



Gloucestershire Councils

SHMA Update

Post-consultation Presentation
March 2014

HDH Planning and Development
Planning Evidence, Housing Requirements, Viability, CIL, Affordable Housing, Strategic Land Promotion
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Agenda

- What and why
- Review main variables
- CLG affordable need
- Mix and Type



NPPF 182

The Local Plan will be examined by an independent inspector whose role is to assess whether the plan has been prepared in accordance with the Duty to Cooperate, legal and procedural requirements, and whether it is sound. A local planning authority should submit a plan for examination which it considers is "sound" – namely that it is:

- **Positively prepared** – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;
- **Justified** – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
- **Effective** – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and
- **Consistent with national policy** – the plan should enable the delivery of sustainable development in accordance with the policies in the Framework.

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NPPF 159

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

- prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to require over the plan period which:
 - meets household and population projections, taking account of migration and demographic change
 - addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as families with children, older people, disabled people, service families and people wishing to build their own homes); and
 - caters for housing demand and the scale of housing supply necessary to meet this demand
- prepare a Strategic Housing Land Availability Assessment to establish.....



EVIDENCE v POLICY

- SHMA will inform policy
- This SHMA is to be read with the LPAs' Objectively Assessed Need and requirement figures

5



SHMA Key Outputs

- **How much** housing? (from LPAs)
- **What type** of housing?
- **How big** should that housing be?

Quantum, mix and type



Secondary Data

Census

Concentrating on changes since 2001

Population and Households Projections

Households size

Welfare Reforms

Caps, 'bedroom tax'

Other sources.....

7



Primary Data

Household dataset

Re-weighted and indexed

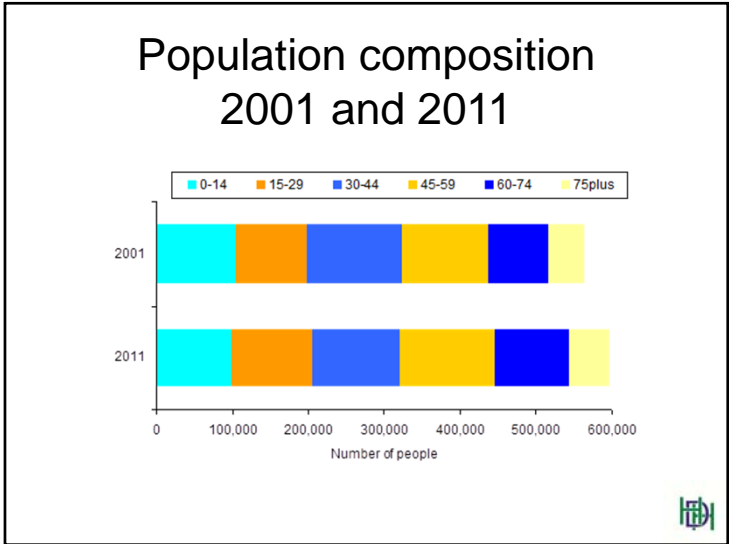
Market Survey

Prices etc

Stakeholder Consultations

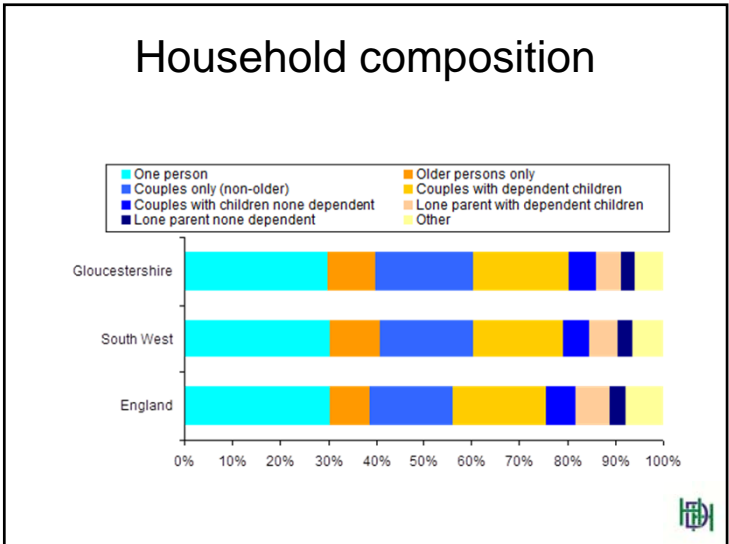
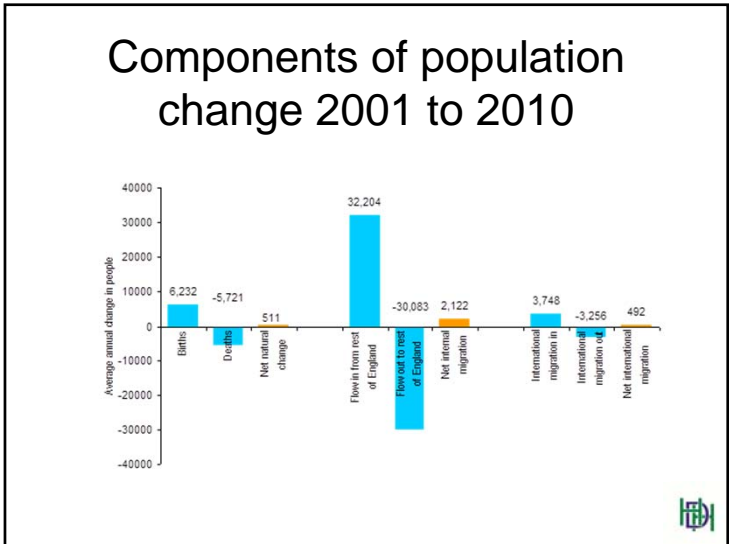
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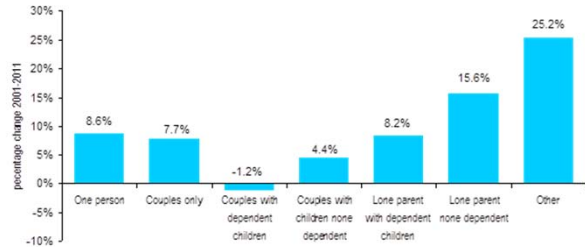


Household Size

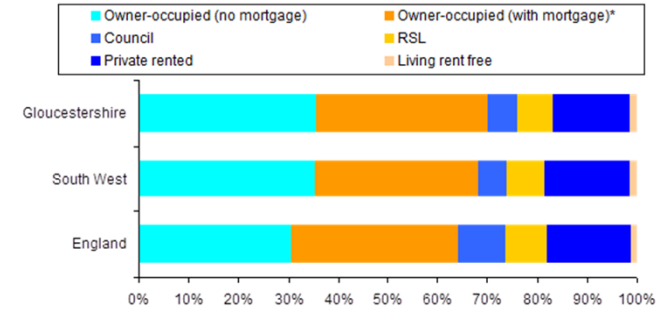
Change in average household size 2001 to 2011		
	2001	2011
Population	564,559	596,984
Households	237,872	254,615
Average household size	2.37	2.34



Change in household types 2001 to 2011



Tenure profile

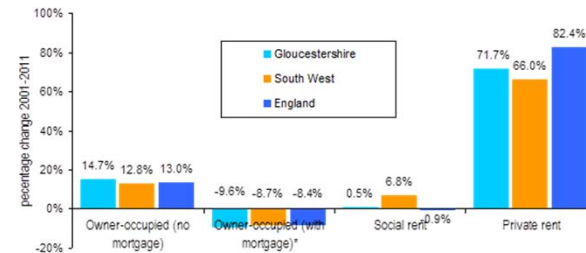


Tenure

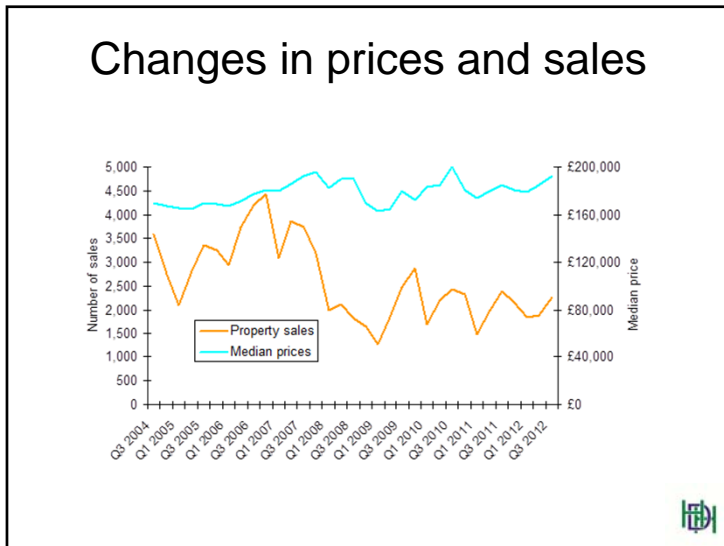
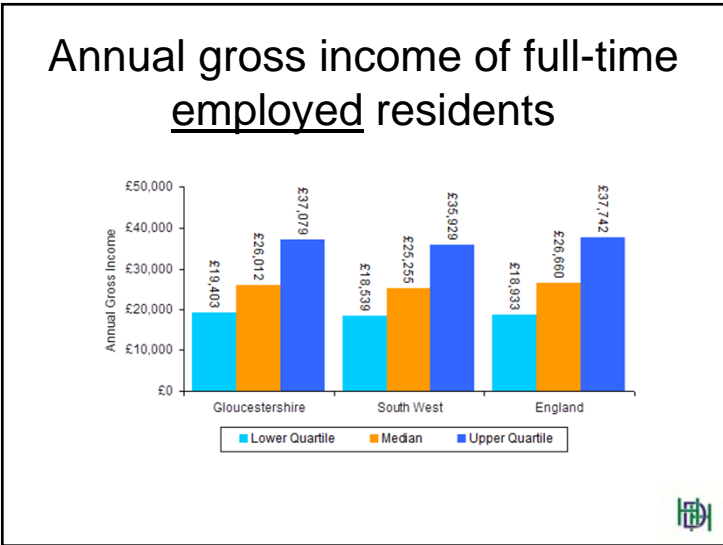
Tenure	Number of households in each tenure group 2013 and 2009			
	2013		2009	
	Total number of households	% of households	Total number of households	% of households
Owner-occupied (no mortgage)	92,393	35.6%	99,017	38.7%
Owner-occupied (with mortgage)	86,228	33.2%	94,222	36.8%
Social rented	34,379	13.2%	34,340	13.4%
Private rented	46,770	18.0%	28,365	11.1%
Total	259,770	100.0%	255,945	100.0%



Change in Tenure profile



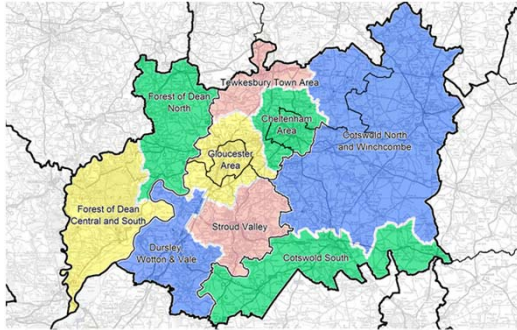
Occupation structure				
Occupation Groups	Gloucestershire 2011	South West 2011	England 2011	Change in # of people employed in Gloucestershire since 2001
Group 1-3: Senior, Professional or Technical	40.9%	39.7%	41.1%	12.6%
Group 4-5: Administrative, skilled trades	24.8%	24.4%	22.8%	4.6%
Group 6-7: Personal service, Customer service and Sales	17.0%	18.2%	17.7%	37.0%
Group 8-9: Machine operatives, Elementary occupations	17.3%	17.7%	18.3%	-6.6%
Total	100.0%	100.0%	100.0%	9.9%



Housing market

Area	Average price Jan - Mar 2009	Average price Jan - Mar 2012	Percentage change recorded 2009-2012
England	£201,172	£229,490	14.1%
Gloucestershire	£197,467	£225,347	14.1%
Cheltenham	£201,607	£246,869	22.5%
Cotswold	£288,001	£344,953	19.8%
Forest of Dean	£179,976	£191,475	6.4%
Gloucester	£145,243	£149,358	2.8%
Stroud	£202,130	£234,210	15.9%
Tewkesbury	£179,480	£218,022	21.5%

Price areas for affordability tests



Entry-level purchase prices by size and price market

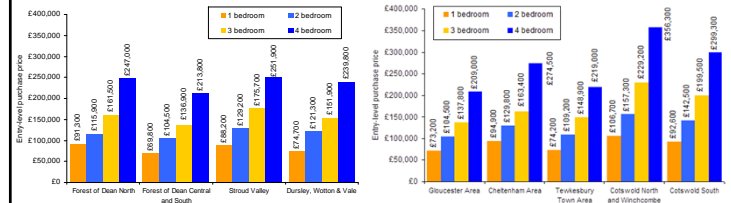
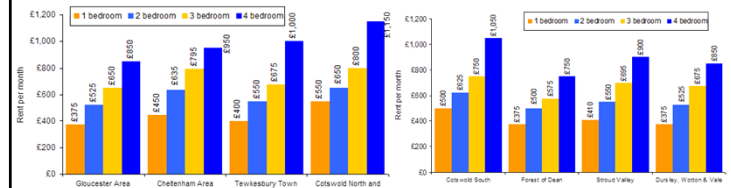


Table 5.3 Change in entry-level prices in the price markets of Gloucestershire 2009 to 2013

Accommodation size	Gloucester Area	Cheltenham Area	Tewkesbury Town Area	Cotswold North and Winchcombe	Cotswold South
One bedroom	6.1%	2.6%	19.5%	-3.4%	-1.3%
Two bedroom	5.4%	0.8%	7.9%	-5.7%	-3.2%
Three bedroom	7.0%	4.5%	1.2%	8.3%	14.3%
Four bedroom	13.6%	6.6%	-2.3%	11.7%	12.6%
Accommodation size	Forest of Dean North	Forest of Dean Central and South	Stroud Valley	Dursley, Wotton & Vale	
One bedroom	-14.4%	-11.2%	5.1%	-7.2%	
Two bedroom	-8.0%	-5.3%	6.0%	-7.5%	
Three bedroom	6.4%	-4.0%	12.8%	8.3%	
Four bedroom	7.4%	8.1%	19.0%	4.3%	



Entry-level private rents



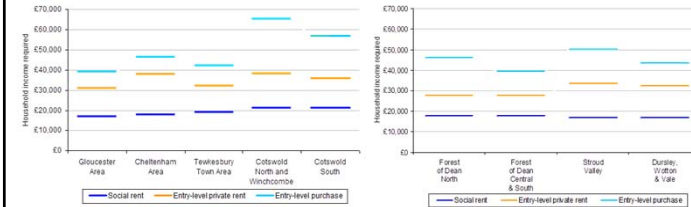
Changes in Entry-level PRS 2009 to 2013

Table 5.4 Change in entry-level rents in the rental markets of Gloucestershire 2009 to 2013

Accommodation size	Gloucester Area	Cheltenham Area	Tewkesbury Town Area	Cotswold North and Winchcombe
One bedroom	-1.3%	0.0%	14.3%	22.2%
Two bedroom	5.0%	5.8%	10.0%	8.3%
Three bedroom	12.1%	10.4%	18.4%	14.3%
Four bedroom	13.3%	2.2%	17.6%	15.0%
Accommodation size	Cotswold South	Forest of Dean	Stroud Valley	Dursley, Wotton & Vale
One bedroom	4.2%	0.0%	4.2%	-1.3%
Two bedroom	0.8%	10.0%	1.0%	6.4%
Three bedroom	7.1%	13.9%	-0.7%	-0.9%
Four bedroom	8.2%	12.5%	7.6%	19.0%



Household income required to access housing (3 bed)



Affordable Rent

- 80% of median for area
- Capped at LHA maximum
- Tested lower %



Housing Need

- Required output
- Strictly in line with guidance
 - 25% of household income on housing
 - Those in PRS and in receipt of LHA / UC moved to affordable housing





CLG Needs Model

Table 7.15 Geographical distribution of housing need

Local Authority	Need requirement				Supply as a % of gross need
	Gross annual need	Gross annual supply	Net annual need	As a % of total net annual need	
Cheltenham	2,232	777	1,456	25.5%	34.8%
Cotswold	980	406	574	10.1%	41.4%
Forest of Dean	1,311	497	814	14.3%	37.9%
Gloucester	2,767	991	1,776	31.2%	35.8%
Stroud	1,165	672	492	8.6%	57.7%
Tewkesbury	970	383	587	10.3%	39.5%
Total	9,426	3,726	5,698	100.0%	39.5%

Table A1.3 Annual need requirement by household type in Cheltenham

Household type	Need requirement				
	No. of h'holds in need (gross)	Not in need	Total Number of h'holds	% of h'hold type in need	As a % of those in need
Single pensioners	98	6,475	6,573	1.5%	4.4%
2 or more pensioners	20	4,238	4,258	0.5%	0.9%
Single non-pensioners	638	10,921	11,559	5.5%	28.6%
More than one adult, no children	504	17,806	18,310	2.8%	22.6%
Lone parent	370	1,537	1,907	19.4%	16.6%
2+ adults 1 child	280	3,732	4,013	7.0%	12.6%
2+ adults 2+ children	322	4,634	4,955	6.5%	14.4%
Total	2,232	49,343	51,575	4.3%	100.0%

Table A2.3 Annual need requirement by household type in Cotswold

Household type	Need requirement				
	No. of h'holds in need (gross)	Not in need	Total Number of h'holds	% of h'hold type in need	As a % of those in need
Single pensioners	121	5,464	5,585	2.2%	12.3%
2 or more pensioners	0	4,498	4,498	0.0%	0.0%
Single non-pensioners	443	5,202	5,645	7.8%	45.2%
More than one adult, no children	140	12,497	12,637	1.1%	14.3%
Lone parent	69	917	986	7.0%	7.1%
2+ adults 1 child	65	3,138	3,203	2.0%	6.7%
2+ adults 2+ children	142	4,137	4,278	3.3%	14.4%
Total	980	35,853	36,833	2.7%	100.0%

Table A3.3 Annual need requirement by household type in Forest of Dean

Household type	Need requirement				
	No. of h'holds in need (gross)	Not in need	Total Number of h'holds	% of h'hold type in need	As a % of those in need
Single pensioners	108	4,300	4,408	2.5%	8.2%
2 or more pensioners	10	4,008	4,018	0.2%	0.7%
Single non-pensioners	455	4,532	4,987	9.1%	34.7%
More than one adult, no children	335	12,869	13,204	2.5%	25.6%
Lone parent	161	923	1,084	14.9%	12.3%
2+ adults 1 child	108	3,135	3,243	3.3%	8.2%
2+ adults 2+ children	134	3,686	3,819	3.5%	10.2%
Total	1,311	33,453	34,764	3.8%	100.0%



Table A4.3 Annual need requirement by household type in Gloucester

Household type	Need requirement				
	No. of h'holds in need (gross)	Not in need	Total Number of h'holds	% of h'hold type in need	As a % of those in need
Single pensioners	21	6,131	6,152	0.3%	0.8%
2 or more pensioners	19	3,982	4,000	0.5%	0.7%
Single non-pensioners	853	8,032	8,885	9.6%	30.8%
More than one adult, no children	473	16,829	17,302	2.7%	17.1%
Lone parent	627	2,338	2,966	21.2%	22.7%
2+ adults 1 child	343	5,613	5,956	5.8%	12.4%
2+ adults 2+ children	430	5,756	6,187	7.0%	15.6%
Total	2,767	48,681	51,447	5.4%	100.0%



Table A5.3 Annual need requirement by household type in Stroud

Household type	Need requirement				
	No. of h'holds in need (gross)	Not in need	Total Number of h'holds	% of h'hold type in need	As a % of those in need
Single pensioners	73	6,315	6,388	1.1%	6.3%
2 or more pensioners	7	5,271	5,278	0.1%	0.6%
Single non-pensioners	263	7,059	7,323	3.6%	22.6%
More than one adult, no children	123	17,268	17,391	0.7%	10.6%
Lone parent	340	1,364	1,704	19.9%	29.2%
2+ adults 1 child	97	4,612	4,709	2.1%	8.3%
2+ adults 2+ children	262	5,515	5,777	4.5%	22.5%
Total	1,165	47,405	48,570	2.4%	100.0%



Table A6.3 Annual need requirement by household type in Tewkesbury

Household type	Need requirement				
	No. of h'holds in need (gross)	Not in need	Total Number of h'holds	% of h'hold type in need	As a % of those in need
Single pensioners	52	4,273	4,325	1.2%	5.4%
2 or more pensioners	25	4,039	4,063	0.6%	2.5%
Single non-pensioners	193	5,585	5,778	3.3%	19.9%
More than one adult, no children	279	12,874	13,153	2.1%	28.7%
Lone parent	140	1,085	1,225	11.4%	14.4%
2+ adults 1 child	161	3,322	3,483	4.6%	16.6%
2+ adults 2+ children	121	3,714	3,835	3.2%	12.5%
Total	970	34,893	35,863	2.7%	100.0%



Housing Register

Table 7.18 Affordability of households on Housing Register (figures presented cumulatively)

	<i>Households on Register</i>	<i>% of households on Register</i>
<i>Market housing</i>	1,786	10.2%
Affordable Rent at 80%	1,836	10.5%
Affordable Rent at 70%	3,215	18.4%
Affordable Rent at 65%	3,669	21.0%
Affordable Rent at 60%	3,859	22.0%
Social rent	4,798	27.4%
Require subsidy	10,925	62.4%
Total number of households	17,509	100.0%



Table 7.24 Impact of different affordability assumptions on affordable housing requirement in Gloucestershire

	<i>Rent payable constitutes no more than:</i>		
	<i>30% of gross household income</i>	<i>35% of gross household income</i>	<i>40% of gross household income</i>
Backlog need (annual)	1,376	1,236	1,074
Backlog supply (annual)	867	834	799
Net backlog need (annual)	508	402	276
Future need (annual)	6,597	5,919	5,100
Future supply (annual)	2,834	2,834	2,834
Net future need (annual)	3,764	3,085	2,266
Total net annual need	4,272	3,487	2,542
Total gross annual need	7,973	7,155	6,174
Total gross annual supply	3,701	3,668	3,632
Total net annual need	4,272	3,487	2,542



Adjusted housing need assessment in Gloucestershire

Element	Need according to the model	Change due to altered assumptions	Resultant adjusted figures
Total gross annual need	9,425	-2,211	7,214
Total gross annual supply	3,727	+2,420	6,147
Total net annual need	5,698	-	1,067



Table A1.15 Adjusted housing need assessment in Cheltenham

Element	Need according to the model	Change due to altered assumptions	Resultant adjusted figures
Total gross annual need	2,232	-556	1,676
Total gross annual supply	777	+491	1,267
Total net annual need	1,456	-	409



Table A2.15 Adjusted housing need assessment in Cotswold			
Element	Need according to the model	Change due to altered assumptions	Resultant adjusted figures
Total gross annual need	980	-291	689
Total gross annual supply	406	+153	559
Total net annual need	574	-	130




Table A3.15 Adjusted housing need assessment in Forest of Dean			
Element	Need according to the model	Change due to altered assumptions	Resultant adjusted figures
Total gross annual need	1,311	+420	891
Total gross annual supply	497	-327	824
Total net annual need	814	-	67




Table A4.15 Adjusted housing need assessment in Gloucester			
Element	Need according to the model	Change due to altered assumptions	Resultant adjusted figures
Total gross annual need	2,767	-600	2,167
Total gross annual supply	991	+806	1,797
Total net annual need	1,776	-	370




Table A5.15 Adjusted housing need assessment in Stroud			
Element	Need according to the model	Change due to altered assumptions	Resultant adjusted figures
Total gross annual need	1,165	-84	1,080
Total gross annual supply	672	+390	1,062
Total net annual need	492	-	19


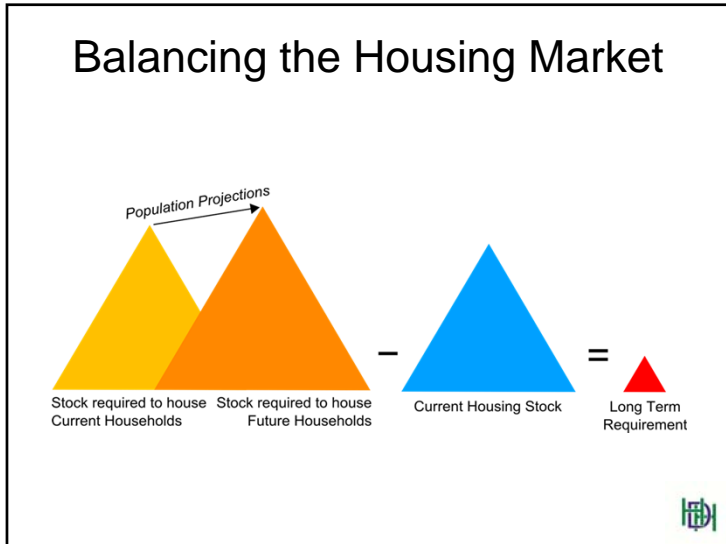


Table A6.15 Adjusted housing need assessment in Tewkesbury

Element	Need according to the model	Change due to altered assumptions	Resultant adjusted figures
Total gross annual need	970	-260	710
Total gross annual supply	383	+255	637
Total net annual need	587	-	73

Balancing the Housing Market

- A different model



Objectively Assessed Need

- ONS population projections
- CLG Household projections
- Locally derived projections
 - Stroud – Keith Woodhead
 - Cotswold – Keith Woodhead
 - Gloucester, Cheltenham & Tewksbury – NLP

NOT A HOUSING TARGET

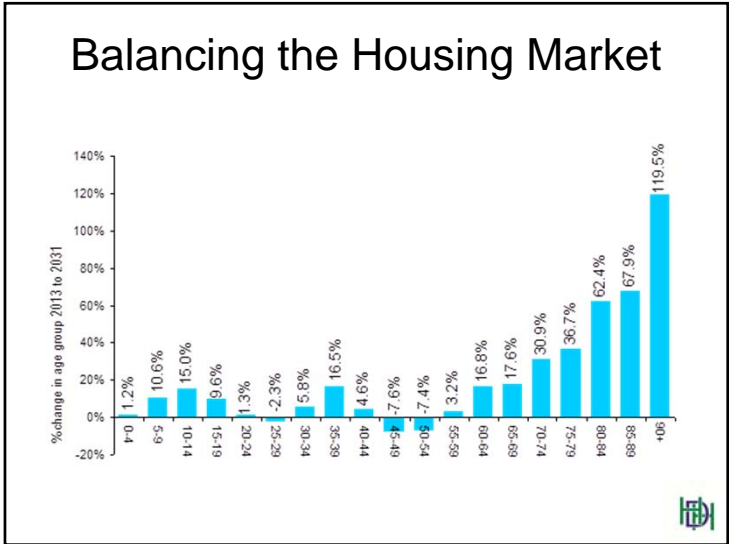


Table 8.1 Objectively Assessed Need, 2013 – 2031

Authority	Main	Lower	Higher
Cheltenham*	9,699	8,099	14,799
Cotswold**	5,971	5,071	6,271
Forest of Dean****	5,705	-	-
Gloucester*	12,075	9,475	10,375
Stroud***	6,713	6,563	7,713
Tewkesbury*	9,322	8,722	10,122

Table 8.2 Change in Gloucestershire population, households and household size, 2013–31

	2013	2031	% change
Population	610,629	687,649	12.6%
Households	259,770	309,255	19.0%
Average household size	2.35	2.22	-

Table 8.7 Tenure of new accommodation required in Gloucestershire over the next 18 years

Tenure	Current tenure profile	Tenure profile 2031	Change required	% of change required
Market	210,328	244,637	34,306	69.3%
Shared ownership	2,267	5,302	3,035	6.1%
Affordable Rent*	0	9,191	9,208	18.6%
Social rented	14,071	50,108	2,933	5.9%
Benefit supported	33,104			
Total	259,770	309,255	49,485	100.0%

*It should be noted that there are a very limited number of Affordable Rented units already in Gloucestershire (20 as at April 2012 according to the HCA's Statistical Data Return 2012), however for the purpose of this model the stock is presumed to be 0

Figure A1.1 Forecast population change by age group in Cheltenham, 2013-2031

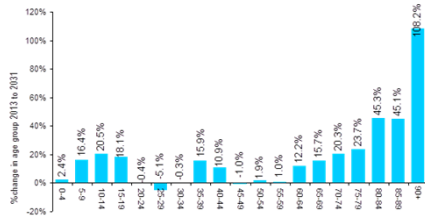


Table A1.18 Tenure of new accommodation required in Cheltenham over the next 18 years

Tenure	Current tenure profile	Tenure profile 2031	Change required	% of change required
Market	42,421	49,676	7,255	74.8%
Shared ownership	461	1,024	563	5.8%
Affordable Rent*	0	921	921	9.5%
Social rented	2,310	10,058	960	9.9%
Benefit supported	6,788			
Total	51,980	61,679	9,699	100.0%



Figure 9.1 Recommended profile of new housing in Cheltenham

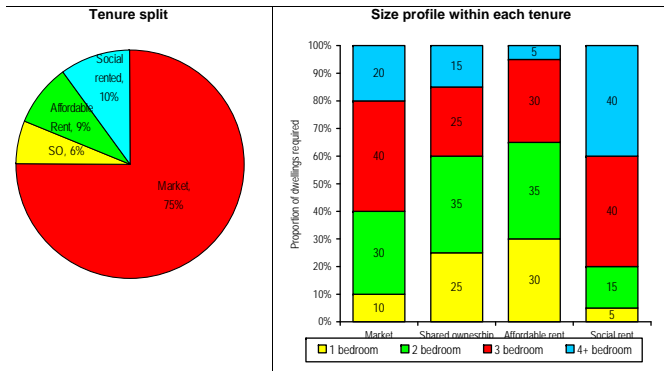


Figure A2.1 Forecast population change by age group in Cotswold, 2013-2031

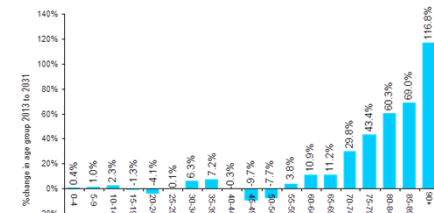


Table A2.18 Tenure of new accommodation required in Cotswold over the next 18 years

Tenure	Current tenure profile	Tenure profile 2031	Change required	% of change required
Market	30,383	34,712	4,329	72.5%
Shared ownership	422	738	316	5.3%
Affordable Rent*	0	884	884	14.8%
Social rented	2,563	6,577	442	7.4%
Benefit supported	3,572			
Total	36,940	42,911	5,971	100.0%

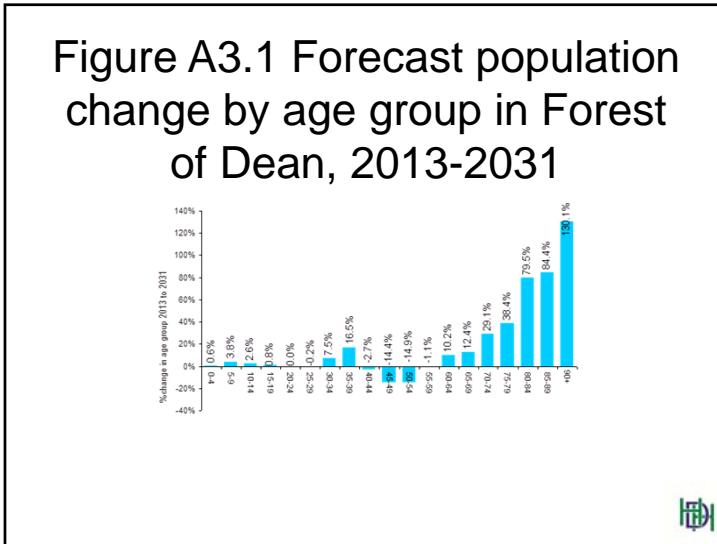
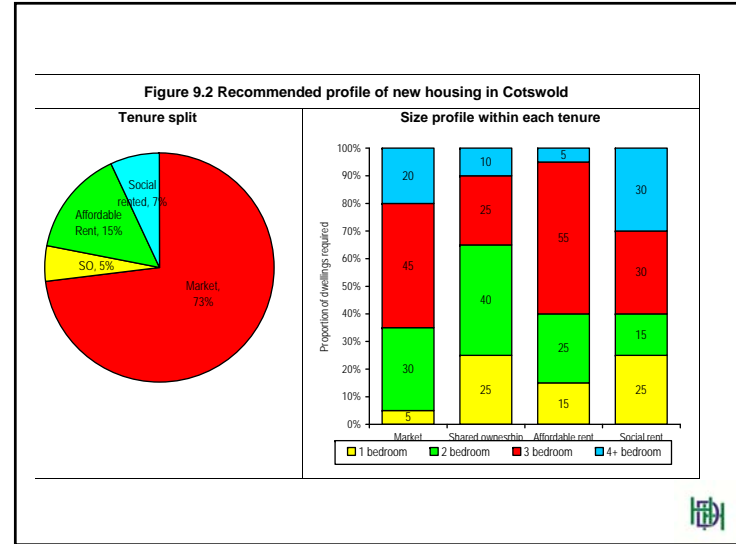


Table A3.18 Tenure of new accommodation required in Forest of Dean over the next 18 years

Tenure	Current tenure profile	Tenure profile 2031	Change required	% of change required
Market	28,369	31,918	3,549	62.2%
Shared ownership	154	479	325	5.7%
Affordable Rent*	0	1,067	1,067	18.7%
Social rented	1,521	7,041	764	13.4%
Benefit supported	4,756			
Total	34,800	40,505	5,705	100.0%

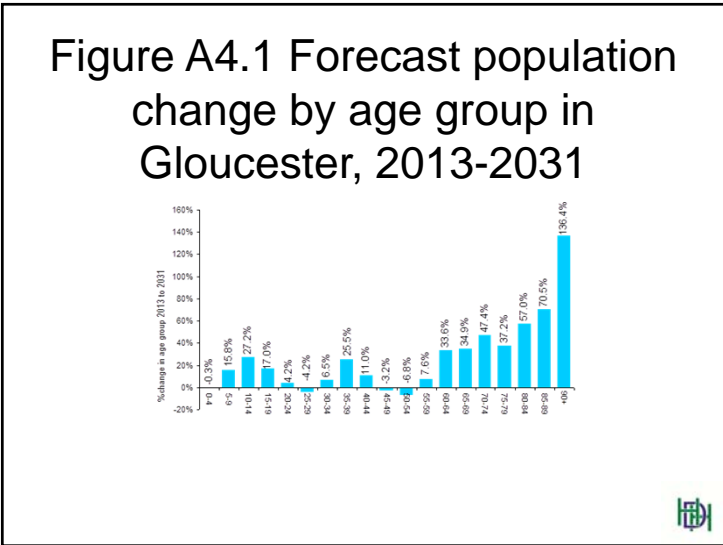
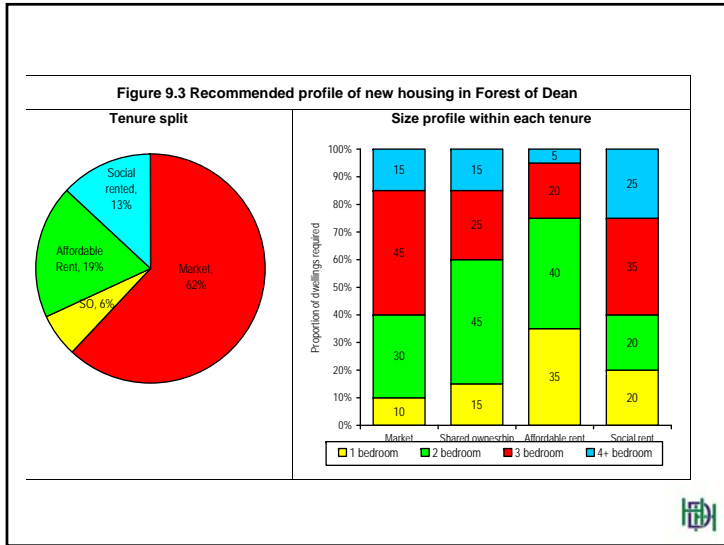


Table A4.18 Tenure of new accommodation required in Gloucester over the next 18 years

Tenure	Current tenure profile	Tenure profile 2031	Change required	% of change required
Market	39,371	47,208	7,798	64.9%
Shared ownership	580	1,329	749	6.2%
Affordable Rent*	0	3,339	3,359	27.8%
Social rented	2,612	11,659	130	1.1%
Benefit supported	9,047			
Total	51,610	63,685	12,075	100.0%

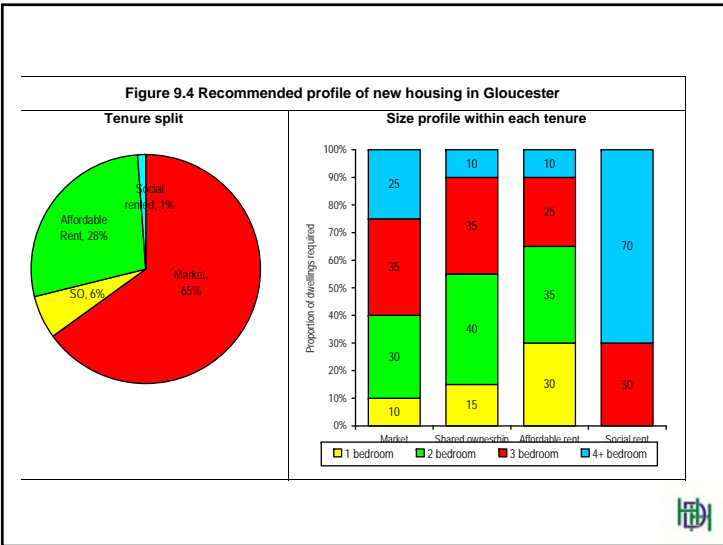


Figure A5.1 Forecast population change by age group in Stroud, 2013-2031

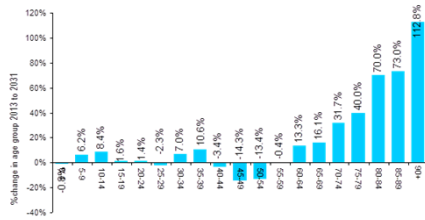


Table A5.18 Tenure of new accommodation required in Stroud over the next 18 years

Tenure	Current tenure profile	Tenure profile 2031	Change required	% of change required
Market	39,873	44,277	4,404	65.6%
Shared ownership	288	765	477	7.1%
Affordable Rent*	0	1,604	1,604	23.9%
Social rented	3,216	8,637	228	3.4%
Benefit supported	5,193			
Total	48,570	55,283	6,713	100.0%



Figure 9.5 Recommended profile of new housing in Stroud

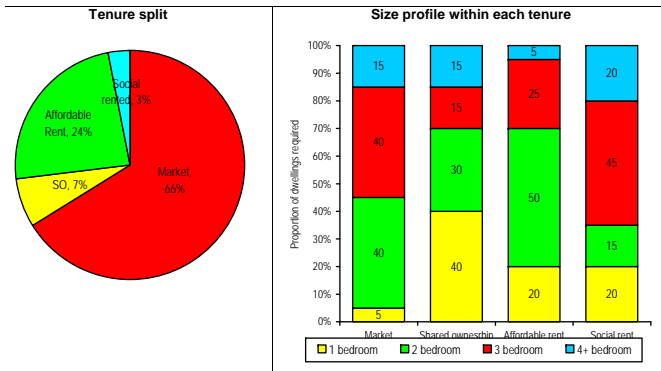


Figure A6.1 Forecast population change by age group in Tewkesbury, 2013-2031

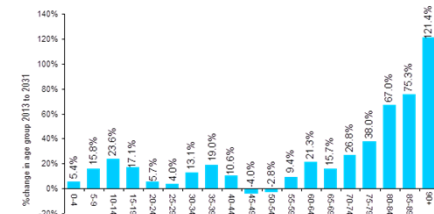
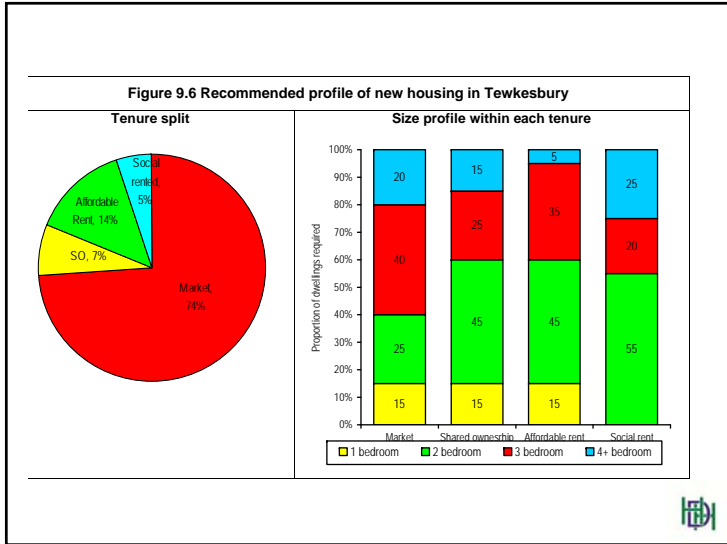


Table A6.18 Tenure of new accommodation required in Tewkesbury over the next 18 years

Tenure	Current tenure profile	Tenure profile 2031	Change required	% of change required
Market	29,911	36,847	6,936	74.4%
Shared ownership	362	968	606	6.5%
Affordable Rent*	0	1,276	1,276	13.7%
Social rented	1,850	6,063	504	5.4%
Benefit supported	3,747			
Total	35,870	45,192	9,322	100.0%



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Positively prepared – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development