common.

13.47   In the Borough, those not eligible for affordable or intermediate needs but without sufficient income to buy are those who must rent (unless other options, such as further intermediate home ownership, become more widely available). In the Borough, this covers most households with an income of between around £21,100 and £35,500.

13.48   As at 2011, there were just over 7,200 households in the Borough living in the private rented sector, representing 13% of all households in the Borough (there are currently few if any Built to Rent schemes in the Borough, hence these households are assumed to be renting from buy-to-let landlords). This represents a substantial increase of 92% above the 3,747 households living in PRS in 2001 (when PRS comprised just 7.5% of all household tenures). Whilst this may appear high, it is not greatly above the level of growth as has been seen across England and Wales more generally between 2001 and 2011 (82%), and it is currently slightly under-represented as a tenure (the tenure for 16.8% of all households in 2011, compared to 17% across England and Wales as a whole).

13.49   The composition of households in the sector is different to the Borough overall, as shown in Figure 13.7. The sector has a particularly high proportion of single-person households under 65, and there is a marginally higher proportion of households with children living in PRS compared to the Borough average. The sector has a lower proportion of older households than the District overall.

13.50   Figure 13.7 suggests that typical occupants in the private sector are either young single person households (i.e. in need of smaller homes) or larger households with children.

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[84] Source: English Housing Survey 2016-17

Figure 13.7 Household Composition – Stafford Borough - All households and Private Rented Households
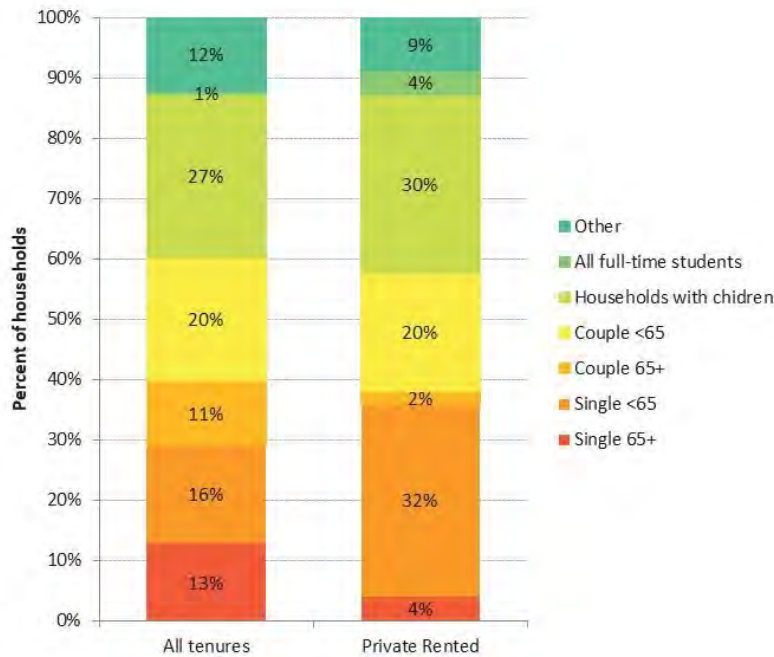
Source: Census 2011

13.51   It is not appropriate to simply 'net off' households in need living in private rented housing from the overall affordable housing requirement figure (due to a variety of reasons including the associated greater insecurity of tenure), however in practice it makes an important contribution to filling the often sizeable gap between affordable housing supply and demand. As noted above, the private rented sector has increased in size significantly in recent years and it is therefore necessary to review its future role.

13.52   According to the 2012/13 English Housing Survey, the total turnover of the private rented stock at a national level is 34.3% annually, the highest of any form of tenure. Applying this figure to the number of households in private rented accommodation (as reported in the 2011 Census) implies an annual turnover of 2,472 private rented dwellings in the Borough. This figure does not separate out the proportion of private rented properties that are likely to become available to households in receipt of housing benefit.

13.53   The Stafford Housing Strategy Evidence Review identifies the link between housing **conditions and health and draws on the findings of the BRE 'Quantitative Health Impact Assessment' (December 2015).** The study found that the most common hazards **were as a result of 'excess cold', falls on stairs and falling on level surfaces. Of the estimated 11,335 Category 1 hazards in the Borough's private sector stock, over 2,284** are within the private rented sector.

13.54   Data from the Department for Work and Pensions [DWP] in respect of the number of Housing Benefit claimants in the Private Rented Sector indicates that as of May 2018, there were 1,159 housing benefits claimants who are meeting their needs in the private rental market in the Borough. There is a significant disparity between the level of Local Housing Allowance (LHA) and private sector rents. Figure 13.8 highlights the gap and issue in respect of meeting needs in the private rented sector.

Figure 13.8 Comparison of Median Private Rents and Local Housing Allowance across Stafford Borough
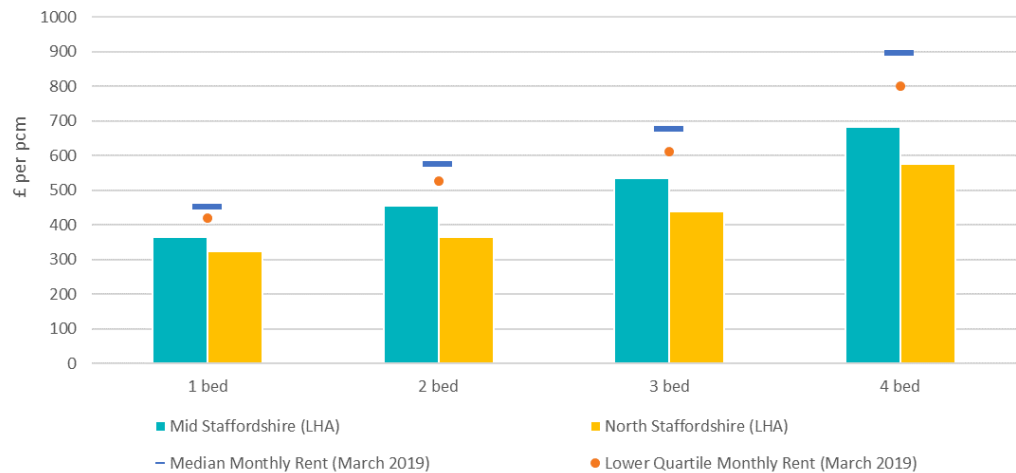
Source: VOA Private Rental Market Data/LHA data Direct Gov

13.55   Similarly, DWP data suggests that as at March 2011 there were 1,620 claimants in receipt of Housing Benefit living within the private rented sector in Stafford, out of 6,630 housing benefit recipients in total. Again, based upon the 2011 Census this would imply that 22.5% of the 7,206 households living in private rented accommodation are reliant to a greater or lesser extent on housing benefit in Stafford, although it is recognised that this is clearly an over-estimation given that there can be multiple claimants living in the same dwelling.

13.56   By comparing the English Housing Survey data with DWP data at a national level, it is suggested that the number of households claiming is 66.3% of the total number of claimants at a national level, to reflect the issue of multiple claimants. Applying this rate to the 22.5% figure quoted above would suggest that 14.9% of the Borough households living in private rented accommodation are reliant to a greater or lesser extent on housing benefit.

13.57   By comparison, the British and Social Housing Foundation's report "*Who Lives in the Private Rented Sector*" (January 2013) indicates that on average 19% of the total stock of private rented dwellings is benefit supported. It does, however, accept that this is likely to be an underestimation and that typically the figure has been around a quarter [page 30]. However, taking this lower figure on a precautionary basis, it could be suggested that for Stafford, 348 of the 1,829 (discounted to reflect 'fit' properties) annual private rented housing turnover (as at 2011) could be available as re-lets to households in receipt of Housing Benefit (compared to 273 based on the DWP data approach).

13.58   **We are not suggesting that these figures should be 'netted off' the affordable housing** requirements. It is not a designated form of affordable housing and it is not appropriate to subject many families to the increased uncertainty of tenure associated with private rented accommodation. Nevertheless, it is important to recognise that the private rented sector plays a very significant role in helping households in constrained circumstances to meet their housing needs independently, and for addressing the slack between affordable housing need and provision.

'Build to Rent'

13.59   Build to Rent was launched by the Government in December 2012 in response to the Montague Report on barriers to institutional investment in private rented homes. Its purpose was to stimulate investment in large-scale development of homes built

specifically for private rent by professional organisations. The fund, which is administered by Homes England [HE], is intended to reduce the up-front risk for developers by way of equity participation or the provision of bridge finance to allow schemes to be built, managed and let. The initial Build to Rent budget of £200m was increased to £1bn in the Budget 2013. Approximately £300m has been allocated to Round 1 projects, and contracts have been signed for 6 projects totalling £359 million in Round 2 (announced in July 2015). Outside of the Build to Rent fund there are a number of institutions and developers specialising in provided managed rental homes for the private market.

13.60   It is important to note that the Government sees Build to Rent having an important and long-term role in meeting the housing need of the nation, and the demand for Build to Rent is likely to remain. As such, it is important that the Council recognise the contribution that Build to Rent provides to local housing options for households unable **to afford housing in the future, and should consider the provision of 'Build to Rent'** elements in future housing mix, to ensure diversity in the types of housing. In particular, such managed schemes, often on more secure tenancies, can provide an alternative rental option to buy-to-let landlords.

13.61   In Stafford, it is likely that Build to Rent schemes could cater for needs in the private rented sector, particularly for those on low to middle incomes who may desire and alternative to traditional rental options (i.e. buy-to-let landlords). As shown above in Figure 14.2, there is expected to be a decline in young couple households, a very modest increase in the number of households with children and a more significant increase in the number of younger single person households; this suggests that any Build to Rent schemes in the Borough should focus primarily on addressing the needs of single person households (i.e. smaller housing) with a lesser emphasis on larger housing suited to households with children.

Summary

13.62   This section has explored the different types of housing which are likely to be required in the Borough up to 2040. Our findings can be summarised as follows:

- For general market housing, taking into account the projected ageing of the population together with occupancy patterns from the 2011 Census, it is considered that at the Borough level, the greatest need is for 3-bedroom properties followed by 2-bedroom properties. Stafford Town and Stone should continue to provide a range of housing across all sizes. Rural Stafford has a higher proportion of older people alongside the smallest proportion of small properties. In order to enable downsizing to occur, opportunities should be considered in the Rural area to provide more smaller properties and older person accommodation;

- **Data from SARH's Housing Register indicates that, with regard to social housing,** there is greatest need 1-bedroom followed by 2-bedroom properties;

- The future mix of affordable housing should be split 70% social/affordable rented/30% intermediate housing;

- Intermediate housing provides the opportunity for households who are able to afford rent but not buy, to move out of the private rented sector and onto the housing ladder. This may be particularly relevant for larger households who cannot meet their needs, or afford the rent in the private sector for a larger property, but may be able to through intermediate housing;

- Starter Homes are now officially included as part of the supply which is considered Affordable Housing through the Framework (although none have been delivered

nationally at the time of writing). The assessment undertaken by Lichfields suggests that 629 households over the plan period in Stafford could be eligible (theoretically) to purchase a Starter Home. However, it remains unclear how this will play out in reality in terms of demand from developers and occupiers; and,

- Build to Rent in the future could help to cater for needs in the private sector, particularly smaller households where there is projected future growth identified. This is more likely to be within more urban areas of the Borough, dependent on issues of viability.

14.0   # Needs of Specific Groups

14.1   Paragraph 61 of the Framework states that local authorities should assess the size, type and tenure of housing needed for different groups in the community. This includes those who require affordable housing, families within children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes. Having established the overall scale and mix of housing (in terms of size and tenure) this section addresses specifically the needs of certain groups, including those within the private housing market (e.g. families and older households) and other accommodation needs (e.g. student accommodation and care homes).

Students and Purpose-Built Student Accommodation (PBSA)

14.2   A discussion with the New Beacon Group who bought the former Staffordshire University Campus in Stafford revealed that they have aspirations over the longer term for growth in the provision of higher education on their campus. However, they consider that the 600 units of student halls of residence currently available on the current site is likely to meet their needs in the future and if further growth is required in purpose build student accommodation, there is considerable land available on site to accommodate this.

14.3   As the New Beacon Group begins to implement its future strategy for growth the Council should continue to engage with them to understand any emerging need for further PBSA accommodation.

Households and Families with Children

14.4   Section 13.0 reviewed the likely need for different sized housing based on projected household growth; this included households with dependent children. The overall need associated with families is therefore implicit within the recommended range of housing mix set out; however, this section provides some additional information on the current and future needs of households with children.

14.5   Households with children live in housing which, on average, has just over 3 bedrooms. Table 14.1 shows that a relatively small percent (17%) live in 1-2 bedrooms homes, and 8% live in homes with 5 or more bedrooms. The majority live in homes with 3 bedrooms.

Table 14.1 Households with children by number of bedrooms – Stafford Borough (2011)

	Total	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5+ bedrooms
Households with children	**15,092**	171	2,394	7,155	4,155	1,217
%	**100%**	1%	16%	47%	28%	8%

Source: Census 2011. Refers to all households

14.6   Census 2011 data, the most recent available, shows that existing rates of overcrowding in households with children is lowest in families in the private sector – only 3% of households in this group are overcrowded as shown in Figure 14.1. However, overcrowding rates among other households with children in the private sector are much higher, at 18% (although in absolute terms this number is relatively low, as shown in Table 14.2). Overcrowding is highest amongst households in the social rented sector – 11% of families in social rented accommodation and 38% of other households

with children were overcrowded. It should be noted that since the 2011 Census, the spare room subsidy has been introduced and therefore as a result, under-occupation in the social rented sector may have reduced since.

Figure 14.1 Overcrowding rates in households with children by tenure – Stafford Borough
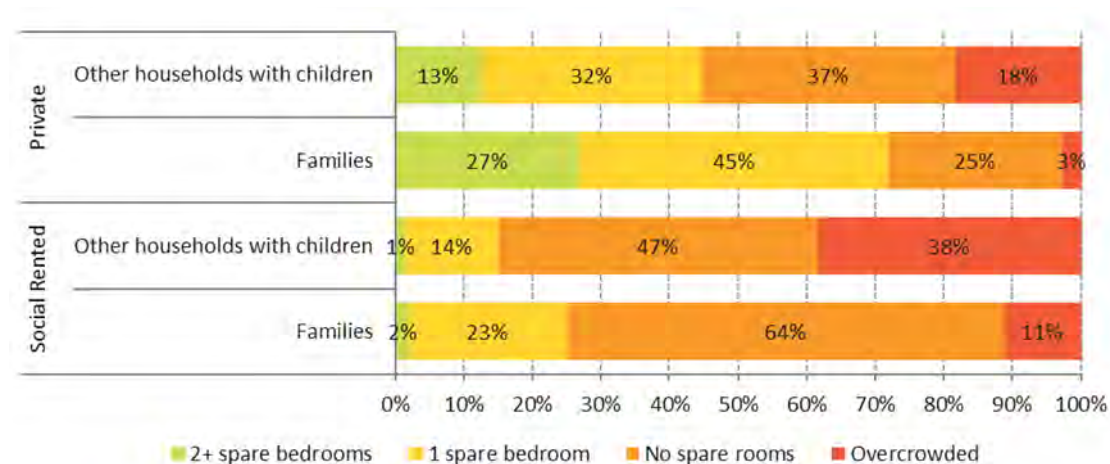
Source: Census 2011

14.7   Table 14.2 shows what these overcrowding rates mean in terms of the number of households which are overcrowded in each tenure. It shows that the highest number of overcrowded households with children is in the social rented sector, equating to 293 households in total or 12.9% of the total number of households in the sector. A similar number of households in the owner-occupied sector (285 households) are overcrowded, which represents a far lower percentage of the total number of households in this sector (2.7%).

Table 14.2 Overcrowding and Under-occupancy - households with children

		2+ spare bedrooms	1 spare bedroom	No spare rooms	Overcrowded
Social Rented	Families	41	491	1355	237
	Other h'holds with children	2	20	68	56
Private Rented	Families	176	843	912	142
	Other h'holds with children	14	38	67	52
Owned/ SO	Families	3053	4589	2126	191
	Other h'holds with children	86	215	224	94

Source: Census 2011

14.8   The household projections project the number of households with children in the Borough overall to increase by 1.7%, from 14,955 in 2020 to 15,206 in 2039[85]. The number of households with 1 child will grow by 8% (593 families, as shown in Figure 15.5) and make up the largest group of family households. The number of households with 3 or more dependent children will also experience overall growth of 1.8%, although the number will peak in 2025 and decline thereafter. Conversely, the number

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[85] This analysis is based on the 2014-based Stage 2 SNHP, as these give a breakdown of household growth by household type. Like the Stage 1 projections, these only extend to 2039. It is not possible to simply extrapolate the projections for the additional year to 2020. Whilst the Stage 1 projections have been modelled to 2020, modelling the Stage 2 projections produces outputs which do not align with the Stage 1 outputs, nor the SNHP. As a result, where the analysis is broken down to household types, the analysis uses 2039 as the end point of the analysis.

of families with 2 children is projected to decrease from 2021 onwards, giving an overall decrease of 6.9% (378 families) between 2020 and 2039.

Figure 14.2 Projected growth in households with dependent children – Stafford Borough – 2020-2039
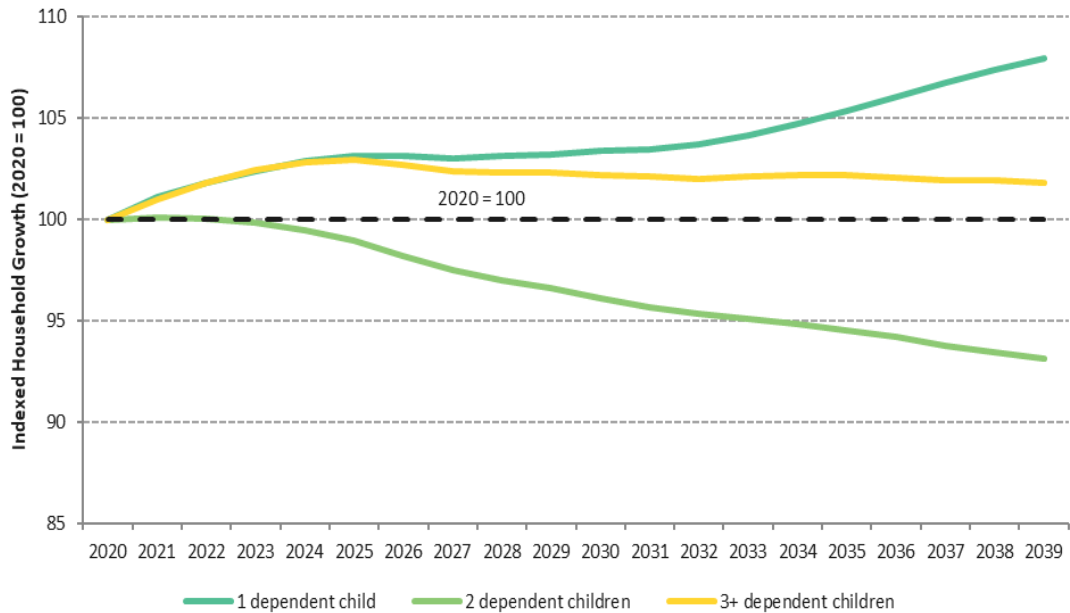
Source: Lichfields based on CLG 2014-based SNHP

Summary

14.9 The number of families and other households with children is expected to increase by around 1.7% in the Borough by 2039, and they will form the largest household group. In the owner-occupied sector overcrowding amongst families is low, and families tend **to live in homes which are larger than they 'need' in order to have extra space.** Section 13.0 set out the estimated the overall scale of demand for a mix of house sizes, with particular need for smaller properties in the Rural Stafford sub-market area and how different sub-areas across the Borough play different roles in meeting the needs of families.

14.10 In the social rented sector, overcrowding among families is significantly higher, and the Council should consider how more effective use of existing stock and new development can help address this. Waiting list data and discussions with stakeholders suggests that the need is for small units; however there remains a need for the supply of some larger affordable homes to address existing problems of overcrowding in the market.

14.11 Section 13.0 explored in detail where specifically issues of overcrowding in this sector are most acute; it found that in relative terms, the highest rates of overcrowding were found in the social sector and for households with families and children.

Older People

14.12 In line with national trends, the population of older people in the Borough is projected to be the fastest growing in the next 20 years, increasing by 34.9% by 2040. This is the fastest of any age group, as shown in Table 14.3. In the context of ageing both more widely and in the Borough specifically, meeting needs of older people will be a key element of meeting overall needs over the period to 2040 (and beyond).

Table 14.3 Projected population change by broad age group – Stafford Borough

	2020	2040	Change	%
0-15	22,407	22,114	-293	-1.3%
16-44	44,317	46,251	1,934	+4.4%
45-64	37,592	33,266	-4,326	-11.5%
65+	31,348	42,276	10,928	+34.9%
	135,664	143,907	8,243	**+6.1%**

Source: Lichfields using PopGroup

14.13 The specific accommodation needs of older people fall within two different groups:

1 Those in need of communal establishment accommodation (i.e. bedspaces), including residential care homes or specialist nursing homes; and

2 Older people living in private housing (and are in the household projections) who do not require care home facilities but may have specific needs, for example for adaptable and accessible homes, or those living in self-contained units as individual households but where some degree of care is provided (e.g. extra care or sheltered housing).

Accommodation for older people and housing supply

14.14 The household projections (and therefore the LHN which has been derived from them) already remove a given proportion of the older population which are projected to be living in communal establishments (in the case of older people, those living in residential care homes). The projected need for bedspaces in care homes are therefore outside the household projections and therefore the identified need, expressed in terms of bedspaces, is in addition to the LHN. For the purposes of this SHMA, this **accommodation is referred to as 'C2' uses.**

14.15 For planning purposes, some forms of housing which provide an element of care could also fall under C2 use, for example some of the numerous accommodation types falling unde**r the term 'extra care housing'. However, as these may provide self**-contained units for occupation by households, they are considered part of general housing needs, i.e. C3 for the purposes of assessing housing need in this SHMA. These units meet the needs associated with households, therefore are included within the household projections (and the LHN). Supply of these types of housing units can therefore be counted as housing supply against the LHN.

14.16 The PPG[86] states that all types of housing provided for older people, including homes (such as sheltered housing or adaptable homes) and communal accommodation (such as nursing homes) can be counted against the housing requirement:

"Plan-making authorities will need to count housing provided for older people against their housing requirement. For residential institutions, to establish the amount of accommodation released in the housing market, authorities should base calculations on the average number of adults living in households, using the published census data."

14.17 However, the approach of counting non-conventional housing supply against the **housing requirement has been clarified in the High Court in '***Exeter City Council v (1) Secretary of State for Communities and Local Government and (2) Waddeton Park Limited and (3) The R B Nelder Trust [2015] EWHC 1663*' referred to as *Exeter*. This

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[86] Reference ID: 63-016a-20190626

judgment dealt with the inclusion of student accommodation as a component of housing supply when it has not been utilised in the formation of an appropriate housing requirement. However, the principles of this judgment are just as applicable to bedspaces in nursing homes. The need for such a component of supply to be reflected in the requirement figure is set out in paragraphs 41 to 42 of the judgment, with the relevant conclusion as follows:

"it would be irrational to include student accommodation [or elderly people C2 accommodation] *in housing supply as meeting an adopted housing requirement, where such accommodation does not feature in that requirement."*

14.18   In this context, because the need for bedspaces in care homes does not feature within the LHN for the Borough (i.e. it is in addition to it), the supply of this accommodation cannot be counted against the housing requirement. This is different to student accommodation in the case of the Borough, because the household projections are based on the assumption that there will be no increase in the amount of PBSA provided; additional supply of PBSA will therefore result in movement from students from households in PBSA, and release housing supply which can be counted against the requirement.

14.19   On the contrary, although Extra Care housing and other types of accommodation which provide self-contained units (which have a kitchen, bathroom and bedroom/s) are sometimes recorded as C2 use, as they are meeting needs associated with households, supply of this accommodation can be counted against the LHN.

Care home bedspaces (C2)

14.20   The population aged over 75 in the Borough is expected to increase by 9,163, from 15,184 to 24,381, as shown in Figure 14.3. This equates to a growth of 60.6%.

Figure 14.3 Projected change in population age 75+ in Stafford Borough - 2020 - 2040
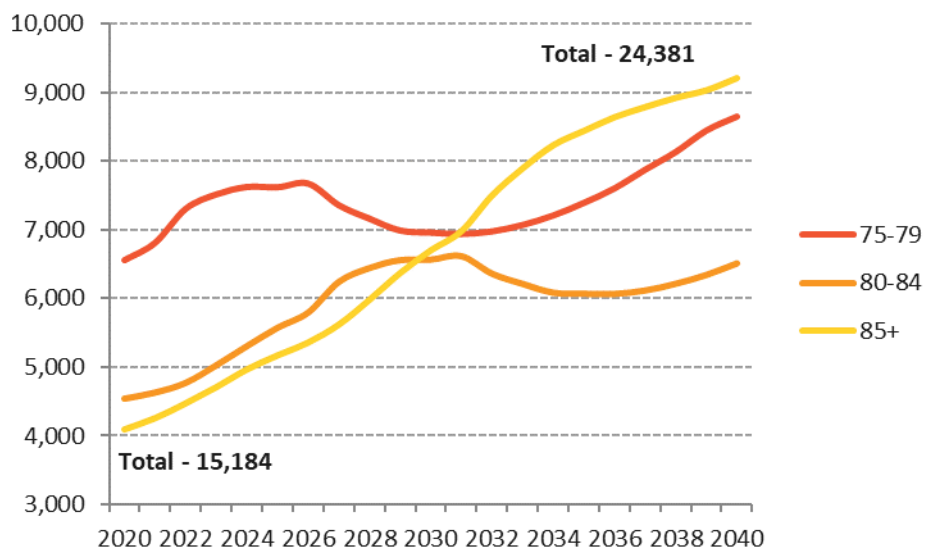
Source: Lichfields using PopGroup

14.21   The 2011 Census identified 817 people over the age of 75 who were residents in communal establishments in the Borough (this can be taken as a proxy for the stock of care home bedspaces). The majority of these residents were identified as living in care

homes (both with and without nursing)[87]. The split of those living in homes with and without nursing was roughly 47% to 53%. The CLG household projections take into account the findings of the Census, and for age 75+ assume a given proportion of people will be living in communal establishments.

14.22   This projected rate of residents living in communal establishments as set out by CLG has been applied to the population projection under Scenario B (as shown above) to assess the future need for care home bedspaces; this is shown in Figure 14.4, benchmarked against the Census data. Over the period 2020-40 there is projected to be a net increase of 991 residents aged over 75 living in communal establishments. Based on the current split of homes with and without nursing this would suggest a need by 2040 for a net additional:

- Circa. 466 bedspaces in care homes with nursing; and,
- Circa. 525 bedspaces in care homes without nursing.

Figure 14.4 Change in projected number of communal establishment residents age 75+
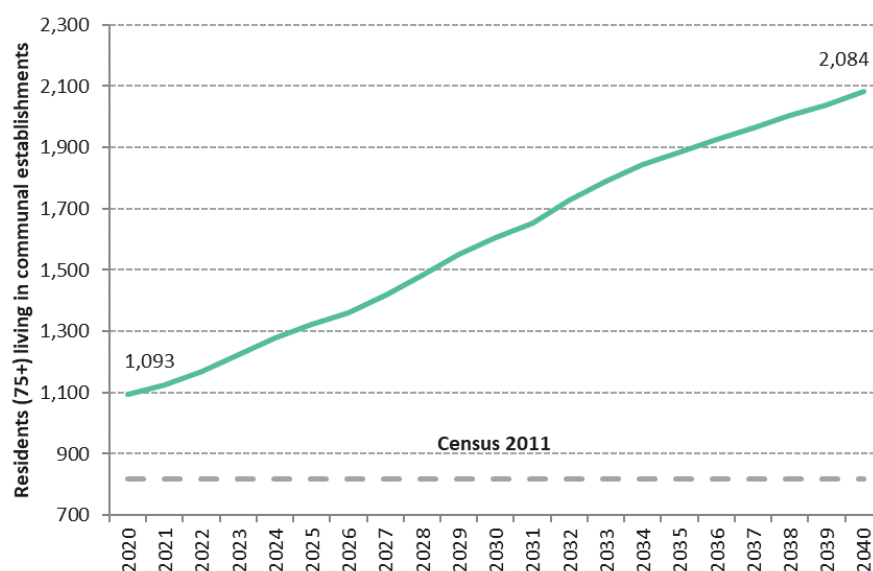
Source: Lichfields using PopGroup/DCLG/Census 2011

Extra Care and Sheltered Housing

14.23   Collectively, Extra Care and Sheltered Housing specifically targeted at older households are referred to as 'elderly housing' for the purposes of this study.

14.24   The Staffordshire County Council Extra Care and Care Homes report (April 2018) identifies that there is considered to be sufficient provision of extra care units across Staffordshire as a whole, but that there is a gap of 30 units in the Borough. The outputs of modelling suggest that this will have risen to a gap of 120 units by 2027.

14.25   The Staffordshire Population Demographics and Adult Social Care Needs report (February 2019) identifies that dementia is a significant issue across Staffordshire and the Borough. The projects that the number of people aged 65+ with this condition is expected to grow by 62% across the the Borough between 2019 and 2039. The Alzheimer's Society estimates that over 60% of those with late onset dementia live

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[87] A small number were identified as resident in NHS facilities, 'other' facilities or did not state the establishment type, however these are insignificant for the purposes of the assessment.

within the community. This suggests that the need for extra care and sheltered housing will grow over this period.

14.26   The Population Demographics and Adult Social Care Needs report (2019) also projects that in the Borough between 2019 and 2039:

- the number of older people (aged 65+) with a limiting long-term illness will increase by 43%;

- the number of older people (aged 65+) unable to manage at least one self-care activity will increase by 45%; and

- the number of older people (aged 65+) unable to manage at least one domestic task on their own will increase by 45%.

14.27   The Staffordshire Extra Care and Sheltered Housing report (2018) also highlights that the number of care home beds needs to increase at a faster rate than just the adult population growth to keep up with projected need and that it is therefore timely to consider prioritising care in residential and nursing care only for those individuals whose needs cannot be better met elsewhere. This may indicate a greater need for extra care and sheltered housing in the future to relieve some of the need for care home beds. Stakeholders at the workshop suggested that Extra Care remains popular with older people in the Borough, but the location was key. There was a general need for specific housing types and sizes to be delivered, but particularly bungalows.

Adaptable and Accessible Homes

14.28   Building regulations contain a number of optional standards which are to be enacted and applied through planning policy contained within Local Plans. Most notably these include requirements for Part M4(2) adaptable and accessible homes (discussed here) and Part M4(3) wheelchair accessible homes (discussed below). The PPG states that, based on their housing needs assessment and other datasets, it will be for local authorities to set out how they intend to approach demonstrating the need for Requirement M4(2) and/or M4(3) dwellings. Part M4(2) will be of particular relevance to housing older people, and the requirement will be met where:

"...a new dwelling makes reasonable provision for most people to access the dwelling and incorporates features that make it potentially suitable for a wide range of occupants, including older people, those with reduced mobility and some wheelchair users." (Building Regulations 2010 Approved Document M)

14.29   The Census shows that 22% of people over age 65 in the Borough were living with a long-term health problem or disability [LTHPD] which limited their day-to-day activities a lot and a further 27% whose day-to-day activities were limited a little. However, this was not equal across all tenures; those in social rented housing were significantly more likely to have conditions limiting their day-to-day activity a lot, as shown in Table 14.4.

Table 14.4 LTHPD of people age 65+ in the Borough by tenure

	Day-to-day activities limited a lot	Day-to-day activities limited a little
Social Rented	39%	30%
Owned or private rented	20%	26%
Total	**22%**	**27%**

Source: Census 2011

14.30   Looking at the number of households (across all tenures) which contain at least 1 person with a LTHPD in the Borough, this is broadly similar across all older households, at just less than 60% (as shown in Table 14.5).

Table 14.5 Households age 65+ with at least 1 person with a Long-term Health Problem or Disability

	All House-holds	No people in household with a LTHPD	1 or more people with LTHPD	% Households with at least 1 person with LTHPD
Single person 65+	7,123	2,958	4,165	58%
Couple 65+	5,887	2,386	3,501	59%

Source: Census 2011

14.31   As set out in Section 13.0, older households are expected to make up the majority of future household growth in the Borough. Single person older households are expected to make up 47% of future growth, and older couples 72%. Applying the assumption (based on Census data) that 58% of older single person households and 59% of older couples' households will have at least 1 person with a LTHPD, this would equate to around 70% of all future household growth, as shown in Table 14.6.

Table 14.6 Estimated growth in older households with LTHPD in Stafford Borough to 2040

	As % of total change 2020-2039	Estimated future households with LTHPD
Single Person, 65+	47%	28%
Couple, 65+	72%	43%
Total	**~**	**70%**

Source: Lichfields based on DCLG/Census. Note: to 2039 as no 2014-based SNHP to 2040

14.32   Whilst this would, taken at face value, suggest that there is a significant need for adaptable and accessible homes, the Council should note that:

- In the private sector there is likely to be some degree of overlap between households living with a LTHPD and those living in sheltered or extra care housing. Such forms of assisted living are likely to contribute to meeting the needs of older households who have LTHPDs (whilst not needing to be in C2 accommodation);

- Similarly, in the social rented sector there is likely to be some overlap between the need for adaptable and accessible dwellings for older people and the need for wheelchair user dwellings (see below);

- The Census shows that households living with LTHPDs are not equally spread across tenures, with a far greater percent of older residents in social rented housing living with a LTHPD. In this context, the Council should seek a greater proportion of M4(2) dwellings within affordable housing than in private housing;

- Although older households make up a significant proportion of growth in the Borough, many of these will be households already living in housing (e.g. the family home) who are unlikely to move during old age. Therefore, new housing which is adaptable and accessible might not directly be meeting these needs, but will nevertheless be an important addition to the housing stock to meet the longer-term needs associated with ageing.

14.33   On the basis of the above, with up to 62% of future household growth potentially needing accessible and adaptable homes, as set out below, but with some of that need being met through Part M4(3) as below and reflecting that some retirement type

products might reduce the relative need for general housing to meet accessible and adaptable standards, it is recommended that 10% of new general housing is provided to Part M4(2) standards. It is important to note that there will be overlap between the need for adaptable and accessible homes and the identified need for elderly housing (i.e. Extra Care and Sheltered Housing).

14.34 It is recommended that the Council consider appropriate policy measures to address this need. Serious consideration should be given by the Council to adopting the M4(2) standards and consider policy measures to address this, taking into account viability and deliverability considerations through the Local Plan process. It will be vital to avoid limiting occupation by requiring excessively onerous standards to be imposed that would reduce the overall delivery of housing and, by extension, the number of properties that are adaptable and accessible. It is important to note that there will be overlap between the need for adaptable and accessible homes and the identified need **for elderly housing (i.e. Extra Care and Sheltered Housing)."**

Summary – elderly needs

14.35 As baseline assessment, the need for elderly people**'s housing**, in addition to the LHN, is:

- 991 bedspaces in care homes; and,

- 120 units of Extra Care and Sheltered Housing.

14.36 The analysis above is based on a continuation of past trends in terms of proportion living in care homes and the supply of elderly housing units. However, if the Council were to follow a strategy of reducing reliance on care homes, this would result in movement of residents back into private housing and/or reduce the number going into care homes altogether. Such an approach would increase the need for Extra Care housing with an associated reduction in care home bedspaces.

Housing Needs of People with Disabilities

14.37 Similar to the needs of older people, the housing needs of people with disabilities generally falls into two broad groups:

1 Those in need of communal establishment accommodation, including residential care homes for those with learning difficulties or physical disabilities, or specialist nursing homes (C2); and,

2 Those living in private housing who do not require care home facilities but may have specific needs, for example for adaptable and accessible homes. Adaptable and accessible homes are defined as:

*"a new dwelling makes reasonable provision, either at completion or at a point following completion, for a wheelchair user to live in the dwelling and use any associated private outdoor space, parking and communal facilities that may be **provided for the use of the occupants."** (Building Regulations 2010 Approved Document M)

14.38 The PPG[88] states that:

*"Local Plan policies for wheelchair accessible home*s should be applied only to those *dwellings where the local authority is responsible for allocating or nominating a person to live **in that dwelling."***

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[88] PPG: ID: 56-009-20150327

14.39   In this context, the need for wheelchair accessible homes has only been assessed in reference to the affordable sector.

Medical and Care Establishments (C2)

14.40   Of residents in communal establishments under age 75 in the Borough, the Census identified 274 living in medical and care establishments, most of which were living in care homes without nursing. There were also a small number in mental health facilities **(including secure units), children's homes and other care establishments.** As shown in Table 14.7, over the age of 16 the vast majority of these residents have long-term health problems or disabilities which limit their day-to-day activity to some degree.

Table 14.7 Resident in Medical and Care Establishments with a Long-term health problem or disability – Stafford Borough

0-15	16-24	25-34	35-49	50-64	65-74
54%	62%	77%	80%	92%	99%

Source: Census 2011

14.41   Applying incidence rates to the projected population by sex and age we can estimate the change in number of people over the period to 2040 who are likely to require C2 accommodation, as shown in Table 14.8. These needs are in addition to the LHN because they relate to people (i.e. bedspaces) in care establishments, and do not relate to those living in private housing.

14.42   This shows that there is likely to be little change in the need for C2 accommodation for groups under age 35. Collectively below the age of 65 there is estimated to be a surplus of 3 spaces. This analysis has also identified a need for an additional 9 bedspaces related to the need for 65-74 year olds, which could be met through care homes (with nursing). This would bring the total need for care home spaces with nursing to c. 472 bedspaces (i.e. 466 + 6), in order to meet the need of those above age 75 and age 65-74.

Table 14.8 Estimated need for C2 accommodation - under 75

	2020	2040	Net Change
0-15	28	28	0
16-24	34	36	2
25-34	35	36	1
35-49	46	48	2
50-64	57	48	-8
65-74	82	91	9
TOTAL	**282**	**288**	**6**

Source: Lichfields using PopGroup/Census 2011

M4(3) – Wheelchair user dwellings

14.43   As set out in Section 12.0 the Borough Council holds the housing register, whilst Stafford & Rural Homes (SARH) have their own open waiting list. Section 12 sets out the overall number of households on **SARH**'s waiting list and the mix of housing they require. It is difficult to obtain information regarding the need for housing which is accessible for wheelchair users, particularly at a local level. However, based on discussions with SARH approximately 12% of households on their waiting list have identified that they would need *'ground floor access or a stair lift or wheelchair access'* *(*albeit the question asked is quite general and a detailed assessment of circumstances

is only carried out at point of offer, rather than when they join the waiting list). This may also include households already in such accommodation who would like to move to another area or property.

14.44   Regarding all properties, national data is available from research by Habinteg Housing Association and London South Bank University (supported by the Homes and **Communities Agency)** '*Mind the Step: An estimation of housing need among wheelchair users in **England***', which can be drawn upon. The report provides information at a National and Regional level, although more weight is given to the National data.

14.45   The report estimated that the number of wheelchair user households in England with unmet housing need was 78,300. Broken down to regional level, it estimated for the West Midlands, the proportion of all households that are wheelchair user households was 3.4%. The report concluded that across England as a whole, around 78,300 wheelchair user households had an unmet need for specially adopted properties, around 13% of the total. This figure rises to 15% for the West Midlands region.

14.46   Applying these figures to the demographic projections for the Borough indicates a current unmet need for 306 wheelchair accessible homes, rising to 576 by 2040.

Table 14.9 Estimate of future wheelchair need across the Borough (2020 to 2040)

	Current Need	Projected Need (2020 to 2040)	Total
Stafford Borough	306	270	**576 (29 p.a.)**

Source: Household Projections based on Standard Method /Habinteg Prevelance Rates

14.47   This would equate to c. 7% of identified future housing need based on the standard method.

14.48   In terms of the split between market and affordable dwellings, data from the English Housing Survey shows 7.1% of social tenants are wheelchair users, compared to 2.3% of owner-occupiers. This evidence should be considered when formulating Local Plan policies in respect of the proportion of homes in different tenures which should be developed.

Self-build and custom build

14.49   The Government wants to enable more people to build their own home and wants to make this form of housing a mainstream housing option. A self-build project is defined as a situation whereby a house is designed and constructed to the specifications of the person who is going to live there.

14.50   The Framework, at paragraph 61, requires LPAs to plan for a mix of housing for people wishing to build their own homes, and the PPG states that LPAs should consider how the needs of such groups can be addressed within the constraint of the overall need identified. The PPG states that in order to obtain a robust assessment of demand for this type of housing in their area, LPAs should assess and review the data held on registers. They should also supplement the data from the registers with secondary data sources[89]. **Each council is required to maintain a 'Self-build and Custom Build Register'** **("the Register") for its area, as set out in the section 1 of the Self**-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016), which can include local eligibility tests for the Register[90].

[89]ID-2a-017-20190220
[90]ID-57-020-20170728

14.51   Stakeholders attending the workshop considered that self-build/custom build has the potential for future growth through a mix of small and medium sized sites, although it was still very early days to be testing the market.

14.52   In respect of planning for such demand, the PPG sets out that LPAs should use the demand associated with the Register, and other applicable secondary data sources, to understand and consider future need for this type of housing in their area[91]. In the context of the Borough, the LPA has had 36 registrations of interest in Self-build plots as of December 2018. Overall therefore, the demand for self-build is considered to be limited. Notwithstanding, the Council may wish to consider the provision of self-build plots as a part of the overall housing mix in the Local Plan.

Service Families

14.53   Council Tax Band data indicates that there are 574 armed forces accommodation units based in the Borough. Beacon Barracks was renamed from RAF Stafford in 2006, **following the RAF's relocation, and is located to the north**-west of Stafford Town. Since a £100m redevelopment of the site was completed in 2015, it has accommodated the 16th Signal Regiment and the 1st Armoured Division Signal Regiment. Following the redevelopment, Stafford has become one of seven major Army areas along with Salisbury Plain, Edinburgh and Leuchars in Scotland, Catterick in North Yorkshire, Aldershot, Colchester and the East Midlands.

14.54   Swynnerton training camp comprises a 560 acre site near at Cold Meece, near Stone. The site is currently used by reserve forces and cadets from across the Midlands and Wales, including the Wolverhampton-based 4th Battalion - The Mercian Regiment. However, there are initial plans for the site to be sold off by the Ministry of Defence.

14.55   Any remaining service families associated with Swynnerton will already be a component in the population and household projections, and therefore they are included in the overall assessment of housing need identified in Section 10.0 with the changing needs of these households (e.g. number of bedrooms) similarly reflected.

14.56   It not currently expected that there will be any new military facilities opening in the Borough for the foreseeable future. As such, there are currently no identified specific housing needs associated with service families, beyond that already implicit within the **wider population's housing needs. If this changes (i.e. a new facility is expected to** open), the Council will need to consider how to address the needs associated with any new service families moving to the Borough.

Gypsy and Travellers

14.57   As part of the New Local Plan a new Gypsy and Traveller Accommodation Needs Assessment has been commissioned and is due to report by the end of this year. This is likely to change the number of pitches that are required to be delivered and the timescale for their delivery. The new Assessment will replace the 2015 joint Gypsy and Traveller & Travelling Show people Accommodation Assessment.

Summary

14.58   This section has explored the housing (and other accommodation) needs of specific groups within the Borough, including students, families, older households and wheelchair users. In summary:

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[91] ID-57-011-20170728

- Students – Given the changes to the presence of Staffordshire University in Stafford and the acquisition of the campus by New Beacon Group, there is currently capacity within Stafford in existing Halls of Residence. Despite the desire for growth from the New Beacon Group, the current capacity of 600 bedspaces is expected to be aligned with future growth. In terms of PBSA, there is currently no demand for PBSA in Stafford, this will need to continue to be monitored as the New Beacon Group develop their investment plans for the campus.

- Families - The number of households with children is expected to increase by a small proportion by 2039. Overcrowding is most significant for households and families with children in the social sector. The Council, together with SARH need to consider how more effective use of existing stock and new development can help address this issue.

- Although the waiting list data suggests the need for smaller properties, there is the need for larger affordable family homes which can help address overcrowding issues in the market and family homes can also help movement within the market.

- Older people - The elderly population in the Borough is projected to be the fastest growing segment in the next 15 years, with the 65+ age group projected to increase by 34.9% by 2040. There are a complex range of different housing needs associated with older households, with many wishing to stay living independently in their own home, others choosing to look to specialist retirement type accommodation **(including 'Extra Care') and some needing spaces within care homes. Looking at** different types of approaches to addressing older peoples housing needs, it is concluded that:

  a   Approximately 472 additional bed spaces in care homes with nursing and approximately 525 additional bed spaces in care homes without nursing will be required to meet the growth in the number of elderly people requiring care; and,

  b   **Approximately 120 additional homes within 'extra care' or sheltered housing** schemes will be required; meeting the needs of those households who may require care, but wish to occupy their own self-contained, purpose built, home.

- People with disabilities – The housing needs of people with disabilities will be, much like for older people, diverse and specific to the individual. Looking at different groupings, it is concluded that:

  a   Approximately 9additional bed spaces in long-term medical or care establishments (either with or without nursing) are likely to be required to meet the needs of those aged 65 to 74 years with a long-term health problem or disability requiring such care. This need is slightly offset by the 3 surplus beds in C2 accommodation for those aged under 65. The 6 net additional beds are included within the total 472 additional bed spaces with nursing set out above.

  c   Consideration should be given to the number of new affordable homes which meet wheelchair accessible standards. Based on published national data and trends, there is a projected need for 576 wheelchair-adaptable dwellings over the Plan period, or around 7% of the identified future housing need based on the standard method.

- Self-build and custom housebuilding – the Council should consider the provision of some self-build plots as part of the overall mix of housing opportunities provided

across the Borough. **To date there has only been limited interest on the Council's** self and custom build register

15.0 Conclusions and Recommendations

15.1   This Economic and Housing Development Needs Assessment [EHDNA] has been undertaken to identify future growth and local needs across the Borough for the period 2020 to 2040, and to provide the robust and up-to-date evidence upon which the new Local Plan will be developed.

15.2   The approach taken is intended to help identify future employment and housing requirements and ensure that each community in the Borough has access to appropriate jobs and the right type of housing in the right place, as well as improving **the local communities' health and wellbeing. This will ensure new B**-class employment land and housing provision meets local needs and wider growth requirements.

15.3   The Report combines both a Strategic Housing Market Assessment [SHMA] that identifies the house types, tenures and sizes required in the future, alongside an Economic Development Needs Assessment [EDNA] that assesses the future B-class employment land requirements across the Borough.

15.4   The key conclusions of the analysis are summarised below.

Future Employment Needs

15.5   Lichfields undertook a detailed analysis of employment land needs in the Borough, beginning with an overview of the current economic context, supported by discussions with key stakeholders and local commercial agents. Consultees considered that **Stafford's industrial sector was strong and had been for many years despite what trend**-based modelling might suggest. It was considered that future prospects for advanced manufacturing and engineering were particularly favourable, given the prevalence of high-quality industrial estates across the Borough.

15.6   In addition, the prospects for future growth were supported by a number of regeneration projects such as a New Garden Community proposed for the north of the Borough and the Stafford Station Gateway, subject to the planning process. The **emerging Stafford Borough Economic Growth Strategy is very clear about the Council's** ambitions for growth and the building blocks needed to build additional confidence in Stafford as a place to invest. Agents highlighted that the Borough had a relative scarcity of smaller Industrial sites between 2,000 and 2,500 sq. ft. Stakeholders also suggested that starter units (up to 1,500 sq. ft.) were also in need. Industrial estates in smaller rural settlements were considered to be particularly important in maintaining the sustainability of local villages, improving the attractiveness and liveability of the Borough.

15.7   There is less of a focus on office space in the Borough, with limited choice of high-quality Grade A stock; however, stakeholders considered that the aforementioned strategic developments, as well as the Town Centre Projects and connectivity improvements, could assist in boosting the productivity of the wider area and help ensure that the Borough is well placed to benefit from the rapidly growing digital economy. Economic Development Officers (EDOs) considered that the improved connectivity potentially arising from HS2 and the new high specification office floorspace that could come forward as part of the regeneration programmes could stimulate demand for higher quality Grade A town centre office space to attract new digital age businesses.

15.8   This qualitative analysis was supplemented by a quantitate Economic Development Needs Assessment Exercise. In line with the requirements of the PPG, Lichfields modelled a range of scenarios including:

- projections of employment growth in the main B-Class sectors (labour demand) derived from economic forecasts produced by CE **and two 'policy on'** / regeneration scenarios factoring in the likely growth opportunities resulting from a New Garden Community and Stafford Station Gateway linked to HS2;

- consideration of past trends in completions of employment space based on monitoring data collected by the Council, and how these trends might change in the future; and

- estimating future growth of local labour supply based on the latest housing requirements contained in the EHDNA, and the amount of jobs and employment space that this could support, based on our demographic model runs.

15.9   Making an allowance for losses in the order of around 48 ha to translate net projections to gross requirements, as well as making a suitable adjustment for a margin of choice equal to two-**years' worth of take up, the demand**-led range of total gross land requirements to 2040 results in the following demand projections for the Borough:

- Econometric demand led projections: 69 ha – 109 ha;

- Labour Supply Projection: 68 ha; and,

- Past Take Up: 181 ha.

Table 15.1 Stafford Borough Gross Employment Land Comparisons 2020-2040

		B1a/b	B1c/B2	B8	TOTAL
1) CE Baseline	2020-2040 (net)	0.53	-2.70	6.56	4.39
	2020-2040 (gross)				52.59
	+ Flexibility factor				**69.07**
2) CE Regeneration	2020-2040 (net)	11.53	18.51	14.10	44.14
	2020-2040 (gross)				92.34
	+ Flexibility factor				**108.82**
3) CE 50% Boost	2020-2040 (net)	1.66	-0.34	12.56	13.88
	2020-2040 (gross)				62.08
	+ Flexibility factor				**78.56**
4) Past Trend Job growth	2020-2040 (net)	3.27	5.10	21.12	29.50
	2020-2040 (gross)				77.70
	+ Flexibility factor				**94.18**
5) LHN 408 dpa	2020-2040 (net)	0.40	-3.00	5.87	3.30
	2020-2040 (gross)				51.49
	+ Flexibility factor				**67.98**
6) Past Take Up Rates	2020-2040 (net)	26.83	89.81		116.64
	2020-2040 (gross)				164.84
	+ Flexibility factor				**181.32**

Source: Lichfields Analysis

15.10   The employment land range is therefore from 68 ha to 181 ha at the upper end. Of this range, it is suggested that around 75% should be identified for B1c/B2/B8 industrial/warehousing, and the remaining 25% for new office space.

15.11   The selection of the final employment land requirement will depend upon the preferred level of employment growth for the Borough and the extent to which this aligns with **the Council's economic aspirations and housing targets, including the need to reduce**

net out commuting. The selection of the job target will be based upon the identification of policy aspirations relating to the promotion of key sectors in accordance with the economic and spatial vision for the area.

Local Housing Need

15.12 The LHN for the Borough as generated by the standard method in the Framework and PPG generates a figure of 408 dpa.

15.13 This represents the minimum starting point figure and delivering more than 408 dpa is supported through the Framework and PPG in several ways. Indeed, it is a key part of the Local Plan process to test higher rates of delivery.

15.14 The EHDNA has considered, in alignment with the Framework and the PPG, whether exceptional circumstances exist to justify an alternative approach. In doing this, the study considers that the 2016-based household projections do not underpin the **Government's ambition to 'significantly boosting the supply of homes'** and as such the 2014-based projections represent the most reasonable assessment of likely future growth in the context of past trends and likely future change.

15.15 It was considered appropriate to also test an uplift to the headship rates of younger households, given that analysis of rates for those aged 15-34 years old were lower than national rates for these particular groups. Alongside the fact that this age group were disproportionately affected by the recession and their ability to form households.

15.16 A range of scenarios were tested to consider whether any upwards adjustment is required which deviates from the locally assessed need identified through the standard method. These included a range of alternative economic scenarios identified agree with the Council which took into account a range of economic futures.

15.17 The sensitivity testing identified a number of reasons why the Council may consider identifying a higher housing requirement figure in its emerging Local Plan than the standard method including:

- The need to accommodate a sufficient economically-active workforce to accommodate projected economic growth, in particular to take into account the future strategic economic growth planned for Stafford including a new Garden Community and Stafford Station Gateway. Should the Council plan for this level of economic growth, the Standard Method would provide insufficient housing to support the necessary increase in the local workforce; an uplift to 647 dpa (711 dpa PCU) based on the Policy-On economic scenario.

- Affordable Housing Need is in the range between 252 and 389 affordable homes per annum between 2020 to 2040. This is a significant proportion of the locally assessed need based on the standard method (408 dpa) of between 62% and 95%. The PPG suggests an increase in the total housing figures included in the plan may need to be considered by local authorities where it could help deliver the required number of affordable homes.

Affordable Housing Needs

15.18 Based largely on the now extant CLG Guidance in respect of undertaking SHMAs, which is acknowledged as remaining relevant, it is estimated that there is a future affordable need in the Borough of between 252 and 389 dpa over the plan period. The range reflects the proportion of income assumed to be spent on housing; the lower end of the range being 25% and the upper end 33%.

15.19   As noted above, the Framework is clear that affordable housing needs are an important component of overall need for housing and the Council should seek to use its planning policy to maximise the delivery of affordable housing given the scale of the identified need.

15.20   In terms of the split between social rent and intermediate housing, it is identified this should be 70% social rented and 30% intermediate housing.

Local Housing Dynamics

15.21   The Framework requires Local Plans to disaggregate the overall housing requirement to designated neighbourhood areas, there are a number of approaches which can be adopted to do this. The approach adopted needs to be considered in the context of the spatial strategy which will underpin the emerging Plan.

15.22   One approach considered in this report a proportional share based on the existing number of households in a parish. However, this needs to be taken into account alongside any made and emerging Neighbourhood Plans, alongside the sustainability of key settlements going forward together with the availability of suitable, deliverable and developable land.

Housing Needs of Specific Groups

Housing mix and type

15.23   In line with wider trends, the number of older households is expected to grow fastest in the Borough. Based on overall household growth and existing occupancy patterns, our assessment shows that housing need in the Borough has a mix of current dwelling. However, the Borough is made up of 3 different sub-market areas which have different housing market characteristics and on this basis, we recommend:

- Future housing growth in Stafford and Stone sub-market should provide a range of accommodation across all sizes; and,

- Overall the Rural sub-market would be expected to provide a higher proportion of small units, to help address the imbalances which currently exist between the current stock being dominated by larger homes which exist alongside high proportion of smaller households.

15.24   The need for affordable housing specifically is weighted towards 1 or 2-bed dwellings, however the waiting list and Census both show that overcrowding remains a problem. Within the social rented sector, there is likely to be some scope for more efficient use of the existing stock, however new development of affordable family sized housing could help to alleviate overcrowding particularly for households and families with children.

15.25   In terms of tenure, the majority (c.70%) of affordable housing needs are for rented accommodation (assuming there is limited difference between social and affordable rental products, with the Council still requiring social rented accommodation to be provided as part of s106 requirements). Whilst intermediate needs were only based on those unable to afford market rents, there is likely to be a range of needs which intermediate housing can help to meet, including households in the private rented sector wishing to move toward home ownership (although the exact amount is difficult to quantity). Our analysis also shows that Starter Homes would likely only bring an extra c.10% of the top earning households into home ownership and is therefore less accessible than other intermediate products and is yet untested in Stafford in terms of a market product.

Meeting the needs of specific groups

15.26   There is no current demand for student accommodation and PBSA in the Borough with existing capacity available within the former Staffordshire University Campus. This is likely to meet the future growth aspirations of the New Beacon Group who now operate from the Staffordshire University Campus.

15.27   To cater for people not living in households (i.e. those living in care homes), there is an estimated (net) need for 466 bedspaces in care homes with nursing (for those age 65+), 525 bedspaces in care homes without nursing (for those age 75+) and 14 bedspaces in care homes for adults to 2040.

15.28   Based on national data applied to projected future household growth in the Borough there is a need for 576 dwellings over the plan period to meet M4(3) requirements, around 7% of the overall housing need based on the standard methodology. The balance of need differs between social rented properties and owner-occupation, based on national data, therefore the Council will need to consider these trends when developing policies to meet the needs of wheelchair users and the ability of homes to be adapted to meet needs.

Appendix 1: **Parish Breakdown**

Table 1 Dwelling Type

	All Household Spaces	Detached	Semi Detached	Terraced	Flats	Other	Detached	Semi Detached	Terraced	Flats	Other
	(No.)						(%)				
Stafford Borough	57,657	21,342	18,870	9,885	7,237	323	37.0%	32.7%	17.1%	12.6%	0.6%
Adbaston	249	115	90	37	7	0	46.2%	36.1%	14.9%	2.8%	0.0%
Barlaston	1,254	448	496	184	126	0	35.7%	39.6%	14.7%	10.0%	0.0%
Berkswich	794	502	199	55	38	0	63.2%	25.1%	6.9%	4.8%	0.0%
Bradley	206	149	35	13	6	3	72.3%	17.0%	6.3%	2.9%	1.5%
Brocton	454	343	95	11	5	0	75.6%	20.9%	2.4%	1.1%	0.0%
Chebsey	230	96	66	49	15	4	41.7%	28.7%	21.3%	6.5%	1.7%
Church Eaton	275	170	83	15	6	1	61.8%	30.2%	5.5%	2.2%	0.4%
Colwich	1,987	1,051	569	238	127	2	52.9%	28.6%	12.0%	6.4%	0.1%
Creswell	158	38	109	8	3	0	24.1%	69.0%	5.1%	1.9%	0.0%
Eccleshall	2,117	1,158	567	191	199	2	54.7%	26.8%	9.0%	9.4%	0.1%
Ellenhall	55	36	17	0	2	0	65.5%	30.9%	0.0%	3.6%	0.0%
Forton	134	79	39	10	6	0	59.0%	29.1%	7.5%	4.5%	0.0%
Fradswell	72	47	21	4	0	0	65.3%	29.2%	5.6%	0.0%	0.0%
Fulford	2,611	1,259	992	174	183	3	48.2%	38.0%	6.7%	7.0%	0.1%
Gayton	67	42	22	2	1	0	62.7%	32.8%	3.0%	1.5%	0.0%
Gnosall	2,114	1,213	631	142	125	3	57.4%	29.8%	6.7%	5.9%	0.1%
Haughton	467	324	90	17	34	2	69.4%	19.3%	3.6%	7.3%	0.4%
High Offley	411	234	121	37	15	4	56.9%	29.4%	9.0%	3.6%	1.0%
Hilderstone	244	174	44	20	3	3	71.3%	18.0%	8.2%	1.2%	1.2%
Hixon	799	462	239	70	26	2	57.8%	29.9%	8.8%	3.3%	0.3%
Hopton and Coton	316	180	64	19	4	49	57.0%	20.3%	6.0%	1.3%	15.5%
Hyde Lea	165	131	20	11	3	0	79.4%	12.1%	6.7%	1.8%	0.0%
Ingestre	75	18	28	24	5	0	24.0%	37.3%	32.0%	6.7%	0.0%
Marston	63	47	8	4	4	0	74.6%	12.7%	6.3%	6.3%	0.0%
Milwich	184	131	31	11	7	4	71.2%	16.8%	6.0%	3.8%	2.2%
Norbury	168	103	54	7	1	3	61.3%	32.1%	4.2%	0.6%	1.8%
Ranton	155	119	25	6	4	1	76.8%	16.1%	3.9%	2.6%	0.6%
Salt and Enson	173	122	27	10	13	1	70.5%	15.6%	5.8%	7.5%	0.6%
Sandon and Burston	177	106	39	23	9	0	59.9%	22.0%	13.0%	5.1%	0.0%
Seighford	844	553	229	35	27	0	65.5%	27.1%	4.1%	3.2%	0.0%
Standon	332	180	102	35	15	0	54.2%	30.7%	10.5%	4.5%	0.0%
Stone	7,434	2,730	1,837	1,624	1,199	44	36.7%	24.7%	21.8%	16.1%	0.6%
Stone Rural	712	428	182	67	33	2	60.1%	25.6%	9.4%	4.6%	0.3%
Stowe-by-Chartley	172	134	27	6	4	1	77.9%	15.7%	3.5%	2.3%	0.6%
Swynnerton	1,384	755	445	97	84	3	54.6%	32.2%	7.0%	6.1%	0.2%
Tixall	112	32	37	36	4	3	28.6%	33.0%	32.1%	3.6%	2.7%
Weston	448	279	84	47	36	2	62.3%	18.8%	10.5%	8.0%	0.4%
Whitgreave	84	56	15	11	2	0	66.7%	17.9%	13.1%	2.4%	0.0%
Yarnfield	614	380	93	82	51	8	61.9%	15.1%	13.4%	8.3%	1.3%
Stafford Town	29,347	6,918	10,998	6,453	4,805	173	23.6%	37.5%	22.0%	16.4%	0.6%

Source: Census 2011

Table 2 Dwelling Tenure

	All Households	Owned	Shared Ownership	Social Rented	Private Rented	Living Rent Free	Owned	Shared Ownership	Social Rented	Private Rented	Living Rent Free
				(No.)					(%)		
Stafford Borough	55,703	39,880	279	7,618	7,206	720	71.6%	0.5%	13.7%	12.9%	1.3%
Adbaston	240	170	0	28	34	8	70.8%	0.0%	11.7%	14.2%	3.3%
Barlaston	1,208	847	0	237	102	22	70.1%	0.0%	19.6%	8.4%	1.8%
Berkswich	762	656	3	25	71	7	86.1%	0.4%	3.3%	9.3%	0.9%
Bradley	199	166	0	17	13	3	83.4%	0.0%	8.5%	6.5%	1.5%
Brocton	445	408	0	2	28	7	91.7%	0.0%	0.4%	6.3%	1.6%
Chebsey	224	163	0	37	21	3	72.8%	0.0%	16.5%	9.4%	1.3%
Church Eaton	264	211	1	8	38	6	79.9%	0.4%	3.0%	14.4%	2.3%
Colwich	1,946	1,615	14	147	148	22	83.0%	0.7%	7.6%	7.6%	1.1%
Creswell	150	128	0	1	17	4	85.3%	0.0%	0.7%	11.3%	2.7%
Eccleshall	2,011	1,537	9	163	272	30	76.4%	0.4%	8.1%	13.5%	1.5%
Ellenhall	50	32	0	5	11	2	64.0%	0.0%	10.0%	22.0%	4.0%
Forton	126	97	0	8	15	6	77.0%	0.0%	6.3%	11.9%	4.8%
Fradswell	68	60	0	5	2	1	88.2%	0.0%	7.4%	2.9%	1.5%
Fulford	2,521	2,082	13	236	162	28	82.6%	0.5%	9.4%	6.4%	1.1%
Gayton	65	43	0	8	12	2	66.2%	0.0%	12.3%	18.5%	3.1%
Gnosall	2,048	1,653	0	180	178	37	80.7%	0.0%	8.8%	8.7%	1.8%
Haughton	451	363	0	49	33	6	80.5%	0.0%	10.9%	7.3%	1.3%
High Offley	398	314	1	43	33	7	78.9%	0.3%	10.8%	8.3%	1.8%
Hilderstone	235	194	1	23	15	2	82.6%	0.4%	9.8%	6.4%	0.9%
Hixon	774	650	5	74	36	9	84.0%	0.6%	9.6%	4.7%	1.2%
Hopton and Coton	301	238	2	18	41	2	79.1%	0.7%	6.0%	13.6%	0.7%
Hyde Lea	161	145	0	2	13	1	90.1%	0.0%	1.2%	8.1%	0.6%
Ingestre	72	61	0	0	10	1	84.7%	0.0%	0.0%	13.9%	1.4%
Marston	60	43	0	9	4	4	71.7%	0.0%	15.0%	6.7%	6.7%
Milwich	175	147	0	13	13	2	84.0%	0.0%	7.4%	7.4%	1.1%
Norbury	155	125	0	2	27	1	80.6%	0.0%	1.3%	17.4%	0.6%
Ranton	147	133	0	6	7	1	90.5%	0.0%	4.1%	4.8%	0.7%
Salt and Enson	168	137	1	11	17	2	81.5%	0.6%	6.5%	10.1%	1.2%
Sandon and Burston	158	72	0	2	69	15	45.6%	0.0%	1.3%	43.7%	9.5%
Seighford	827	723	1	34	60	9	87.4%	0.1%	4.1%	7.3%	1.1%
Standon	318	254	1	36	23	4	79.9%	0.3%	11.3%	7.2%	1.3%
Stone	7,179	5,259	24	831	978	87	73.3%	0.3%	11.6%	13.6%	1.2%
Stone Rural	681	529	0	54	75	23	77.7%	0.0%	7.9%	11.0%	3.4%
Stowe-by-Chartley	168	128	0	4	31	5	76.2%	0.0%	2.4%	18.5%	3.0%
Swynnerton	1,326	1,096	2	63	140	25	82.7%	0.2%	4.8%	10.6%	1.9%
Tixall	104	68	0	1	29	6	65.4%	0.0%	1.0%	27.9%	5.8%
Weston	422	354	1	14	47	6	83.9%	0.2%	3.3%	11.1%	1.4%
Whitgreave	80	52	0	9	18	1	65.0%	0.0%	11.3%	22.5%	1.3%
Yarnfield	595	492	4	52	42	5	82.7%	0.7%	8.7%	7.1%	0.8%
Stafford Town	28,421	18,435	196	5,161	4,321	308	64.9%	0.7%	18.2%	15.2%	1.1%

Source: Census 2011

Table 3 Bedroom Profile

	Total Households	1 Bedroom	2 Bedroom	3 Bedroom	4+ Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4+ Bedroom
			(No.)				(%)		
Stafford Borough	55,703	4607	12,768	24,758	13,570	8.3%	22.9%	44.4%	24.4%
Adbaston	240	15	26	127	72	6.3%	10.8%	52.9%	30.0%
Barlaston	1208	102	252	607	247	8.4%	20.9%	50.2%	20.4%
Berkswich	762	4	171	286	301	0.5%	22.4%	37.5%	39.5%
Bradley	199	12	27	75	85	6.0%	13.6%	37.7%	42.7%
Brocton	445	6	62	195	182	1.3%	13.9%	43.8%	40.9%
Chebsey	224	25	26	95	78	11.2%	11.6%	42.4%	34.8%
Church Eaton	264	2	41	100	121	0.8%	15.5%	37.9%	45.8%
Colwich	1946	112	292	950	592	5.8%	15.0%	48.8%	30.4%
Creswell	150	2	40	89	19	1.3%	26.7%	59.3%	12.7%
Eccleshall	2011	121	382	811	697	6.0%	19.0%	40.3%	34.7%
Ellenhall	50	2	6	27	15	4.0%	12.0%	54.0%	30.0%
Forton	126	3	19	48	56	2.4%	15.1%	38.1%	44.4%
Fradswell	68	0	11	28	29	0.0%	16.2%	41.2%	42.6%
Fulford	2521	131	539	1,219	632	5.2%	21.4%	48.4%	25.1%
Gayton	65	10	4	21	30	15.4%	6.2%	32.3%	46.2%
Gnosall	2048	113	442	811	682	5.5%	21.6%	39.6%	33.3%
Haughton	451	33	44	194	180	7.3%	9.8%	43.0%	39.9%
High Offley	398	26	43	177	152	6.5%	10.8%	44.5%	38.2%
Hilderstone	235	10	39	70	116	4.3%	16.6%	29.8%	49.4%
Hixon	774	45	165	311	253	5.8%	21.3%	40.2%	32.7%
Hopton and Coton	301	16	74	102	109	5.3%	24.6%	33.9%	36.2%
Hyde Lea	161	1	15	66	79	0.6%	9.3%	41.0%	49.1%
Ingestre	72	1	14	41	16	1.4%	19.4%	56.9%	22.2%
Marston	60	1	3	37	19	1.7%	5.0%	61.7%	31.7%
Milwich	175	10	19	62	84	5.7%	10.9%	35.4%	48.0%
Norbury	155	1	18	62	74	0.6%	11.6%	40.0%	47.7%
Ranton	147	5	12	43	87	3.4%	8.2%	29.3%	59.2%
Salt and Enson	168	9	27	54	78	5.4%	16.1%	32.1%	46.4%
Sandon and Burston	158	5	37	68	48	3.2%	23.4%	43.0%	30.4%
Seighford	827	27	285	306	209	3.3%	34.5%	37.0%	25.3%
Standon	318	16	40	136	126	5.0%	12.6%	42.8%	39.6%
Stone	7179	651	1,863	2,788	1,877	9.1%	26.0%	38.8%	26.1%
Stone Rural	681	39	115	256	271	5.7%	16.9%	37.6%	39.8%
Stowe-by-Chartley	168	5	28	62	73	3.0%	16.7%	36.9%	43.5%
Swynnerton	1326	43	290	576	417	3.2%	21.9%	43.4%	31.4%
Tixall	104	2	15	42	45	1.9%	14.4%	40.4%	43.3%
Weston	422	27	83	161	151	6.4%	19.7%	38.2%	35.8%
Whitgreave	80	4	21	28	27	5.0%	26.3%	35.0%	33.8%
Yarnfield	595	62	55	212	266	10.4%	9.2%	35.6%	44.7%
Stafford Town	28421	2,908	7,123	13,415	4,975	10.2%	25.1%	47.2%	17.5%

Source: Census 2011

Table 4 Household Composition

	Total	Single 65+	Single <65	Couple 65+	Couple <65	Households with Children	Other	Single 65+	Single <65	Couple 65+	Couple <65	Households with Children	Other
					(No.)							(%)	
Stafford Borough	55703	7123	9113	5887	11405	15092	7083	12.8%	16.4%	10.6%	20.5%	27.1%	12.7%
Adbaston	240	30	28	22	65	56	39	12.5%	11.7%	9.2%	27.1%	23.3%	16.3%
Barlaston	1208	190	146	163	269	290	150	15.7%	12.1%	13.5%	22.3%	24.0%	12.4%
Berkswich	762	81	56	113	147	277	88	10.6%	7.3%	14.8%	19.3%	36.4%	11.5%
Bradley	199	27	31	30	38	56	17	13.6%	15.6%	15.1%	19.1%	28.1%	8.5%
Brocton	445	47	29	97	98	111	63	10.6%	6.5%	21.8%	22.0%	24.9%	14.2%
Chebsey	224	29	30	16	67	62	20	12.9%	13.4%	7.1%	29.9%	27.7%	8.9%
Church Eaton	264	25	27	28	69	83	32	9.5%	10.2%	10.6%	26.1%	31.4%	12.1%
Colwich	1946	243	219	246	507	502	229	12.5%	11.3%	12.6%	26.1%	25.8%	11.8%
Creswell	150	16	15	26	43	32	18	10.7%	10.0%	17.3%	28.7%	21.3%	12.0%
Eccleshall	2011	297	297	270	450	433	264	14.8%	14.8%	13.4%	22.4%	21.5%	13.1%
Ellenhall	50	5	3	5	14	19	4	10.0%	6.0%	10.0%	28.0%	38.0%	8.0%
Forton	126	12	9	26	29	31	19	9.5%	7.1%	20.6%	23.0%	24.6%	15.1%
Fradswell	68	7	3	7	27	18	6	10.3%	4.4%	10.3%	39.7%	26.5%	8.8%
Fulford	2521	359	293	393	519	618	339	14.2%	11.6%	15.6%	20.6%	24.5%	13.4%
Gayton	65	10	4	2	27	16	6	15.4%	6.2%	3.1%	41.5%	24.6%	9.2%
Gnosall	2048	286	263	239	480	522	258	14.0%	12.8%	11.7%	23.4%	25.5%	12.6%
Haughton	451	56	42	80	109	107	57	12.4%	9.3%	17.7%	24.2%	23.7%	12.6%
High Offley	398	35	47	41	107	115	53	8.8%	11.8%	10.3%	26.9%	28.9%	13.3%
Hilderstone	235	25	21	22	58	72	37	10.6%	8.9%	9.4%	24.7%	30.6%	15.7%
Hixon	774	96	97	72	191	237	81	12.4%	12.5%	9.3%	24.7%	30.6%	10.5%
Hopton and Coton	301	22	37	44	72	84	42	7.3%	12.3%	14.6%	23.9%	27.9%	14.0%
Hyde Lea	161	18	16	33	42	35	17	11.2%	9.9%	20.5%	26.1%	21.7%	10.6%
Ingestre	72	4	6	7	29	17	9	5.6%	8.3%	9.7%	40.3%	23.6%	12.5%
Marston	60	2	6	9	23	14	6	3.3%	10.0%	15.0%	38.3%	23.3%	10.0%
Milwich	175	25	13	24	41	41	31	14.3%	7.4%	13.7%	23.4%	23.4%	17.7%
Norbury	155	17	12	19	47	38	22	11.0%	7.7%	12.3%	30.3%	24.5%	14.2%
Ranton	147	10	14	19	38	39	27	6.8%	9.5%	12.9%	25.9%	26.5%	18.4%
Salt and Enson	168	25	21	31	51	21	19	14.9%	12.5%	18.5%	30.4%	12.5%	11.3%
Sandon and Burston	158	19	26	15	41	39	18	12.0%	16.5%	9.5%	25.9%	24.7%	11.4%
Seighford	827	141	75	171	200	145	95	17.0%	9.1%	20.7%	24.2%	17.5%	11.5%
Standon	318	37	39	31	65	106	40	11.6%	12.3%	9.7%	20.4%	33.3%	12.6%
Stone	7179	959	1,294	693	1,442	2022	769	13.4%	18.0%	9.7%	20.1%	28.2%	10.7%
Stone Rural	681	100	75	93	163	188	62	14.7%	11.0%	13.7%	23.9%	27.6%	9.1%
Stowe-by-Chartley	168	12	14	26	48	42	26	7.1%	8.3%	15.5%	28.6%	25.0%	15.5%
Swynnerton	1326	199	159	192	306	305	165	15.0%	12.0%	14.5%	23.1%	23.0%	12.4%
Tixall	104	11	18	8	27	24	16	10.6%	17.3%	7.7%	26.0%	23.1%	15.4%
Weston	422	49	50	67	105	113	38	11.6%	11.8%	15.9%	24.9%	26.8%	9.0%
Whitgreave	80	3	9	7	23	23	15	3.8%	11.3%	8.8%	28.8%	28.8%	18.8%
Yarnfield	595	48	89	57	147	172	82	8.1%	15.0%	9.6%	24.7%	28.9%	13.8%
Stafford Town	28421	3546	5480	2443	5181	7967	3804	12.5%	19.3%	8.6%	18.2%	28.0%	13.4%

Appendix 2: List of Workshop Attendees

Economic Workshop Attendees

Name	Organisation
Joanne Mayne	SOTCC
Peter leaver	JLL
Roger Bedson	Hinson Parry & Co
Michelle Smith	Stafford Borough Council
Frances Beatty	Stafford Borough Council
Naomi Perry	East Stafford Borough Council
Ian Stevens	Telford & Wrekin Borough Council
Harpreet Kuyat	SAKH
John Holmes	Stafford Borough Council
Simon Peters	Network Space
Karen Tierney	Stafford Borough Council
Anna Nevin	Stafford Borough Council
Robert Gatensby	Stafford Borough Council
Chris Kirkland	Staffordshire County Council
Matt Shufflebotham	Staffordshire County Council
Amanda Holland	Stafford Borough Council

Housing Workshop Attendees

Name	Organisation
S.Swann	WH7
H.Smith	Stafford Borough Council
Anna Nevin	Stafford Borough Council
Amanda Holland	Stafford Borough Council
Tom Lewis	SOTCC
Michelle Smith	Stafford Borough Council
John Holmes	Stafford Borough Council
Roger Bedson	Hinson Parry & Co
Jeremy Pert	Stafford Borough Council
Ian Stevens	Telford and Wrekin Council
Matt Shufflebotham	Staffordshire County Council
Julie Harvey	SARH
H Nuyet	SARH

Appendix 3: Business Survey Analysis

Business Survey Results

This section outlines the findings from the Business Survey which was undertaken by Lichfields in January 2019 to gain a better understanding of local Stafford companies' current and future employment space needs. Please note no direct decisions will be made directly as a result of the findings of the survey in respect of quantifying need. The results form part of the wider qualitative analysis undertaken as part of the study.

55 businesses across a range of sectors and locations in the Borough[1] responded to the survey. The survey was sent to contacts recorded by SBC in a business database with more than 1,225 contacts.

Profile of Businesses

The profile of businesses that responded are generally bigger than the overall business population within the Borough. Micro businesses are under-represented whilst small-medium businesses are over-represented. However, no larger businesses responded, which is a little surprising given that they often require larger employment space and tend to engage with business surveys to a greater extent than smaller businesses. Table 1 compares the profile of businesses that responded to the wider business population in Stafford.

Table 1 Size of businesses comparison - Stafford

Size	Survey respondents	%	Stafford	West Midlands
Micro (0 to 9 employees)	35	68.6%	89.4%	88.9%
Small (10 to 49)	11	21.6%	8.7%	9.1%
Medium (50 to 249)	5	9.8%	1.6%	1.6%
Large (250 +)	0	0.0%	0.3%	0.4%
TOTAL	51*	100.0%	100.0%	100.0%

Source: Lichfield Analysis ONS (2018) Inter Departmental Business Register

*4 business did not give their number of employees

Over a third of businesses were based in office premises, with 8 companies comprising professional, scientific and technical companies; 4 business administration & support services; 1 financial and insurance company and 4 ICT companies. The other businesses came from a range of sectors including manufacturing (5), education (5), arts/entertainment/recreation (5), health (4), retail (6) and logistics and distribution (1).

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[1] Not all 55 business answered every question so the number of responses will vary.
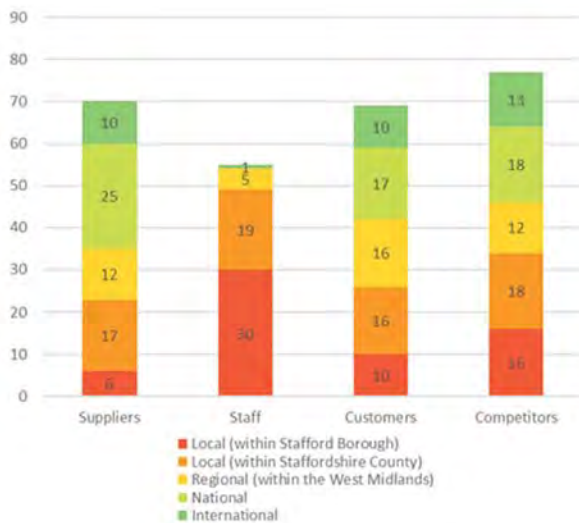
Figure 1 Business Categories

Legend:
- Accommodation and food services
- Arts / entertainment / recreation and other services
- Business administration and support services
- Construction
- Education
- Financial and insurance
- Health
- Information and communication
- Manufacturing
- Professional, scientific and technical
- Retail
- Transport and storage
- Wholesale
- Agriculture, forestry and fishing
- Property
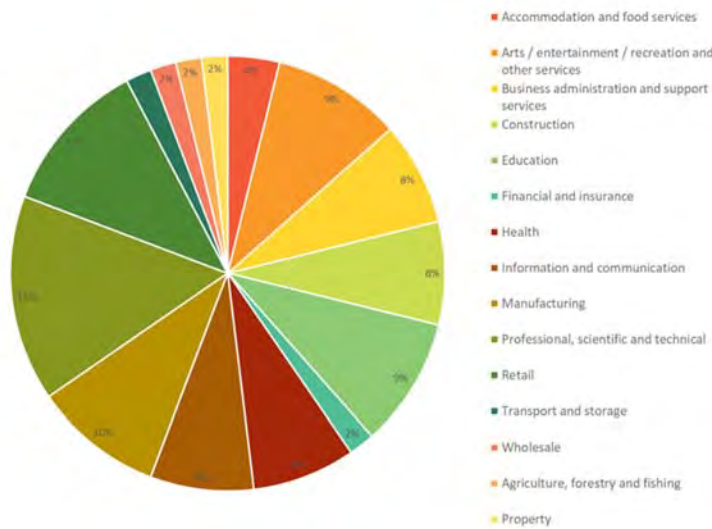
Source: Lichfields Analysis

Figure 2 summarises where most of respondents' suppliers/customers/staff and competitors are from. Reflecting the higher proportion of manufacturing businesses in the sample, two thirds of respondents served international and national markets and half served the UK market. Just two businesses served only the local market.

Figure 2 Where the majority of respondents', suppliers/customers/staff come from

Legend:
- Local (within Stafford Borough)
- Local (within Staffordshire County)
- Regional (within the West Midlands)
- National
- International

Source: Lichfields analysis

Current Business Premises

The respondent businesses were typically local to Stafford with historic ties to the Borough. Interestingly, over three fifths of businesses that responded to the survey have been based at their current premises for at least 10 years. This could suggest that the businesses are very content with the area as a place to do business; alternatively, it could suggest an inability to find better accommodation within their price range. A further

fifth had been in Stafford for between 5 and 10 years. In comparison, only two business had been in Stafford for less than 3 years.

Of all the respondents, 60% have never been based anywhere other than their current premises in the Borough.

When asked to describe their current premises, over a fifth stated that they were currently based on an industrial estate, whilst 36% were based either in Town Centre offices (22%) or a Business/Office park (14%). 6% of respondents were based on an individual urban site, whilst 4% of respondents were based in an equivalent rural site. A handful of respondents were based in live/work units or managed workspaces.

Figure 3 Site typologies where respondents are based
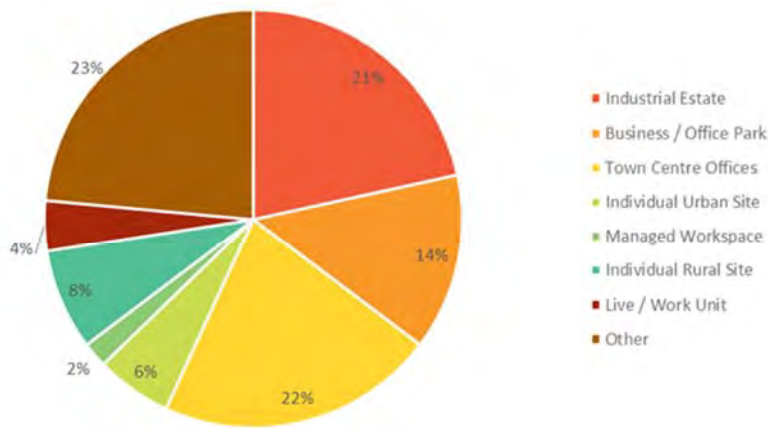
Source: Lichfields analysis

Respondents were also asked whether certain factors influenced the selection of their current premises. As can be seen in Figure 4, and perhaps unsurprisingly, the cost of premises was identified as the 'most important' factor which influenced locational choices by more than half of all respondents. The quality of premises was the next most important consideration, with 38% respondents rating it as a '5'. Other important considerations included security, low running costs and on-site car parking.

Conversely, despite the Government's efforts to improve broadband connectivity and speeds, this was relatively low down the list of priorities for respondents, with just 2 suggesting that it was the most important, 17 suggesting it was irrelevant (presumably given that they have been at the address for so long that it was not a consideration at the time) and a further 10 considering it to be relatively unimportant.

Figure 4 Factors which influenced the selection of respondents' current premises
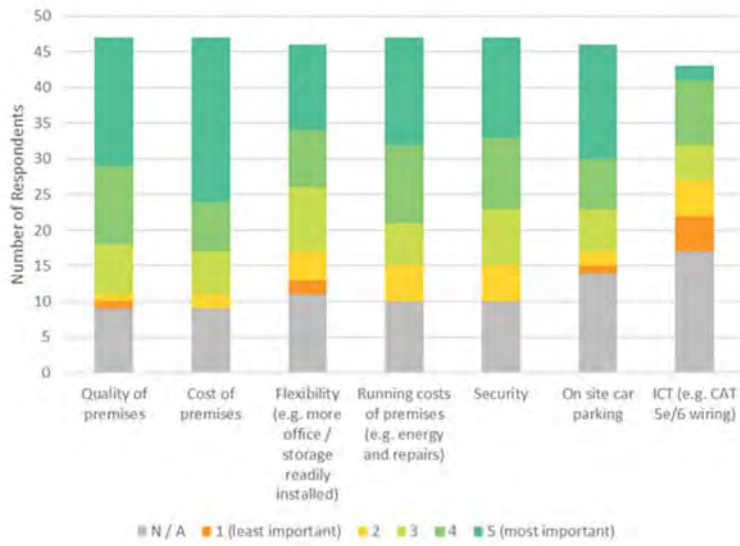
Source: Lichfields Analysis

Moving away from the actual premises themselves and towards the broad location, and unsurprisingly given the Borough's excellent accessibility, 'access to the road network' was identified as the most popular influencing factor. This was rated as the most important locational factor by almost a third (31%) of all respondents. Other popular responses included proximity to the client base (with 25% of respondents citing this as the most important factor) and access to skills (10%).

Figure 5 Factors which influenced the selection of respondents' current location
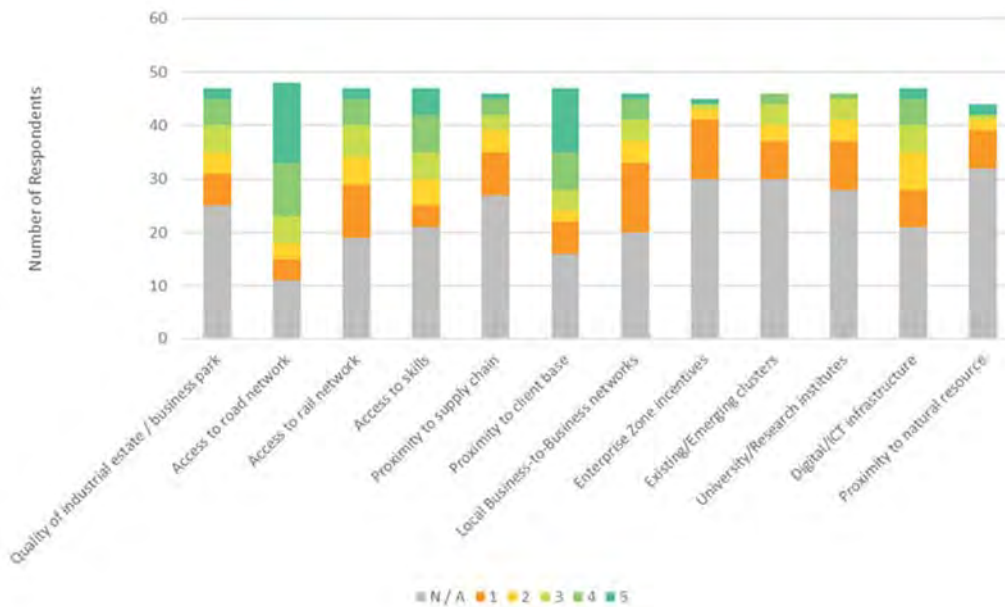
Source: Lichfields Analysis

In contrast, 13 respondents stated that the least important consideration influencing their choice of business location was local Business-to-Business networks, followed by Enterprise Zone incentives (11) and (perhaps surprisingly) proximity to their supply chain (8).

Over three quarters of respondents reported that their premises were 'about right' for their space requirements. However, a fifth reported that they did not have enough space, whilst only 4% reported that they had spare space.

Almost two thirds of respondents rated the overall quality of their premises 4 or 5 out of 5 (64%), whilst 27% of respondents rated it 3 out of 5. Only 9% of respondents rated the quality of their premises 1 or 2 out of 5.

Figure 6 Business perceptions of current premises

How well do your current buildings and site meet your space requirements?

- Not enough space
- About right
- Spare space

Score out of 5 for quality of premises

1 2 3

4 5
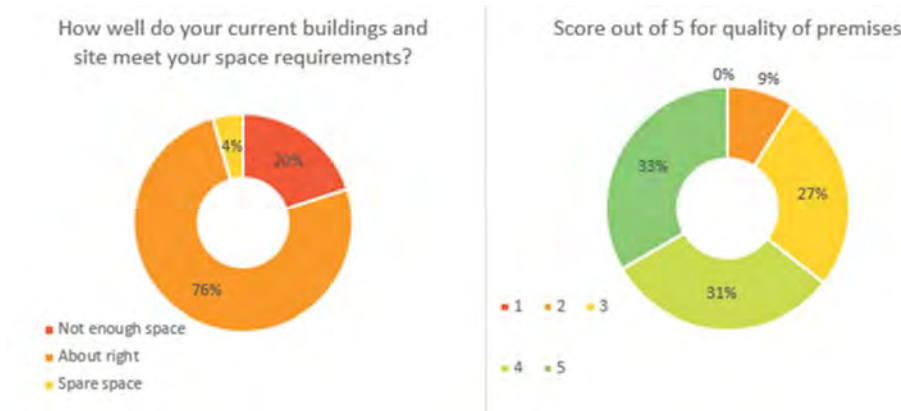
Source: Lichfields Analysis

A number of comments were received regarding the lack of space at respondents' existing premises and a lack of quality of existing units. Others identified that there were issues in respect of accessibility by public transport to premises and a lack of adequate parking.

When asked whether they had previously experienced any difficulties in finding suitable business premises / sites to expand, upgrade or relocate within their local area, 13 respondents replied in the affirmative. Issues which were highlighted included:

- Size of available accommodation – lack of good quality, well serviced small/medium sized premises;
- Inflexible leases which are viewed as being weighted in the favour of landlords; and
- Higher rents in comparison to nearby terms.

Future Growth Plans

Nine respondents (38% of those who responded to this question) expect to expand the amount of space they need over the next 5 years. The total expansion requirement reported by these respondents was around 8,560 sqm. The mean expansion requirement was 856 sqm.

In terms of the feedback received, one respondent stated that the Stafford Technology Park does not provide much for scale up, whilst the leases are too short for buying and they would not want to rent any more. Another stated that they planned to relocate out of Stafford to areas where rent is more reasonable and there are more available units. One respondent stated that they would love to stay in Staffordshire, but if the buildings aren't here they would need to look around adjoining areas if it was critical to the business operation. One respondent stated that they were looking to move out of Stafford as they were struggling to find suitable site at right price, confirming that they were presently looking towards Cannock to meet their needs.

The main obstacles to businesses expanding in Stafford were reported to be a lack of suitable premises (28%); the affordability of premises (24%) and, to a much lesser extent, general labour shortages (8%).

Stafford Borough as a Location for Business

Overall, respondents were satisfied with the Borough as a business location, with three out of five (61%) rating it as a 4 or 5 (out of 5), compared with 11% giving the Borough a rating of 1 or 2.

Figure 7 Satisfaction with Stafford Borough as a business location
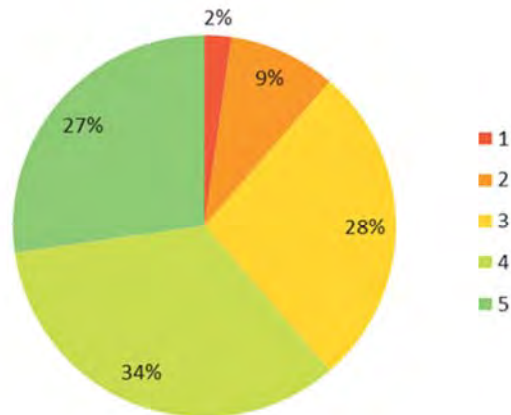
Source: Lichfields analysis note - 1 = very dissatisfield, 5 = very satisfied

Reasons behind this reasonably high level of satisfaction included:

1   Stafford's location at the centre of the country with 2 M6 junctions and a mainline rail station;

2   Stone's good location with good transport links to the M6 and excellent rail connections to Stafford and Stoke;

3   Great hub in terms of accessing motorways and airports, set in attractive countryside.

Regarding negatives of the Borough as a business location, respondents highlighted:

•   Issues with traffic flow and congestion on some routes impacting on staff retention; and

•   Lack of innovative, new modern offices.

In terms of key strengths of the Borough as a business location, respondents praised the natural environment, its central location and its proximity to Birmingham and the Black Country (ensuring they are in close proximity to the markets they serve).

Weaknesses of the area as identified by the survey responses (supported by similar views expressed in the stakeholder consultation) focused on traffic congestion and the declining quality of Stafford Town Centre, as well as a perceived lack of recent investment in buildings and ICT infrastructure.

When asked how the Council could improve the Borough as a place to do business, the answers generally reflected the previous comments, namely the need to improve roads and public transport links and provide free car parking, comments that often resonate with businesses in such surveys across the country.

There seems to be a particular concern regarding the deteriorating quality of Stafford Town Centre, which again is common with many centres across the country due to social and economic shifts regarding people's shopping patterns, but which also suppresses business appetite to locate in the area.

Other respondents requested that the Council do more to support small businesses, build industrial units with an ancillary office so that small businesses can have premises to grow into. Another suggested that SBC invest in the skill set of people, promoting the positive reasons for living in the area, and have a long-term business/area plan with a clear goal.

Appendix 4: PopGroup Modelling Assumptions

Modelling Assumptions

Component	Demographic Led Scenarios			Economic Led Scenarios			
	Scenario/Bi: 2014 SNPP	Scenario C/Ci: MYE 2018	Scenario D/Di: Cambridge Econometrics	Scenario E/Ei: Jobs Growth Policy On	Scenario F/Fi: Past Trends Jobs Growth	Scenario G/Gi: Jobs Growth Jobs Boost	
Demographic Data							
Population	The baseline population base for Scenario B is taken from the ONS 2014-based population projections for Scenarios C/D/E/F/G is taken from the 2018 Mid-Year Estimates for Stafford Borough. This population is split by single year of age and gender						
	This population for the years 2020 to 2040 is constrained to the 2014-based SNPP.	The population for 2019 is constrained to the ONS Mid-Year Estimates data (the latest population estimates). The population for the years 2020 to 2040 is not constrained.					
Births	For 2020 /21onwards, the total number of births projected in the 2014-based SNPP is applied.	For 2020/21 onwards, the Total Fertility Rate (TFR) projected in the 2014-based SNPP is applied.	From 2020/21 the Total Fertility Rate (TFR) projected in the 2014-based SNPP is applied. MYEs are applied to the years prior to the start of the plan period where actual data is available	For 2020/21 onwards, the Total Fertility Rate (TFR) projected in the 2014-based SNPP is applied.			
Deaths	For 2020/21 onwards, the total number of deaths projected in the 2014-based SNPP is applied.	For 2020/21 onwards, the Standardised Mortality Ratio (SMR) projected in the 2014-based SNPP is applied.	From 2020/21 SMR is applied based on the 2014-SNPP. For the years prior to the plan period actual MYE deaths are applied	For 2020/21 onwards, the Standardised Mortality Ratio (SMR) projected in the 2014-based SNPP is applied.			
Internal	For 2020/21		For 2020/21	The PopGroup model adjusts the levels of in and out migration to provide the level population			

	Demographic Led Scenarios			Economic Led Scenarios
Migration	onwards, flows projected in the 2014-based SNPP are applied.		onwards, flows projected in the 2014-based SNPP are applied. Actual data prior to the plan period are applied based on the MYE (2014 to 2019).	required to support the given number of jobs specified in the scenario.
International Migration	As above but for international flows			
Propensity to Migrate	The age profiles of migration for both in and out domestic and international migration are based upon the age profile of migrants to and from Stafford Borough in the 2014-based SNPP. This profile drives the demographic profile of those people moving into and out of the Borough in each of these scenarios.			
Housing				
Headship rates: Core Scenarios	Headship rates (the proportion of people in a given age group who will form a head of household) are taken from the DCLG 2014-based Household Projections for the Borough. These are split by gender and five-year age group.			
Headship rates: Partial Catch-Up Scenarios	The Baseline headship rates are adjusted such that, half of the difference between the 2008-based household projections and the 2014-based household projections is "caught-up" in the 15-34 age groups.			
Population not in households	The population not in households (i.e. in institutional accommodation) is taken from the DCLG 2014-based SNHP. These are applied as absolute numbers up to age 74, and above this age the numbers are converted into percentages which are applied to the population. This allows for changes in the elderly population in institutional care where there is a change in the population over age 75. No change is assumed from the levels identified within the 2014-based SNHP.			
Vacancy/second home rates	A vacancy / second home rate is applied to the number of households, representing the natural vacancies/not permanently occupied homes which occur within the housing market and mean that more dwellings than households are required to meet needs. The vacancy /second home rate is estimated using Council Tax Base (CTB) data. An average rate of vacancy is applied over the plan period, based on past trends of vacancy across the Borough.			
Economic				
Economic Activity Rates	For 2020, these rates have been adjusted to align with the Annual Population Survey estimates of population and economically active people aged 16+ in the Borough.			

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	Demographic Led Scenarios	Economic Led Scenarios
	Rates have been projected for years 2020/21 onwards in line with the annual rates of change projected for each age/gender group in the Office for Budget Responsibility Labour Market Participation Rate Projections (January 2017).	
Labour Force Ratio (commuting rate)	The labour force ratio is worked out using the formula: (A) Number of employed workers living in area ÷ (B) Number of workers who work in the area (number of jobs). This ratio has been calculated for the period 2015 to 2019 using APS data on the number of employed people (economically active less unemployment) and the total number of jobs from Cambridge Econometrics. The five year average is applied over the remainder of the modelling period.	This ratio has been calculated for the period 2015 to 2019 using APS data on the number of employed people (economically active less unemployment) and the total number of jobs from Cambridge Econometrics. The five year average is applied over the remainder of the modelling period.
Unemployment	The unemployment rate for 2004 to 2018 is taken from the ONS Annual Population Survey model-based estimate of unemployment. The 2018 rate (2.8%) has been held constant over the modelling period as this is lower than pre-recession trends in the Borough.	

Appendix 5: New Homes Survey Analysis

New Homes Survey Findings

In order to understand the characteristics of households living in new build housing across the Borough alongside their home buying choices, a household survey was commissioned to explore these issues.

The survey was sent to a range of new build housing development across the Borough, built since 2014, shown in Figure 1.

Figure 1 Location of new build housing developments
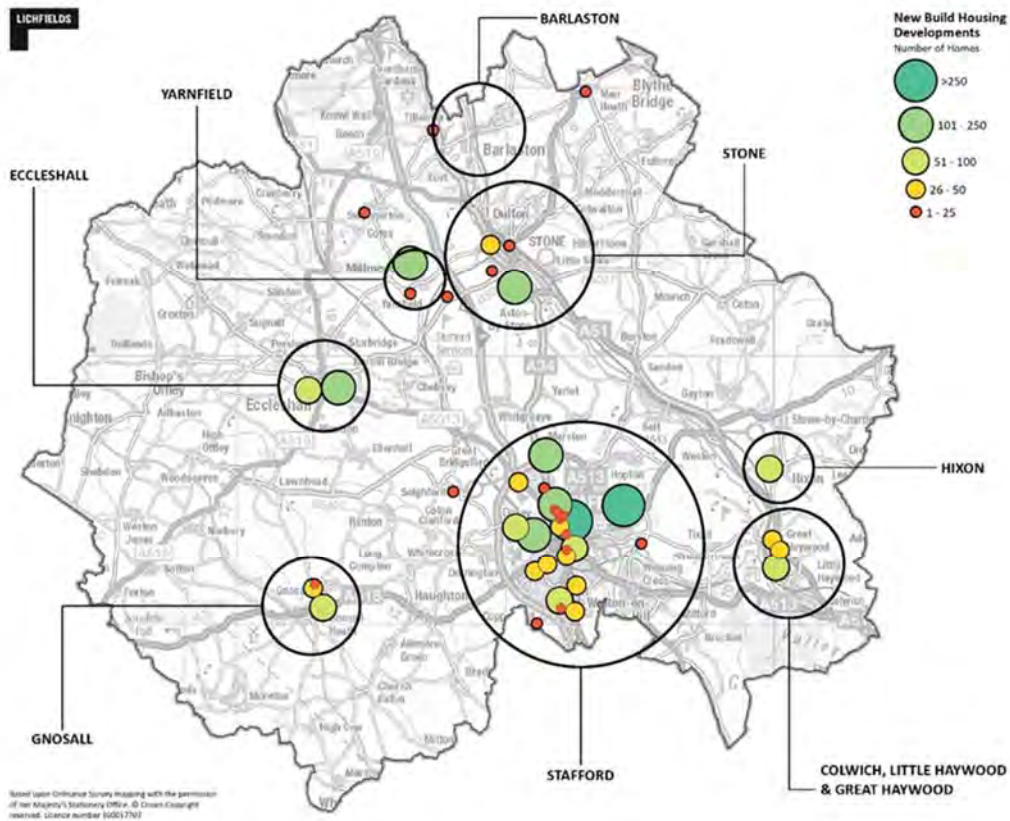
Source: Stafford New Homes Survey/Lichfields Analysis

Of the 2,810 surveys sent out, 545 responses were received, a response rate of 20%. In order to understand the trends and findings of the survey and reflecting the geographic nature of the new developments which were surveyed, the analysis is presented based on the following 3 sub-areas:

- Stafford (316 responses);
- Stone (43 responses); and
- Rural Stafford – which includes all new developments which fall outside Stafford and Stone (186 responses).

Characteristics of respondents

As would be expected most respondents had lived in their home less than 3 years. In terms of tenure the majority of households are 'owned (with/without a mortgage)'. Stafford has the greatest proportion of respondents who rent from a housing association (14.9%). Rural Stafford has the greatest proportion of households which are in shared ownership properties (9.1%).

Figure 2 Tenure of respondents
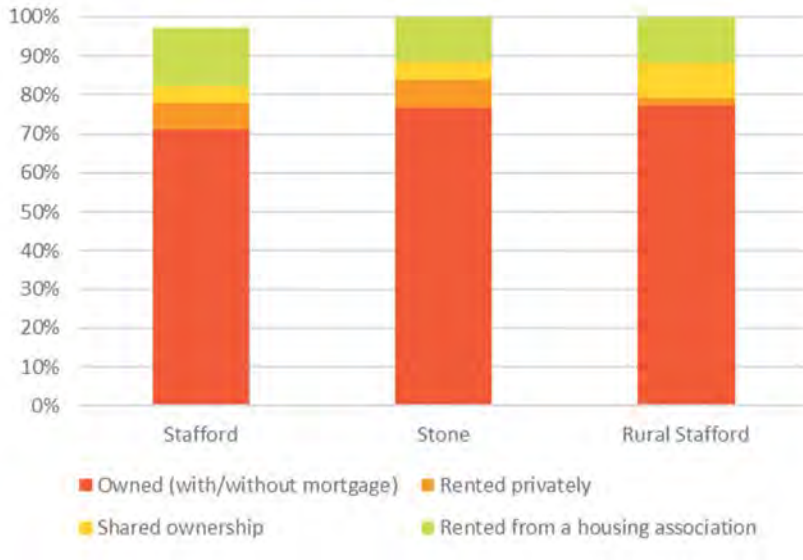
Source: Stafford New Homes Survey

In respect of the size of households (number of people in a household); Stone and Rural Stafford has the greatest proportion of 2-person households, 51.2% and 40.3% respectively. Stafford has the greatest proportion of one-person households (31%). Stone and Rural Stafford have the highest proportion of 3/4 person households; 30.2% and 39.2% respectively.
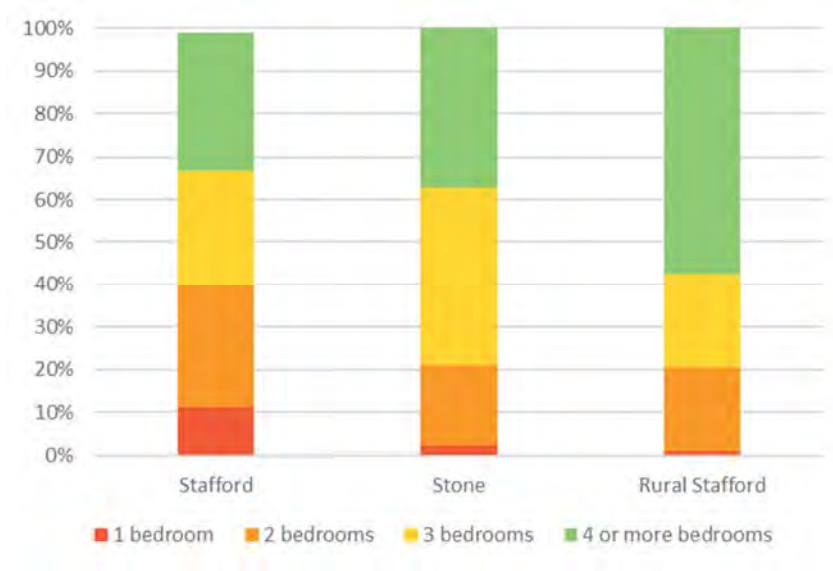
Figure 3 Size of households
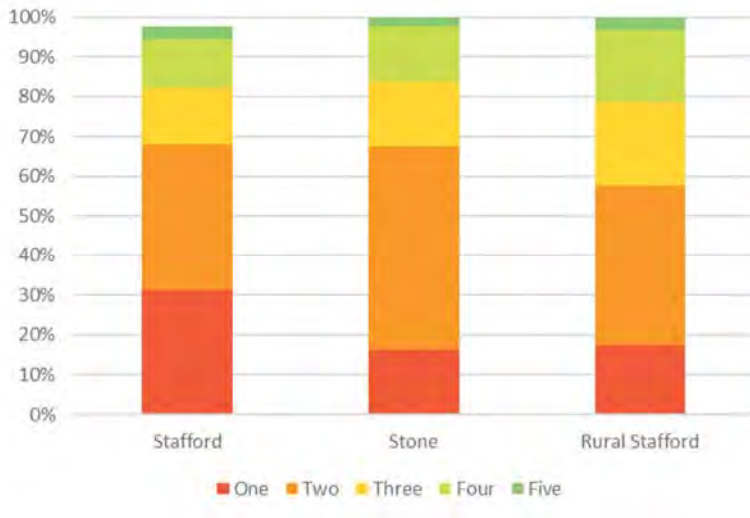
Source: Stafford New Homes Survey/Lichfields Analysis

In terms of the number of bedrooms, shown in Figure 3. In Stafford, there is a relatively balanced spread of the house size of respondents, across two, three and four-bedroom properties.

Figure 4 Size of properties (number of bedrooms)

Source: Stafford New Homes Survey/Lichfields Analysis

In Stone respondents largely live in three or four or more bed properties. Rural Stafford has the greatest proportion of respondents living in larger (four or more bedroom) properties (57.5%). There are a lower proportion of smaller (one and two-bed properties) in Stone and Rural Stafford compared to respondents in Stafford.

In terms of house types of respondents, Stafford has the greatest number of respondents who live in flats (33.2%) and Stafford and Rural Stafford has the highest proportion of respondents who live in terraced properties; 13.3% and 12.9% respectively.

Figure 5 House type
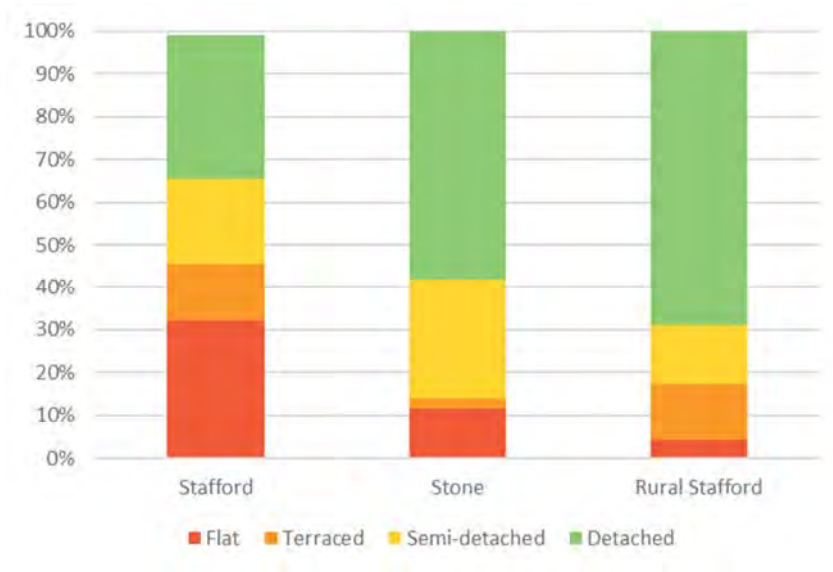
Source: Stafford New Homes Survey/Lichfields Analysis

Detached properties are the dominant house type for all respondents, with Rural Stafford having the greatest proportion of respondents in detached homes (68.8%).

Based on the respondents to the survey;

- Stafford has the greatest mix of new homes in respect of house type, tenure and size;
- Stone has a greater proportion of 2/3 person households which are detached and semi-detached; and,
- Rural Stafford is dominated by larger, detached new build homes.

Previous home

Respondents were asked to provide the location of their previous home. Analysis shows households living in new homes in The Borough moved from largely from within the Borough and the majority moved from Stafford or just outside.

Figure 6 shows the previous location of homes for respondents now living in new developments in Stafford. It highlights that most respondents moved from within the Borough, with high numbers moving from within a 2-mile radius of Stafford town. Moderate numbers of people moved from around Rugeley to the southeast.
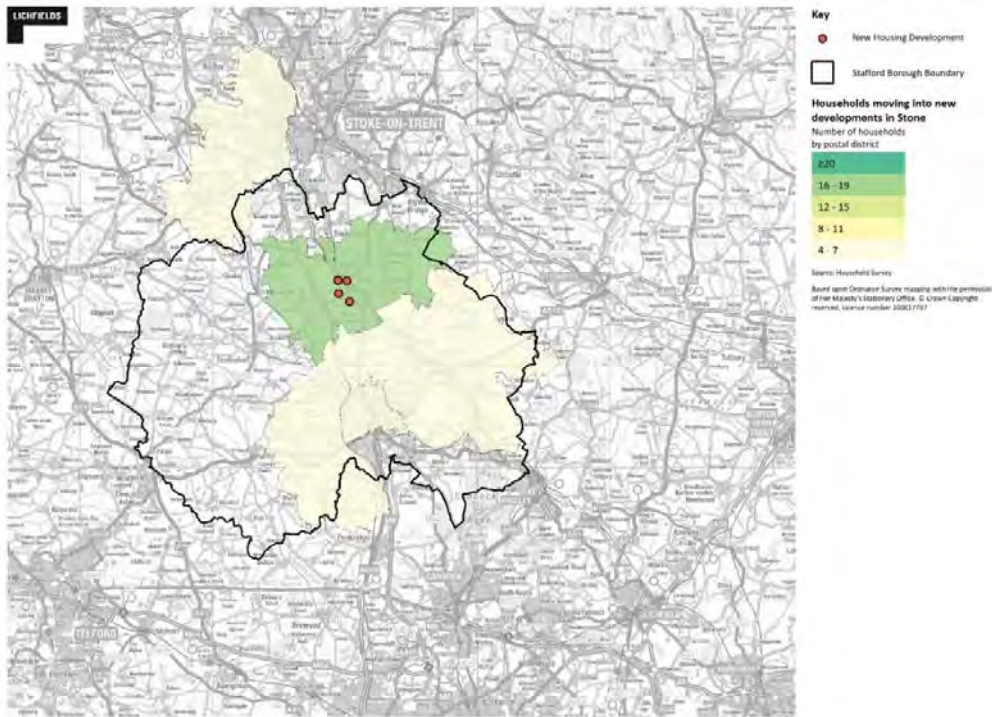
Figure 6 Previous location of home to current home (Stafford)
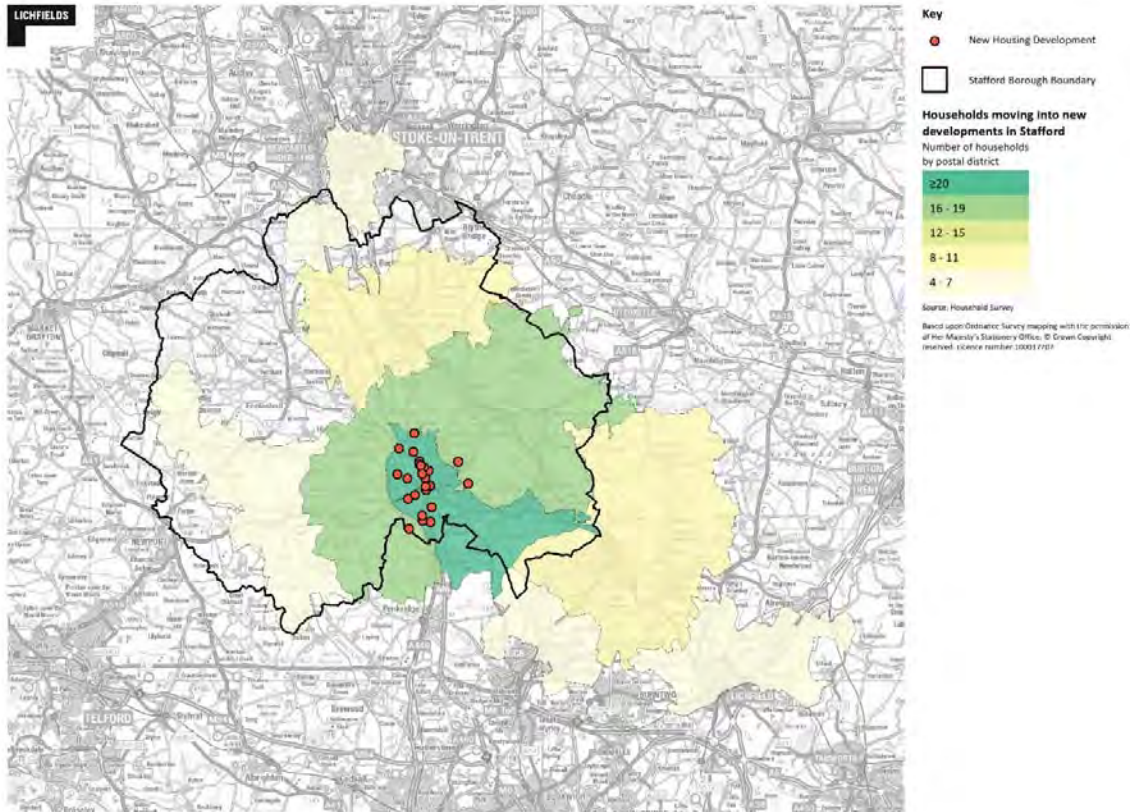
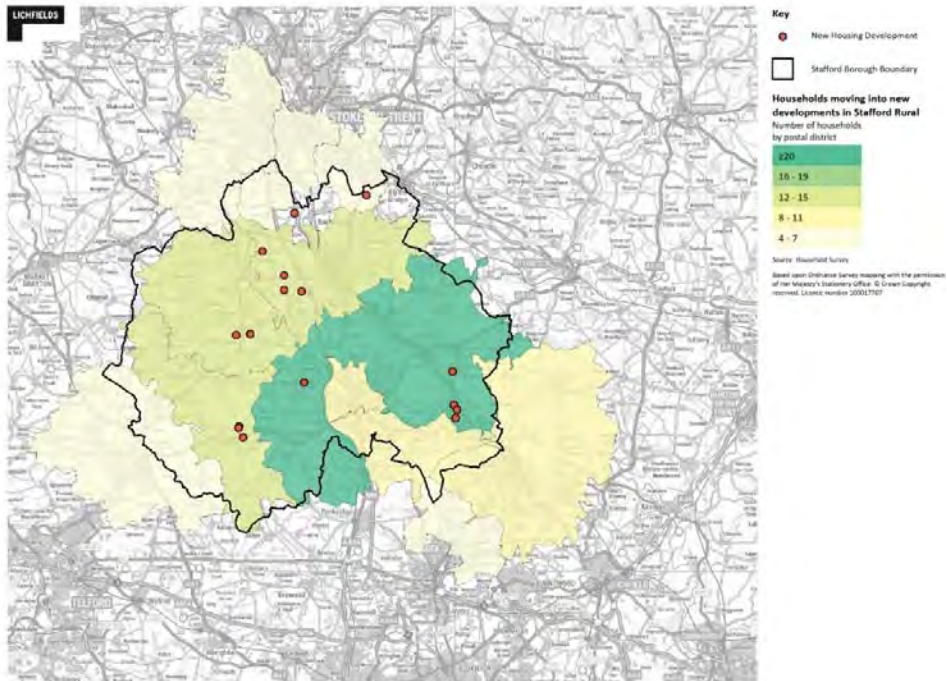Source: Stafford New Homes Survey/Lichfields Analysis

Figure 7 shows the previous location of homes for respondents now living in new developments in Stone. It highlights that, as with those moving to Stafford, most respondents moved from within the Borough, particularly from the vicinity of Stone. As such, those moving to new developments in Stone, tend to originate from a much more local area compared to the area from which respondents moved into new homes in Stafford.

Figure 7 Previous location of home to current home (Stone)

Source: Stafford New Home Survey /Lichfields Analysis

Figure 8 Previous location of home to current home (Rural Stafford)

Source: Stafford New Homes Survey/Lichfields Analysis

Figure 8 shows the majority of respondents have moved to new developments from within the Borough, with a handful of respondents moving in from the local authorities from the north, south east and west, which is likely to be a consequence of the location of the new developments being the border of the Borough, Newcastle-under-Lyme and Stoke-on-Trent.

Analysis of previous house moves of people currently living in new build homes supports the wider analysis of Census 2011 migration trends which highlight the Borough as a self-contained housing market with the majority of households moving from within the Borough.

Stafford and Rural Stafford have a greater geographic area from which respondents have moved in from compared to Stone where the market seems to be more contained.

Travel to Work

Respondents were asked to state where different household members work. We have analysed the data in respect of household member 1 and member 2. Table 1 shows the occupational breakdown of household members 1 and 2 across the three geographic areas.

Table 1 Occupation of household members 1 and 2

	Stafford	Stone	Rural Stafford
Professional occupations	30.5%	37.2%	30.6%
Higher & intermediate managerial, administrative	12.6%	12.8%	13.5%
Supervisory, clerical & junior managerial, administrative	9.0%	14.1%	11.2%
Skilled manual	5.7%	6.4%	5.3%
Semi-skilled & unskilled manual	3.3%	3.8%	3.8%
Unemployed	4.0%	0.0%	3.5%
Student	1.5%	1.3%	0.6%
Retired	26.1%	12.8%	24.4%
Child (therefore not applicable)	2.3%	5.1%	3.2%
(Not answered)	5.0%	6.4%	3.8%

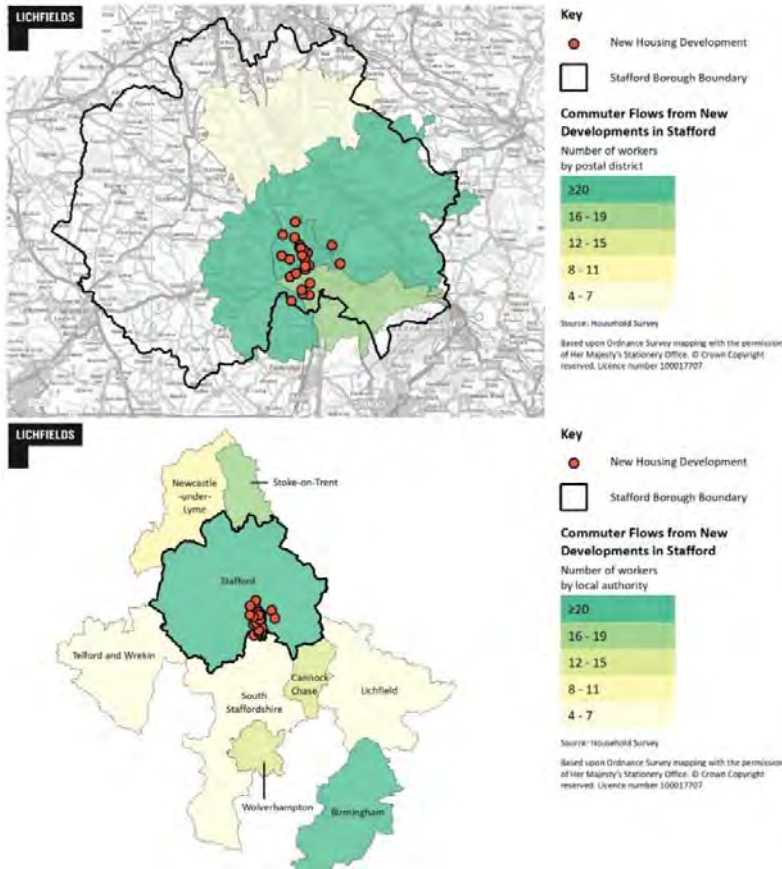Source: Stafford New Homes Survey/Lichfields Analysis

Table 1 shows in Stafford and Rural Stafford c.30% of respondents are employed in professional occupations, the proportion is higher in Stone (37.2%). Around 12-13% of household member 1 and 2 'higher & intermediate managerial, administrative' occupations.

Both Stafford and Rural Stafford have a high proportion of retired households; 26.1% and 24.4% respectively.

In terms of where these people work the analysis, based on flows of more than 5 people to the same area/location.

Figure 9 shows the majority of people who live in Stafford work in the Borough and a large number work in and around Stafford itself, 159 respondents live and work in Stafford (town). There are also a relatively large number of people who commute to the surrounding LPAs, in particular to Birmingham.
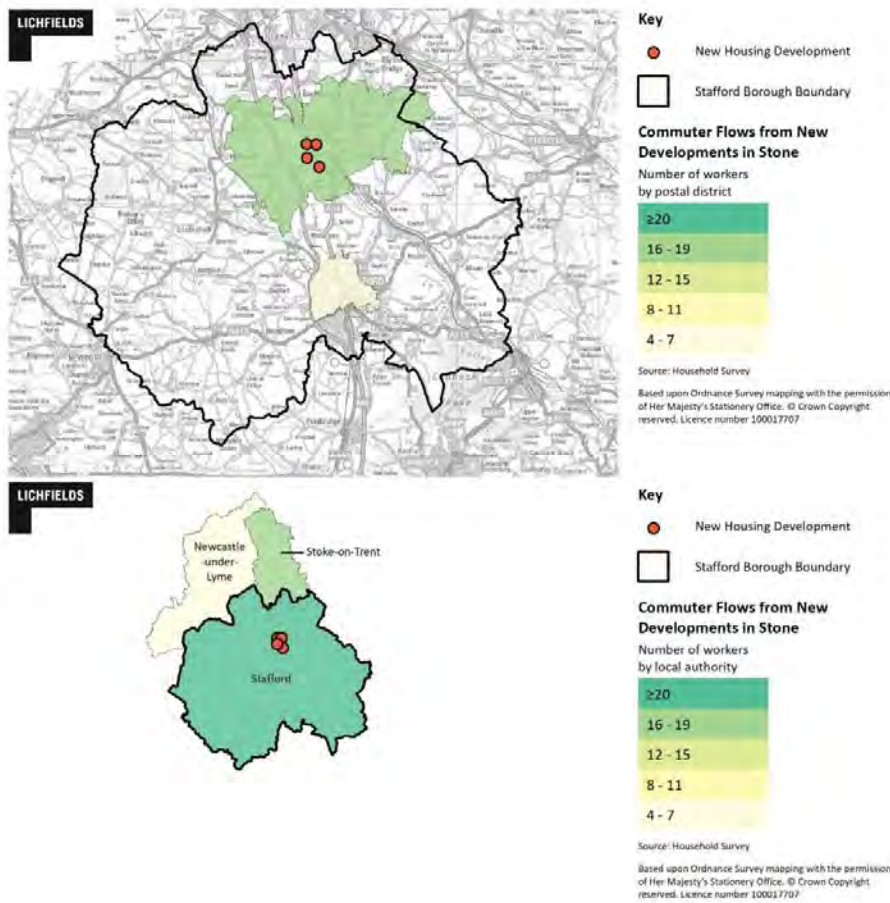
Figure 9 Location of work of respondents who live in new developments in Stafford

Source: Stafford Housing Needs Survey/Lichfields Analysis

Figure 10 shows that of the respondents to the survey who live in Stone, the majority live and work within the Borough and most within Stone and its immediate surroundings. Around 20 respondents commute out to Newcastle-under-Lyme and Stoke-on-Trent.
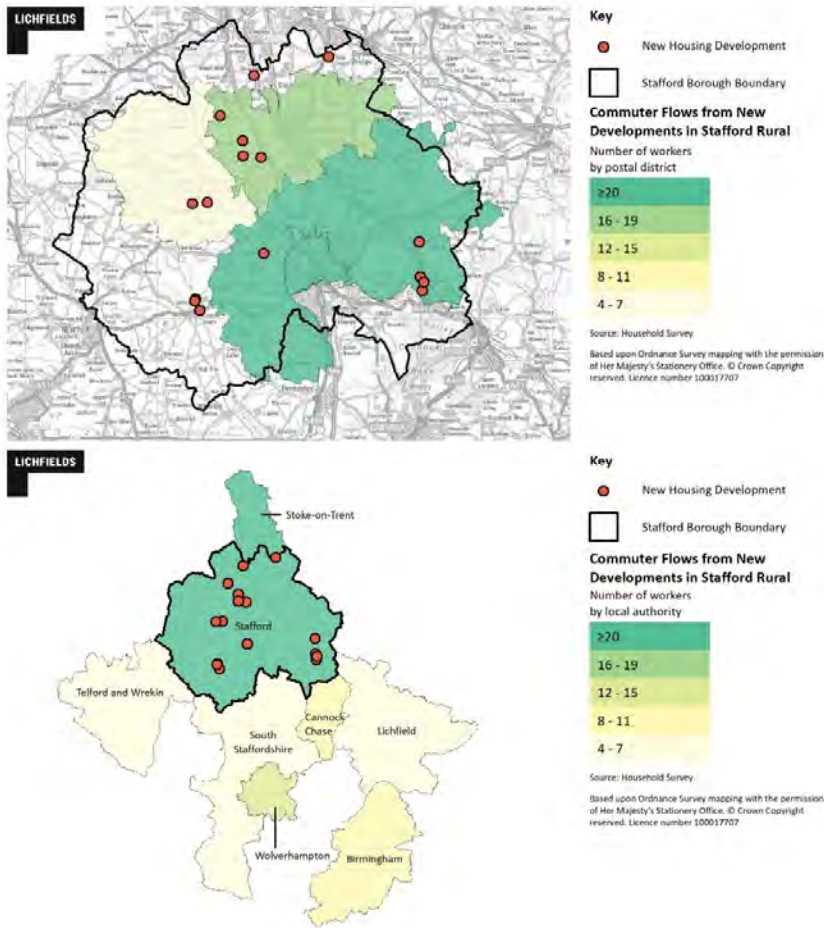
Figure 10 Location of work of respondents who live in new developments in Stone

Source: Stafford Housing Needs Survey/Lichfield Analysis

Figure 11 shows the location of work of respondents who live in new build developments across the more rural areas of Stafford. It highlights the majority of respondents work in Stafford with more c.27 people commuting out of the Borough to Stoke-on-Trent.

Figure 11 Location of work of respondents who live in new developments in Stafford Rural

Source: Stafford Housing Needs Survey/Lichfields Analysis

Figure 11 also shows that some people living in new developments across rural Stafford commute out to LPAs to the South, but these flows are smaller than the number who work within the Borough.

The analysis of workplace locations highlights:

- The majority of respondents live and work within The Borough;

- A large proportion of all respondents to the survey work in Stafford town; and

- Linkages to surrounding LPAs, although flows are small other than those respondents who live in new developments in Stafford where over 20 people commute to Birmingham.

Drivers of Housing Choice

The survey sought to understand the key drivers which had influenced the decisions made by respondents in choosing their current home. Analysis of responses highlighted that across all of the three geographic areas nearly half of all respondents identified 'finding a suitable home' as the key driver.

Figure 12 Factors influencing current house choice

Source: Stafford New Homes Survey/Lichfields Analysis

 'Proximity to work' was highlighted as a factor by c.20% of respondents in Stafford and Stone. However, a greater proportion identified that 'proximity to work' did not influence home buying choices; 33.5% in Stafford, 27.9% in Stone and 41.4% in Rural Stafford. This suggests that it is not a key driver in home buying choices across the Borough.

Summary

- Based on the respondents to the survey; Stafford has the greatest mix of new homes in respect of house type, tenure and size; Stone has a greater proportion of 2/3 person households which are detached and semi-detached; and Rural Stafford is dominated by larger, detached new build homes.

- Stafford and Rural Stafford have a greater geographic area from which respondents have moved in from compared to Stone where the market seems to be more contained.

- The majority of people who live in Stafford work in the Borough and a large number work in and around Stafford itself, although a number commute to Birmingham. Those living in Stone tend to work locally, whilst those living in Rural Stafford tend to work within the Borough or in Stoke-on-Trent.

- Finding a suitable home was the principle factor that influenced house choice

Appendix 6: Affordability Ratios

Table 1 Ratio of median house price to median gross annual workplace-based earnings (1997 - 2018)

	Stafford Borough	Staffordshire	England
1999	3.94	3.66	3.96
2000	3.89	3.72	4.18
2001	3.75	4.01	4.50
2002	4.48	4.52	5.12
2003	5.95	5.25	5.91
2004	6.66	6.24	6.60
2005	6.69	6.40	6.79
2006	6.79	6.53	6.95
2007	7.15	6.91	7.15
2008	7.15	6.52	6.96
2009	5.99	6.05	6.39
2010	6.32	6.36	6.85
2011	6.26	6.18	6.80
2012	6.26	6.15	6.77
2013	5.87	5.82	6.76
2014	6.20	6.21	7.09
2015	6.83	6.47	7.52
2016	6.66	6.52	7.72
2017	7.35	6.73	7.91
2018	7.39	7.02	8.00

Source: ONS