Assessment of Housing and Economic Development Needs

Derbyshire Dales District Council

Final Report

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

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Limitations

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

1.1 Derbyshire Dales District Council (DDDC) has commissioned GL Hearn to undertake a Housing and Economic Development Needs Assessment (HEDNA). This deals with the need for housing, as well as employment and retail floorspace, over the period to 2033. It is intended to form part of the evidence base for the preparation of the District Council’s Local Plan.

1.2 This report deals with the need for housing and employment land. A separate associated report draws together the evidence regarding the retail floorspace and town centre uses.

1.3 This report does not make policy decisions regarding what levels of development should be planned for – this is for the Local Plan itself.

1.4 The intention behind the HEDNA is to provide an integrated evidence base regarding future development needs across uses, recognising for instance that job growth can influence housing need, and that housing and population growth will influence retail spending.

1.5 This HEDNA report deals specifically with development needs in Derbyshire Dales District, but takes account of dynamics across the wider Housing Market and Functional Economic Market Areas. The definition of these are considered herein.

National Policy and Guidance

1.6 National policies for plan-making are set out within the National Planning Policy Framework\(^1\). This sets out key policies against which development plans will be assessed at examination and to which they must comply.

National Planning Policy Framework (NPPF)

1.7 The National Planning Policy Framework (NPPF) was published in March 2012. The Framework sets a presumption in favour of sustainable development whereby local plans should meet objectively assessed development needs, with sufficient flexibility to respond to rapid change, unless the adverse impacts of doing so would significantly or demonstrably outweigh the benefits or policies within the Framework indicate that development should be restricted.

Housing Needs

1.8 Paragraph 47 in the Framework indicates that to significantly boost the supply of housing, local planning authorities should use their evidence base to ensure that their Local Plan meets the full...
objectively assessed need for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the Framework.

1.9 The NPPF highlights the Strategic Housing Market Assessment (SHMA) as a key piece of evidence in determining housing needs. Paragraph 159 in the Framework outlines that this should identify the scale and mix of housing and the range of tenures which the local population is likely to need over the plan period which:

- Meets household and population projections, taking account of migration and demographic change;
- Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community; and
- Caters for housing demand and the scale of housing supply necessary to meet this demand.

1.10 Paragraph 158 of the NPPF outlines that local planning authorities should ensure that their Local Plan is based in adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. It outlines that they should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals. Paragraph 17 in the Framework reaffirms that planning should take account of market signals, such as land prices and housing affordability.

Economic Development Needs

1.11 Paragraphs 18 to 22 to the NPPF set out the Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth, and that significant weight should be placed on the need to support economic growth through the planning system. It sets out a requirement for local planning authorities to plan proactively to meet the development needs of businesses and support an economy fit for the 21st Century.

1.12 The NPPF requires local authorities to set a clear economic vision and strategy for their area in local plans, based on an understanding of the existing business needs, likely changes in the market and any barriers to investment.

1.13 Paragraph 160 and 161 set out that local planning authorities should have a clear understanding of business needs within the economic markets operating in and across their area. To do this they should work with Local Enterprise Partnerships (LEPs), the business community, county and neighbouring authorities to understand business needs, likely changes in the market and barriers to investment. They should use their evidence base to assess the land and floorspace for economic development, including the quantitative and qualitative needs for all foreseeable types of economic activity and the existing and future supply of land.
National Planning Practice Guidance

1.14 New Planning Practice Guidance was issued by Government in March 2014 on ‘Assessment of Housing and Economic Development Needs’. This is relevant to this report in that it provides clarity on how key elements of the NPPF should be interpreted, including the approach to deriving the Objectively Assessed Need (OAN) for housing and identifying employment land needs. The approach in this report takes account of this Guidance.

Housing Need

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

“plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historical under performance, infrastructure or environmental constraints. However these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans.”

1.16 In assessing housing and economic development needs, this report does thus not deal with development constraints including environmental constraints and infrastructure. These will be taken into account by DDDC in considering how development needs can be accommodated.

1.17 The Guidance outlines that estimating future need is not an exact science and that there is no one methodological approach or dataset which will provide a definitive assessment of need. However, ‘the starting point’ for establishing the need for housing should be the latest household projections published by the Department for Communities and Local Government (CLG). At the time of preparation of this report these the latest projections are the CLG 2012-based Household Projections. It also outlines that the population estimates should be considered. The demographic modelling in this report takes account of the 2013 Mid-Year Population Estimates.

1.18 The Guidance sets out that there may be instances where the national projections require adjustment to take account of factors affecting local demography or household formation rates, in particular where there is evidence that household formation rates are or have been constrained by supply. It suggests that proportional adjustments should be made where the market signals point to

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2 CLG (February 2015) 2012-based Household Projections
supply being constrained relative to long-term trends or to other areas in order to improve affordability.

1.19 Evidence of affordable housing needs is also relevant, with the Guidance suggesting that the total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing. In some instances it suggests that this may provide a case for increasing the level of overall housing provision.

1.20 The Guidance also indicates that job growth trends and/or economic forecasts should be considered having regard to the growth in working-age population in the housing market area. It sets out that where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility and other sustainable options such as walking and cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing and infrastructure development could help to address these problems.

**Economic Development Needs**

1.21 The Guidance sets out that an assessment should be undertaken to identify the future quantity of land and floorspace required for economic development uses, including both the quantitative and qualitative needs for new development. The assessment of need is intended to be realistic, taking account of the particular nature of that area and exploring future scenarios only where these could realistically be expected to occur.

1.22 In understanding the current market in relation to economic and main town centre uses, the Guidance outlines that plan makers should take account of:

- The recent pattern of employment land supply and loss to other uses (based on planning applications);
- Market intelligence, including from local data and discussions with developers and property agents, recent surveys of business needs or engagement with business and economic forums;
- Market signals, such as levels and changes in rental values, and differentials between land values in different uses;
- The existing stock of employment land, data on take-up of sites, and public information on employment land and premises required and any evidence of over-supply and/or evidence of market failure;
- Information held by other public sector bodies and utilities in relation to infrastructure constraints; and
- The locational and premises requirements of particular types of business.

1.23 The Guidance states that employment land should be analysed through a simple typology of employment land by market segment and by sub-areas, where there are distinct property market
areas within authorities. When examining the recent take-up of employment land, consideration should be made to projections (based on past trends) and forecasts (based on future scenarios) and identify occurrences where sites have been developed for specialist economic uses.

1.24 The Guidance sets out that an assessment of future needs should be based on current and robust data. Emerging sectors that are well suited to the area being covered by the analysis should be encouraged where possible. Key evidence is expected to include:

- sectorial and employment forecasts and projections (labour demand);
- demographically derived assessments of future employment needs (labour supply techniques);
- analyses based on the past take-up of employment land and property;
- consultation with relevant organisations, studies of business trends, and monitoring of business, economic and employment statistics.

Overview of the Approach to considering OAN for Housing

1.25 The NPPF and Practice Guidance set out a clear approach to defining the Objectively Assessed Need (OAN) for housing. We have sought to summarise this within the diagram overleaf, Figure 1. This summarises the approach we have used to considering OAN for housing in this report.
Figure 1: Overview of Approach

1. Trend-based Population & Household Projections
2. Affordable Housing Needs Analysis
3. Market Signals Evidence
4. Case for Adjustments to Improve Affordability
5. Testing Household Formation Rates
6. Testing Migration Trends
7. Alternative Migration Scenarios
8. Economic Growth Prospects
9. Objectively Assessed Housing Need (OAN)
10. Unmet Needs from Other Areas
11. Land Supply, Constraints, Sustainability Appraisal
12. Aligning Housing & Economic Strategy
13. Housing Target in Plan

SHMA Process
Report Structure

1.27 The remainder of the report is structured as follows:

- Section 2: Defining the HMA and FEMA;
- Section 3: Socio-Economic Baseline;
- Section 4: Trend-based Demographic Projections
- Section 5: Affordable Housing Need;
- Section 6: Housing Market Dynamics and Market Signals;
- Section 7: Housing Needs of Different Groups within the Population;
- Section 8: Need for Different Sizes of Homes;
- Section 9: Commercial Property Market Assessment;
- Section 10: Business Survey;
- Section 11: Economic Growth Expectations;
- Section 11: Employment Land Requirements;
- Section 13: Employment Land Supply;
- Section 14: Economic-led Housing Requirements;
- Section 15: Conclusions.
2 DEFINING THE HMA AND FEMA

2.1 The purpose of this section is to assess what the relevant Housing Market Area(s) (HMA) and Functional Economic Area(s) (FEMA) Derbyshire Dales District sits within. The paper does not seek to prejudge whether there is more than one HMA in which the commissioning authority sits; nor whether the HMA extends beyond the boundaries of the commissioning authority to include other local authority areas. The purpose of the section is to investigate these issues.

Planning Practice Guidance

2.2 Planning Practice Guidance (PPG) on Housing and Economic Development Needs Assessments sets out what housing and functional economic market areas are, and provides guidance on how these should be defined.

2.3 The PPG outlines what a housing market area is, setting out:

A housing market area 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. It might be the case that housing market areas overlap.

The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate.

2.4 The PPG sets out that housing market areas can broadly be defined using three different sources of information:

- **House prices and rates of change in house prices** – providing a market-based definition based on areas with similar house price characteristics;
- **Household migration and search patterns** – considering the extent to which people move house within an area, with a housing market area considered to be that in which typically 70% or more of local moves are contained within (excluding long-distance moves);
- **Contextual data** - such as travel to work areas, retail and school catchments – with travel to work areas providing information regarding commuting.

2.5 The three strands of information look at different aspects of household behaviour, and there is no right or wrong answer regarding what weight should be applied to different factors. What the PPG says is that:

No single source of information on needs will be comprehensive in identifying the appropriate assessment area; careful consideration should be given to the appropriateness of each source of information and how they relate to one another. For example, for housing, where there are issues of affordability or low demand, house price or rental level analyses will be particularly important in identifying the assessment area. Where there are relatively high or volatile rates of household movement, migration data will be particularly important. Plan makers will need to consider the usefulness of each source of information and approach for their purposes.
2.6 The PPG indicates that the Functional Economic Market Area should be considered in the following way:

'The geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply – often referred to as the functional economic market area. Factors for consideration in defining an area’s FEMA include:

- 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;
- transport network.'

2.7 There is no standard approach or data source which can be used to define a FEMA. The approach intended is to look at and consider these issues, and assess what could be considered locally appropriate.

Practical Issues

2.8 The PPG largely reiterates previous guidance on defining HMAs set out within the CLG’s 2007 Advice Note on Identifying Sub-Regional Housing Market Areas. There has been effectively no change in guidance, which continues to emphasise that there is no right or wrong answer as to how an HMA or FEMA should be defined and that the approach should, in effect, reflect local market characteristics and circumstances.

2.9 There is a range of previous work which has been undertaken to define HMAs over the last decade, at national, regional and local levels. It is now however appropriate to review this, not least given that a significant proportion of the past work is informed by 2001 Census data regarding commuting and migration patterns. 2011 Census flow data was issued in late July 2014.

2.10 There are some further practical issues which are dealt with in the recent Planning Advisory Service (PAS) Technical Advice Note on Objectively Assessed Need and Housing Targets. This outlines that in practice, the main indicators used to define HMAs are migration and commuting flows, but goes on to point out that:

One problem in drawing boundaries is that if each local planning authority were to draw an HMA centred on its area, there would be almost as many HMAs as local authorities. This is because the largest migration flows in and out of any individual authority are usually those linking it with immediately adjacent authorities. But each of these adjacent authorities will

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4 Peter Brett Associates (PBA) for PAS (June 2014) Objectively Assessed Need and Housing Targets
probably find that their largest migration flows link them to their immediate neighbours, and the chain continues indefinitely.

Thus if each authority works independently to define an optimal HMA each authority may draw a different map, centred on its own area.

2.11 The PAS Note argues that to address this issue, it is useful to start with a “top down analysis” which looks at the whole country. This is provided by a research study led by the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University to define HMAs across England, which was published by Government in November 2010. This has defined a consistent set of HMAs across England based on migration and commuting data from the 2001 Census.

2.12 Peter Brett Associates (PBA) emphasise that this should be considered ‘only a starting point’ and should be sense-checked against local knowledge and more recent data, especially on migration and commuting – concluding that more recent data ‘should always trump’ the national research. GL Hearn agrees with Peter Brett Associates’ conclusions in this respect.

2.13 In relation to the FEMA not all of the key indicators are readily available and there is no appropriate source of data. Importantly, a key component in defining the FEMA is the evidence and findings which define the Housing Market Area (HMA), in particularly in regard to commuting dynamics. Commuting information is commonly seen as a key input to defining FEMA geographies.

Review of Previous Research

2.14 This section of the report reviews existing research which has sought to consider the definition of HMAs and FEMAs.

CLG/ CURDS Study (2009/10)

2.15 National research undertaken for Government by a consortium of academics led by the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University has sought to define housing markets across England. As the PAS Technical Advice Note recommends, we have used this as a ‘starting point’ for considering the HMA geography.

2.16 The CURDS Study for CLG considers commuting and migration dynamics (based on 2001 Census data) and house prices (standardised to account for differences in housing mix and neighbourhood characteristics). This information was brought together to define a three tiered structure of housing markets, as follows:

- Strategic (Framework) Housing Markets – based on 77.5% commuting self-containment;
- Local Housing Market Areas – based on 50% migration self-containment; and

5 C Jones, M Coombe and C Wong for CLG (Nov 2010) Geography of Housing Markets, Final Report
Sub-Markets – which would be defined based on neighbourhood factors and house types.

2.17 The Strategic and Local HMAs are mapped across England, with the Local HMAs embedded within the wider Strategic HMAs. Both are defined based on wards at a “gold standard” (and based on local authorities for the “silver standard” geography defined).

**The Strategic Housing HMA**

2.18 The CURDS Study defines three strategic housing market areas which cut across the Derbyshire Dales District, as shown in Figure 2. The majority of the District (in respect of landmass and population base) is defined as falling within a Derby-focused HMA.

2.19 The Derby Strategic HMA includes the settlements of Ashbourne, Wirksworth, Matlock and Bakewell. Hathersage falls within the Sheffield-focused HMA which includes parts of the District north of Bakewell, such as Tideswell, Great Longstone and Bradwell. The remaining parts of the District, including settlements such as Taddington and extending down the western edge of the district to Hartington, falls within a Manchester-focused HMA.
Figure 2: CURDS-Defined Framework HMA

Source: CURDS 2009/10
2.20 The definition of the strategic HMA reflects commuting flows between areas within Derbyshire Dales and the three cities of Derby, Sheffield and Manchester. It is based on commuting flows, and in effect shows travel to work areas based on a 77.5% self-containment threshold.

2.21 The CURDS study also has a silver standard which is less detailed than the "gold standard" and based on grouping local authorities to form housing market areas. This groups Derbyshire Dales alongside Chesterfield and North East Derbyshire in a “Chesterfield HMA”. In this definition the Derby HMA only includes Derby and Amber Valley local authorities.

Figure 3: Chesterfield Silver Standard HMA

2.22 Alongside these ‘strategic housing market areas,’ the CURDS Study defines more local-based market areas. These are embedded within the Strategic HMA geography. In respect of the use of the lower-tier local HMAs, the CURDS Study comments that “a tiered geography links to both national/ cross-regional and more strategic sub-regional analysis whilst, at the same time, providing a sufficiently fine-grained basis for more locally based analysis and policy formulation in respect of, for example, issues relating to affordability and/or to core strategy / LDF preparation and monitoring
by individual local planning authorities.” It comments that these may be more useful in areas which are influenced by cities.

2.23 The Local Housing Market Areas (LHMAs) defined by CURDS are based on areas with 50% self-containment of migration flows (based on 2001 Census data). The Study defined five different LHMA across the district (see Figure 4).

2.24 The majority of the district is included in the defined Matlock and Ashbourne LHMA. This also extends into Amber Valley west of Belper and parts of East Staffordshire. The area previously defined as within the Manchester Strategic HMA is now in the Buxton LHMA.

2.25 Those parts of the District identified as within the Sheffield Strategic HMA are divided into a Sheffield (North and South) LHMA and a Chesterfield LHMA. Tideswell and Great Longstone fall into the Chesterfield LHMA; with Eyam, Hathersage and Bradwell falling in the Sheffield HMA. To the south of the district, Doveridge and Sudbury are identified as falling in the Burton HMA.
Figure 4: CURDS-Defined Local Housing Market Areas

Source: CURDS 2009/10
2.26 The CURDS work has defined HMAs by grouping wards together. However as population and household projections are only published at a local authority basis, it is accepted standard practice to group local authorities as the “best fit” to Housing Market Areas. The benefits of drilling down below local authority level are outweighed by the complexities and multiple assumptions necessary to model housing need at this more local level.

2.27 However in Derbyshire Dales case there is no consistent definition of in which area the District sits. Furthermore there is a clear North/South split, with the major settlements in the middle and south of the District in a distinct market from the northern reaches of the District which are focused towards Sheffield.

2.28 It interpreting the CURDS work, it should be borne in mind that it is based on 2001 data, which is now 13 years old. 2011 Census commuting and migration flow data has been released in Summer 2014 which provides a basis for reconsidering housing market geographies using more recent information. This is considered further below.

**Historic Definitions**

2.29 DTZ Pieda in their report on ‘Identifying sub-regional housing markets of the East Midlands’ (April 2005) set out a number of sub-regional housing market areas across the region including two which covered parts of Derbyshire Dales District (see Figure 5).

2.30 The Derby HMA as identified covered the southern part of the District including Ashbourne. The area to the North of Ashbourne, including Matlock and Wirksworth is an “area of overlap” between the Derby HMA and the High Peak – Derbyshire Dales HMA.

2.31 The north of the District, including Bakewell and Hathersage, was identified as falling within the “High Peak – Derbyshire Dales” HMA which (as the name) suggests also covers parts of the High Peak District, although the major towns in High Peak District of Buxton and Glossop are not included in this HMA.
Figure 5: DTZ Proposed Sub-Regional Housing Markets (2005)

Source: DTZ Pieda, 2005

Existing SHMA Studies

2.32 Housing market geographies have been considered through a number of Strategic Housing Market Assessment (SHMA) reports. We have sought to summarise the findings of these below:

Draft Derbyshire Dales Housing and Economic Needs Assessment (February 2014)

2.33 This Atkins study (supported by ARC4 and Edge Analytics) identified the requirements for Housing and Economic Needs Assessments as set out in the emerging Planning Practice Guidance (PPG). Part of this work identified the FEMA and HMA(s) which operated across the county.

2.34 This report argued that Derbyshire Dales was part of a wider housing market area extending across Derbyshire and into East Staffordshire and the Sheffield area in terms of migration; and indicated that data on migration clearly demonstrated strong linkages with these areas.
2.35 As part of this study a consultation exercise was undertaken with local developers, housing associations and those with an interest in local plan sites. The majority of stakeholder respondents felt that there were links with other housing market areas. The following points were made:

- “There is a link between the east side of Derbyshire Dales, the Derwent Valley and the western side of Amber Valley, Belper, Ripley, Lea, Holloway and Crich. For Ashbourne there is the eastern side of East Staffordshire, in particular Mayfield. To the south Doveridge is linked to Uttoxeter. The Peak Park limits links to High Peak”;
- “Younger people wanting to buy have to move elsewhere due to affordability issues, in particular to North East Derbyshire”;
- “The market extends into High Peak around Buxton, North East Derbyshire around Matlock, and into East Staffordshire around Ashbourne”;
- “The market forms part of the wider Peak District, especially in terms of Staffordshire Moorlands and High Peak, where all three authority areas form part of the National Park”; and;
- “Wider housing market areas include North East Derbyshire, High Peak, South Yorkshire, Staffordshire and Amber Valley”.

2.36 Although not specifically identifying an HMA, the report does state that the Council will need to work closely with other authorities in the HMA to consider best how the needs of the HMA can be met.

2.37 Atkins then went on to summarise that assessing the employment land requirements on the basis of the District boundary is sound given the relatively high level of self-containment.

2.38 The report identified that there are clearly strong links in terms of the commuting patterns with surrounding areas and that Derbyshire Dales District Council will therefore need to work closely with surrounding authorities to consider how the employment needs of the wider area can be met.

High Peak Strategic Housing Market Assessment and Housing Needs Study (April 2015)

2.39 Undertaken by Nathaniel Litchfield and Partners (NLP), this report looks at migration and travel to work patterns. It identifies that High Peak is close to being a self-contained HMA, with almost 70% self-containment when long distance moves are excluded.

2.40 As a consequence NLP emphasises that under the Duty to Co-operate High Peak Borough Council should continue to liaise with Sheffield City Council, Derbyshire Dales District Council, East Cheshire Council, Tameside Borough Council and Stockport Borough Council to ensure that housing needs are met in full at a strategic level.
Derby HMA Strategic Housing Market Assessment Update (July 2013)

2.41 Drawn from national research this GL Hearn report identified an HMA which covers Amber Valley BC, Derby City and South Derbyshire as a “best fit” to local authority boundaries. However in view of the Duty to Cooperate introduced by the Localism Act it also reiterated the importance of engagement with planning authorities beyond the HMA as well. The report set out that:

*The housing market in the Derby HMA authorities relates to those in the Derbyshire Dales District (including Ashbourne and Matlock) and into the western part of Erewash District (including Ilkeston). Towards the north of the HMA there is also a relationship between Alfreton and Ripley into North-East Derbyshire and Bolsover Districts.*

2.42 The implication of this was that the supply-demand balance for housing in these areas could influence demand for homes within the core Derby HMA authorities.

2.43 An Employment Land Review (March 2013) has been prepared for the three Derby HMA local authorities. No analysis of Functional Economic Areas was undertaken within this.

North Derbyshire and Bassetlaw Strategic Housing Market Assessment (November 2013)

2.44 Also produced by GL Hearn, the North Derbyshire and Bassetlaw SHMA used a HMA initially defined as part of research undertaken to inform the development of the East Midlands Regional Plan, which defined a ‘northern’ housing market area within the region with links north to other parts of the Sheffield City Region.

2.45 The SHMA reflected the CLG Practice Guidance recognises that for the purposes of strategic planning it is appropriate in many instances to consider the ‘best fit’ of local authority boundaries to housing market areas.

2.46 The report also recognises that there is some relationships in these areas towards the larger economic centres to the north, such as Sheffield, Rotherham and Doncaster in economic terms (e.g. commuting flows); but suggests that in terms of household movement a lot of this is much more localised – and has become increasingly so since 2007. Price differences seem to particularly reflect differences in accessibility to employment centres (and at a more localised level no doubt quality of place).

2.47 The migration evidence in particular, and market characteristics, point towards a different set of circumstances within the North Derbyshire and Nottinghamshire area relative to the larger urban centres to the north. GL Hearn therefore considered that an area defined as North East Derbyshire, Chesterfield and Bassetlaw local authorities represented an appropriate functional housing market area, albeit that it should be recognised that there are economic links more widely across the City Regions.
Implications

2.48 A review of the previous research highlights:

- Differences in the scale at which HMA boundaries have been drawn, with no clear HMA or FEMA boundaries defined which include all of Derbyshire Dales District; and
- Evidence of a number of different HMA and FEMA areas operating in different parts of the District (with in particular a north / south distinction).

2.49 It is an appropriate point at which to examine further the definition of HMA and FEMA geographies, in particular given the recent release of information on migration and commuting flows from the 2011 Census.

Updating the HMA Definition

2.50 Paragraph 47 of the National Planning Policy Framework (NPPF) states that local planning authorities should use their evidence base to ensure Local Plans meet the full, objectively assessed needs for market and affordable housing in their Housing Market Area (HMA).

2.51 In simple terms, the HMA is a geographical area in which the majority of people, who move, will move within. It also reflects functional relationships between where people live and work. However, defining housing market areas is an inexact science and there is no single source of information that will clearly identify housing market areas. This section of the report considers key data to identify local housing markets.

House Prices

2.52 House prices can be used to provide a ‘market based’ definition of HMA boundaries, based on considering areas which (as the PPG describes) have clearly different price levels compared to surrounding areas.

2.53 In interpreting spatial differences in house prices, it should be borne in mind that there are local factors which affect house prices, such as:

- quality of place and neighbourhood character;
- school performance and the catchments of good schools;
- the accessibility of areas including to employment centres; and
- the existing housing market and local market conditions.

2.54 These factors influence the demand profile and pricing within the market. This means that we are likely to see localised variations in housing costs which reflect differences in the housing offer, quality of place and accessibility of different areas within any defined HMA. What this
section is focused upon is considering market geographies at a higher spatial level. Consideration of price differentials at a sub-region and regional level is therefore of most relevance.

**Broad House Price Geography**

2.55 An analysis of differences in average house prices would be influenced by how the mix of properties sold in different areas varied (in part reflecting the stock profile). Our analysis seeks to compare house prices spatially for comparable products. Figure 6 therefore provides an analysis of prices for semi-detached and terraced homes sold in 2014. These categories are selected as representing mid-market housing. This plan provides a market-based definition of the extent of the housing market influence.

2.56 From the mapping of house prices, we can identify some clear distinctions:

- Lower house prices in South Yorkshire and the wider Yorkshire/Nottinghamshire/Derbyshire coalfield area which extends across parts of South Yorkshire, Derbyshire and Nottinghamshire;
- Stronger house prices in the “Peak District” which extends across parts of High Peak, Derbyshire Dales and into North East Derbyshire;
- Lower housing costs towards Leek and Stoke-on-Trent to the West, in Derby and parts of Amber Valley and South Derbyshire.
Figure 6: Prices of Semi-Detached and Terraced Homes Sold, 2014

![Price Map]

Source: Land Registry, 2015

2.57 A band of higher prices similar to those in Derbyshire Dales extends to include parts of North East Derbyshire around Dronfield and South East Sheffield including along Eccleshall Road and Dore, although the prices in these Sheffield are notably higher than elsewhere.

2.58 House price to the west of the district in Staffordshire Moorlands and to the East in most of Amber Valley and the remainder of North East Derbyshire are notably lower. Those in Derby, Nottinghamshire, Stoke-on-Trent and East Sheffield are lower again.
2.59 Within Derbyshire Dales the highest house prices can be found in Baslow and Bakewell although comparable prices can also be found in parts of Ashbourne and Matlock. The cheapest prices can also be found in these towns, which reflects the wider range of stock available within the larger settlements.

2.60 The house price geography supports the concept of a housing market which is comprised of Derbyshire Dales and High Peak, although there is also overlap into the western fringes of North East Derbyshire.

**House Price Changes**

2.61 Figure 7 analyses how house prices have changed over the last five years (2009-14). It shows a picture which is quite varied at a local level. Besides showing stronger house price growth in the areas nearest to Sheffield, we do not consider that this map is particularly useful in considering housing market geographies.
Migration Patterns

2.62 Migration flows reflect the movement of people between homes. They are thus an important factor in considering the definition of an HMA.

2.63 Migration data from the 2011 Census has only been published at a local authority level. The Census records migration, asking people where they lived one year prior to Census day and on Census day itself. The use of Census data is preferable to other data (such as from NHS Central Health Register) as it records movement within individual local authorities, as well as between them.
Self-Containment within Individual Local Authorities

2.64 The PPG sets out that an HMA typically would be an area within which a relatively high proportion of moves (typically 70% excluding long-distance moves) are contained. Figure 8 shows self-containment levels within individual authorities. These can be measured either in terms of those who moved who were living in the local authority in 2010; or the base being those living in the authority in 2011.

**Figure 8: Self-Containment of Migration Flows within Individual Authorities, 2010-11**

<table>
<thead>
<tr>
<th>Authority</th>
<th>% Self-Containment of those moving who lived in area in 2010</th>
<th>% Self-Containment of those moving who lived in area in 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derbyshire Dales</td>
<td>51%</td>
<td>52%</td>
</tr>
<tr>
<td>Sheffield</td>
<td>75%</td>
<td>69%</td>
</tr>
<tr>
<td>Amber Valley</td>
<td>59%</td>
<td>60%</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>62%</td>
<td>64%</td>
</tr>
<tr>
<td>Derby</td>
<td>71%</td>
<td>70%</td>
</tr>
<tr>
<td>East Staffs</td>
<td>60%</td>
<td>63%</td>
</tr>
<tr>
<td>High Peak</td>
<td>62%</td>
<td>63%</td>
</tr>
<tr>
<td>NE Derbyshire</td>
<td>47%</td>
<td>46%</td>
</tr>
</tbody>
</table>

*Source: 2011 Census*

2.65 The self-containment levels vary from 46% in North East Derbyshire through to 75% in Sheffield. The analysis however shows that **Derbyshire Dales does not have a sufficient migration self-containment level, based on the 2011 Census data, to be considered to represent a Housing Market Area in its own right.** This is an important finding. We would note that this data from the 2011 Census was not available when some previous studies were undertaken.

Migration Flows between Local Authorities

2.66 We have next sought to assess migration flows between local authorities. We have reviewed both net and gross flows. The first identifies the direction of movement; with the latter highlighting the strength of connections between two local authorities – and in effect showing more about the functional links between places.

**Gross Flows Analysis**

2.67 Typically we would expect a larger migration flow between two authorities with larger populations. To provide a comparative assessment of the strength of migration flows, we have therefore benchmarked flows based on the combined population of two authorities. Figures are expressed per 1,000 joint population in Figure 9.

2.68 The analysis clearly indicates that Derbyshire Dales has relatively weak migration rates with its neighbouring authorities even when adjusted to reflect the District’s comparatively modest population base. Its strongest relationship is with Amber Valley (2.2 gross moves per 1,000
population) and Chesterfield (2.0). This would be consistent with different parts of the District falling within different HMAs.

2.69 In comparison, Amber Valley has relationships with three other local authorities (Derby 4.1, Erewash 3.2 and Bolsover 2.8 persons per 1,000) – all of which are stronger than its relationship with Derbyshire Dales. Similarly Chesterfield’s relationship with North East Derbyshire (9.0) and Bolsover (3.6) are both more significant than that with Derbyshire Dales.

**Figure 9: Gross Migration Flows between Local Authorities, 2010-11**

Source: 2011 Census
2.70 Derbyshire Dales has a modest relationship (in terms of migration) with High Peak, East Staffordshire, South Derbyshire and Sheffield. There is a strong relationship between South Derbyshire and Derby; with strong local links also shown between South Derbyshire and East Staffordshire (reflecting the proximity of Swadlincote and Burton-on-Trent and local links between these settlements); and with North West Leicestershire (again reflecting local links to Ashby-de-la-Zouch).

2.71 High Peak, like Derbyshire Dales, does not show particularly significant major relationships with any single local authority. Its strongest relationship is with Tameside at 2.0 persons per 1,000 population, which is likely to reflect transport links from the larger population centres (Buxton and Glossop) towards Greater Manchester.

2.72 In terms of absolute numbers, Derbyshire Dales strongest relationship is with Sheffield. Almost 465 people moved between the two in the year leading up to the 2011 Census. However because of the size of Sheffield’s population, this is largely insignificant in gross weighted terms. By comparison Sheffield has stronger weighted relationships with eight other authorities and in absolute terms 15 other authorities relative to those with Derbyshire Dales.

2.73 Overall the analysis would suggest that Derbyshire Dales District does not have a significant relationship with any single authority, although the self-containment rates suggest that it is not particularly self-contained. Combined this would suggest that the District falls within more than one HMA.

Net Migration

2.74 An analysis of net flows shows a similar picture with no significant net flows involving Derbyshire Dales and other adjoining authorities. Only eight local authorities have a net change of 25 or more with Derbyshire Dales; only two of which (Chesterfield and Sheffield) are over 50 with both seeing a net flow to Derbyshire Dales.
Figure 10: Net Migration Flows between Local Authorities, 2010-11

Source: 2011 Census

2.75 Similar to the house price change analysis we do not consider the net flows analysis to be particularly useful in defining Housing Market Area boundaries (in this or other areas).

Considering Self-Containment

2.76 The PPG sets out that an HMA would typically be an area in which 70% of moves are contained within (excluding long distance moves). An analysis of self-containment is shown in Figure 11.
2.77 We have defined long distance flows as those coming from outside of the immediately adjacent local authorities and those immediately adjacent to those again. In total there are 25 local authorities which fall into the “short distance” moves category. This analysis shows that the 66% of people moving a short distance do so within Derbyshire Dales.

**Figure 11: Migration Self-Containment Levels, 2010-11**

<table>
<thead>
<tr>
<th>Derbyshire Dales (Short Distance moves)</th>
<th>% People moving in to the area</th>
<th>% People living in the area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>66.2%</td>
<td>66.2%</td>
</tr>
</tbody>
</table>

*Source: 2011 Census*

2.78 The level of self-containment of Derbyshire Dales on its own is insufficient for the District to be recognised as a Housing Market Area in its own right.

**Commuting Flows**

2.79 The analysis of commuting flows in this section has been used to consider further the housing market geography. It also provides a key input to the definition of the FEMA. We have sought to consider commuting dynamics taking account of the Office for National Statistics definition of Travel to Work Areas (TTWAs), together with more detailed interrogation of commuting dynamics locally.

2.80 TTWAs were an attempt to identify self-contained labour market areas in which all commuting occurs within the boundary of the area. It should however be recognised that in practice, it is not possible to divide the UK into entirely separate labour market areas as commuting patterns are too diffuse. The TTWAs are developed as approximations to self-contained labour markets, i.e. areas where most people both live and work. As such they are based on a statistical analysis rather than administrative boundaries. The criteria for defining TTWAs were that at least 75% of the area's resident workforce work in the area and at least 75% of the people who work in the area also live in the area in most instances. The area must also have had a working population of at least 3,500. However, for areas where the working population in excess of 25,000, self-containment rates as low as 66.66% were accepted.

2.81 As illustrated in Figure 12, parts of Derbyshire Dales fall within four different TTWAs (using 2011 Census data) with Ashbourne and Wirksworth within a Derby TTWA; Matlock and Bakwell within a Chesterfield TTWA; Hathersage falling within a Sheffield TTWA; Blackwell within a Buxton TTWA; and Doveridge and Sudbury falling within a Burton-on-Trent TTWA.
2.82 The majority of the District falls within either the Chesterfield or Derby TTWAs. As with the CURDS work, the north-west of the District is identified as within the Buxton TTWA. This includes villages such as Hartington, Flagg, Taddington, Tideswell and Bradwell. To the north and east of this, the Sheffield HTTWA includes the town of Hathersage and the villages of Eyam and Grindleford.

2.83 We have sought to undertake further analysis considering 2011 Census commuting patterns. Looking first at self-containment we can see that 54% of residents in employment also work in the District. In terms of those working in the District, 51% also reside in the District. Parts of the District clearly thus see commuting to larger external employment centres. The major employment destinations includes Derby 7.1%, Sheffield 5.6% and High Peak 5.1%.

2.84 The main external areas from where the District's economy draws workers are Amber Valley (7.3%), Chesterfield (7.2%), North East Derbyshire (6.0%) and Derby (5.5%). Only Derby therefore can be seen as both key location for employment and as a source of employees.
2.85 We have next considered localised commuting flows to the major employment centres around the District. We have done this by identifying which of the following is the most popular employment location for each Middle Level Super Output Area (MSOAs) in the wider area:

- Tameside (Ashton and Hyde)
- Burton
- Central Manchester;
- Chesterfield;
- Derby;
- Macclesfield
- Sheffield;
- Stockport; and
- Stoke.

2.86 We can see that there is a clear north/south split in the District. As shown in Figure 13, the north of the District (around Hathersage and extending south almost to Bakewell) sees notable commuting to Sheffield. Similarly we see notable numbers in the south of the District (including Wirksworth and Ashbourne) to Derby.

2.87 The MSOAs in the central part of the district including Matlock and Bakewell do not have major flows (200 or more) to any specific major employment centre, suggesting greater levels of local living and working.
2.88 To ascertain the relative influence of different areas, we have sought to identify the most population employment destination for people living in different Middle-Level Super Output Areas (MSOAs) within the District and surrounding areas. This is shown in Figure 14. This shows that Matlock sends most people to Chesterfield than other employment centres; whereas Bakewell sends more to Sheffield; and the strongest flows from Ashbourne and Wirksworth are towards Derby. Again the northern part of the District is linked more towards Sheffield; and the southern towards Derby.
2.89 We have then remapped this with Matlock included as a separate employment centre in its own right. This step allows us to see where the different parts of the District look to in economic terms. As shown in Figure 15, the central section of the District is dependent on employment in Matlock. This includes Matlock, Wirksworth and Bakewell. Other areas see stronger relationships to employment centres outside of the District.

Source: ONS, Census 2011
2.90 The central area which is focused on Matlock has a self-containment rate of 48.4%. Overall the analysis continues to suggest that different parts of the District relate to different economic centres surrounding it (Derby, Chesterfield and Sheffield being the main ones). We do not see a particularly strong relationship towards Manchester and Stoke-on-Trent. It is prudent to recognise the nearby cities' (primarily Sheffield and Derby) influence on employment within Derbyshire Dales.
Wider Considerations in Defining the FEMA

2.91 An analysis of commuting should be considered as a key input to defining the FEMA, as it reflects relationships between where people live and work. A number of wider indicators are however identified in the PPG, which include:

- Extent of any Local Enterprise Partnership;
- 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;
- Transport network.

2.92 The flow of goods and services is difficult to specifically quantify on a robust basis, given available datasets.

2.93 We have however reviewed the extent of the LEP; administrative geographies; the transport network; and the local and sub-regional retail and leisure facilities. This will encompass the service market for consumers as well as the facilities providing cultural and social well-being.

Local Enterprise Partnerships

2.94 Derbyshire Dales sits within two Local Enterprise Partnership (LEP) areas – the Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2) LEP, and the Sheffield City Region (SCR) LEP.

2.95 The Derby, Derbyshire, Nottingham and Nottinghamshire Local Enterprise Partnership, known as the D2N2 LEP covers quite a substantial areas and includes both counties in their entirety. Within its Strategic Economic Plan the LEP identify four Economic Areas, these are:

- Derby and South Derbyshire;
- M1 Corridor;
- Nottingham and Central, Southern and Eastern Nottinghamshire;
- Northern;
- Wider Peak District.

2.96 As shown in Figure 16, Derbyshire Dales (together with High Peak) falls within the Wider Peak District Economic Area.

Figure 16: D2N2 LEP area
2.97 The Strategic Economic Plan identifies that the Wider Peak District Area is predominantly rural with a number of important market towns acting as employment and service centres in their own right. The resident population is highly qualified but many commute to professional jobs in the surrounding cities of Sheffield and Manchester (as well as Derby and Nottingham) and despite the presence of some high value SMEs, workplace wages in the area are low.

2.98 It also highlights that there are significant levels of employment in the public sector, manufacturing and sectors associated with tourism, and that Derbyshire is the most important mineral-producing area in the UK, with this high-value activity concentrated in the Wider Peak District Area.

2.99 The Sheffield City Region LEP includes the nine local authority areas of Barnsley, Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales, Doncaster, North East Derbyshire, Rotherham and Sheffield. Its Strategic Economic Plan does not identify specific economic areas within the LEP.

Source: D2N2 Strategic Economic Plan 2014
area, but identifies attributes of Derbyshire Dales District – including the strength of the Peak District in supporting tourism; and the strong small business base and quality of life offer of Derbyshire Dales. It defines a number of spatial priorities, but these principally fall in other parts of the LEP area.

**Retail Centres and Leisure Provision**

2.100 For retail and leisure provision we have taken a high level approach to identify major retail centres which may draw from Derbyshire Dales. Figure 17 sets out the major retail centres in Central England and their approximate trade draw. In effect those with the largest expenditure would achieved this by drawing trade from across a wide area. Figure 17 is taken directly from CACI Retail Footprint map which lists the major retail centres in the country by expenditure.

**Figure 17: Retail Centres in Central England (Expenditure in £Millions)**

![Retail Centres in Central England](image)

*Source: CACI Retail Footprint (2011)*
2.101 There are a number of centres around Derbyshire Dales. Derby, Sheffield and Stoke-on-Trent have relatively modest expenditure and thus a moderate draw. However Nottingham, Manchester and Meadowhall all attract shoppers from a much larger area including Derbyshire Dales.

2.102 In terms of gauging leisure provision we have sought to identify the following in relation to Derbyshire Dales and the wider area:

- Cinemas;
- Theatres;
- Museums; and
- Bowling Alleys.

2.103 As illustrated in Figure 18 there is very little commercial leisure provision within Derbyshire Dales itself. Provision which exists is largely focused on museums (ten) catering for day trippers to the Peak District National Park and Matlock Bath.

2.104 There is also the Northern Light Cinema in Wirksworth and the Grand Pavilion in Matlock. The latter of these also functions as Cinema and houses the Lead Mining Museum and occasionally puts on films. For bowling, multiplex cinemas and major theatrical productions residents of Derbyshire Dales would need to travel to Derby (South), Sheffield (North) and Chesterfield (Central).

2.105 Both the retail and leisure provision again illustrates a complex set of relationships between Derbyshire Dales and the surrounding major towns and cities – and point to economic relationships which extend beyond the District’s boundaries in different directions.
2.106 We have also looked at the major transport infrastructure in Derbyshire Dales and the immediately surrounding areas. This influences commuting for work and to access goods and services.

2.107 There are five train stations in the District, two of which are on the Hope Valley Manchester to Sheffield line (Hathersage and Grindleford) with the other three stations (Matlock, Matlock Bath and Cromford) on the Derwent Valley, Matlock to Derby, Line.
2.108 There are only two direct trains from Hathersage station arriving in either Sheffield (21 minutes) or Manchester (1 Hour 2 Minutes) before 9am on a weekday. This would indicate that there is not a large amount of peak time demand for this route. There are also only two trains to Derby from Matlock which arrive in Derby prior to 9am, taking 34 minutes to get there. There is also a third service which arrives shortly after 9am.

2.109 There are no airports in the District the nearest Airports to the North of the District would be Manchester Airport and Robin Hood Airport in Doncaster. The nearest airport to the South of the District would be East Midlands airport to the south of Derby.

**Figure 19: Transport Infrastructure**

Source: Experian/ GL Hearn
2.110 There are no motorways in the District although the M1 can be accessed via Junction 24 to 29. There are a number of major roads which traverse the district most notably the A6 which links Derby to Manchester and beyond. In the south of the District, the A52 links Derby and Stoke. The A515 links Lichfield and Buxton and is one of the main north-south roads. In the north of the District Hathersage is linked to the A6187. The A610 and A619 links the northern parts of the District to places like Chesterfield, Alfreton and eventually Nottingham.

Conclusions – FEMA and HMA Geographies

2.111 This section has considered how the Housing Market Area (HMA) and Functional Economic Areas (FEMA) in Derbyshire Dales operate. The CURDS Research identifies a complex set of relationships between different parts of the District and nearby cities, with major settlements in the District relating to Derby; with some of the northern parts of the District relating either to Sheffield, or to Buxton/Manchester. This is however based on now somewhat dated 2002 Census data.

2.112 Previous commuting analysis undertaken for ONS identified different parts of the District falling within five separate Travel to Work Areas, highlighting the complexity of interactions with surrounding areas. However the majority of the District (including most of the towns) was identified within a Matlock TTWA. As with the CURDS work, the north west of the district falls within the Buxton TTWA and the north east in the Sheffield TTWA.

House Prices

2.113 Our analysis has sought to compare house prices spatially for comparable products. This highlights fairly consistent housing costs across the District; and a particular parity with costs in High Peak District (which has previously been identified in the same HMA). The house price geography would support the definition of a Housing Market Area linking these two authorities, although it should be stressed that this is only one of the factors to be considered.

Migration

2.114 The analysis indicates that Derbyshire Dales sees relatively modest migration flows with surrounding local authorities, reflecting both its modest population size and the complexity of relationships from different parts of the District in different directions. Its strongest relationships relative to population size are with Amber Valley (2.2 gross moves per 1,000 population) and Chesterfield (2.0); although in terms of absolute numbers the strongest links are with Sheffield.

2.115 Levels of self-containment of migration (excluding long-distance flows) at 66% are insufficient for the District to be regarded as a housing market area in its own right. The analysis again suggests that different parts of the District fall in separate Housing Market Areas – with the northern part of the District relating to Chesterfield and Sheffield; and the southern part more towards Derby.
Commuting Patterns

2.116 The majority of the District falls within either a Chesterfield or Derby focused Travel to Work Area, based on 2011 Census data, with small areas relating to Burton-on-Trent, Buxton or Sheffield. The analysis highlights that the strongest relationship from Matlock is towards Chesterfield; from Ashbourne and Wirksworth is towards Derby; and from Hathersage is towards Sheffield. It does not point towards a particularly strong relationship in economic terms towards Manchester. 5% of the District’s residents commute to High Peak to work.

Wider Indicators

2.117 Although less precise, the wider indicators considered also highlight a reliance on the major cities for a number of areas including major retail and leisure provision. There are particularly notable reliance on Derby and Sheffield; although Chesterfield also has an important functional role.

2.118 The District is defined as cutting across two Local Enterprise Partnership areas. This would seem to us to be an acknowledgement, by Government, that parts of the District fall within separate areas of economic/ housing market influence.

Bringing the Analysis Together

2.119 Throughout the analysis we can see that there is a complex set of relationships at play across Derbyshire Dales. There are clearly economic and housing market relationships between the north of the District and Sheffield; and the south of the District and Derby. The central part of the District is slightly more complex, with a relationships between this area and a number of surrounding cities/larger towns – including Chesterfield.

2.120 In our view, it would be appropriate to define the southern part of the District as falling within a Wider Derby-focused HMA / FEMA. This area includes Ashbourne and Wirksworth.

2.121 The northern part of the District should be defined as falling within a Sheffield-focused HMA / FEMA. This includes Bakewell and Hathersage. There are localised inter-relationships between the north of the District and High Peak (particularly Buxton).

2.122 The central part of the District, including Matlock, should reasonably be seen as falling within an “area of overlap” between Housing and Functional Economic Market Areas; with influences from Sheffield; from Chesterfield; and from Derby.
In our view, recognising the complex set of inter-relationships which exist between different parts of the District and surrounding areas / larger settlements is more helpful than seeking to artificially simplify the picture by seeking to assess a dominant relationship or aggregate the District as a whole with one housing market area or another. In doing so the construct would be artificial and would fail to recognise the different relationships which are evident in different parts of Derbyshire Dales.
2.124 The Planning Practice Guidance accepts that functional geographies may not align well with local authority boundaries. It also accepts that there may be some overlap between these areas, and the evidence would point to this being the case in the central parts of the District.

**A Sensible and Pragmatic Way Forward**

2.125 On the basis of the evidence it would seem appropriate, and indeed pragmatic, for this study to focus on assessing the specific development needs of Derbyshire Dales District. It is important that a clear picture of development needs for the District is developed to inform the Local Plan.

2.126 The District Council’s Local Plan will however deal only with those parts of the District which fall outside of the Peak District National Park. In respect of housing supply and economic development policies, it will be important that Derbyshire Dales District Council (DDDC) and the Peak District National Park Authority (PDNPA) liaise with one another.

2.127 For the purposes of local plan preparation it is important that there is consistency in the approach which is used to identifying housing and economic development needs, and thus whilst different parts of the District fall within different HMAs/ FEMAs the preparation of a single assessment is appropriate.

2.128 Because of this complex set of relationships and the availability of data (particularly in respect of demographic projections and economic forecasts) it is not feasible to robustly identify the Objectively Assessed Need for housing and economic development uses for each part of the wider HMAs which fall within Derbyshire Dales. Indeed there are other studies which identify housing and economic development needs for other areas beyond Derbyshire Dales.

2.129 An indicative apportionment of the identified housing need for Derbyshire Dales District between the two HMAs is however set out herein, as well as a breakdown of the proportion of need which might be expected to arise from those parts of the District which fall within the Peak District National Park.

2.130 The inter-relationships identified between Derbyshire Dales and adjoining authorities in this section are however relevant in respect of the Duty to Cooperate, particularly in respect of housing provision. The evidence suggests that the strongest migration links are with Sheffield, Amber Valley, North East Derbyshire, Chesterfield and Derby in absolute terms. There are also important links (relative to population size) with High Peak and East Staffordshire.
3 SOCIO-ECONOMIC BASELINE

3.1 In this section we profile key socio-economic indicators, address demographic trends and key labour market indicators. The analysis uses local authority level data, and compares trends in Derbyshire Dales to those in the Derby HMA; and North Derbyshire and Bassetlaw HMA (as previously defined based on ‘best fit’ local authority boundaries). Given the contrast between the rural nature of Derbyshire Dales District and urban nature and complex housing market issues of Sheffield, it was not considered that this would not be a helpful comparison.

Population Trends

3.2 Derbyshire Dales’ population totals 71,300 persons as of mid-2013. Figure 21 indicates how the population has changed since 1981. Over this period the population has grown by 5.2%, with an average annual growth of 0.2%. As the graph shows, the population of Derbyshire Dales remained fairly stable until 1992 followed by accelerated growth throughout the rest of the 1990s. Growth plateaued in the 2000s, but started to increase again from 2006. Over the 2006-13 period, the population has increased by 1,800 with an average annual growth of 0.4% over this period – twice the long-term average.

Figure 21: Derbyshire Dales Population, 1981-2013

Source: ONS Mid-Year Population Estimates

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ONS 2013 Mid-Year Population Estimates
3.3 Figure 22 compares the population growth in Derbyshire Dales to growth in High Peak, Derby HMA, North Derbyshire and Bassetlaw HMA, the East Midlands region, and England and Wales. This shows that the Derbyshire Dales’ population growth of 5.2% since 1981 is relatively modest in comparative terms. The North Derbyshire and Bassetlaw HMA has seen population growth of 7.0%. Figures for the other comparator areas are significantly higher with High Peak seeing 10.6% growth, England and Wales seeing a 14.7% growth, and Derby HMA and the East Midlands seeing growth of 19.4%. Recent population growth (since 2006) has broadly tracked national averages, but been below that seen in a number of the surrounding geographies.

**Figure 22: Benchmarking Population Growth from 1981**

Source: ONS Mid-Year Population Estimates

3.4 Derbyshire Dales’ population structure differs considerably from that of the comparator areas, as shown in Figure 23 overleaf. The District has a much lower proportion of people in their 20s and 30s, and a higher proportion of people in every age cohort from 45 and over. The profile suggests a pattern of residents in their late teens and early twenties leaving the area – a trend common in districts with no higher education institutions. The profile shows fewer people in their late 20s and 30s moving into the area, with incoming residents generally in their 40s, 50s, and 60s.

3.5 A large proportion (24%) of Derbyshire Dales residents are aged 65 or over. This compares to 21% in North Derbyshire and Bassetlaw HMA, 19% in High Peak, and 17% in Derby HMA and across England and Wales.

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7 Derby HMA comprises Amber Valley, Derby Unitary Authority, and South Derbyshire.
8 North Derbyshire and Bassetlaw HMA comprises Bassetlaw, Bolsover, Chesterfield, and North East Derbyshire.
3.6 The ethnic makeup of the District is not particularly diverse. Only 3.2% of the District describe themselves as Non-White British. The equivalent figure across England and Wales as a whole is 20% and 15% in the East Midlands (see Figure 24).

3.7 1.8% of the Derbyshire Dales population describes themselves as White Other, which include Irish and white European migrants; with 0.7% describing themselves as mixed race. The BME population comprises just 1.4% of the total population compared to 14% nationally and 10.7% across the East Midlands region. High Peak District (2.1%) and the North Derbyshire and Bassetlaw HMA (2.4%) have slightly higher levels of BME population.
3.8 Figure 25 show the profile of household types in Derbyshire Dales and its wider comparators. Reflecting the age profile, Derbyshire Dales has a high percentage of all pensioner households but a low percentage of households with dependent children. Compared to the wide comparators, there is also a notably high number of households comprised of childless couples and a low number of single parent families and “other” households. The latter includes households comprised of unrelated adults.
3.9 Since 2001, Derbyshire Dales has seen a decline in families (households with children) and an increase in couple with no children; in pensioner couples; and in single person households. This in part reflects changes to the age structure of the population.

Source: Census 2011
Economic Participation

3.10 Figure 27 shows employment levels as a percentage of the economically active population, which is those of working age who are in work. It shows that employment levels in Derbyshire Dales at 77% are higher than that seen across the wider comparators (England and Wales 72% and East Midlands 73.5%), but below those seen in some of the best performing local economies nationally.

![Figure 27: Employment Rates (2014)](image)


3.11 The Economic Activity Rate describes the percentage of working-age adults who are working or looking for work. Economic Activity Rates in Derbyshire Dales (79.0% of 16-64 year olds) are comparable with those in High Peak (79.1%) and the Derby HMA (80%), although economic activity is still higher in the District than in England and Wales (77.3%) and the East Midlands (78%) as a whole.

---

9 The employment rate for instance in Winchester and Ryedale stand at 85%, Eden, Craven and Stroud at 83% etc.
3.12 The level of self-employment in Derbyshire Dales (15.9%) exceeds that in the other comparators. It is significantly higher than the national average (10.2%) and that across wider benchmarks. This reflects in part the nature of the District’s economy – which is focused towards smaller businesses.

3.13 74% of those working are in full-time roles; with 26% working part-time. The proportion in work full-time is below the national average (76%) but similar to the East Midlands average. Higher part-time work is likely a function of both the age structure (with is older than average) and employment opportunities (with for instance typically a higher level of part-time work in the agriculture and tourism sectors).

**Figure 30: Employment By Hours (2014)**

![Employment By Hours Chart]


**Unemployment**

3.14 Unemployment in the District, recorded at 4.4% by the Annual Population Survey, is below that in most of the comparator geographies considered. The England average is 6.4%.
Figure 31: Unemployment Rate (2014)


3.15 There is a significant disparity between the unemployment figures for the Male (7.8%) and Female (1.8%) population. Both are however below wider averages.

Occupational and Skills Profile

3.16 Figure 32 shows the occupational profile of Derbyshire Dales as a percentage of the working age population currently in employment. In comparison to the East Midlands and England and Wales as a whole, Derbyshire Dales has a higher proportion of the population employed in professional occupations. Conversely there is also a low percentage of unskilled workers in the District.
3.17 The more detailed occupation profile as outlined in Figure 33 shows the higher percentage of professional residents is driven by a high percentage of occupation groups 1 (Managers, Directors, and Senior Officials) and 2 (Professional Occupations).

**Figure 32: Occupational Profile**

Source: 2011 Census

**Figure 33: Detailed Occupational Profile**

Source: 2011 Census
3.18 The occupation profile is related in part to high levels of skills of the District’s residents. Figure 34 shows the highest level of qualification attained by residents in the District and shows that Derbyshire Dales (33%) has a higher proportion of its population with level 4 qualifications in comparison to all the comparator areas particularly the North Derbyshire and Bassetlaw HMA (20%). This reflects those who have qualifications at degree level or higher.

![Figure 34: Qualifications](image)

Source: 2011 Census

3.19 The high skill level of residents is a key economic attribute, and the proportion of those with degree-level qualifications is similar to some of the better performing economies nationally[^10].

**Earnings**

3.20 Derbyshire Dales’ residents in full-time employment earn an average gross annual pay of £28,800. This is higher than the average of the East Midlands (£25,500 per annum) and England and Wales as a whole (£27,300 per week). This reflects the occupational/skills profile of those living in the District.

[^10]: With for instance 55% of those in South Oxfordshire having Level 4+ skills, 51% in Stratford-on-Avon and 50% in Stroud
3.21 The average gross annual pay of people working full-time in Derbyshire Dales is £25,800 which again is slightly higher than the average of the East Midlands (£25,000) but is well below the national average (£27,300).
Those working full-time in the District typically earn 4% less than those resident in the District suggesting, as we might expect, that a number of higher-earning residents commute out of the area to higher paid jobs in surrounding areas. Most of the adjoining authorities have median earnings which are £3,000 - £4,000 per annum higher than those in Derbyshire Dales. There is a particularly large differential with annual workplace earnings in Derby, which are on average almost £13,000 higher than those in Derbyshire Dales. This reflects the concentration of higher-paid jobs in the City.

### Economic Performance

Gross Value Added (GVA) measures the total value of goods and services produced, providing information on the size of a local economy (and growth of this). GVA data is not available at a district level.

Data on GVA is published by ONS for South and West Derbyshire. This incorporates:

- Amber Valley;
- Derbyshire Dales;
- Erewash;
- High Peak; and
- South Derbyshire.

This area, according to the latest figures, is a £8.4 billion economy. It has seen lower rates of output growth over the 1998-2013 period than wider geographies; with annual growth in GVA (measured using current basic prices) of 3.5% compared to 3.8% across the East Midlands and 4.2% nationally.

Recent growth has however been relatively stronger in South and West Derbyshire, with GVA in 2013 14% above 2008 levels (measured using current basic prices), compared to an increase of 11% across the East Midlands and 13% nationally.

Economic productivity has been falling. Figure 37 shows trends in GVA per Head relative to the UK average. GVA per job in 2013, at £17,000 in South and West Derbyshire, was 28% below the national average. As Figure 37 shows, this has fallen from 20% below the national average in 1998. This reflects a combination of lower comparative levels of job growth and growth focused on lower value-added sectors.

A report by Ekosgen has considered productivity in the “wider Peak District” area. Ekosgen estimated average GVA per full-time equivalent (FTE) job at £50,250 in 2010. This placed productivity on a par with the D2N2 LEP and ahead of the Sheffield City Region, Stoke-on-Trent and Staffordshire.

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11 ONS, Workplace-based GVA, 2013
3.29 Over the period since 2008, economic productivity relative to Derbyshire and Nottinghamshire, and the East Midlands more widely, has worsened in South and West Derbyshire. This particularly reflects falls in productivity in the late 1990s.

Figure 37: Trend in Productivity (GVA per Head)

![Graph showing productivity trend](image-url)

Source: ONS Regional GVA, Table 3.2

3.30 At a local level, workplace wages provide an appropriate proxy for relative productivity of different locations. Figure 38 below shows how median earnings of full-time workers compares with surrounding areas and other nearby employment centres. Productivity is particularly strong in Derby. However the evidence suggests that productivity within Derbyshire Dales is better than in number of other surrounding local authorities for full-time jobs. Evidently overall productivity will however be pulled down by the above average part-time employment in the District.

Figure 38: Comparison of Workplace Earnings (Workplace-based) for Full-time Workers, 2014

<table>
<thead>
<tr>
<th>Location</th>
<th>Median Earnings of Full-Time Workers</th>
<th>% vs Derbyshire Dales</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Peak</td>
<td>21,447</td>
<td>-17%</td>
</tr>
<tr>
<td>North East Derbyshire</td>
<td>21,754</td>
<td>-16%</td>
</tr>
<tr>
<td>Amber Valley</td>
<td>25,095</td>
<td>-3%</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>25,167</td>
<td>-2%</td>
</tr>
<tr>
<td>Sheffield</td>
<td>25,465</td>
<td>-1%</td>
</tr>
<tr>
<td>East Staffordshire</td>
<td>25,658</td>
<td>0%</td>
</tr>
<tr>
<td>Derbyshire Dales</td>
<td>25,777</td>
<td>0%</td>
</tr>
<tr>
<td>Derby</td>
<td>34,530</td>
<td>34%</td>
</tr>
</tbody>
</table>

Source: ASHE/ GL Hearn
Employment

3.31 The Business Register and Employment Survey (BRES) measures employment in companies which are registered for VAT and/or Pay-As-You-Earn (PAYE). It provides information on employment overall, and disaggregated by economic sector. It should be noted however that the survey will not capture all employment, particularly in small businesses with turnover below the VAT threshold.

3.32 BRES suggests employment in Derbyshire Dales in 2013 of 32,300, of which there are 30,600 employees. We can therefore assume that the difference (or thereabouts) relates to employed owners, totalling around 1,700 people in the District. Approximately 5.3% of all employment in the district as recorded by BRES is classed as 'employed-owners'. This is twice the rate than the LEP figure (2.6%) and higher than the East Midlands (3.7%) and England and Wales figures (3.9%).

Figure 39: Structure of Employment, 2013

<table>
<thead>
<tr>
<th>Area</th>
<th>Employees</th>
<th>Employed Owners</th>
<th>Full-time employees</th>
<th>Part-time employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derbyshire Dales</td>
<td>30,600</td>
<td>1,700</td>
<td>21,400</td>
<td>9,300</td>
</tr>
<tr>
<td>Derbyshire</td>
<td>403,000</td>
<td>11,400</td>
<td>287,300</td>
<td>115,700</td>
</tr>
<tr>
<td>D2N2</td>
<td>887,000</td>
<td>23,600</td>
<td>601,600</td>
<td>285,400</td>
</tr>
<tr>
<td>East Midlands</td>
<td>1,921,600</td>
<td>74,600</td>
<td>1,311,800</td>
<td>609,800</td>
</tr>
<tr>
<td>England and Wales</td>
<td>24,818,800</td>
<td>1,008,200</td>
<td>16,818,000</td>
<td>8,000,800</td>
</tr>
</tbody>
</table>

Source: BRES 2013

3.33 Of employment recorded by BRES, 30% is in part-time roles in Derbyshire Dales. This sits between levels across Derbyshire (29%) and other wider comparator areas (32%). However self-employment in non VAT-registered businesses is unlikely to be picked up in the BRES data.

Employment Growth

3.34 Using data from NOMIS, we can analyse the growth in jobs over the period since 2000. The data suggests that total employment in 2013 was a modest 3% higher than in 2000. Over the 2001 to 2013 period, jobs in the D2N2 LEP increased by 10%, in line with national and regional averages. Historically, the evidence points to weaker comparative jobs growth in Derbyshire Dales than across wider geographies. Econometric forecasts for future growth in employment are considered in Section 11.

3.35 The particularly high job numbers recorded in 2011 appear (based on our analysis) to reflect recording issues in the BRES dataset, related in particular to employment in public administration
rather than an actual substantive rise (and then) fall in job numbers around 2011-12. We consider this further later in the report.

Figure 40: Indexed Job Growth (2000 – 2013)

3.36 The ONS dataset estimates total employment in Derbyshire Dales in 2013 of 39,000 jobs. The District’s economy is relatively modest in scale. With 30,600 employees, the evidence suggests self-employment of around 8,400.

Employment by Sector

3.37 The largest sectors in respect of total employment in the District are wholesale and retail; manufacturing; accommodation and food; and public administration.

3.38 Public sector employment (including in public administration, education and health) is significant in Derbyshire Dales. The public sector accounts for 27% of employee jobs in the District compared to 19% across the East Midlands and nationally. This dependency is a function of the weakness of the District’s economy, and there is a need to grow the private sector employment base.

3.39 The table below provides an analysis of the composition of employment by broad sector in Derbyshire Dales. It then uses a location quotient analysis to illustrate how this compares with the East Midlands and England.
3.40 The largest employment sectors in terms of total employment are wholesale and retail, manufacturing, accommodation and food; and public administration.

3.41 Compared to the structure of employment across the East Midlands and nationally, there is a concentration of employment in:

- Mining and Quarrying;
- Tourism-related activities;
- Public administration.

3.42 The significant dependence of public sector employment means that spending restraints and austerity can be expected to have a greater influence on overall economic growth in the District.

**Figure 41: Employment by Broad Sector, Derbyshire Dales 2014**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Derbyshire Dales</th>
<th>vs. East Midlands</th>
<th>vs. England</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale &amp; Retail</td>
<td>15.2%</td>
<td>0.9</td>
<td>1.0</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>13.6%</td>
<td>1.0</td>
<td>1.6</td>
</tr>
<tr>
<td>Accommodation &amp; Food</td>
<td>12.6%</td>
<td>2.0</td>
<td>1.8</td>
</tr>
<tr>
<td>Public Administration</td>
<td>11.1%</td>
<td>2.8</td>
<td>2.5</td>
</tr>
<tr>
<td>Education</td>
<td>9.3%</td>
<td>0.9</td>
<td>1.0</td>
</tr>
<tr>
<td>Health &amp; Social Work</td>
<td>9.1%</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Professional, Scientific &amp; Tech</td>
<td>5.2%</td>
<td>0.9</td>
<td>0.6</td>
</tr>
<tr>
<td>Construction</td>
<td>4.6%</td>
<td>1.2</td>
<td>1.0</td>
</tr>
<tr>
<td>Transport &amp; Storage</td>
<td>4.1%</td>
<td>0.8</td>
<td>0.9</td>
</tr>
<tr>
<td>Arts, Entertainment &amp; Recreation</td>
<td>3.9%</td>
<td>1.9</td>
<td>1.6</td>
</tr>
<tr>
<td>Admin &amp; Support Services</td>
<td>2.7%</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Other Services</td>
<td>2.2%</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Information &amp; Communication</td>
<td>2.1%</td>
<td>0.8</td>
<td>0.5</td>
</tr>
<tr>
<td>Real Estate</td>
<td>2.0%</td>
<td>1.4</td>
<td>1.0</td>
</tr>
<tr>
<td>Mining &amp; Quarrying</td>
<td>0.8%</td>
<td>5.1</td>
<td>8.0</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>0.7%</td>
<td>0.4</td>
<td>0.2</td>
</tr>
<tr>
<td>Utilities</td>
<td>0.7%</td>
<td>0.5</td>
<td>0.7</td>
</tr>
</tbody>
</table>

**Changes in Employment by Sector**

3.43 We have sought to assess trends in employment growth by sector. Our analysis considers trends over relevant economic cycles, looking at the 1981-1993 period; 1993-2010; and 2010-13. Reflecting issues of recording of jobs in public administration in 2010, we have excluded analysis for this sector in the latter two periods.

3.44 Over the last market cycle, between 1993-2010, the strongest employment growth was in education, professional services, and arts/ recreation. Each of these sectors saw an increase in employment of
Employment growth was principally in service-related sectors, although the District did see growth in primary activities such as agriculture and mining. Manufacturing employment overall fell, although there was (modest) positive growth in employment in some sub-sectors – specifically food and drunk, and non-metallic minerals.

Figure 42: Employment Trends by Sector, Derbyshire Dales

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>0.5</td>
<td>1.4</td>
<td>0.0</td>
</tr>
<tr>
<td>Professional Services</td>
<td>0.9</td>
<td>1.1</td>
<td>-0.1</td>
</tr>
<tr>
<td>Arts, Recreation, and Other Services</td>
<td>0.3</td>
<td>1.0</td>
<td>0.8</td>
</tr>
<tr>
<td>Health and Social Care</td>
<td>1.8</td>
<td>0.9</td>
<td>-0.3</td>
</tr>
<tr>
<td>Transport and Warehouse</td>
<td>0.4</td>
<td>0.7</td>
<td>0.0</td>
</tr>
<tr>
<td>Agriculture and Mining</td>
<td>-0.7</td>
<td>0.5</td>
<td>0.2</td>
</tr>
<tr>
<td>Accommodation</td>
<td>0.3</td>
<td>0.5</td>
<td>0.2</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>-0.1</td>
<td>0.4</td>
<td>-0.1</td>
</tr>
<tr>
<td>Motor vehicles trade</td>
<td>0.0</td>
<td>0.3</td>
<td>0.0</td>
</tr>
<tr>
<td>Non-metallic mineral products</td>
<td>-0.4</td>
<td>0.3</td>
<td>-0.4</td>
</tr>
<tr>
<td>Food, drink &amp; tobacco</td>
<td>0.0</td>
<td>0.2</td>
<td>0.3</td>
</tr>
<tr>
<td>Business support services</td>
<td>0.3</td>
<td>0.2</td>
<td>-0.1</td>
</tr>
<tr>
<td>Retail trade</td>
<td>0.6</td>
<td>0.2</td>
<td>0.0</td>
</tr>
<tr>
<td>Utilities</td>
<td>0.2</td>
<td>0.1</td>
<td>-0.4</td>
</tr>
<tr>
<td>Media and IT</td>
<td>0.2</td>
<td>0.0</td>
<td>0.2</td>
</tr>
<tr>
<td>Textiles etc.</td>
<td>-0.5</td>
<td>-0.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Other Manufacturing</td>
<td>0.6</td>
<td>-0.2</td>
<td>-0.1</td>
</tr>
<tr>
<td>Metals &amp; metal products</td>
<td>-0.4</td>
<td>-0.3</td>
<td>-0.1</td>
</tr>
<tr>
<td>Food &amp; beverage services</td>
<td>1.2</td>
<td>-0.3</td>
<td>0.5</td>
</tr>
<tr>
<td>Construction</td>
<td>1.4</td>
<td>-1.0</td>
<td>0.4</td>
</tr>
<tr>
<td>Public Administration &amp; Defence</td>
<td>-2.9</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: GLH Analysis of CE Forecast Data

Since 2010, employment growth has been focused in similar areas – in tourism-related activities such as arts/ recreation, food and beverage and accommodation (with growth of around 1,500 jobs); as well as modest growth in construction; food and drink manufactutering; agriculture and mining and media and IT. We can identify key sectors which have seen growth over this, and the previous, economic cycle and in which Derbyshire Dales has a specialism:

- Tourism-related activities;
- Food and drink manufacturing;
• Agriculture and Mining.

3.47 It is in these sectors which the District’s economy in effect demonstrates a competitive advantage.

**Business by Size**

3.48 Data from the Inter-Departmental Business Register (IDBR) indicated that there were 3,985 enterprises operating in Derbyshire Dales in 2013. Enterprises are classified as an overall business, made up of all the individual sites or workplaces. The IDBR is based on a range of data sources including VAT and PAYE data from HM Revenue and Customs, together with Companies House data on businesses in an area and Department for Environment, Food and Rural Affairs (DEFRA) records on farms. It is likely to capture most businesses, but may not capture all – such as some small businesses with turnover below the VAT threshold.

3.49 The volume of businesses and level of enterprise in the District is high. Derbyshire Dales has an average of 94 businesses per 1,000 population of working-age (16-64). This compares with between 53 – 56 per 1,000 across Derbyshire, the D2N2 LEP area and East Midlands.

**Figure 43: Enterprises per 1,000 Population aged 16-64**

![Bar chart showing enterprises per 1,000 Population aged 16-64](chart)

*Source: IDBR/ ONS Mid-Year Population Estimates/ GL Hearn*

3.50 Between 2010 and 2014, the number of enterprises operating in Derbyshire Dales has been relatively stable (based on NOMIS data on UK Business Counts). There has been growth in both public (17%) and private sector (2%) enterprises, although the total number of enterprises only grew by 125 over this period.
3.51 The vast majority (90%) of the enterprises based in the District are micro businesses that employ less than 10 people, including a high percentage of self-employment. This is slightly higher than the comparator areas which are around 87%-88%. By contrast there is a low percentage of medium and large enterprises based in the District.

**Figure 44: Enterprises by Size, 2013**

![Bar chart showing enterprises by size in different regions]

Source: UK Business Counts, NOMIS 2013

3.52 The percentage of medium and larger companies that are based in the district (+50 employees) is around half of that in the wider comparator areas. There are 10 enterprises based in Derbyshire Dales (including public organisations) which employ over 250 people, although not all employees are necessarily within the District.

**Sector Analysis**

There are over 860 agriculture and fishing enterprises in the operating in the District as well as 590 professional, Scientific and technical, 430 construction and 380 retail and 340 hospitality enterprises. Combined these represent over half of all enterprises in the District.
The structure of the business base in Derbyshire Dales has been analysed against the wider comparator areas using location quotients, and this analysis is illustrated in Figure 46. This chart uses location quotients to compare the proportion of employment by sector in Derbyshire Dales to that across Derbyshire, the D2N2 LEP and wider East Midlands and national benchmarks. A location quotient of 1.0 indicates that there is a similar proportion of employment in the sector to the relevant wider benchmark; whilst a LQ of 1.5 would show 50% more employment in the sector in the District relative to the wider benchmark. The analysis indicates a very distinct breakdown of enterprises in Derbyshire Dales.

The analysis shows that the District has a relatively high percentage of agriculture and fishing, public administration and hospitality enterprises, compared to the wider comparators. This reflects the rural nature of the district, part of which falls within the Peak District National Park, as well as employment by both the District and County Councils (particularly in Matlock). These sectors are thus represented strongly in respect of both employment and businesses.
Figure 46: Location Quotient of Major Sectors in Derbyshire Dales, 2014

Source: UK Business Counts, NOMIS 2015
Implications

- The District has a relatively older population profile. This is likely to influence the area’s attractiveness for economic investment; and could influence growth in the District’s economy. It will influence housing need, and a growing older population (not least linked to improving life expectancy) can be expected to influence the need for different types of homes. The District has a high proportion of pensioner households.

- Of those of working-age, economic participation levels are reasonable; and unemployment appears relatively low with evidence suggesting that the area has recovered well from recession. There are however some signs which could point to a degree of under-employment, including an above average level of part-time working. This is likely to be partly a reflection of the economic structure.

- The skills base is relatively strong, with 1/3 of the working-age population having degree-level qualifications; and high proportions of people in managerial and professional occupations. This is a key asset. This contributes to the strong levels of enterprise seen in the District which are significantly above average. The evidence points to a highly enterprising area, with quality of life likely to be an important driver of this.

- The District has a relatively high business density, but low workplace wages. Part-time employment is above average. There is a need to improve the quality of local jobs, particularly through increasing access to full-time roles.

- The District has an above average representation in three sectors – public administration, tourism/hospitality-related businesses and mining and quarrying. Agricultural-related activities are also strongly represented.

- There are weaknesses in the structure of the District’s economy. An above average representation in public sector employment typically reflects a weak private sector business base. Productivity is below average – reflecting this, high part-time employment, and the structure of the economy, which has an above average representation in public services, as well as typically low-paid tourism-related and agricultural employment.
4 TREND-BASED DEMOGRAPHIC PROJECTIONS

4.1 In this section consideration is given to demographic evidence of housing need. The analysis begins by providing an overview of demographic trends in Derbyshire Dales before moving on to consider the most recent population and household projections published by ONS/CLG which the PPG sets out should be used as a “starting point” for considering housing need.

4.2 The core projections in this section look at housing needs in the period from 2013 to 2036. The start point reflects a base position for which a reasonable amount of data is available (the ONS mid-2013 population estimates).

Demographic profile of Derbyshire Dales

4.3 The population of Derbyshire Dales in 2013 is estimated to be 71,300, this is an increase of 1,900 people since 2001 – a 2.7% increase over the 12-year period. This level of population growth is somewhat lower than seen across Derbyshire (5.6%), the East Midlands region (9.8%) and England (8.9%).

4.4 Derbyshire Dales’ population was fairly static through the 1980s and much of the 1990s. Since the mid-1990s there has been some population growth; although this has been fairly moderate when compared with other locations. The other areas studied in Figure 47 below have all seen relatively strong population growth from the early-to mid-2000s whereas population change in Derbyshire Dales has been comparatively more modest.

4.5 As of 2013, the population of Derbyshire Dales was some 5% higher than in 1981. This is long-term growth at less than half the rate seen in any of the other areas studied.
4.6 The figure and table below considers the drivers of population change in the District. Population change is largely driven by natural change (births minus deaths) and migration. Within ONS data there is also a small other changes category (mainly related to armed forces and prison populations) and an unattributable population change (UPC). UPC is an adjustment made by ONS to mid-year population estimates where Census data has suggests that population growth had either been over- or under-estimated in the inter-Censal years. Because UPC links back to Census data, a figure is only provided for 2001 to 2011.

4.7 Figure 48 shows that migration is the key driver of population change, although this is quite variable over time. Net migration (combining internal (i.e. moves from one part of the Country to another) and international migration) shows figures varying from a net in-migration of 52 in 2005/6 to a net in-migration of 612 in 2007/8 – net migration has been positive for all years back to 2001. The average level of migration for the whole of the period studied is 265 people per annum – made up of net international out-migration of 32 people each year and net internal in-migration of 297.

4.8 Throughout the period studied, natural change has been negative (i.e. more deaths than births) and at a level averaging around 181 more deaths each year than births.

4.9 Other changes are quite small whilst UPC can be seen to be positive for those years where data is available. This suggests that the ONS components of change may have under-estimated past growth compared with what actually happened. We will return to discuss the impact of UPC on future population growth estimates later in this section.
Figure 48: Components of Population Change, mid-2001 to mid-2013 – Derbyshire Dales

![Figure 48: Components of Population Change, mid-2001 to mid-2013 – Derbyshire Dales](image)

Source: ONS

Figure 49: Components of Population Change (2001-13) – Derbyshire Dales

<table>
<thead>
<tr>
<th>Year</th>
<th>Natural change</th>
<th>Net internal migration</th>
<th>Net international migration</th>
<th>Other changes</th>
<th>Other (unattributable)</th>
<th>Total change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001/2</td>
<td>-216</td>
<td>200</td>
<td>-98</td>
<td>-1</td>
<td>89</td>
<td>-26</td>
</tr>
<tr>
<td>2002/3</td>
<td>-190</td>
<td>190</td>
<td>-121</td>
<td>17</td>
<td>80</td>
<td>-24</td>
</tr>
<tr>
<td>2003/4</td>
<td>-224</td>
<td>317</td>
<td>-49</td>
<td>29</td>
<td>95</td>
<td>168</td>
</tr>
<tr>
<td>2004/5</td>
<td>-162</td>
<td>127</td>
<td>-26</td>
<td>-61</td>
<td>95</td>
<td>-27</td>
</tr>
<tr>
<td>2005/6</td>
<td>-168</td>
<td>86</td>
<td>-34</td>
<td>46</td>
<td>87</td>
<td>17</td>
</tr>
<tr>
<td>2006/7</td>
<td>-272</td>
<td>553</td>
<td>-16</td>
<td>-34</td>
<td>93</td>
<td>324</td>
</tr>
<tr>
<td>2007/8</td>
<td>-80</td>
<td>568</td>
<td>44</td>
<td>6</td>
<td>62</td>
<td>600</td>
</tr>
<tr>
<td>2008/9</td>
<td>-188</td>
<td>299</td>
<td>36</td>
<td>29</td>
<td>79</td>
<td>255</td>
</tr>
<tr>
<td>2009/10</td>
<td>-137</td>
<td>400</td>
<td>-21</td>
<td>15</td>
<td>68</td>
<td>325</td>
</tr>
<tr>
<td>2010/11</td>
<td>-174</td>
<td>258</td>
<td>-35</td>
<td>-26</td>
<td>51</td>
<td>74</td>
</tr>
<tr>
<td>2011/12</td>
<td>-143</td>
<td>399</td>
<td>-25</td>
<td>1</td>
<td></td>
<td>232</td>
</tr>
<tr>
<td>2012/13</td>
<td>-214</td>
<td>162</td>
<td>-39</td>
<td>21</td>
<td></td>
<td>-70</td>
</tr>
</tbody>
</table>

Source: ONS

4.10 The age profile of the population of Derbyshire Dales is somewhat different to that seen in other areas. When compared with the County, regional and national position, Derbyshire Dales has a notably older population profile. As shown in Figure 50 below, some 32% of the population is aged 60 and over, compared with 26% across Derbyshire, 24% regionally and 23% for the whole of England.
4.11 Figure 51 shows how the age structure of the population has changed over the 2001 to 2013 period. The data shows the most significant growth to have been in the 60-74 and 75 and over age groups. The analysis also indicates a substantial decline in the population aged 30-44 along with a small decrease in the number of children (people aged under 15). Growth in the older person population is consistent with trends observed both regionally and nationally, and is driven by increasing life expectancy.

4.12 The data shows that over the period since 2001 the workforce in the District is likely to have dropped; with the trends showing an increasing older population profile.

**Figure 51: Change in Age Structure 2001 to 2013 – Derbyshire Dales**

<table>
<thead>
<tr>
<th>Age group</th>
<th>2001</th>
<th>2013</th>
<th>Change</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 15</td>
<td>11,900</td>
<td>10,500</td>
<td>-1,400</td>
<td>-11.8%</td>
</tr>
<tr>
<td>15-29</td>
<td>9,600</td>
<td>10,100</td>
<td>500</td>
<td>5.2%</td>
</tr>
<tr>
<td>30-44</td>
<td>14,800</td>
<td>11,100</td>
<td>-3,700</td>
<td>-25.0%</td>
</tr>
<tr>
<td>45-59</td>
<td>16,100</td>
<td>16,800</td>
<td>700</td>
<td>4.3%</td>
</tr>
<tr>
<td>60-74</td>
<td>10,900</td>
<td>15,100</td>
<td>4,200</td>
<td>38.5%</td>
</tr>
<tr>
<td>75 and over</td>
<td>6,400</td>
<td>7,800</td>
<td>1,400</td>
<td>21.9%</td>
</tr>
<tr>
<td>Total</td>
<td>69,400</td>
<td>71,300</td>
<td>1,900</td>
<td>2.7%</td>
</tr>
</tbody>
</table>

*Source: ONS Mid-Year Population Estimates*
2012-based Population and Household Projections

4.13 The PPG sets out that ‘household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need. The household projections are produced by applying projected household representative rates to the population projections published by the Office for National Statistics. Projected household representative rates are based on trends observed in Census and Labour Force Survey data’.

4.14 The latest projections are the 2012-based CLG Household Projections published in February 2015. These projections were underpinned by ONS (2012-based) Sub-National Population Projections (SNPP) published in May 2014. The analysis therefore initially considers the validity of the population projections and their consistency with past trends.

2012-based Sub-National Population Projections

4.15 The latest set of subnational population projections (SNPP) were published by ONS on the 29th May 2014. They replace the 2010- and 2011-based projections. Subnational population projections provide estimates of the future population of local authorities, assuming a continuation of recent local trends in fertility, mortality and migration which are constrained to the assumptions made for the 2012-based national population projections. The new SNPP are largely based on trends in the 2007-12 period (2006-12 for international migration trends). The SNPP are only population projections and do not contain headship rates (which are needed to convert into household estimates).

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

Overall Population Growth

4.17 Figure 52 below shows projected population growth from 2013 to 2033 in each of Derbyshire Dales and other areas. The data shows that the population of the District is expected to grow by around 6,000 people. This is an 8.4% increase – below that expected across Derbyshire (9.5%), the region (12.0%) and also nationally (13.3%).

4.18 It should be noted that due to inclusion within our modelling of mid-2013 population estimates for Derbyshire Dales the figures for the District do not exactly match those in the SNPP. Figures for comparator areas are however taken directly from the SNPP.
Figure 52: Projected Population Growth (2013-2033)

<table>
<thead>
<tr>
<th></th>
<th>Population 2013</th>
<th>Population 2033</th>
<th>Change in population</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derbyshire Dales</td>
<td>71,266</td>
<td>77,278</td>
<td>6,012</td>
<td>8.4%</td>
</tr>
<tr>
<td>Derbyshire</td>
<td>776,400</td>
<td>850,200</td>
<td>73,800</td>
<td>9.5%</td>
</tr>
<tr>
<td>East Midlands</td>
<td>4,593,900</td>
<td>5,145,300</td>
<td>551,400</td>
<td>12.0%</td>
</tr>
<tr>
<td>England</td>
<td>53,843,600</td>
<td>61,022,500</td>
<td>7,178,900</td>
<td>13.3%</td>
</tr>
</tbody>
</table>

Source: ONS

4.19 Figure 53 shows past and projected population growth in the period 2001 to 2033 for Derbyshire Dales. The data also plots a linear trend line for the last five years for which data is available (2008-13) and also a longer-term period from 2001 to 2013 – this being the longest period for which reasonable data about the components of population change (e.g. migration) is available. The data shows that the population is expected to grow at a rate which is notably above both short- and long-term trends with particularly strong growth from about 2017 to the late 2020s.

Figure 53: Past and Projected Population Growth – Derbyshire Dales

Source: ONS

4.20 The movement away from trends within the SNPP is likely to be due to the methodology employed by ONS in their projections – in particular in relation to migration. Whilst the SNPP is trend based, and primarily looks at data for the 2007-12 period (in the case of internal migration which is most significant in Derbyshire Dales), it is not the case that ONS simply look at the overall level of migration and project this forward. The method used by ONS is to construct a full matrix of moves.
by age and sex between all different local authorities in England; from this prevalence rates are calculated (i.e. the chances of someone of a particular age/sex band moving to- or from- the District). These prevalence rates are applied for each year of the projection and means that estimated levels of migration (particularly net migration) can go up or down when compared with past trends.

4.21 In Derbyshire Dales, the relatively old population would point towards a likelihood of increasing net migration over time (and therefore raising the possibility of above trend population growth). This is because older people are generally less migrant and so as the proportion of older people increases, levels of out-migration decrease (relative to overall population size). At the same time, a growing population in other areas where a proportion of the population are expected to move to the District each year means that levels of in-migration will be expected to increase. The net effect is for overall net migration to be projected to increase over time.

4.22 Figure 54 shows that this is exactly what ONS are projecting for the District. In 2013/14, ONS expect in-migration to be around 3,500 people with out-migration at about 3,100 (net in-migration of around 400 people). By 2032/33, the level of in-migration is expected to rise to 3,750, with out-migration remaining at roughly 3,100 – net in-migration at the end of the projection is therefore estimated to be 650 per annum.

Figure 54: Projected Migration (2013-2033) – Derbyshire Dales

Source: Derived from ONS 2012-based Sub-National Population Projections
Components of Population Change

4.23 Figure 55 brings together data about migration (both past trends and the future projection) along with information about natural change. The data only includes migration and natural change. It excludes past estimates of UPC and other changes as neither of these feature as part of the ONS projection methodology.

4.24 Figure 55 shows that natural change is expected to be negative over the period and at an increasing rate from about 2020/21 – by the end of the projection period there are expected to be significantly more deaths than births. There is also expected to be a notable level of net in-migration – the level of net in-migration is expected to increase over time.

4.25 When compared with the past trends in migration (and understanding the methodology employed by ONS) the figures look to be reasonable, and certainly not suppressing future population growth. When looking at migration it is notable for the whole of the period for which projection data is used (2013-33) that the average level of migration is expected to be around 547 people (net) per annum (including 427 for the first five-years of the projection) – these figures compare with net in-migration of 287 people per annum over the last five years and a figure of 265 if the average from 2001 to 2013 is considered (10-year migration trends are slightly higher at 300 per annum). An alternative projection looking at the implications of longer-term migration trends can be found later in this section.

Figure 55: Components of Population Change, mid-2001 to mid-2033 – Derbyshire Dales

Source: ONS
4.26 We conclude that the SNPP is a reasonable projection to take forward into household growth modelling. It is however recognised that future migration is above trend levels and that there is a notable level of Unattributable Population Change (UPC). Alternative projections considering actual migration trends and an adjustment for UPC are provided later in this section.

**Age Structure Changes**

4.27 With growth in the population will also come age structure changes – the table below summarise the findings for key (15-year) age groups under the 2012-based SNPP.

4.28 The data shows that largest growth will be in people aged 60 and over; it is estimated that there will be 32,700 people aged 60 and over in 2033 – this is an increase of 9,800 from 2013, representing growth of 43%. The population aged 75 and over is projected to increase by an even greater proportion, 88%. Looking at the other end of the age spectrum the data shows that there are projected to be around 6% more people aged under 15 with a small decrease in the population aged 30-44. The population in aged bands 15-29 and 45-59 is expected to drop notably over the 20-year projection period.

**Figure 56: Population Change 2013 to 2033 by fifteen year age bands (2012-based SNPP)**

<table>
<thead>
<tr>
<th>Age group</th>
<th>Population 2013</th>
<th>Population 2033</th>
<th>Change in population</th>
<th>% change from 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 15</td>
<td>10,554</td>
<td>11,204</td>
<td>650</td>
<td>6.2%</td>
</tr>
<tr>
<td>15-29</td>
<td>10,084</td>
<td>8,938</td>
<td>-1,146</td>
<td>-11.4%</td>
</tr>
<tr>
<td>30-44</td>
<td>11,041</td>
<td>10,991</td>
<td>-50</td>
<td>-0.5%</td>
</tr>
<tr>
<td>45-59</td>
<td>16,760</td>
<td>13,485</td>
<td>-3,275</td>
<td>-19.5%</td>
</tr>
<tr>
<td>60-74</td>
<td>15,068</td>
<td>18,045</td>
<td>2,977</td>
<td>19.8%</td>
</tr>
<tr>
<td>75+</td>
<td>7,759</td>
<td>14,616</td>
<td>6,857</td>
<td>88.4%</td>
</tr>
<tr>
<td>Total</td>
<td>71,266</td>
<td>77,278</td>
<td>6,012</td>
<td>8.4%</td>
</tr>
</tbody>
</table>

Source: ONS

**Household Growth**

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

4.30 With the publication of new 2012-based CLG household projections a new set of headship rates is now available. These rates are considered to be more positive than the previous set (2011-based) and typically suggest higher rates of household growth for a given population. At a national level (in
the 2012-21 period considered by CLG) the new projections show 10% higher growth in households, for Derbyshire Dales the figure is notably lower (a difference of less than 1%).

4.31 Figure 57 below shows expected household growth in the 2012-based projections from 2013 to 2033 for Derbyshire Dales and a range of other areas. The figures for Derbyshire Dales do not exactly match the CLG projections as we have included population data for 2013, all other areas show the data as published. The data suggest an increase in households of about 4,500 over the 20-year period – this is a 14.5% increase; slightly higher than expected across Derbyshire but below the East Midlands and England averages.

**Figure 57: Projected household growth (2013-2033)**

<table>
<thead>
<tr>
<th></th>
<th>Households 2013</th>
<th>Households 2033</th>
<th>Change in households</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derbyshire Dales</td>
<td>31,028</td>
<td>35,513</td>
<td>4,485</td>
<td>14.5%</td>
</tr>
<tr>
<td>Derbyshire</td>
<td>337,655</td>
<td>385,064</td>
<td>47,409</td>
<td>14.0%</td>
</tr>
<tr>
<td>East Midlands</td>
<td>1,926,470</td>
<td>2,248,922</td>
<td>322,452</td>
<td>16.7%</td>
</tr>
<tr>
<td>England</td>
<td>22,499,536</td>
<td>26,797,826</td>
<td>4,298,290</td>
<td>19.1%</td>
</tr>
</tbody>
</table>

Source: CLG

4.32 Figure 58 below shows household growth back to 1991 and projected forward to 2033. The analysis shows (as with population growth) that the change in the number of households in the District has been relatively weak throughout the period. However, household growth does not show the same scale of differences between areas that was apparent when looking at population change. By 2033 it is projected that the number of households in the District will be 31% higher than in 1991 – long-term growth which is below that observed and expected in other locations (Derbyshire – 34%, East Midlands – 41%, England – 40%).
4.33 To provide a headline assessment of the impact of the 2012-based household projections we can make a comparison of average household sizes. Figure 59 shows this based on each of 2012-, 2011- and 2008-based CLG household projection data. The data shows very little difference between the different set of projections.

4.34 In Derbyshire Dales there is a trend of decreasing household sizes from 2001 to 2011 – this is a period where it is considered that there was some suppression in the housing market and at a national level household sizes remained broadly constant over this period. Hence there is some evidence from this analysis that household formation was less suppressed in Derbyshire Dales than in other areas.

4.35 Data from the 2008-based projections has also been included. This shows that average household sizes are above what might have been expected from this earlier release of data – this difference is however (as noted above) not very marked compared with similar analysis we have carried out in other parts of the Country.
4.36 Changes in average household size are influenced both by household formation within individual age groups, and how the age structure of the population is expected to change. A key driver of falling household size in the projections is a growing older population, which is expected to live in smaller households.

4.37 To provide a more detailed interrogation of the household projections, we have sought to interrogate the age-specific household formation assumptions. Figure 60 shows the headship rates used in each of the projections. Overall the 2012-based projections look fairly sound with levels and rates of change being not dissimilar to those in the earlier (pre-recession) 2008-based projections.

4.38 It is notably that the household formation rates of those aged 25-34 have declined over the 2001-11 period; and that the household projections show some further decrease in household formation amongst this age group. Household formation in those in their late 20s and early 30s will be influenced by a range of factors, including ability to secure mortgage finance; housing affordability; and wider societal changes. Household formation amongst this age group is considered further in the context of analysis of market signals in Section 6.
Figure 60: Projected household formation rates by age of head of household – Derbyshire Dales

<table>
<thead>
<tr>
<th>Age Group</th>
<th>CLG 2012-based</th>
<th>CLG 2011-based</th>
<th>CLG 2008-based</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-24</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25-34</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>35-44</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45-54</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>55-64</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>65-74</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>75-84</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>85 and over</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Assessment of Housing and Economic Development Needs
Derbyshire Dales District Council, Final Report, September 2015

4.39 Figure 61 brings together outputs in terms of household growth and housing need using the 2012-based headship rates and our core projection linked to the 2012-based SNPP.

4.40 To convert households into dwellings the data includes an uplift to take account of vacant homes (a figure of 8.9% has been used; derived from 2011 Census data).

4.41 The data shows that by applying the 2012-based rates there would be a need for 244 dwellings per annum. This figure would be considered as the start point in terms of the NPPG – it takes account of the most recent population and household projections.

Figure 61: Projected household growth 2013-33 – 2012-based SNPP (as adjusted) and 2012-based headship rates

<table>
<thead>
<tr>
<th></th>
<th>2012-based rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Households 2013</td>
<td>31,028</td>
</tr>
<tr>
<td>Households 2033</td>
<td>35,513</td>
</tr>
<tr>
<td>Change in households</td>
<td>4,485</td>
</tr>
<tr>
<td>Per annum</td>
<td>224</td>
</tr>
<tr>
<td>Dwellings (per annum)</td>
<td>244</td>
</tr>
</tbody>
</table>

4.42 If the headship rates from the previous 2011-based household projections are used (suitably indexed beyond 2021 and linked to the 2012-based SNPP) then the level of housing need would be 234 dwellings per annum. Hence the latest CLG projections are suggesting an uplift of 10 homes each year – a 4% increase over the 2013-33 period.

Sensitivity Analysis

4.43 Although we consider the 2012-based SNPP to be reasonable demographic projection when taking account of past trends in population growth we have also developed two alternative projections. These can be summarised as:
10-year migration trends – this projection looks at the level of population and household/housing growth we might expect if migration levels in the future are the same as seen over the 2003-13 period. A consideration of longer-term trends is suggested as an alternative scenario in the PAS Technical Advice Note on Housing Targets and Objectively Assessed Housing Need although we would recognise that the approach is unlikely to be as robust as the SNPP as it doesn’t take account of changes to the age structure over time and the impact this might have on migration levels.

UPC adjustment – as noted earlier there is a level of Unattributable Population change in the ONS data for 2001-11 in Derbyshire Dales. In this instance UPC is positive, this suggests that the components of change feeding into the SNPP may slightly underestimate migration and population growth. Whilst this is a useful scenario to consider (again it is one suggested in the PAS Report) it is not considered to be a robust alternative to the SNPP. The main reasons for this are that it is unclear if UPC is related to migration and more importantly, due to changes in the methods used by ONS to measure migration it is most probable that any errors are focussed on earlier periods (notably 2001-6) and therefore a UPC adjustment for more recent data would not be appropriate.

Figure 62 shows the outputs of the two alternative demographic projections developed. In the case of 10-year migration trends the analysis suggests a lower level of need than when using the 2012-based SNPP (136 dwellings rather than 244). With an adjustment for UPC the need goes in the opposite direction – seeing an increase to 280 dwellings per annum.

<table>
<thead>
<tr>
<th></th>
<th>10-year migration</th>
<th>UPC adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Households 2013</td>
<td>31,028</td>
<td>31,028</td>
</tr>
<tr>
<td>Households 2033</td>
<td>33,521</td>
<td>36,177</td>
</tr>
<tr>
<td>Change in households</td>
<td>2,493</td>
<td>5,149</td>
</tr>
<tr>
<td>Per annum</td>
<td>125</td>
<td>257</td>
</tr>
<tr>
<td>Dwellings (per annum)</td>
<td>136</td>
<td>280</td>
</tr>
</tbody>
</table>

Given that we consider these alternative projections as being less robust than the SNPP it is not proposed to take either forward. It does however provide us with some comfort that the alternatives do show both an up and downside to the figures derived from the SNPP. Figure 63 below shows the population growth associated with each of these alternatives. As can be seen, using 10-year migration trends the level of population growth is some way below recent past trends whereas with a UPC adjustment there is expected to be a notably higher growth in population (and significantly above past trends). Neither of these alternatives look any more realistic than the actual ONS figures.
Summary – Trend-based Demographic Projections

4.46 It is appropriate to draw conclusions at this point on the demographic evidence, and projections of housing need based on past demographic trends.

4.47 The 2012-based SNPP indicates population growth of 8.4% over the 2013-33 period. This is below the projected growth across Derbyshire (9.5%) and the East Midlands Region (12.0%) and England (13.3%).

4.48 The 2012-based subnational population projections (SNPP) look to be a sound demographic projection. Population growth sits above both long- and short-term trends although this is likely to be a function of the age profile of the population in the District. Future levels of migration are expected to be some way above long- and short-term past trends.

4.49 Alternative projections using longer-term (10-year) migration levels and an adjustment for unattributable population change (UPC) show population growth (and hence housing need) which is either above (UPC adjustment) or below (10-year trends) the SNPP – reinforcing the SNPP as being broadly reasonable.

4.50 The 2012-based CLG household projections also look to be reasonably sound when considering age specific household formation rates. The only age group where there is some concern is people
aged 25-34 where there does appear to be some degree of suppression in the past and being projected forward. The implications of this are discussed in more detail later in the report.

4.51 The 2012-based population and household projections suggest a need for about 244 dwellings per annum to be provided. This takes account of 2013 mid-year population data.

4.52 Were the same population data (i.e. the 2012-based SNPP) used along with earlier data about household formation from the 2011-based CLG projections then a housing need for 234 dwellings would be derived. This suggests that the 2012-based CLG projections are making slightly more positive assumptions about household formation moving forward.

<table>
<thead>
<tr>
<th>Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>The 2012-based Sub-National Population Projections indicate population growth of 8.4% between 2013-33. It expects the population to grow at a faster rate than has been seen in recent years; but below that across Derbyshire and the East Midlands. The associated 2012-based Household Projections indicate a housing need for 244 dwellings per annum. This provides a ‘starting point’ for considering housing need, following the approach in the Planning Practice Guidance.</td>
</tr>
<tr>
<td>A sensitivity analysis looking at alternative scenarios for migration shows that housing need could vary between 136 dwellings per annum (based on 10 year migration trends) and 280 dwellings per annum (based on adjusting migration to take account of Unattributable Population Change). However the official population/household projections are considered to provide a future projection, on a ‘policy off’ basis.</td>
</tr>
<tr>
<td>The demographic analysis indicates that household formation amongst younger households fell during the 2001-11 period. This is similar to trends in many other parts of the country. We consider how this interacts with evidence of affordability pressures in later parts of this report.</td>
</tr>
<tr>
<td>The District has a relatively older population structure, and one which on the basis of past trends can be expected to age further over the next 20+ years. This means that trend-based population growth will support limited growth in the resident workforce. The interaction between homes and jobs is considered further in Section 9.</td>
</tr>
</tbody>
</table>
5 **AFFORDABLE HOUSING NEED**

5.1 This section analyses levels of affordable housing need in Derbyshire Dales. Affordable housing need is defined in SHMA guidance as “the quantity of housing required for households who are unable to access suitable housing without financial assistance.” These households will be eligible for affordable housing. Affordable housing is defined in the National Planning Policy Framework as social rented, affordable rented and intermediate housing provided to eligible households whose needs are not met by the market.

5.2 Planning Practice Guidance (PPG) sets out a model for assessing affordable housing need (known as the Basic Needs Assessment Model) which is used herein. The analysis is based on secondary data sources. It draws on a number of sources of information including 2011 Census data, demographic projections, house prices/rents and income information.

5.3 The housing needs model is based largely on housing market conditions (and particularly the relationship of housing costs and incomes) at a particular point in time – the time of the assessment – as well as the existing supply of affordable housing which can be used to meet housing need. The base date for analysis is 2014 (e.g. data about housing costs and incomes is for 2014). However, it is recognised that the analysis should align with other research and hence estimates of affordable housing need are provided in this section on an annual basis for the 20-year period between 2013 and 2033 (to be consistent with the demographic projections described elsewhere in the report).

**Local Prices & Rents**

5.4 An important part of the SHMA is to establish the entry-level costs of housing to buy and rent – this data is then used in the assessment of the need for affordable housing. The housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having a ‘housing need.’

5.5 This section therefore establishes the entry-level costs of housing to both buy and rent across the District. The approach has been to analyse Land Registry and VOA data to establish lower quartile prices and rents. For the purposes of analysis (and to be consistent with CLG guidance) lower quartile prices and rents have been taken to reflect the entry-level point into the market.

5.6 Figure 64 shows estimated lower quartile property prices by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £123,000 for a flat rising to £243,000 for a detached home. Looking at the lower quartile price across all dwelling types, the analysis shows a figure of £155,000.
5.7 A similar analysis has been carried out for private rents using Valuation Office Agency (VOA) data covering rental transactions over a 12-month period to September 2014. For the rental data information about dwelling sizes is provided (rather than types). The analysis shows an average lower quartile cost (across all dwelling sizes) of around £525 per month.

**Figure 65: Lower Quartile Private Rents (year to September 2014) – Derbyshire Dales**

<table>
<thead>
<tr>
<th>Dwelling size</th>
<th>Monthly rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room only</td>
<td>-</td>
</tr>
<tr>
<td>Studio</td>
<td>-</td>
</tr>
<tr>
<td>1 bedroom</td>
<td>£395</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>£495</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>£575</td>
</tr>
<tr>
<td>4+ bedrooms</td>
<td>£795</td>
</tr>
<tr>
<td>All dwellings</td>
<td>£525</td>
</tr>
</tbody>
</table>

Source: Valuation Office Agency

5.8 In addition to rental costs from VOA it is worthwhile to look at the maximum amount of Local Housing Allowance (LHA) payable on different sized properties within the area. Maximum LHA payments are based on estimates of rents at the 30th percentile and should therefore be roughly comparable with estimates of lower quartile costs.

5.9 The geographical areas used to determine LHA are not however co-terminus with local authority boundaries and so any comparison is not exact. LHA levels are based on Broad Rental Market Areas (BRMA). The BRMA is an area where a person could reasonably be expected to live taking into account access to facilities and services for the purposes of health, education, recreation, personal banking and shopping (as defined by the Rent Office).

5.10 Parts of Derbyshire Dales fall into one of four different BRMAs – Derby, Eastern Staffordshire, Peaks and Dales and Sheffield. However, the majority of the District (including the key settlements of Ashbourne, Bakewell, Matlock and Wirksworth) is within the Peaks and Dales BRMA. Figure 66 therefore provides details for this BRMA. The data suggests that actual rents in Derbyshire Dales are slightly higher than the maximum amount of Housing Benefit available for all property sizes. This suggests that some household may find it difficult to access private rented accommodation that
they can afford (subject to such accommodation being available). It should however be stressed that differences between the sets of figures is not particularly significant.

**Figure 66: Maximum LHA payments by Size and BRMA**

<table>
<thead>
<tr>
<th>Size</th>
<th>Peaks and Dales BRMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room only</td>
<td>£295</td>
</tr>
<tr>
<td>1 bedroom</td>
<td>£391</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>£480</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>£555</td>
</tr>
<tr>
<td>4 bedrooms</td>
<td>£728</td>
</tr>
</tbody>
</table>

*Source: VOA data (April 2015)*

5.11 Traditionally the main type of affordable housing available in an area is social rented housing and the cost of social rented accommodation by dwelling size can be obtained from Continuous Recording (CoRe) – a national information source on social rented lettings. The table below illustrates the rental cost of lettings of social rented properties by size in 2013/14. As can be seen the costs are below those for private rented housing indicating a gap between the social rented and market sectors. This gap increases for larger properties. The figures in the table include service charges.

**Figure 67: Lower Quartile Monthly Social Rent Levels**

<table>
<thead>
<tr>
<th>Size</th>
<th>Monthly Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 bedroom</td>
<td>£333</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>£390</td>
</tr>
<tr>
<td>3+ bedrooms</td>
<td>£419</td>
</tr>
<tr>
<td>Lower quartile (all sizes)</td>
<td>£367</td>
</tr>
</tbody>
</table>

*Source: CoRe (2014)*

5.12 Changes in affordable housing provision has seen the introduction of a new tenure of affordable housing (Affordable Rented). Affordable rented housing is defined in the NPPF as being ‘let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable)’. In the short-term it is likely that this tenure will replace social rented housing for new delivery.

5.13 Affordable Rented housing can therefore be considered to be similar to social rented housing but at a potentially higher rent. The 80% (maximum) rent is to be based on the open market rental value of the individual property and so it is not possible to say what this will exactly mean in terms of cost (for example the rent for a two-bedroom flat is likely to be significantly different to a two-bedroom detached bungalow). In addition, market rents for new-build homes are likely to be higher than within the existing stock and may well be in excess of 80% of lower quartile rents. However, for the
purposes of analysis it is assumed that the 80% figure can be applied to the lower quartile private rented cost data derived from VOA information.

5.14 The figure below estimates how current prices and rents might equate to income levels required to afford such housing. The figures are based on the figures derived in the analysis above and include four different tenures (buying, private rent, affordable rent and social rent) and are taken as the lower quartile price/rent across the whole stock of housing available (i.e. including all property sizes). For illustrative purposes the calculations are based on 3.5 times household income for house purchase and 30% of income to be spent on housing for rented properties. The figures for house purchase are based on a 100% mortgage for the purposes of comparing the different types of housing.

Figure 68: Indicative Income required to Purchase/Rent without additional subsidy

<table>
<thead>
<tr>
<th>Income required</th>
<th>Lower quartile purchase price</th>
<th>Lower quartile private rent</th>
<th>Affordable rent</th>
<th>Lower quartile social rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>£44,290</td>
<td>£21,000</td>
<td>£16,800</td>
<td>£14,680</td>
<td></td>
</tr>
</tbody>
</table>

Source: Land Registry, VOA and CoRe

Income levels and affordability

5.15 It is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability and also provide an indication of the potential for intermediate housing to meet needs. Data about total household income has been modelled on the basis of a number of different sources of information to provide both an overall average income and the likely distribution of incomes in the District. The key sources of data include:

- CACI from Wealth of the Nation 2012 – to provide an overall national average income figure for benchmarking
- English Housing Survey (EHS) – to provide information about the distribution of incomes (taking account of variation by tenure in particular)
- Annual Survey of Hours and Earnings (ASHE) – to assist in looking at how incomes have changed from 2012 to 2014 (1.4% for the East Midlands region)
ONS modelled income estimates – to assist in providing more localised income estimates (e.g. for the District)

5.16 Drawing all of this data together it is possible to construct an income distribution for the whole of Derbyshire Dales for 2014. The figure below shows the distribution of household incomes for the whole of the District. The data shows that just over a third (34%) of households have an income below £20,000 with a further third in the range of £20,000 to £40,000. The overall average (median) income of all households in the District was estimated to be around £28,100 with a mean income of £36,900.

Figure 69: Distribution of Household Income in Derbyshire Dales

![Graph showing income distribution]

Source: Derived from ASHE, EHS, CACI and ONS data

5.17 To assess affordability consideration is given to households’ ability to afford either home ownership or private rented housing (whichever is the cheapest), without financial support. The distribution of household incomes is then used to estimate the likely proportion of households who are unable to afford to meet their needs in the private sector without support, on the basis of existing incomes. This analysis brings together the data on household incomes with the estimated incomes required to access private sector housing.

5.18 Different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g. recognising that newly forming households are likely on average to have lower incomes than existing households). Assumptions about income levels are discussed where relevant in the analysis that follows.
Affordable Housing Needs Assessment

5.19 Affordable housing need has been assessed using the Basic Needs Assessment Model, in accordance with the CLG Practice Guidance. This model is summarised in the chart below.

Figure 70: Overview of the Affordable Housing Needs Assessment Model

5.20 The figures presented in this report for affordable housing needs have been based on secondary data sources including analysis of 2011 Census data. The modelling undertaken provides an assessment of affordable housing need for a 20-year period (which is then annualised). Each of the stages of the affordable housing needs model calculation are discussed in more detail below.

Methodological Issues

5.21 As the affordable housing analysis is based on secondary data sources only, there are a number of assumptions that need to be made to ensure that the analysis is as robust as possible. Key assumptions include considering the number of households who have a need due to issues such as insecure tenancies or housing costs – such households form part of the affordable need as set out in guidance (see paragraph 023 of the PPG for example) but are not readily captured from secondary data sources. Assumptions also need to be made about the likely income levels of different groups of the population (such as newly forming households), recognising that such households’ incomes may differ from those in the general population.

5.22 To overcome the limitations of a secondary-data-only assessment, additional data has been taken from a range of survey-based affordable needs assessments carried out by GL Hearn over the past five years or so. These surveys (which cover a range of areas and time periods) allow the assessment to consider issues such as needs which are not picked up in published sources and different income levels for different household groups. This data is then applied to actual data for Derbyshire Dales (e.g. from the Census) as appropriate. It is the case that outputs from surveys in other areas show remarkably similar outputs to each other for a range of core variables (for
example the income levels of newly forming households when compared with existing households) and are therefore likely to be fairly reflective of the situation locally in Derbyshire Dales. Where possible, data has also been drawn from national surveys (notably the English Housing Survey).

5.23 It should also be stressed that the secondary data approach is consistent with the PPG. Specifically, guidance states that:

‘Plan makers should avoid expending significant resources on primary research (information that is collected through surveys, focus groups or interviews etc. and analysed to produce a new set of findings) as this will in many cases be a disproportionate way of establishing an evidence base. They should instead look to rely predominantly on secondary data (e.g. Census, national surveys) to inform their assessment which are identified within the guidance’.

Current Affordable Housing Need

5.24 In line with PPG, the current need for affordable housing need has been based on considering the likely number of households with one or more housing problem. A list is initially set out in paragraph 023 of the PPG and provides the following.

What types of households are considered in affordable housing need?

The types of households to be considered in housing need are:

- homeless households or insecure tenure (e.g. housing that is too expensive compared to disposable income);
- households where there is a mismatch between the housing needed and the actual dwelling (e.g. overcrowded households);
- households containing people with social or physical impairment or other specific needs living in unsuitable dwellings (e.g. accessed via steps) which cannot be made suitable in-situ
- households that lack basic facilities (e.g. a bathroom or kitchen) and those subject to major disrepair or that are unfit for habitation;
- households containing people with particular social needs (e.g. escaping harassment) which cannot be resolved except through a move.

Source: PPG [ID 2a-023-20140306]

5.25 This list of potential households in need is then expanded on in paragraph 24 of the PPG which provides a list of the categories to consider when assessing current need. This assessment seeks to follow this list by drawing on a number of different data sources. The table below sets out the data used in each part of the assessment.
5.26 The table below therefore shows the initial estimate of the number of households who potentially have a current housing need. These figures are before any consideration of affordability has been made and has been termed ‘the number of households in unsuitable housing’. Overall, the analysis suggests that there are currently some 1,436 households living in unsuitable housing (or without housing) – this is 4.6% of the estimated total number of households living in the District (in 2013).

Figure 72: Estimated number of households living in unsuitable housing

<table>
<thead>
<tr>
<th>Category of ‘need’</th>
<th>Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeless households</td>
<td>0</td>
</tr>
<tr>
<td>Those in priority need who are currently housed in temporary accommodation</td>
<td>9</td>
</tr>
<tr>
<td>Households in overcrowded housing</td>
<td>499</td>
</tr>
<tr>
<td>Concealed households</td>
<td>209</td>
</tr>
<tr>
<td>Exiting affordable housing tenants in need</td>
<td>78</td>
</tr>
<tr>
<td>Households from other tenures in need</td>
<td>641</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,436</strong></td>
</tr>
</tbody>
</table>

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

5.27 In taking this estimate (1,436) forward, the data modelling estimates housing unsuitability by tenure. From the overall number in unsuitable housing, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The analysis also excludes 90% of owner-occupiers under the assumption (which is supported by analysis of survey data) that the vast majority will be able to afford housing once savings and equity are taken into account. A final adjustment is to slightly reduce the unsuitability figures in the private rented sector to take account of student-only households – such households could technically be overcrowded/living in unsuitable housing but
would be unlikely to be considered as being in affordable housing need (this does not have a significant impact on Derbyshire Dales). Once these households are removed from the analysis, the remainder are taken forward for affordability testing.

5.28 The table below shows that as of mid-2013 it is estimated that there were 775 households living in unsuitable housing (excluding current social tenants and the majority (90%) of owner-occupiers) – this represents 2.5% of all households in the area in 2013.

**Figure 73: Unsuitable housing by tenure and numbers to take forward into affordability modelling**

<table>
<thead>
<tr>
<th>Tenure</th>
<th>In unsuitable housing</th>
<th>Number to take forward for affordability testing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner-occupied</td>
<td>457</td>
<td>46</td>
</tr>
<tr>
<td>Social rented</td>
<td>250</td>
<td>0</td>
</tr>
<tr>
<td>Private rented</td>
<td>512</td>
<td>512</td>
</tr>
<tr>
<td>No housing (homeless/concealed)</td>
<td>218</td>
<td>218</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,436</strong></td>
<td><strong>775</strong></td>
</tr>
</tbody>
</table>

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

5.29 Having established the figure of 775, it needs to be considered that a number of these households might be able to afford market housing without the need for subsidy, because they could afford a suitable market housing solution. For an affordability test the income data has been used, with the distribution adjusted to reflect a lower average income amongst households living in unsuitable housing – for the purposes of the modelling an income distribution that reduces the level of income to 69% of the figure for all households has been used to identify the proportion of households whose needs could not be met within the market (for households currently living in housing). A lower figure (of 42%) has been used to apply an affordability test for the concealed/homeless households who do not currently occupy housing. These two percentage figures have been based on a consideration of typical income levels of households who are in unsuitable housing (and excluding social tenants and the majority of owners) along with typical income levels of households accessing social rented housing (for those without accommodation). These figures are considered to be best estimates, and likely to approximately reflect the differing income levels of different groups with a current housing problem.

5.30 Overall, around three-fifths of households with a current need are estimated to be likely to have insufficient income to afford market housing and so the estimate of the total current need is reduced to 472 households. The table below shows how current need is estimated to vary by the different broad category of household (i.e. those with and without housing).
Figure 74: Estimated Current Need

<table>
<thead>
<tr>
<th></th>
<th>In unsuitable housing (taken forward for affordability test)</th>
<th>% Unable to Afford</th>
<th>Revised Gross Need (including Affordability)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Households in housing</td>
<td>557</td>
<td>54.3%</td>
<td>302</td>
</tr>
<tr>
<td>No housing (homeless/concealed)</td>
<td>218</td>
<td>77.7%</td>
<td>169</td>
</tr>
<tr>
<td>Total</td>
<td>775</td>
<td>60.8%</td>
<td>472</td>
</tr>
</tbody>
</table>

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

5.31 The PPG also suggests that the Housing Register can be used to estimate levels of affordable housing need. Experience working across the Country is that housing registers can be highly variable in the way allocation policies and pointing systems work. This means that in many areas it is difficult to have confidence that the Register is able to define an underlying need. Many housing registers include households who might not have a need; whilst there will be households in need who do not register (possibly due to being aware that they have little chance of being housed). For these reasons, the method linked to Census and other modelled data is preferred.

5.32 We have however sought to set out the current need shown on the Housing Register as at mid-2015 and examine the implications of Register figures on the calculated affordable housing need. In total there were 1,576 households registered for housing in Derbyshire Dales. This comprised 1,192 homeseekers; and 384 transfer tenants (who would release an affordable home through a move). These households were spread across four bands (A-D). Bands A-C are considered to include those with a genuine ‘housing need.’ The total households in these bands, excluding transfers, comprised 692 households.

5.33 The Housing Register therefore potentially shows a slightly higher level of current housing need – however there may be a small number of these who would be able to afford market housing without the need for subsidy.

Newly-Arising Need

5.34 To estimate newly-arising (projected future) need the analysis has looked at two key groups of households, following the approach in the PPG. These are:

- Newly forming households; and
- Existing households falling into need.

Newly-Forming Households

5.35 The number of newly-forming households has been estimated through the demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes
in households in specific 5-year age bands relative to numbers in the age band below 5 years previously to provide an estimate of gross household formation. This differs from numbers presented in the demographic projections which are for net household growth. The number of newly-forming households are limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes after age 45 that headship (household formation) rates ‘plateau’. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.

5.36 The estimates of gross new household formation have been based on outputs from the core demographic projection. In looking at the likely affordability of newly-forming households information has been drawn on data from previous surveys. This establishes that the average income of newly-forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level).

5.37 The overall household income data has therefore been adjusted to reflect a lower average income for newly-forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this it is possible to calculate the proportion of households unable to afford market housing without any form of subsidy (such as LHA/HB). The assessment suggests that overall just over two-fifth of newly-forming households will be unable to afford market housing and that a total of 188 new households will have a need on average in each year to 2033.

Figure 75: Estimated Level of Affordable Housing Need from Newly Forming Households (per annum)

<table>
<thead>
<tr>
<th>Area</th>
<th>Number of new households</th>
<th>% unable to afford</th>
<th>Total in need</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derbyshire Dales</td>
<td>424</td>
<td>44.3%</td>
<td>188</td>
</tr>
</tbody>
</table>

Source: Projection Modelling/Income analysis

Existing Households falling into Affordable Housing Need

5.38 The second element of newly arising need is existing households falling into need. To assess this, information from CoRe has been used. The analysis looks at households who have been housed over the past two years – this group will represent the flow of households onto the Housing Register over this period. From this, any newly forming households (e.g. those currently living with family) have been discounted, as well as households who have transferred from another social rented property. An affordability test has also been applied, although relatively few households are estimated to have sufficient income to afford market housing.
5.39 This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that ‘Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless households applicants)’.

5.40 Following the analysis through suggests a need arising from 117 existing households each year – this is about 0.4% of all households living in the District (in 2013).

Supply of Affordable Housing

Current Total Affordable Housing Supply

5.41 The current supply of affordable housing that accommodate households in affordable housing need, following the approach in the PPG, includes:

- Affordable housing to be vacated by current occupiers;
- Surplus vacant stock;
- Committed supply of affordable housing at the point of assessment; and
- Units to be taken out of management (such as through demolition or redevelopment schemes).

5.42 GL Hearn has liaised with Derbyshire Dales District Council and Derbyshire Home Options Partnership to consider what the net current supply is, taking account of the above. It is not considered that there is a surplus vacancy level beyond what is necessary to accommodate turnover and periodic repair of properties. No units are to be taken out of management.

5.43 As at June 2015, there is a committed supply of 129 affordable homes on sites with planning consent which are yet to be built.

**Figure 76: Total Current Affordable Housing Supply**

<table>
<thead>
<tr>
<th>Area</th>
<th>Derbyshire Dales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus Vacant Stock</td>
<td>0</td>
</tr>
<tr>
<td>Committed Supply of Affordable Housing</td>
<td>129</td>
</tr>
<tr>
<td>Units to be taken out of Management</td>
<td>0</td>
</tr>
<tr>
<td>Total Current Supply</td>
<td>129</td>
</tr>
</tbody>
</table>

5.44 The modelling approach used has been to discount ‘transfer’ applicants from both the current need, and current supply, as the net impact of need from these households is zero.
**Future Supply of Affordable Housing**

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

5.46 The Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. Data from CoRe has been used to establish past patterns of social housing turnover. The figures include general needs and supported lettings but exclude lettings of new properties plus an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock. Additionally an estimate of the number of ‘temporary’ supported lettings have been removed from the figures (the proportion shown in CoRe as being lettings in direct access hostels or foyer schemes).

5.47 On the basis of past trend data is has been estimated that 210 units of social/affordable rented housing are likely to become available each year moving forward.

**Figure 77: Analysis of past social/affordable rented housing supply (per annum – past 2 years)**

<table>
<thead>
<tr>
<th>Stage of calculation</th>
<th>Number/</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total lettings</td>
<td>422</td>
<td></td>
</tr>
<tr>
<td>% as non-newbuild</td>
<td>80.2%</td>
<td></td>
</tr>
<tr>
<td>Lettings in existing stock</td>
<td>338</td>
<td></td>
</tr>
<tr>
<td>% non-transfers</td>
<td>62.6%</td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td>212</td>
<td></td>
</tr>
<tr>
<td>% non-temporary housing</td>
<td>99.3%</td>
<td></td>
</tr>
<tr>
<td>Total lettings to new tenants</td>
<td>210</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** CoRe

5.48 The supply figure is for social/affordable rented housing only and whilst the stock of intermediate housing in Derbyshire Dales is not significant compared to the social/affordable rented stock it is likely that some housing does become available each year (e.g. resales of shared ownership). For the purposes of this assessment, data from CoRe has again been utilised about the number of sales of homes that were not newbuild. From this it is estimated that around 11 additional properties might become available per annum. The total supply of affordable housing is therefore estimated to be 221 per annum.

**Figure 78: Future Supply of Affordable Housing**

<table>
<thead>
<tr>
<th>Area</th>
<th>Social/affordable rented relets</th>
<th>Intermediate housing 'relets'</th>
<th>Total supply (per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derbyshire Dales</td>
<td>210</td>
<td>11</td>
<td>221</td>
</tr>
</tbody>
</table>
Net Affordable Housing Need

5.49 Figure 79 brings together the analysis to provide an overall assessment of affordable housing need, using the Basic Needs Assessment Model. The model compares the balance between newly-arising need (from newly-forming households and existing households falling into need) against supply (from re-lets of existing stock). The committed supply of affordable housing is subtracted from the current affordable housing need, and converted into an annual flow over the remainder of the plan period (to support comparison with demographic projections), following the approach advocated in the PPG.

5.50 Outputs have been provided based on the current need using our modelled approach and also if this figure is substituted for the ‘need’ shown on the Housing Register (taken to be households in categories A-C and excluding transfers). The analysis identifies that there is a net need from 101 households per annum requiring support to meet their housing needs using the modelled approach; this rises to 112 per annum if data from the Housing Register is used.

Figure 79: Affordable Housing Need

<table>
<thead>
<tr>
<th></th>
<th>Modelled data</th>
<th>Housing Register</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Current Gross Affordable Need</td>
<td>472</td>
</tr>
<tr>
<td>B</td>
<td>Committed Supply of Affordable Housing</td>
<td>129</td>
</tr>
<tr>
<td>C</td>
<td>Total Net Current Affordable Need</td>
<td>343</td>
</tr>
<tr>
<td>D</td>
<td>Total Net Need per Annum to 2033 (C / 20)</td>
<td>17</td>
</tr>
<tr>
<td>E</td>
<td>Annual Need from Newly-Forming Households</td>
<td>188</td>
</tr>
<tr>
<td>F</td>
<td>Annual Need from Existing Households Falling into Need</td>
<td>117</td>
</tr>
<tr>
<td>G</td>
<td>Total Annual Gross Newly-Arising Need (E - F)</td>
<td>305</td>
</tr>
<tr>
<td>H</td>
<td>Annual Supply from Relets of Social &amp; Affordable Rented Homes</td>
<td>210</td>
</tr>
<tr>
<td>I</td>
<td>Annual Supply from Relets of Intermediate Housing</td>
<td>11</td>
</tr>
<tr>
<td>J</td>
<td>Total Future Annual Supply from Re-Lets (H + I)</td>
<td>221</td>
</tr>
<tr>
<td>K</td>
<td>Annual Net Need for Affordable Housing (D + G - J)</td>
<td>101</td>
</tr>
</tbody>
</table>

Source: Census (2011)/CoRe/Projection Modelling/Housing Register and affordability analysis

Sensitivity to Income Thresholds

5.51 A 30% rent to income threshold for affordability has been used in the main modelling, it is however worthwhile considering the implications of alternative thresholds. To understand the implications of the income threshold, a sensitivity test has been undertaken which assumes variant levels of income spent on housing costs. The table below summarises the findings. In particular, it can be seen with an assumption of households spending 40% of gross income on housing costs that the
need falls to 20 households per annum (down from 101 using a 30% threshold). In all cases this data takes the current need from the modelled approach.

Figure 80: Estimated level of Affordable Housing Need (per annum) at Variant Income Thresholds

<table>
<thead>
<tr>
<th></th>
<th>@ 25%</th>
<th>@ 30%</th>
<th>@ 35%</th>
<th>@ 40%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Current Need</td>
<td>20</td>
<td>17</td>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>Newly forming households</td>
<td>227</td>
<td>188</td>
<td>158</td>
<td>133</td>
</tr>
<tr>
<td>Existing households falling into need</td>
<td>126</td>
<td>117</td>
<td>106</td>
<td>96</td>
</tr>
<tr>
<td>Total Need</td>
<td>373</td>
<td>322</td>
<td>279</td>
<td>241</td>
</tr>
<tr>
<td>Supply</td>
<td>221</td>
<td>221</td>
<td>221</td>
<td>221</td>
</tr>
<tr>
<td>Net Need</td>
<td>152</td>
<td>101</td>
<td>58</td>
<td>20</td>
</tr>
</tbody>
</table>

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

Relating Affordable Need and OAN

5.52 The analysis above indicates a clear need for affordable housing. The table below sets out the annual affordable housing need as a proportion of the need identified from the demographic-based projections. The affordable need represents 41% of the demographic-need based on the 2012-based SNPP and Household Projections (as amended). These figures are however calculated in different ways and are not strictly comparable.

Figure 81: Affordable Need as % Demographic-based Projections

<table>
<thead>
<tr>
<th>Dwellings per Annum</th>
<th>Derbyshire Dales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographically-based Need</td>
<td>244</td>
</tr>
<tr>
<td>Affordable Housing Need</td>
<td>101</td>
</tr>
<tr>
<td>Affordable as % Demographic-based Need</td>
<td>41%</td>
</tr>
</tbody>
</table>

5.53 The Planning Practice Guidance sets out how it expects the affordable housing need to be considered as part of the plan-making process. It outline in Paragraph 029 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, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.”

5.54 The likely delivery of affordable housing on mixed market housing-led developments will be influenced both by affordable housing policies (themselves influenced by development viability evidence), the mix of homes which are delivered and the viability of individual development schemes. Some schemes will not be able to viably deliver policy-compliant levels of affordable housing.

5.55 The Council's Pre-Submission Draft Local Plan 2013 proposed 45% affordable housing on sites of over 25 units/ 0.75 ha; and 33% affordable housing on sites of 3-24 dwellings or 0.1 – 0.75 ha. This
was based on viability evidence from the 2010 Affordable Housing Viability Assessment. Implementation of this policy would suggest that 35-40% affordable housing provision would be realistic (as a working assumption).

5.56 It should be borne in mind that besides delivery of affordable housing on mixed-tenure development schemes, there are a number of other mechanisms which deliver affordable housing. These include:

- National Affordable Housing Programme – this (administered by the HCA) provides funding to support Registered Providers in delivering new housing including on sites owned by RPs;
- Building Council Homes – following reform of the HRA funding system, Councils can bring forward affordable housing themselves.
- Empty Homes Programmes – where local authorities can bring properties back into use as affordable housing. These are existing properties, and thus represent a change in tenure within the current housing stock;
- Rural Exception Site Development – where the emphasis is on delivering affordable housing to meet local needs.

5.57 Funding for specialist forms of affordable housing, such as extra care provision, may also be available from other sources; whilst other niche agents, such as Community Land Trusts, may deliver new affordable housing. Net changes in affordable housing stock may also be influenced by estate regeneration schemes, as well as potentially by factors such as the proposed extension of the Right to Buy to housing association properties. Affordable housing can be met by changes in the ownership of existing housing stock, not just by new-build development.

5.58 In interpreting the relationship between affordable need and total housing provision, it is important to understand the basis of the affordable housing needs model. As the Planning Practice Guidance sets out, the calculation of affordable need involves “adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of affordable stock.” The affordable housing need does therefore not represent an assessment of what proportion of additional households might require affordable housing. Instead the model considers:

- What need can be expected to arise from both existing and newly-forming household who require financial support to access suitable housing;
- This is then compared with the projected supply of affordable housing expected to arise from the turnover of existing stock, and affordable housing in the development pipeline.

5.59 The affordable housing model thus includes supply-side factors. The net need figures derived are influenced by the current stock of affordable housing and turnover of this, together with pipeline supply. This has been influenced by past policies and investment decisions (at both the national and local levels). Funding mechanisms for affordable housing have influenced past delivery, which in turn influence the need today.
With relatively modest growth in affordable housing stock over the last 15 years, the Private Rented Sector has in effect taken on an increasing role in providing housing for households who require financial support in meeting their housing needs, supported by Local Housing Allowance.

Whilst the Private Rented Sector (PRS) does fall within the definition of “affordable housing,” it has evidently been playing a role in meeting the needs of households who require financial support in meeting their housing need. Government recognises this, and indeed legislated through the 2011 Localism Act to allow Councils to discharge their “homelessness duty” through providing an offer of a suitable property in the PRS.

Data from the Department of Work and Pensions (DWP) has been used to look at the number of LHA supported private rented homes. As of November 2014 it is estimated that there were 911 benefit claimants in the private rented sector. This is 19% up from the number observed six-years earlier (in November 2008 – 767).

From English Housing Survey we estimate that the proportion of households within the private sector who are “new lettings” each year (i.e. stripping out the effect of households moving from one private rented property to another) is around 13%. Applying this to the number of LHA claimants in the Private Rented Sector gives an estimate of 118 private sector lettings per annum to new LHA claimants in the District. This figure is derived from claimants rather than households and it is possible that there are a number of multiple LHA claimant households (i.e. in the HMO sector). This serves to illustrate that there is some flexibility within the wider housing market.

However, national planning policy does not specifically seek to meet the needs identified through the Basic Needs Assessment Model through the Private Rented Sector. Government’s benefit caps may reduce the contribution which this sector plays in providing a housing supply which meets the needs of households identified in the affordable housing needs model herein. In particular future growth in households living within the PRS and claiming LHA cannot be guaranteed. This report includes no reliance on future supply from the Private Rented Sector.

Secondly, and perhaps more critically, it is important to recognise that the model includes needs arising from both new households and existing households. Part of the needs included are from households who might require an additional home, such as:

- Newly-forming households;
- Those in temporary accommodation;
- Concealed households; and
- Homeless households.

But the figures also include needs arising from households who will require a different form of home, but who – by moving to another property – would release an existing property for another
households. These households do not generate a need for more dwellings overall. They include households who need to move as they are:

- Overcrowded;
- Coming to the end of a tenancy;
- Living in unsuitable housing; and
- Cannot afford to remain in their current home.

5.67 Such households do not generate a net need for additional homes, as by moving they would release a home for other households. On this basis, these elements of the affordable housing need are not directly relevant to considering overall housing need and housing targets (which are typically measured in terms of net dwellings).

5.68 In considering the overall need for housing, only those who are concealed or homeless would result in potentially an additional need for housing. Numbers of newly-forming households in the modelling are established specifically from the demographic projections.

5.69 The analysis undertaken provides some evidence to justify considering an adjustment to the assessed housing need to address the needs of concealed households, and support improvements household formation for younger households. We return to consider the scale of adjustment appropriate later in the report, taking account of the evidence herein and from analysis of market signals.

Need for Different Types of Affordable Housing

5.70 Having studied housing costs, incomes and affordable housing need the next step is to make an estimate of the proportion of affordable housing need that should be met through provision of different housing products. In this section we deal with the needs for different types of affordable housing. Section 7 includes analysis considering the need for different sizes of properties.

5.71 The income information presented earlier in this section has therefore been used to estimate the proportion of households who are likely to be able to afford intermediate housing and the number for whom only social or affordable rented housing will be affordable. There are three main types of affordable housing that can be studied in this analysis:

- Intermediate
- Affordable rent
- Social rent

5.72 Whilst the process of separating households into different income bands for analytical purposes is quite straightforward, this does not necessarily fully indicate what sort of affordable housing they might be able to afford or occupy.
5.73 For example, a household with an income close to being able to afford market housing might be able to afford intermediate or affordable rent but may be prevented from accessing certain intermediate products (such as shared ownership) as they have an insufficient savings to cover a deposit. Such a household might therefore be allocated to affordable rented or intermediate rented housing as the most suitable solution.

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

5.75 For these reasons it is difficult to exactly pin down what proportion of additional affordable homes should be provided through different affordable tenure categories. In effect there is a degree of overlap between different affordable housing tenures, as the figure below shows.

**Figure 82: Overlap between Affordable Housing Tenures**

5.76 Given this overlap, for analytical purposes the following categories have been defined:
- Households who can afford 80% or more of market rent levels;
5.77 The first of these categories would include equity-based intermediate products such as shared ownership and shared equity homes. The latter two categories are both rented housing and in reality can be considered together (both likely to be provided by Registered Providers (or the Council) with some degree of subsidy). Additionally, both affordable rented and social rented housing is likely to be targeted at the same group of households; many of whom will be claiming Housing Benefit. For this reason the last two categories are considered together for the purposes of drawing conclusions.

5.78 Detailed information on households’ savings is not available. It has therefore been assumed that around half of all households with an income which would allow them to afford 80% or more of market rents would represent the potential market for intermediate products such as shared ownership and shared equity homes.

5.79 Taking the gross numbers for affordable housing need and comparing this against the supply from relets of existing stock, the following net need arises within the different categories. Overall the analysis suggests around a fifth of housing could be intermediate with the remaining four-fifths being either social or affordable rented. The figures in the table below do not include the committed supply of affordable housing.

Figure 83: Estimated level of Affordable Housing Need (per annum) by Type of Affordable Housing

<table>
<thead>
<tr>
<th></th>
<th>Intermediate</th>
<th></th>
<th>Social/affordable rented</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total need</td>
<td>Supply</td>
<td>Net need</td>
<td>Total need</td>
</tr>
<tr>
<td>Derbyshire Dales</td>
<td>31</td>
<td>11</td>
<td>20</td>
<td>297</td>
</tr>
<tr>
<td>% of total</td>
<td>19%</td>
<td></td>
<td></td>
<td>81%</td>
</tr>
</tbody>
</table>

Source: Affordable Housing Needs Analysis

5.80 In determining policies for affordable housing provision on individual sites, the analysis in the table above should be brought together with other local evidence such as from the Housing Register. Consideration could also be given to areas with high concentrations of social rented housing where additional intermediate housing might be desirable to improve the housing mix and to create ‘housing pathways’.

Previous Affordable Housing Needs Assessments

5.81 This section has provided estimates of the overall need for affordable housing by following CLG guidance. It is of interest to compare the outputs of this analysis with those in previous housing needs modelling exercises. The last affordable needs modelling was undertaken as part of the
Atkins *Housing and Economic Needs Assessment* (February 2014). The table below compares the outputs of that modelling with the outputs in this report. To ensure consistency some figures from the Atkins study have been adjusted to ensure comparability with this report – notably the current need has been looked at over a 20-year period rather than five years in the earlier work whilst the Atkins study did not consider the ‘pipeline’ of affordable housing (so this has been excluded).

5.82 The data shows that the level of need suggested in this report is virtually the same as in the 2014 assessment (107 per annum compared with 101). There are however some differences for specific parts of the analysis with the 2014 assessment estimating a higher current need and also a higher number of newly forming households falling into need (and a lower estimate of existing households falling into need). Estimates of future supply from the current stock are slightly lower in the 2014 assessment.

5.83 It is likely that the differences on the need side are largely due to a different methodological approach. However, given that the two assessments show broadly the same output, it is reasonable to conclude that a need for around 100 homes per annum is the right order of magnitude.

**Figure 84: Comparing housing needs estimates in 2014 and 2015 assessments – per annum over 20-year period**

<table>
<thead>
<tr>
<th></th>
<th>2014 assessment</th>
<th>2015 assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current need</td>
<td>26</td>
<td>24</td>
</tr>
<tr>
<td>Newly forming households</td>
<td>253</td>
<td>188</td>
</tr>
<tr>
<td>Existing households falling into need</td>
<td>18</td>
<td>117</td>
</tr>
<tr>
<td>Total Gross Need</td>
<td>297</td>
<td>328</td>
</tr>
<tr>
<td>Supply</td>
<td>196</td>
<td>221</td>
</tr>
<tr>
<td>Net Need</td>
<td>101</td>
<td>107</td>
</tr>
</tbody>
</table>

Source: Atkins 2014 and 2015 SHMA
Implications

- An assessment has been undertaken of the housing needs arising from households who require financial support. This indicates that taking account of the current supply of affordable housing, 101 households will require support each year in meeting their housing need.

- This shortfall arises as on a year-on-year basis there are 305 households who are expected to fall into housing need; but the supply from turnover of existing affordable homes is 221 properties. In addition there is a net current housing need from 343 households.

- The affordable housing need represents 41% of the need identified in the demographic-led projections, based on the 2012-based Household Projections. There is some evidence of a need for a modest upwards adjustment to housing provision in order to enhance affordable housing delivery.

- A fifth of the identified need for affordable housing (in net terms) could be met through intermediate, equity-based housing products; with the balance requiring social or affordable rented homes. Policies for the mix of affordable housing on new development schemes should take account of this, and viability evidence.

- The types of intermediate housing could include products such as shared ownership or shared equity, although the cost of such products should be carefully considered to ensure they are genuinely affordable – this will need to include consideration of any deposit requirements which may be a barrier to access for a number of households.
6 

HOUSING MARKET DYNAMICS AND MARKET SIGNALS

6.1 In line with the Planning Practice Guidance, we have sought to analyse in detail the housing market dynamics. This section, initially reviews housing market dynamics including national and macro-economic drivers. This is then developed with quantitative analysis of local prices, sales volumes and affordability.

Overview of the Housing Market and Economy

Conceptual Framework

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

Figure 85: Understanding Housing Demand Drivers

Source: GLH

6.3 At the macro-level, the market is particularly influenced by interest rates and mortgage availability, as well as market sentiment (which is influenced by economic performance and prospects at the macro-level). In the recent recessionary period, these macro conditions have been particularly prominent in driving the housing market.

6.4 The market is also influenced by the economy at both regional and local levels, recognising that economic employment trends will influence migration patterns (as people move to and from areas
to access jobs) and that the nature of employment growth and labour demand will influence changes in earnings and wealth (which influences affordability).

6.5 Housing demand over the longer-term is particularly influenced by population and economic trends: changes in the size and structure of the population directly influence housing need and demand, and the nature of demand for different housing products.

6.6 There are then a number of factors which play out at a more local level, within a functional housing market and influence demand in different locations. The importance of these local factors is perhaps more pronounced in stable or healthy economic times, when mortgage availability and market liquidity are far less of a constraint on activity. Local factors include:

- quality of place and neighbourhood character;
- school performance and the catchments of good schools;
- the range and quality of jobs available locally;
- the accessibility of areas including to wider employment centres (with transport links being an important component of this); and
- the existing housing market and local market conditions.

6.7 These factors influence the demand profile and pricing within the market. At a local level, this often means that the housing market (in terms of the profile of buyers) tends to be influenced and consequently reinforce to some degree the existing stock profile. However, regenerative investment or delivery of new transport infrastructure can influence the profile of housing demand in a location, by affecting its attractiveness to different households.

6.8 Local housing markets or sub-markets are also influenced by dynamics in surrounding areas, in regard to the relative balance between supply and demand in different markets; and the relative pricing of housing within them. Understanding relative pricing and price trends is thus important.

Market Signals and Demand Indicators

House Prices

6.9 Across the Derbyshire Dales district the mean house price (Jan 2013 – Dec 2014 incl.) is £255,500 whilst the median is £218,500. On average, prices in Derbyshire Dales are considerably higher than the comparator areas: In High Peak the mean house price is £175,000 and the median is £150,000. The mean house price across the Derby HMA is £158,500 and the median is £137,000; and the mean across the North Derbyshire and Bassetlaw HMA is £145,000 and the median is £125,000.

6.10 Figure 86 below profiles median house prices from 1998 to 2007 (i.e. the pre-recession decade). It shows median values for Derbyshire Dales, High Peak, and England and Wales along with the
average of the median values of the authorities within the Derby HMA and the North Derbyshire and Bassetlaw HMA.

6.11 Over this period the median house price in Derbyshire Dales grew from £68,000 in Q1 1998 to £206,500 by Q4 2007 – an increase of £138,500 (204%). This is a strong rate of increase and means that median house prices in Derbyshire Dales have increased by £20,500 more than the national average over this period. By comparison Derby HMA saw a 210% increase, North Derbyshire and Bassetlaw HMA saw a 193% increase, England and Wales saw a 190% increase, East Midlands saw a 188% increase, and High Peak saw a 178% increase over this period.

Figure 86: Median House Price (1998-2007)

Source: DCLG Live Tables: Land Registry Data

6.12 Since 2007, national trends in house prices have been very different due to the economic backdrop. Prices in Derbyshire Dales experienced notable price falls in late 2008 / early 2009 at the onset of the recession, as was the case regionally and nationally, followed by a period of growth throughout the second half of 2009 and into 2010 before falling away again. Prices have remained roughly level since. As of Q2 2013 median house prices in Derbyshire Dales were £200,000, 3% down on 2007 figures. By comparison Derby HMA saw a 9% decrease, North Derbyshire and Bassetlaw HMA saw a 7% decrease, and High Peak saw an 11% increase, while England and Wales has seen a 0% change over this period.
Figure 87: Median House Price (2008-2013)

![House Price Graph](image)

Source: DCLG Live Tables: Land Registry Data

6.13 Figure 88 quite clearly shows that house prices have remained broadly static over the period since 2008. Given inflation over this period, prices have effectively declined in real terms.

6.14 Although taken from a different source, Figure 88 shows median house prices over the past 2 years (2013 – 2014). This shows a slight upward trend in house prices in Derbyshire Dales where the median price increased by £19,000 (9%). This is lower than growth in prices in High Peak where the median grew by £22,500 (17%) but is higher than the growth of £15,000 (11%) seen across the East Midlands, the £12,500 (10%) seen in Derby HMA, and the £10,000 (9%) growth in North Derbyshire and Bassetlaw HMA. The average house price however remains below the 2007 peak.
6.15 Sales volumes are an important indicator of effective demand for market housing. We have benchmarked sales performance against long-term trends to assess relative demand. Figure 89 benchmarks annual sales across Derbyshire Dales and comparator areas over the period 1998 to 2014. It uses an index where 1.00 is the average annual sales over the 1998-2007 pre-recession decade.

6.16 As illustrated in Figure 89, the impact of the 2008 recession was experienced across all geographical areas with sales volumes experiencing a significant drop between 2007 and 2008. Following the recessionary slump, sales volumes have remained well below pre-recession levels. It is notable that sales numbers have improved markedly quicker in Derbyshire Dales than seen elsewhere following the recession.

6.17 Although taken from a different data set, sales volumes in 2013 and 2014 appear to have strengthened in all areas, although they remain well below pre-recession levels. As of 2014, sales volumes in Derbyshire Dales have recovered to 83% of the pre-recession average. This is notably above the rates in all comparator areas which range between 67% and 73%. This provides a clear indication of a stronger relative recovery in demand for market housing in the District.
We have also analysed house prices achieved over past two years (January 2013 to December 2014 incl.) in more detail to gain an understanding of the latest dynamics for different property types within the local housing markets.

**Figure 90: Median House Prices (Jan 2013 – Dec 2014)**

Figure 90 shows median house prices by different dwelling type. The median price for detached houses in Derbyshire Dales is £301,500 which is notably above the corresponding value seen in the comparator areas. In High Peak, which was second highest, the figure is £247,000. The Derbyshire
Dales figure is more than £100,000 more than the median in Derby or North Derbyshire and Bassetlaw HMAs and over £90,000 more than the East Midlands value.

6.20 Median house prices for other dwelling types are also considerably higher in Derbyshire Dales than the comparator areas. The price of flats in Derbyshire Dales is particularly high with the median price £67,000 - £77,000 higher than elsewhere. It is notable that the Derbyshire Dales values are consistently well above the regional values, with house prices in the other comparator areas more closely aligned with the regional trends.

Rental trends

6.21 The most recent VOA private rental data (September 2014) shows the median rental price in Derbyshire Dales is £595pcm. This is identical to the national median and considerably above the East Midlands median of £517pcm. The Derbyshire Dales figure is also well above the values in the surrounding areas, which are all lower than the regional figure: in High Peak the median rental value is £495pcm, Derby HMA has a median value of £482pcm and in North Derbyshire and Bassetlaw HMA the figure is £471pcm.

6.22 Figure 91 below shows the median rental values benchmarked to September 2011 values. Also shown in Figure 91 is the Consumer Price Index (CPI). This shows that private rental values in Derbyshire Dales have grown by 8% over this period – above the inflation rate of 6%, as well as the national growth rate of 3% and the regional growth of 4%. By comparison, North Derbyshire and Bassetlaw HMA saw a 2% growth while High Peak and Derby HMA have seen zero growth.

Figure 91: Benchmarked trend in Median Private Rental Values (Sep 2011 – Sep 2014)

Source: VOA Private Rental Data
6.23 Figure 92 below shows trends in the number of private rental transactions recorded by the VOA benchmarked against September 2011 figures. This shows a strong downward trend in the number of rental transactions in Derbyshire Dales, with rental volumes falling by 25% over this period. This is similar to the trend seen in Derby HMA. Nationally there has been a slight downward trend of 6% which is an indication of households returning to owner occupation as a result of improved mortgage availability and the impact of Government schemes such as Help to Buy. A similar decrease has been seen in High Peak and North Derbyshire and Bassetlaw HMA.

Figure 92: Trend in private rental transactions (Sept 2011 – Sept 2014)

Source: VOA Private Rental Data

Affordability of Market Housing

6.24 We have considered evidence of affordability by looking specifically at the relationship between lower quartile house prices and lower quartile earnings. As of 2013 the lower quartile house prices in Derbyshire Dales are 8.6 times higher than lower quartile earnings. This is well above the ratio seen across the county of Derbyshire which is 5.5 times, and across England as a whole which is 6.5 time.

6.25 Figure 93 also shows the average affordability for the authorities in the Derby HMA and the North Derbyshire and Bassetlaw HMA, where the lower quartile affordability ratio is 5.1 and 5.0 respectively.

6.26 In Derbyshire Dales, as with the national trend, the ratio of affordability rose steadily throughout the pre-recession decade peaking in 2007 before experiencing a post-recession trough in 2009. Affordability ratios have since plateaued with current affordability ratios lower than the 2007 peak.
6.27 As a general observation, we can see that across all areas the affordability of property has worsened quite markedly over the past 15 years. In Derbyshire Dales the lower quartile affordability ratio has increased from 4.8 to 8.6 over this period – a 79% increase.

**Figure 93: Lower Quartile Affordability Trend (1997-2013)**

![Lower Quartile Affordability Trend](image)

*Source: DCLG Housing Market Live Tables*

6.28 Table 92 compares the lower quartile affordability ratio to the median price-earnings ratio to identify whether affordability is an issue across the market or within a particular segment. In Derbyshire Dales the median ratio is 8.3 – slightly below the lower quartile figure – indicating that affordability at the lower end of the market is slightly more constrained than other segments.

**Figure 94: Comparison of lower quartile and median affordability (2013)**

<table>
<thead>
<tr>
<th></th>
<th>Lower Quartile Ratio</th>
<th>Median Ratio</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derbyshire Dales</td>
<td>8.6</td>
<td>8.3</td>
<td>0.3</td>
</tr>
<tr>
<td>High Peak</td>
<td>6.1</td>
<td>6.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Derby HMA</td>
<td>5.1</td>
<td>4.8</td>
<td>0.3</td>
</tr>
<tr>
<td>North Derbyshire and Bassetlaw HMA</td>
<td>5.0</td>
<td>5.1</td>
<td>-0.1</td>
</tr>
<tr>
<td>Derbyshire</td>
<td>5.5</td>
<td>5.4</td>
<td>0.1</td>
</tr>
<tr>
<td>England</td>
<td>6.5</td>
<td>6.7</td>
<td>-0.3</td>
</tr>
</tbody>
</table>

*Source: DCLG Housing Market Live Tables*

6.29 Affordability is influenced by house prices and earnings. Figure 95 overleaf compares the median and lower quartile gross annual earnings by place of residence. Median earnings in Derbyshire Dales are £28,800 per annum which is above the values seen in the surrounding areas, across the East Midlands (£25,500) and England and Wales (£27,300). In all of the neighbouring areas the median earnings are below national levels: High Peak is £26,700; Derby HMA is £26,900; and North Derbyshire and Bassetlaw HMA is £24,900. Lower quartile earnings in Derbyshire Dales are
also higher than the comparator areas at £19,900 per annum. This emphasises that the median and lower quartile affordability ratios are higher in Derbyshire Dales than elsewhere despite the district having higher median and lower quartile earnings. This suggests that the relative lack of affordability in Derbyshire Dales is driven particularly by high property prices. However our earlier analysis showed that residents’ earnings are above those of people working in the District. Low workplace earnings contribute to affordability pressures, with the evidence suggesting that improving the quality of jobs in the District could help to support improvements in housing affordability.

**Figure 95: Annual earnings (gross) of full time workers by place of residence (2014)**

![Chart showing annual earnings by place of residence](chart.png)

*Source: Annual Survey of Hours and Earnings*

6.30 Nationally, a combination of the deteriorating affordability of market homes, restricted access to mortgage products and a lack of social housing supply over the 2001-11 decade has resulted in fewer households being able to buy and increased pressures on the existing affordable housing stock. This has resulted in strong growth in the private rented sector as households are being forced to rent longer. This is illustrated in figure 96 overleaf.

6.31 However, this phenomenon has been less prevalent in Derbyshire Dales than the comparator areas. Over this period Derbyshire Dales has seen a 3.0 percentage point (pp) decrease in the number of households living in owner occupied accommodation and a 3.4pp increase in numbers living in the private rented sector – a smaller swing than seen elsewhere. By comparison Derby HMA has seen the biggest swing of the comparator areas with a 5.9pp reduction in home ownership and a 7.pp increase in the private rented sector.
6.32 Nationally, a symptom of this is increased over-crowding and a growth of households living in houses in multiple occupation as households fail to form properly. However, between 2001 and 2011 the number of households in Derbyshire Dales living in over occupied properties has remained at a relatively low level of 3.3%. Similarly, Derbyshire Dales has seen a small (0.3%) increase in the number of people living in houses in multiple occupation (HMOs), however the proportion of such households (3.3%) remains well below national levels. This is likely influenced by the housing stock of the area and that generally we see greater proportions of HMOs in urban areas.

Source: 2001 & 2011 Censuses
Past Housing Supply vs. Targets

6.33 We have examined housing completions data for Derbyshire Dales dating back to 2006/07. Figure 98 shows net housing completions against the annual housing target in Derbyshire Dales from 2006/07 to 2012/13. Over this period, housing delivery in the district has exceeded target in two of the years (2007/08 and 2012/13). In all other years in this period there has been a shortfall in delivery. Over this period 91% of the housing target has been delivered, equating to an overall shortfall of 127 dwellings fewer than the adopted target.

Figure 98: Housing Supply vs. Target, 2006/07-2012/13

Source: Authority Monitoring Reports

6.34 The impact of under delivery, coupled with access to mortgage restrictions brought on by tighter regulation, is likely to have resulted in constrained household formation rates and contributed to the current need for affordable housing. Both the affordable housing evidence, and the demographic evidence, point to a shortfall in housing provision.

Summary and Implications

6.35 Nationally, the pre-recession decade saw a strong and sustained growth in house prices which has been mirrored in increasing affordability pressures. Over this period the affordability ratio – the ratio of average house prices to average earnings – saw similarly large and consistent increases. Nationally, there has been a fundamental shift in housing market conditions since 2007, particularly in relation to confidence and credit availability. This saw a steep drop in the volume of housing sales and house prices plateauing. In recent years there is evidence to suggest the market is improving, albeit slowly.
6.36 The housing market in Derbyshire Dales has largely followed this national trend. However, the market signals considered in this section show that the housing market in Derbyshire Dales is considerably more constrained than the surrounding areas in the Derby HMA and North Derbyshire and Bassetlaw HMA, and considerably more constrained than the East Midlands region in general.

6.37 The median house price in Derbyshire Dales is £218,500. This is well above the median seen across the neighbouring HMAs and the neighbouring authority of High Peak. Prices in these comparator areas are more closely aligned with the median for the East Midlands region. Prices in all of these comparator areas are below the national average, marking Derbyshire Dales’ house prices as particularly high. The most recent house price data shows that following a period of post-recession stagnation, in the last few years house prices in Derbyshire Dales have begun to increase.

6.38 As with the national trend described above, sales volumes in Derbyshire Dales dropped significantly between 2007 and 2008. Sales volumes in Derbyshire Dales have recovered more strongly than the surrounding areas as well as regional and national levels. This notwithstanding, sales volumes in Derbyshire Dales remains well below pre-recession levels.

6.39 Like for like house prices in Derbyshire Dales are on average more expensive for all dwelling types than in all of the surrounding areas. The price of detached houses and flats in Derbyshire Dales is particularly high in comparison to neighbouring areas and regional values.

6.40 The private rented sector in Derbyshire Dales has seen an 8% increase in rental prices in recent years – a rate of increase above inflation. Again, this level of growth is stronger than seen in the neighbouring areas and stronger than regional and national trends. Derbyshire Dales has seen a considerable downward trend in rental transactions in recent years compared to a slight decrease seen nationally.

6.41 Affordability ratios in Derbyshire Dales are very high and are well above the national and county averages. Median house prices in Derbyshire Dales are 8.6 time the median earnings in the district, compared to a national rate of 6.5 and a county rate of 5.5. This indicates an acute housing affordability problem in the district. The lower quartile ratio is slightly worse at 0.3 indicating the problem is more acute at the lower end of the market. This is contrary to the national trend where the lower quartile ratio is slightly lower. Derbyshire Dales residents have higher levels of earnings than seen in the comparator areas suggesting affordability pressures stem from high house prices rather than low incomes.

6.42 Nationally, increasing house prices and worsening affordability has resulted in a decrease in the level of homeownership and an increase in the numbers renting instead of buying. Similarly there
has been an overall increase in the proportion of residents living in over occupied dwellings and HMOs. These indicators of a constrained housing market have not been as evident in Derbyshire Dales as elsewhere. However this is likely due to the profile of the Derbyshire Dales population which comprises a much larger proportion of older residents than average and, relatedly, has a much larger proportion of residents who own their own home, and crucially, who own their own home outright rather than through a mortgage or loan, than seen in other areas. The demographic data also shows fewer younger people (those in their 20s and 30s) living in the district suggesting that those priced out of the market are leaving or remain living outside of the district for longer which has implications for the development of a sustainable local economy.

6.43 Overall the analysis of market signals clearly points to higher affordability pressures on housing in Derbyshire Dales than in other parts of the country, and much higher prices and more acute affordability pressures than seen in any of the neighbouring areas. The data shows that it is the neighbouring areas which are more aligned with the general situation across the East Midlands region, further highlighting the constrained market in Derbyshire Dales. The demographic analysis indicates that levels of household formation, particularly for younger households, has fallen. It would therefore be appropriate to consider an adjustment to the overall assessment of housing need to improve affordability over time in line with the approach outlined in the Practice Guidance.

6.44 The Planning Practice Guidance sets out that:

“In areas where an upward adjustment [to the assessment of housing need] is required, plan makers should set this adjustment at a level that is reasonable. The more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (e.g. the differential between land prices), the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be.”

6.45 The Guidance does not however set out how such an adjustment should be quantified. It simply sets out that it should be ‘reasonable.’

**Considering Age Specific Household Formation Rates**

6.46 The projections so far developed have used data from the 2012-based CLG household projections. It is important to consider how these housing market trends relate through to demographic projections in considering, as the Planning Practice Guidance recommends, whether there is a case for adjusting levels of housing provision in effect to improve affordability over the longer-term.

6.47 National research undertaken for the RTPI by the Neil McDonald and Peter Williams at Cambridge University indicates a particular effect of the decline in affordability between 2001 and 2011 and the economic recession has been young adults living within a parental home for longer or living in
shared accommodation rather than separate accommodation. The impact of this, their research shows, has been most significant for the 25-34 age group.

6.48 A detailed interrogation of demographic dynamics in Derbyshire Dales indicates that in demographic terms, the deterioration in affordability of market housing and the economic recession over the 2001-11 decade is likely to have influenced – at least in part – a decline in household formation rates in younger people, particularly amongst those aged between 25 and 34. This is the one age group identified earlier as showing some degree of suppression when balancing past trends and the future projection.

6.49 When we consider age-specific data it is notable that those aged 25-34 have lower headship rates than was expected in the 2008-based projections and that the rates have dropped considerably from 2001 to 2011 – the 2012-based projections do however show some slowing down of the downward trend from 2011 onwards. We have therefore run a sensitivity analysis which considers and seeks to quantify the implication of returning the household formation rates of the 25-34 age group back to 2001 levels (i.e. before the rate started to decrease) by 2033.

6.50 This sensitivity in effect seeks to consider a scenario in which affordability and access to housing for younger households improves, and quantifies what level of housing provision might be associated with this, all other factors being equal. If achieved, the effect would be to reduce the proportions of shared households and persons within this age group living with parents. We term this sensitivity analysis the ‘market signals uplift.’

6.51 In reality, other factors such as real growth in disposable income (allowing people to save), the availability of and access to mortgage finance, interest rates and economic confidence will all influence trends in household formation. There is a complex set of factors at play, and it is difficult to predict how these factors might interact in the future and the impact on household formation rates (in the absence of any supply-side constraints). Furthermore part of the changes in household formation rates for this age group may have been due to international migration.

6.52 The sensitivity analysis indicates that, all other things being equal, an uplift of around 20 homes per annum across the District would support an improvement in affordability and household formation rates amongst younger households. The analysis is based on a projection linked to the 2012-based SNPP; similar analysis using other projections (e.g. the jobs-led projections) would be expected to show a similar proportionate increase.
Figure 99: Projected household growth 2013-33 – 2012-based SNPP with market signals uplift

<table>
<thead>
<tr>
<th></th>
<th>2012-based SNPP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Households 2013</td>
<td>31,028</td>
</tr>
<tr>
<td>Households 2033</td>
<td>35,870</td>
</tr>
<tr>
<td>Change in households</td>
<td>4,842</td>
</tr>
<tr>
<td>Per annum</td>
<td>242</td>
</tr>
<tr>
<td>Dwellings (per annum)</td>
<td>264</td>
</tr>
<tr>
<td>From SNPP model</td>
<td>244</td>
</tr>
<tr>
<td>Potential uplift</td>
<td>20</td>
</tr>
<tr>
<td>% uplift</td>
<td>8%</td>
</tr>
</tbody>
</table>
7 HOUSING NEEDS OF DIFFERENT GROUPS WITHIN THE POPULATION

7.1 In this section of the report we move on to consider the housing needs of specific groups within the population in greater detail. Estimates of household groups who have particular housing needs is a key output of the SHMA Guidance whilst the National Planning Policy Framework identifies that local planning authorities should plan for a mix of housing which takes account of the needs of different groups in the community.

7.2 The following key groups have been identified which may have housing needs which differ from those of the wider population:

- Older Persons;
- People with disabilities;
- Black and Minority Ethnic (BME) households;
- Households with children; and
- Young people.

Housing Needs of Older People

7.3 The PPG recognises the need to provide housing for older people as part of achieving a good mix of housing. A key driver of change in the housing market over the next 20-years or so is expected to be the growth in the population of older persons.

7.4 Indeed as population projections show, the number of older people is expected to increase significantly over the next few years. In this section we draw on a range of sources including our population projections, 2011 Census information and data from POPPI (Projecting Older People Population Information).

7.5 The context to older persons housing provision can be summarised as below:

- A need to provide housing for older people as part of achieving a good mix of housing, but recognizing that many older people are able to exercise choice and control over housing options – e.g. owner occupiers with equity in their homes;
- Falling demand for residential care in some areas, and a rapidly rising average age of people living in sheltered housing and requiring higher levels of support. Many local authorities have struggled to contain expenditure on services for older people;
- New models of enhanced and extra care housing have emerged. These aim to meet the needs of those who require high levels of care and support alongside those who are still generally able to care for themselves. These models often allow for changing circumstances in situ rather than requiring a move; and
- Providing choice, including supporting people to stay in their own homes including through supporting adaptations to properties and through provision of floating support.
7.6 Current Population of Older Persons

Below we have provided some baseline population data about older persons and compared this with other areas. The data for has been taken from the published ONS mid-year population estimates and is provided for age groups from 65 and upwards.

7.7 The data shows, when compared with any of the other areas that the District has a relatively old population – some 24% of people are aged 65 and over compared with 20% across the County, 18% regionally and 17% nationally. Looking at specific age groups beyond 65 the data also shows a relatively high proportion in each group with the proportion of people aged 85 and over (at 3.2%) being notably higher than in other areas.

**Figure 100: Older Person Population (2013)**

<table>
<thead>
<tr>
<th>Age group</th>
<th>Derbyshire Dales</th>
<th>Derbyshire</th>
<th>East Midlands</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 65</td>
<td>53,909</td>
<td>75.6%</td>
<td>80.0%</td>
<td>81.8%</td>
</tr>
<tr>
<td>65-74</td>
<td>9,598</td>
<td>13.5%</td>
<td>11.3%</td>
<td>10.0%</td>
</tr>
<tr>
<td>75-84</td>
<td>5,473</td>
<td>7.7%</td>
<td>6.2%</td>
<td>5.8%</td>
</tr>
<tr>
<td>85+</td>
<td>2,286</td>
<td>3.2%</td>
<td>2.5%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Total</td>
<td>71,266</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total 65+</td>
<td>17,357</td>
<td>24.4%</td>
<td>20.0%</td>
<td>18.2%</td>
</tr>
</tbody>
</table>

Source: ONS Mid-Year Population Estimates

7.8 Future Changes in the Population of Older Persons

As well as providing a baseline position for the proportion of older persons in the District we can use published population projections to provide an indication of how the numbers might change in the future compared with other areas. The data provided below is based on the 2012-based SNPP which is the latest source available consistently across areas. Data for Derbyshire Dales is based on our main demographic projection (using 2012-based SNPP with additional data from ONS mid-year population estimates).

7.9 The data shows that Derbyshire Dales (in line with other areas) is expected to see a notable increase in the older person population with the total number of people aged 65 and over expected to increase by 54% over the 20-years from 2013. This figure is similar to that projected in the other areas studied although it should be borne in mind that the District already has a higher than average proportion of older people. As with other areas there is expected to be particularly strong growth in the population aged 85 and over.
Characteristics of Older Persons Households

7.10 We have used 2011 Census data to explore in more detail the characteristics of older person households in Derbyshire Dales (based on the population aged 65 and over). The first table below shows the number of households compared with Derbyshire, East Midlands region and England. The data shows that in 2011 around 27% of households were comprised entirely of people aged 65 and over. This is notable above the figures seen in any of the comparator areas.

![Figure 101: Projected Change in Population of Older Persons (2013 to 2033)](image)

<table>
<thead>
<tr>
<th>Age group</th>
<th>Derbyshire Dales</th>
<th>Derbyshire</th>
<th>East Midlands</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 65</td>
<td>-6.3%</td>
<td>-1.6%</td>
<td>2.6%</td>
<td>5.4%</td>
</tr>
<tr>
<td>65-74</td>
<td>26.8%</td>
<td>30.2%</td>
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<tr>
<td>75-84</td>
<td>63.2%</td>
<td>61.0%</td>
<td>58.2%</td>
<td>50.2%</td>
</tr>
<tr>
<td>85+</td>
<td>148.5%</td>
<td>141.0%</td>
<td>132.0%</td>
<td>120.7%</td>
</tr>
<tr>
<td>Total</td>
<td>8.4%</td>
<td>9.5%</td>
<td>12.0%</td>
<td>13.3%</td>
</tr>
<tr>
<td>Total 65+</td>
<td>54.3%</td>
<td>53.7%</td>
<td>54.4%</td>
<td>51.1%</td>
</tr>
</tbody>
</table>

Source: ONS 2012-based SNPP and projection modelling

7.11 Figure 102 shows the tenure of older person households – the data has been split between single pensioner households and those with two or more pensioners (which will largely be couples). The data shows that pensioner households are relatively likely to live in outright owned accommodation (71%) and are more likely than other households to be in the social rented sector. The proportion of pensioner households living in the private rented sector is relatively low (6% compared with 13% of all households in the District).

![Figure 102: Pensioner households (Census 2011)](image)

<table>
<thead>
<tr>
<th>Pensioner households</th>
<th>Derbyshire Dales</th>
<th>Derbyshire</th>
<th>East Midlands</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single pensioner</td>
<td>4,656</td>
<td>43,270</td>
<td>232,486</td>
<td>2,725,596</td>
</tr>
<tr>
<td>2 or more pensioners</td>
<td>3,738</td>
<td>32,793</td>
<td>175,140</td>
<td>1,851,180</td>
</tr>
<tr>
<td>All households</td>
<td>30,744</td>
<td>332,637</td>
<td>1,895,604</td>
<td>22,063,368</td>
</tr>
<tr>
<td>Single pensioner</td>
<td>15.1%</td>
<td>13.0%</td>
<td>12.3%</td>
<td>12.4%</td>
</tr>
<tr>
<td>2 or more pensioners</td>
<td>12.2%</td>
<td>9.9%</td>
<td>9.2%</td>
<td>8.4%</td>
</tr>
<tr>
<td>All households</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total % pensioner only</td>
<td>27.3%</td>
<td>22.9%</td>
<td>21.5%</td>
<td>20.7%</td>
</tr>
</tbody>
</table>

Source: 2011 Census

7.12 There are however notable differences for different types of pensioner households with single pensioners having a lower level of owner-occupation than larger pensioner households – this group also has a much higher proportion living in the social rented sector.
7.13 Given that the number of older people is expected to increase in the future and that the number of single person households is expected to increase this would suggest (if occupancy patterns remain the same) that there will be a notable demand for affordable housing from the ageing population. That said, the proportion of older person households who are outright owners (with significant equity) may mean that market solutions will also be required to meet their needs. This is considered later in this section.

**Figure 103: Tenure of older person households – Derbyshire Dales**

![Bar chart showing tenure of older person households.](chart.png)

Source: 2011 Census

7.14 A key theme that is often brought out in Housing Market Assessment work is the large proportion of older person households who under-occupy their dwellings. Data from the Census allows us to investigate this using the bedroom standard. The Census data does indeed suggest that older person households are more likely to under-occupy their housing than other households in the District. In total 57% have an occupancy rating of +2 or more (meaning there are at least two more bedrooms than are technically required by the household). This compares with 41% for non-pensioner households. Further analysis suggests that under-occupancy is far more common in households with two or more pensioners than single pensioner households.
7.15 It is of interest to study the above information by tenure. The figure below shows the number of pensioner households who had an occupancy rating of +2 or more in each of three broad tenure groups in 2011. Whilst the majority of older person households with an occupancy rating of +2 or more were in the owner-occupied sector, there were 187 properties in the social rented sector occupied by pensioner only households with an occupancy rating of +2 or more. This may therefore present some opportunity to reduce under-occupation although to achieve this it may be necessary to provide good quality, alternative housing in areas where households currently live and where they have social and community ties to make downsizing an attractive option. The Council’s Allocation Policy does give weight to households who are under-occupying homes by two or more rooms to support this.

Figure 105: Pensioner households with occupancy rating of +2 or more by tenure

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Single pensioner</th>
<th>2 or more pensioners</th>
<th>All pensioner only</th>
<th>All other households</th>
<th>All households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner-occupied</td>
<td>1,895</td>
<td>2,404</td>
<td></td>
<td></td>
<td>4,299</td>
</tr>
<tr>
<td>Social rented</td>
<td>122</td>
<td>65</td>
<td></td>
<td></td>
<td>187</td>
</tr>
<tr>
<td>Private rented</td>
<td>165</td>
<td>114</td>
<td></td>
<td></td>
<td>279</td>
</tr>
<tr>
<td>All tenures</td>
<td>2,182</td>
<td>2,583</td>
<td></td>
<td></td>
<td>4,765</td>
</tr>
</tbody>
</table>

Source: 2011 Census

It should however be recognised that many older households in the private sector will have built up equity in their existing homes. In the private sector many older households may be able to afford a larger home than they need (and thus under-occupy housing). Some may look to downsize to release equity from homes to support their retirement (or may move away from the area); however...
we would expect many older households to want to retain family housing with space to allow friends and relatives to come to stay. Data about household ages and the sizes of homes occupied in the previous section does indicate that some households do typically downsize, however, a cautious view should be taken about the willingness of households to move to smaller homes and the extent to which this can be influenced through policy.

**Health-related Population Projections**

7.17 In addition to providing projections about how the number and proportion of older people is expected to change in the future we can look at the likely impact on the number of people with specific illnesses or disabilities. For this we have used data from the Projecting Older People Information System (POPI) website which provides prevalence rates for different disabilities by age and sex. For the purposes of the SHMA analysis has focused on estimates of the number of people with dementia and mobility problems.

7.18 For both of the health issues analysed the figures relate to the population aged 65 and over. The figures from POPPI are based on prevalence rates from a range of different sources and whilst these might change in the future (e.g. as general health of the older person population improves) the estimates are likely to be of the right order.

7.19 The figure below shows that both of the illnesses/disabilities are expected to increase significantly in the future although this would be expected given the increasing population (and a growing older population in particular). In particular there is projected to be a large rise in the number of people with dementia (up 99%) along with a 79% increase in the number with mobility problems.

**Figure 106: Estimated population change for range of health issues (2013 to 2033)**

<table>
<thead>
<tr>
<th>Type of illness/disability</th>
<th>2013</th>
<th>2033</th>
<th>Change</th>
<th>% increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dementia</td>
<td>1,184</td>
<td>2,359</td>
<td>1,175</td>
<td>99.3%</td>
</tr>
<tr>
<td>Mobility problems</td>
<td>3,118</td>
<td>5,590</td>
<td>2,472</td>
<td>79.3%</td>
</tr>
</tbody>
</table>

Source: Data from POPPI and demographic projections

**Indicative Requirements for Specialist Housing for Older People**

7.20 Given the ageing population and higher levels of disability and health problems amongst older people there is likely to be an increased requirement for specialist housing options moving forward. The analysis in this section draws on data from the Housing Learning and Information Network (Housing LIN) along with our demographic projections to provide an indication of the potential level of additional specialist housing that might be required for older people in the future.
Current Stock of Specialist Housing

7.21 Figure 107 below shows the current supply of specialist housing for older people. At present it is estimated that there are 1,034 units; this is equivalent to 133 units per 1,000 people aged 75 and over. The majority of the housing (80%) is in the affordable sector – this finding is significant given that the majority of retired households are owner-occupiers.

Figure 107: Current Supply of Specialist Housing for Older People

<table>
<thead>
<tr>
<th></th>
<th>Affordable</th>
<th>Market</th>
<th>Total</th>
<th>Supply per 1,000 aged 75+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheltered</td>
<td>790</td>
<td>205</td>
<td>995</td>
<td>128</td>
</tr>
<tr>
<td>Extra-Care</td>
<td>39</td>
<td>0</td>
<td>39</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>829</td>
<td>205</td>
<td>1,034</td>
<td>133</td>
</tr>
</tbody>
</table>

Source: Housing LIN

7.22 We understand from the Council that there are issues with the quality of some existing sheltered accommodation, which does not meet modern requirements.

Projected Future Need for Specialist Housing

7.23 The analysis above showed a total of 133 specialist units per 1,000 people aged 75 and over; this figure is notably lower than the national average of about 170. In projecting forward how many additional units might be required we have modelled on the basis of maintaining the 133 position and also the implications of increasing this to 170. The analysis is based on achieving these levels by 2033.

7.24 The analysis shows to maintain the current level of provision there would need to be a further 914 units provided – this figure increases to 1,451 if the level of provision were to get to the national average. It should be stressed that the analysis below is based on modelling data on a series of assumptions and should therefore be treated as indicative (particularly given the very wide range of outputs depending on the assumptions used).

Figure 108: Projected Need for Specialist Housing for Older People (2013-33)

<table>
<thead>
<tr>
<th></th>
<th>@ 133 per 1,000</th>
<th>@ 170 per 1,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Need</td>
<td>1,948</td>
<td>2,485</td>
</tr>
<tr>
<td>Supply</td>
<td>1,034</td>
<td>1,034</td>
</tr>
<tr>
<td>Net need</td>
<td>914</td>
<td>1,451</td>
</tr>
</tbody>
</table>

Source: Derived from demographic projections and Housing LIN

7.25 A mid-point of the two estimates would suggest a need for around 1,182 additional specialist units for older people which would represent about 24% of the overall housing need shown through demographic modelling (using 2012-based SNPP and CLG household projections). A figure of 1,182 represents about 59 dwellings per annum. Whilst there is no precedent for taking a midpoint
of these figures we would consider that it is a reasonable and balanced approach. Continuing to model on the basis of the current stock may under-estimate needs given the low current stock; however moving to the national average may overstate the position (particularly if for example the current low level of provision is in part driven by a lower need/demand in the area).

Types and Tenures of Specialist Housing

7.26 Data earlier in this section has shown that pensioner households are relatively likely to live in outright owned accommodation. The information about current tenures can be used to estimate the amount of additional housing likely to be required in each of the market and affordable sectors. Looking at the data it is considered that around 65% of older person households would be able to afford a market solution – this figure is arbitrary but based on current levels of outright ownership and recognising stronger growth in single person households in the future (such households having lower levels of home ownership).

7.27 The figure below shows that using this proportion of home ownership along with the current supply of different tenures of specialist housing it would be expected that there is a need for around 1,236 units of market specialist housing and a small surplus in the affordable sector.

7.28 The finding of a surplus of specialist affordable housing needs however to be considered in light of information about the extent to which the current stock is 'fit-for purpose' (data which is not readily available for this report). It may be the case that some existing sheltered housing is in poor condition or suffers from low demand. We understand that this is the case for some stock in Derbyshire Dales District. There may also be a case for diversification of stock (such as to provide more Extra-Care rather than sheltered options). This may mean that provision of some additional affordable specialist housing would be appropriate. The Council should therefore use their own local knowledge of demand and the stock profile to form a view about the extent to which affordable specialist housing should be provided in the future.

7.29 The analysis is not specific about the types of specialist housing that might be required; we would consider that decisions about mix should be taken at a local level taking account of specific needs and the current supply of different types of units available. The evidence herein could be usefully supplemented by local housing needs surveys to proposals on individual development sites. There may also be the opportunity moving forward for different types of provision to be developed as well as the more traditional sheltered and Extra-Care housing.

7.30 Within the different models and assumptions made regarding the future need for specialist retirement housing (normally defined as a form of congregate housing designed exclusively for older people which usually offers some form of communal space, community alarm service and access to support and care if required), there may for example be an option to substitute some of
this specialist provision with a mix of one and two bedded housing aimed to attract ‘early retired’ older people which could be designated as age specific or not. Such housing could be part of the general mix of one and two bedroom homes but built to Lifetime Homes standards or to be wheelchair-accessible in order to attract retired older people looking to ‘down size’ but perhaps not wanting to live in specialist retirement housing.

7.31 Our experience when carrying out stakeholder work as part of other SHMA commissions typically identifies a demand for bungalows. Where developments including bungalows are found it is clear that these are very popular to older people downsizing. It should be acknowledged that providing significant numbers of bungalows involves cost implications for the developer given the typical plot size compared to floor space – however providing an element of bungalows should be given strong consideration on appropriate sites, allowing older households to downsize while freeing up family accommodation for younger households. As a minimum development of bungalows should meet Lifetime Homes Standards.

**Figure 109: Projected need for older persons accommodation (including specialist housing) – by broad tenure (2013-33)**

<table>
<thead>
<tr>
<th></th>
<th>Market</th>
<th>Affordable</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Need</strong></td>
<td>1,441</td>
<td>776</td>
<td>2,216</td>
</tr>
<tr>
<td><strong>Supply</strong></td>
<td>205</td>
<td>829</td>
<td>1,034</td>
</tr>
<tr>
<td><strong>Net need</strong></td>
<td>1,236</td>
<td>-53</td>
<td>1,182</td>
</tr>
</tbody>
</table>

Source: Derived from demographic projections

**Registered Care Bedspaces**

7.32 As well as the need for specialist housing for older people the analysis needs to consider Registered Care. At present (according to Housing LIN) there are around 706 spaces in nursing and residential care homes. Given new models of provision (including Extra-care housing) it may be the case that an increase in this number would not be required. There will however need to be a recognition that there may be some additional need for particular groups such as those requiring specialist nursing or for people with dementia.

7.33 The demographic modelling includes estimates of the number of people expected to be living in ‘institutions’. Between 2013 and 2033, this number (based on the population aged 75+) is expected to increase by 586 people (29 per annum) to total 1,142 by 2033. This suggests that at present there may be a small surplus of Registered Care accommodation with a possible shortfall in the longer-term.

7.34 These figures are important to note if the Council intend to include C2 class uses in their assessment of 5-year housing land supply as it will be necessary to include figures on both the
need and supply side of the equation. The analysis would suggest a potential need for 436 bedspaces in Residential Care in the 2013-33 period (1,142-706) – this is about 22 per annum.

**People with Disabilities**

7.35 This section concentrates on the housing situation of people/households that contain someone with some form of disability. We have again drawn on Census data although it should be recognised that an analysis of people with disabilities is very strongly linked with the above analysis about older people.

7.36 Figure 110 below shows the proportion of people with a long-term health problem or disability (LTHPD) and the proportion of households where at least one person has a LTHPD. The data suggests that across Derbyshire Dales some 26% of households contain someone with a LTHPD. This figure is lower than the equivalent figure for Derbyshire, the same as across the East Midlands and higher than seen in England. The figures for the population with a LTHPD again show a similar pattern when compared with other areas (an estimated 19% of the population of Derbyshire Dales have a LTHPD).

**Figure 110: Households and people with Long-Term Health Problem or Disability (2011)**

<table>
<thead>
<tr>
<th>Area</th>
<th>Households containing someone with health problem</th>
<th>Population with health problem</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td>Derbyshire Dales</td>
<td>8,050</td>
<td>26.2%</td>
</tr>
<tr>
<td>Derbyshire</td>
<td>91,851</td>
<td>27.6%</td>
</tr>
<tr>
<td>East Midlands</td>
<td>496,598</td>
<td>26.2%</td>
</tr>
<tr>
<td>England</td>
<td>5,659,606</td>
<td>25.7%</td>
</tr>
</tbody>
</table>

Source: 2011 Census

7.37 To some degree the finding of a similar of people/households with a LTHPD in Derbyshire Dales is surprising, this is because health issues are strongly linked to age and previous analysis has shown that the District has an older population when compared with many areas. Therefore the table below shows the age bands of people with a LTHPD. It is clear from this analysis that those people in the oldest age bands are more likely to have a LTHPD – for example some 84% of people aged 85 and over have a LTHPD. It should be noted that the base for the figure below is slightly different to the above table in that it excludes people living in communal establishments.

7.38 When compared with other areas it is notable for virtually all age groups that levels of LTHPD are relatively low and so the finding that a fairly average proportion of the population has a LTHPD in Derbyshire Dales is due to age specific disability rates despite the relatively old population.
7.39 The age specific prevalence rates shown above can be applied to the demographic data to estimate the likely increase over time of the number of people with a LTHPD. In applying this information to our projection linked to the 2012-based SNPP it is estimated that the number of people with a LTHPD will increase by around 5,200 (a 39% increase) from 2013 to 2033. All of this increase and more (108%) is expected to be in age groups aged 65 and over. The population increase of people with a LTHPD represents 87% of the total increase in the population projected by the demographic modelling.

7.40 Figure 112 shows the tenures of people with a LTHPD – it should be noted that the data is for population living in households rather than households and is therefore not comparable with other tenure analysis provided in this section. The analysis clearly shows that people with a LTHPD are more likely to live in social rented housing and are also more likely to be outright owners (this will be
linked to the age profile of the population with a disability). Given that typically the lowest incomes are found in the social rented sector and to a lesser extent for outright owners the analysis would suggest that the population/households with a disability are likely to be relatively disadvantaged when compared to the rest of the population.

Figure 112: Tenure of people with LTHPD – Derbyshire Dales

Source: 2011 Census

BME Households

7.41 Black or Minority Ethnic (BME) households, as a group, are quite often found to have distinct characteristics in terms of their housing needs, or may be disadvantaged in some way.

7.42 From 2011 Census data we find that around 3% of the population of Derbyshire Dales came from a non-White (British/Irish) background. This figure is modest and significantly below that found nationally (figure for England of 19%) and also below the East Midlands average (of 14%). It is also slightly lower than seen across the Derbyshire (4%).

7.43 The key BME group in Derbyshire Dales is Other:White, which makes up 1.3% of all people in the District.
Figure 113: Black and Minority Ethnic Population (2011)

<table>
<thead>
<tr>
<th>Ethnic Group</th>
<th>Derbyshire Dales</th>
<th>Derbyshire East Midlands</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>White: British</td>
<td>96.8%</td>
<td>95.8%</td>
<td>85.4%</td>
</tr>
<tr>
<td>White: Irish</td>
<td>0.5%</td>
<td>0.4%</td>
<td>0.6%</td>
</tr>
<tr>
<td>White: Gypsy or Irish Traveller</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.1%</td>
</tr>
<tr>
<td>White: Other White</td>
<td>1.3%</td>
<td>1.2%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Mixed: White and Black Caribbean</td>
<td>0.2%</td>
<td>0.4%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Mixed: White and Black African</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Mixed: White and Asian</td>
<td>0.2%</td>
<td>0.3%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Mixed: Other Mixed</td>
<td>0.1%</td>
<td>0.2%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Asian: Indian</td>
<td>0.1%</td>
<td>0.5%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Asian: Pakistani</td>
<td>0.1%</td>
<td>0.1%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Asian: Bangladeshi</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Asian: Chinese</td>
<td>0.1%</td>
<td>0.2%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Asian: Other Asian</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Black: African</td>
<td>0.0%</td>
<td>0.2%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Black: Caribbean</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Black: Other Black</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Other ethnic group: Arab</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Any other ethnic group</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total population</td>
<td>71,116</td>
<td>769,686</td>
<td>4,533,222</td>
</tr>
<tr>
<td>% non-White (British/Irish)</td>
<td>2.8%</td>
<td>3.8%</td>
<td>14.0%</td>
</tr>
</tbody>
</table>

Source: 2011 Census

7.44 Since 2001 the BME population in the District can be seen to have increased as shown in the table below. We have condensed some categories together due to a slightly different list of potential groups being used in the 2011 Census when compared with 2001 data. The data shows that whilst the overall population of Derbyshire Dales has increased by 1,648 over the 10-year period; there has been an increase in BME groups (all groups other than White (British/Irish)) of 657.

7.45 Looking at particular BME groups, we see that the largest rise has been for the White: Other population – increasing by just under persons over the ten years. The Mixed and Asian populations have increased by lesser amounts (170-200 persons).
Figure 114: Change in BME groups 2001 to 2011 – Derbyshire Dales

<table>
<thead>
<tr>
<th>Ethnic Group</th>
<th>2001</th>
<th>2011</th>
<th>Change</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>White (British/Irish)</td>
<td>68,165</td>
<td>69,156</td>
<td>991</td>
<td>1.5%</td>
</tr>
<tr>
<td>White - Other</td>
<td>665</td>
<td>961</td>
<td>296</td>
<td>44.5%</td>
</tr>
<tr>
<td>Mixed</td>
<td>268</td>
<td>466</td>
<td>198</td>
<td>73.9%</td>
</tr>
<tr>
<td>Asian or Asian British</td>
<td>230</td>
<td>398</td>
<td>168</td>
<td>73.0%</td>
</tr>
<tr>
<td>Black or Black British</td>
<td>86</td>
<td>87</td>
<td>1</td>
<td>1.2%</td>
</tr>
<tr>
<td>Other</td>
<td>54</td>
<td>48</td>
<td>-6</td>
<td>-11.1%</td>
</tr>
<tr>
<td>Total</td>
<td>69,468</td>
<td>71,116</td>
<td>1,648</td>
<td>2.4%</td>
</tr>
<tr>
<td>Non-White (British/Irish)</td>
<td>1,303</td>
<td>1,960</td>
<td>657</td>
<td>50.4%</td>
</tr>
</tbody>
</table>

Source: Census 2001 and 2011

BME Household Characteristics

7.46 BME households are generally younger than the White (British/Irish) group with people from a mixed ethnic background. Consistent with this, we see lower levels of home ownership.

7.47 2011 Census data suggests that around 6% of White:Other households are overcrowded along with 5% of the Asian group. Levels of under-occupancy amongst BME communities are generally low.

Family Households

7.48 The number of families in Derbyshire Dales (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 7,700 in 2011, accounting for 25% of households – a lower figure than seen across Derbyshire, the East Midlands and England. The demographic projection (linked to the 2012-based SNPP) suggests that the number of children (aged under 15) is expected to increase by 6% from 2013 to 2033 (an increase of around 650). When compared with other areas, the proportion of married couple households is particularly notable (15.7%) with lower than average proportions in all of the other household types.

Figure 115: Households with dependent children (2011)

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Derbyshire Dales</th>
<th>Derbyshire East Midlands</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Married couple</td>
<td>4,836</td>
<td>15.7%</td>
<td>15.2%</td>
</tr>
<tr>
<td>Cohabiting couple</td>
<td>1,056</td>
<td>3.4%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Lone parent</td>
<td>1,385</td>
<td>4.5%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Other households</td>
<td>385</td>
<td>1.3%</td>
<td>1.5%</td>
</tr>
<tr>
<td>All other households (no dependent children)</td>
<td>23,082</td>
<td>75.1%</td>
<td>72.4%</td>
</tr>
<tr>
<td>Total</td>
<td>30,744</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total with dependent children</td>
<td>7,662</td>
<td>24.9%</td>
<td>27.6%</td>
</tr>
</tbody>
</table>

Source: 2011 Census
7.49 The figure below shows the current tenure of households with dependent children. There are some considerable differences by household type with lone parents having a very high proportion living in the social rented sector and also in private rented accommodation. Only around 41% of lone parent households are owner-occupiers compared with 84% of married couples with children. Lone parent households appear more disadvantaged in the housing market.

Figure 116: Tenure of households with dependent children – Derbyshire Dales

<table>
<thead>
<tr>
<th>% of households in group</th>
<th>Married couple</th>
<th>Cohabiting couple</th>
<th>Lone parent</th>
<th>Other households (no dependent children)</th>
<th>All other households</th>
<th>All households with dependent children</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner-occupied (no mortgage)</td>
<td>14.6%</td>
<td>11.0%</td>
<td>9.4%</td>
<td>3.3%</td>
<td>1.9%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Social rented</td>
<td>6.7%</td>
<td>16.6%</td>
<td>24.8%</td>
<td>15.1%</td>
<td>12.4%</td>
<td>12.6%</td>
</tr>
<tr>
<td>Owner-occupied (with mortgage)</td>
<td>4.0%</td>
<td>22.4%</td>
<td>33.1%</td>
<td>14.5%</td>
<td>11.6%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Private rented</td>
<td>19.3%</td>
<td>47.6%</td>
<td>28.8%</td>
<td>37.7%</td>
<td>29.2%</td>
<td>54.3%</td>
</tr>
</tbody>
</table>

Source: 2011 Census

7.50 In total, some 4% of all households with dependent children are overcrowded and included within this the data shows that 15% of ‘other’ and 8% of lone parent households are overcrowded. Other than for married couple households, levels of under-occupancy are low.
Young People

7.51 Providing for the needs of younger person households is an important consideration for the Council. Given ageing populations, the ability to retain young people in an area can assist in providing a more balanced demographic profile as well as providing a vital part of the local workforce. Young people may however find barriers to accessing housing given typically low incomes and potential difficulties in securing mortgage finance due to deposit requirements. Additionally, LHA payments may limit choice for under-35s requiring private rented homes.

7.52 The population data presented in this report suggests a low relative proportion of younger people within the District’s population. The demographic projections (linked to the 2012-based SNPP) suggest that in 2013 there were around 2,500 households headed by someone aged under 35 and that this is expected to reduce by about 12% over the period to 2033 (a decrease of about 300 households). The number of younger people is thus projected to decline further.

7.53 As well as households headed by a younger person there will be others living as part of another household (typically with parents). The table below shows the number of households in the District with non-dependent children. This provides an indication of the number of concealed households or those which cannot form because of affordability pressures. In total, some 9% of households (2,900) contain non-dependent children. This may to some degree highlight the difficulties faced by young people in accessing housing. Young people may be less likely to be eligible for social

---

Figure 117: Occupancy rating and households with dependent children

<table>
<thead>
<tr>
<th>% of households in group</th>
<th>+2 or more</th>
<th>1</th>
<th>0</th>
<th>-1 or less</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married couple</td>
<td>24.5%</td>
<td>41.5%</td>
<td>31.8%</td>
<td></td>
</tr>
<tr>
<td>Cohabiting couple</td>
<td>40.4%</td>
<td>41.8%</td>
<td>14.0%</td>
<td></td>
</tr>
<tr>
<td>Lone parent</td>
<td>49.1%</td>
<td>33.6%</td>
<td>9.0%</td>
<td></td>
</tr>
<tr>
<td>Other households</td>
<td>37.1%</td>
<td>30.4%</td>
<td>17.4%</td>
<td></td>
</tr>
<tr>
<td>All other households</td>
<td>32.6%</td>
<td>52.7%</td>
<td>45.7%</td>
<td></td>
</tr>
<tr>
<td>(no dependent children)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All households</td>
<td>34.3%</td>
<td>39.6%</td>
<td>24.5%</td>
<td></td>
</tr>
<tr>
<td>with dependent children</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
housing, have lower household incomes and have difficulty in accessing the owner-occupied sector due to mortgage constraints and deposit requirements. All of these factors contribute to the current trend for young people moving in with or continuing to live with parents.

**Figure 118: Households with non-dependent children (2011)**

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Derbyshire Dales</th>
<th>Derbyshire</th>
<th>East Midlands</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Married couple</td>
<td>1,828</td>
<td>5.9%</td>
<td>6.2%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Cohabiting couple</td>
<td>149</td>
<td>0.5%</td>
<td>0.6%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Lone parent</td>
<td>899</td>
<td>2.9%</td>
<td>3.3%</td>
<td>3.2%</td>
</tr>
<tr>
<td>All other households</td>
<td>27,868</td>
<td>90.6%</td>
<td>90.0%</td>
<td>90.6%</td>
</tr>
<tr>
<td>Total</td>
<td>30,744</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total with non-dependent children</td>
<td>2,876</td>
<td>9.4%</td>
<td>10.0%</td>
<td>9.4%</td>
</tr>
</tbody>
</table>

Source: 2011 Census

7.54 When considering households that are currently headed by a younger person we can use 2011 Census data to look at some key characteristics. The figure below shows the tenure groups of these households (compared with other age groups). The data clearly shows that very few younger households are owner-occupiers with a particular reliance on the private rented sector and to a lesser degree social rented housing.

**Figure 119: Tenure by age of HRP – Derbyshire Dales**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Owner-occupied (no mortgage)</th>
<th>Owner-occupied (with mortgage)</th>
<th>Social rented</th>
<th>Private rented</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 24 and under</td>
<td>11.1%</td>
<td>6.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Age 25 to 49</td>
<td>41.9%</td>
<td>30.2%</td>
<td>18.7%</td>
<td>12.2%</td>
<td>29.2%</td>
</tr>
<tr>
<td>Age 50 to 64</td>
<td>33.9%</td>
<td>36.9%</td>
<td>53.8%</td>
<td>44.0%</td>
<td>44.0%</td>
</tr>
<tr>
<td>Age 65 to 74</td>
<td>16.8%</td>
<td>47.7%</td>
<td>73.5%</td>
<td>62.5%</td>
<td>44.0%</td>
</tr>
<tr>
<td>Age 75 to 84</td>
<td>11.1%</td>
<td>6.0%</td>
<td>71.4%</td>
<td>62.5%</td>
<td>44.0%</td>
</tr>
<tr>
<td>Age 85 and over</td>
<td>4.2%</td>
<td>6.0%</td>
<td>8.6%</td>
<td>11.1%</td>
<td>3.5%</td>
</tr>
<tr>
<td>All households</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Source: 2011 Census

7.55 Census data can also be used to look at economic activity rates; including employment and unemployment levels. Data about this is shown in the figure below. The data shows that younger people are more likely to be unemployed than other age groups. The data shows that of the
population aged 16-24 some 8% are unemployed, along with 4% of those aged 25-34. The evidence suggests that job prospects may be an important influence on the lower proportion of younger people in the District, alongside the relative unaffordability of housing.

**Figure 120: Economic activity by age – Derbyshire Dales**

Source: 2011 Census
Implications

- A key influence on future housing needs will be to meet the needs of an ageing population, with the number of people aged 65 and above expected to increase by 9,400 (54%) from 2013 to 2033. Demographic change is likely to see a requirement for additional levels of care/support along with provision of some specialist accommodation in both the market and affordable sectors – a need for 1,182 additional specialist houses for older persons is identified (59 per annum), principally of market housing. This forms part of the OAN.

- In addition to this, a need for 436 residential care bedspaces is identified, driven by a growing older population and increasing life expectancy. This does not form part of the OAN for housing.

- The number of people with disabilities is closely related to the age of the population and many of the conclusions related to older persons are relevant for this group. Demographic projections suggest a 149% increase in the population aged over 85 from 2033 to 2033 with Census data suggesting that 84% of this age group have some level of disability. This suggests a growing need for homes which can be adapted to households’ changing circumstances (such as lifetime homes) as well as support for households to make adaptations to properties.

- The BME population of Derbyshire Dales is relatively small in national terms. It has however grown notably over the past decade. Characteristics of BME groups (including tenure profiles and occupancy patterns) suggest that such households may be disadvantaged in the housing market. Where possible the Council should provide advice to BME groups and in particular ensure that accommodation quality (particularly in the private rented sector) can meet the needs of such households which are disproportionately likely to contain children.

- Data about family households suggests that lone parents are particularly disadvantaged with a high reliance on rented housing. Projections suggest a small increase in the number of children in the District over the next few years and if past trends are repeated there will be a notable increase in the number of lone parents. Again advice about housing options and maintaining a good quality of accommodation will be critical to ensure that such households’ needs are best met.

- Young people (aged under 35) are important for any area due to the long-term economic potential they can bring. As with other groups there are some indications of this group being disadvantaged with a reliance on rented accommodation and higher levels of unemployment. Given that the housing options for young people may be more limited than for other groups it will be important to monitor the accommodation quality – this will need to focus on HMOs given general trends of an increase in house sharing over time. Supplying appropriate properties, subject to viability and delivery considerations on a site-specific basis, which are affordable for younger households will be important to support economic vibrancy in the District.
8 NEED FOR DIFFERENT SIZES OF HOMES

Introduction

8.1 As discussed in previous sections, there are a range of factors which influence housing demand. These factors play out at different spatial scales and influence both the level of housing demand (in terms of aggregate household growth) and the nature of demand for different types, tenures and sizes of homes. It is important to understand that the housing market is influenced by macro-economic factors, as well as the housing market conditions at a regional and local level.

8.2 In this section consideration is given to the current housing mix initially, as future housing delivery will principally add to this. This section then moves on to assess the need for different types of homes in the future, modelling the implications of demographic drivers on need/demand for different sizes of homes in different tenures. The assessment is intended to provide an understanding of the implications of demographic dynamics on need and demand for different sizes of homes.

8.3 The “housing market model” used in this section seeks to use the information available about the size and structure of the population and household structures; and consider what impact this may have on the sizes of housing required in the future. For the purposes of this analysis, demographic change as indicated in the core demographic projection linked to 2012-based population and household projections has been used – delivery of 4,885 additional homes from 2013 to 2033.

8.4 It should be noted that this projection will not necessarily be translated into policy but has been used to indicate the likely size requirements of homes moving forward. Were a projection with a different housing figure used then the outputs would be expected to be broadly similar.

8.5 We start out by profiling the “housing offer,” considering the characteristics of the current stock of housing by tenure, type and size. As most new housing in 2031 exists now, in considering what new housing to develop, it is important to understand the existing housing mix.

Tenure

8.6 Derbyshire Dales has a total dwelling stock of 33,940 constituting 9.7% of the total across Derbyshire. The vast majority (88%) of the stock in the District is in private sector ownership, with 12% owned by Registered Providers (i.e. Housing Associations). None is owned by the Council or other public-sector bodies.
8.7 2011 Census data can be used to provide a more detailed breakdown of the housing stock by tenure. Owner occupation is the most common tenure type in the District, accounting for 72% of households, with 13% of households living in the Private Rented Sector, and social rented 12%. Levels of home ownership are particularly high in the District – 5 percentage points above the regional average.

Source: CLG, 2015

8.8 Although levels of home ownership are high, they fell between 2001-11. The percentage of properties in Derbyshire Dales in owner occupation fell by 3 percentage points (pp) over this period. At 3pp the fall in Derbyshire Dales was less than the fall seen regionally or nationally (both 5pp). The Private Rented Sector in Derbyshire Dales grew by 3 percentage points during this period – although the 3pp increase was lower than increases seen elsewhere.
Figure 123: Households by Tenure Type, % change 2001-2011

<table>
<thead>
<tr>
<th>Region</th>
<th>All Households</th>
<th>Owned; Total</th>
<th>Social Rented; Total</th>
<th>Private Rented; Total</th>
<th>Living Rent Free</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derbyshire Dales</td>
<td>6%</td>
<td>-3%</td>
<td>-1%</td>
<td>3%</td>
<td>-1%</td>
</tr>
<tr>
<td>High Peak</td>
<td>5%</td>
<td>-5%</td>
<td>-1%</td>
<td>6%</td>
<td>-1%</td>
</tr>
<tr>
<td>Derby HMA</td>
<td>11%</td>
<td>-6%</td>
<td>-1%</td>
<td>7%</td>
<td>-1%</td>
</tr>
<tr>
<td>North Derbyshire and Bassetlaw HMA</td>
<td>7%</td>
<td>-2%</td>
<td>-3%</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>East Midlands</td>
<td>9%</td>
<td>-5%</td>
<td>-2%</td>
<td>7%</td>
<td>-1%</td>
</tr>
<tr>
<td>England and Wales</td>
<td>8%</td>
<td>-5%</td>
<td>-2%</td>
<td>7%</td>
<td>-1%</td>
</tr>
</tbody>
</table>

Source: Census, 2001 & 2011

House Types and Sizes

8.9 The housing mix is dominated by detached and semi-detached homes. 90% of the housing stock in Derbyshire Dales is made up of houses – 40% detached, 30% semi-detached, and 20% terraced houses. The proportion of detached houses is notably above average – the East Midlands regional average is 32% and the England and Wales average is 23%. 10% of dwellings in the district are flats, maisonettes, or apartments. This low proportion reflecting the rural nature of the District.

Figure 124: Housing Types, % of Dwellings, 2011

Source: 2011 Census

8.10 Three bedroom properties are the most common size of properties in Derbyshire Dales District. The percentage of 1 bedroom properties in Derbyshire Dales is 7%, 25% having two bedrooms, 43% have 3 bedrooms, 18% have 4 bedrooms, and 7% have 5 or more bedrooms. There is a greater proportion of 4 and 5 or more bedroom properties than seen in any of the comparator areas and is above regional and national averages. Conversely there is a smaller proportion of 1 and 2 bedroom properties. Overall, more than two thirds of properties in the District have three or more bedrooms.
8.11 By cross referencing tenure by bed sizes, it is clear that owner occupied properties are on average larger than those in the rented sectors. Over 90% of properties with 4+ bedrooms are owner occupied. In contrast, 62% of 2-bed properties and 21% of 1-bed properties are owner occupied.

8.12 The majority of rented properties have been 1-3 bedrooms. Of one bedroom properties, 54% are social rented, 25% are private rented, and 21% are owner occupied.

Source: 2011 Census

Figure 125: Dwelling Size by Number of Bedrooms, 2011

Source: 2011 Census

Figure 126: Tenure Type by Dwelling Size, 2011

Source: 2011 Census
Council Tax Bands

8.13 Derbyshire Dales has a smaller proportion of properties within Council Tax Bands A - C and a greater proportion in Bands D and above than is seen across the comparator areas and across the East Midlands region and England and Wales as a whole.

Figure 127: Dwelling % by Council Tax Band

- Levels of home ownership in the District are high, 5 percentage points above the regional average. However they fell over the 2001-11 period, despite the ageing of the population profile. This is a symptom of declining affordability impacting on the ability of younger households to buy a home.

- The housing stock profile is focused towards larger properties, with an above average proportion of detached and semi-detached properties; and with a high proportion of homes having 4 or more bedrooms. This profile (and the wider quality of place the District offers) is attractive for higher earning and older households, and is reflecting in the age and occupational profile of residents. Given current affordability issues, there is however some basis for seeking to diversify the housing offer by increasing supply of smaller homes (particularly 2 and 3 bed properties) which are more affordable for younger households. The need for different sizes of properties is considered further below.
Housing Market Model Methodology

8.14 Figure 128 describes the broad methodology employed in the housing market modelling. Data is drawn from a range of sources including the 2011 Census and demographic projections.

Figure 128: Stages in the Housing Market Model

<table>
<thead>
<tr>
<th>Stages in the Housing Market Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establish how households of different ages occupy homes (by tenure)</td>
</tr>
<tr>
<td>Project how the profile of households of different ages will change in future</td>
</tr>
<tr>
<td>Draw together housing needs, viability and funding issues to consider affordable housing delivery</td>
</tr>
<tr>
<td>Model future requirements for market and affordable housing by size and compare to existing profile of homes</td>
</tr>
<tr>
<td>Output recommendations for housing requirements by tenure and size of housing</td>
</tr>
</tbody>
</table>

Understanding how Households Occupy Homes

8.15 Whilst the demographic projections provide a good indication of how the population and household structure will develop it is not a simple task to convert the net increase in the number of households in to a suggested profile for additional housing to be provided. The main reason for this is that in the market sector households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided. The size of housing which households occupy relates more to their wealth and age than the number of people which they contain.

8.16 For example, there is no reason why a single person cannot buy (or choose to live in) a four bedroom home as long as they can afford it and hence projecting an increase in single person households does not automatically translate in to a need for smaller units. This issue is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to continue to under-occupy their current homes.

8.17 The general methodology is to use the information derived in the projections about the number of household reference persons (HRPs) in each age and sex group and apply this to the profile of housing within these groups. The data for this analysis has been formed from a commissioned table.
by ONS (Table C1213 which provides relevant data for all local authorities in England) with data then calibrated to be consistent with 2011 Census data (e.g. about house sizes in different tenure groups and locations).

8.18 Figure 129 shows an estimate of how the average number of bedrooms varies by different ages of HRP and different sexes by broad tenure group. In the market sector the average size of accommodation rises over time to typically reach a peak around the age of 50. In the affordable sector this peak appears earlier. After this peak the average dwelling size decreases – possibly due to a number of people down-sizing as they get older. It is also notable that the average size for affordable housing dwellings are lower than those for market housing whilst in market housing male HRPs live in larger accommodation for all age groups (with a less obvious trend being seen in the affordable sector).

![Figure 129: Average Bedrooms by Age, Sex and Tenure](image)

Source: Derived from ONS Commissioned Table C1213 and 2011 Census

**Establishing a Baseline Position**

8.19 As of 2013 it is estimated that there were 31,028 households living in Derbyshire Dales District. Analysis of Census data linked to the demographic baseline provides an estimate of the profile of the housing stock in 2013, as shown in the table below. This shows that an estimated 13% of households live in affordable housing with 87% being in the market sector (the size of the affordable sector has been fixed by reference to an estimate of the number of occupied social rented and shared ownership homes in the 2011 Census along with an estimate of changes in the sector from 2011 to 2013 from data in CLG Live Table 100). The data also suggests that homes in the market
sector are generally bigger than in the affordable sector with 72% having three or more bedrooms compared to 38% for affordable housing.

8.20 These figures are for households rather than dwellings due to information about the sizes of vacant homes across the whole stock (i.e. market and affordable) not being readily available. For the purposes of analysis this will not make any notable difference to the outcome. The household projections have however been translated into dwelling figures by including a vacancy allowance when studying the final outputs of the market modelling.

8.21 The housing market model has been used to estimate future requirements for different sizes of property over the 20-year period from 2013 to 2033. The model works by looking at the types and sizes of accommodation occupied by different ages of residents, and attaching projected changes in the population to this to project need and demand for different sizes of homes. However the way households of different ages occupy homes differs between the market and affordable sectors (as shown earlier). Thus it is necessary to consider what the mix of future housing will be in the market and affordable sectors.

8.22 The key assumption here is not a policy target but possible delivery. The assumption is influenced by a range of factors. The affordable housing needs analysis in this report provides evidence of notable affordable need although the viability of providing affordable housing will limit the amount that can be delivered. The Council’s Affordable Housing Viability Assessment of 2010 suggests that targets of up to 45% might be viable in some locations – the figure of 45% was taken forward into the Pre-Submission Local Plan of 2013 (which was subsequently withdrawn) along with a lower target of 33% for smaller sites.

8.23 For modelling purposes it is assumed that 35% of net completions will be of affordable housing. This recognises that some sites will fall below size thresholds, whereas others may not be able to

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**Figure 130: Estimated Profile of Dwellings in 2013 by Size**

<table>
<thead>
<tr>
<th>Size of housing</th>
<th>Market Number</th>
<th>%</th>
<th>Affordable Number</th>
<th>%</th>
<th>Total Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 bedroom</td>
<td>1,069</td>
<td>4.0%</td>
<td>1,333</td>
<td>33.0%</td>
<td>2,402</td>
<td>7.7%</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>6,613</td>
<td>24.5%</td>
<td>1,177</td>
<td>29.1%</td>
<td>7,790</td>
<td>25.1%</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>11,760</td>
<td>43.6%</td>
<td>1,410</td>
<td>34.9%</td>
<td>13,171</td>
<td>42.4%</td>
</tr>
<tr>
<td>4+ bedrooms</td>
<td>7,548</td>
<td>28.0%</td>
<td>118</td>
<td>2.9%</td>
<td>7,666</td>
<td>24.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>26,990</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>4,038</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>31,028</strong></td>
<td><strong>100.0%</strong></td>
</tr>
<tr>
<td>% in tenure</td>
<td><strong>87.0%</strong></td>
<td></td>
<td><strong>13.0%</strong></td>
<td></td>
<td><strong>100.0%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Derived from 2011 Census

**Tenure Assumptions**
provide the 45% due to other reasons (such as remediation costs)). A figure of 35% has therefore been used to inform the modelling. It should be stressed that this is not a policy position and has been applied simply for the purposes of providing outputs from the modelling process.

Key Findings: Market Housing

8.24 As has previously been identified, there are a range of factors which can be expected to influence demand for housing. This analysis specifically looks at the implications of demographic drivers. It uses a demographic-driven approach to quantify demand for different sizes of properties over the 20-year period from 2013 to 2033.

8.25 The figures below show estimates of the sizes of market housing needed from 2013 to 2033 based on demographic trends for the whole of the District. The data suggests a requirement for homes for 2,915 additional households with the majority of these being two- and three-bedroom homes.

<table>
<thead>
<tr>
<th>Size</th>
<th>% of additional households</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 bedroom</td>
<td>4.9%</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>41.6%</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>49.0%</td>
</tr>
<tr>
<td>4+ bedrooms</td>
<td>4.4%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Housing Market Model

8.26 Figure 132 shows how the estimated market requirement compares with the current stock of housing (based on households (i.e. excluding the vacancy allowance)). The data suggests that housing requirements reinforce around the existing profile of stock, but with a slight shift towards a requirement for smaller dwellings relative to the distribution of existing housing. This is understandable given the fact that household sizes are expected to fall slightly in the future (which itself is partly due to the ageing of the population).
8.27 The graphs and statistics are based upon the modelling of demographic trends. As has been identified, it should be recognised that a range of factors including affordability pressures and market signals will continue to be important in understanding market demand; this may include an increased demand in the private rented sector for rooms in a shared house due to changes in housing benefit for single people. In determining policies for housing mix, policy aspirations are also relevant.

8.28 In the short-term, stronger demand in relative terms for larger family homes might be expected as the market for smaller properties continues to be restricted by mortgage finance constraints. Over the 20-year projection period it is anticipated that there will be a continuing market for larger family homes, but the existing stock is expected to make a significant contribution to meeting this demand, as older households downsize (releasing equity from existing homes).

8.29 As the last few years have shown, there are a range of inter-dependencies which affect housing demand, with effective demand for entry-level market housing currently curtailed by the availability of mortgage finance for first-time buyers and those on lower earnings. This is likely to affect market demand for smaller properties typically purchased by first-time buyers in the short-term.

8.30 It is considered that it is appropriate through the planning system to seek to influence the balance of types and sizes of market housing through the mix of sites allocated for development, rather than specific policies relating to the proportion of homes of different sizes which are then applied to
specific sites. This approach is implicit within NPPF which requires local planning authorities to 'identify the size, type, tenure and range of housing that is required'.

8.31 At the strategic level, a local authority in considering which sites to allocate, can consider what type of development would likely be delivered on these sites. It can also provide guidance on housing mix implicitly through policies on development densities.

Key Findings: Affordable Housing

8.32 The table and figure below show estimates of the sizes of affordable housing required based on the analysis of demographic trends. The data suggests in the period between 2013 and 2033 that around four-fifths of the requirement is for homes with one- or two-bedrooms with around a fifth of the requirement being for larger homes with three or more bedrooms.

8.33 This analysis provides a longer-term view of requirements for affordable housing and does not reflect any specific priorities such as for family households in need rather than single people. In addition, it should be noted that smaller properties (i.e. one bedroom homes) typically offer limited flexibility in accommodating the changing requirements of households, whilst delivery of larger properties can help to meet the needs of households in high priority and to manage the housing stock by releasing supply of smaller properties. That said, there may in the short-term be an increased requirement for smaller homes as a result of welfare reforms limiting the amount of housing benefit being paid to some working-age households.

Figure 133: Estimated Size of Dwellings Required 2013 to 2033 – Affordable Housing

<table>
<thead>
<tr>
<th>Size</th>
<th>% of additional households</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 bedroom</td>
<td>46.7%</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>32.2%</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>19.4%</td>
</tr>
<tr>
<td>4+ bedrooms</td>
<td>1.7%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Housing Market Model

8.34 The figure below shows how the estimated affordable need compares with the stock of affordable housing in 2013 – the figures are based on households (i.e. before adding in a vacancy allowance). Again, the data shows that relative to the current stock there is a slight move towards a greater proportion of smaller homes being required – this makes sense given that in the future household sizes are expected to drop whilst the population of older people will increase – older person households (as shown earlier) are more likely to occupy smaller dwellings.
Figure 134: Need for Different Sizes of Affordable Housing, 2013 to 2033

Source: Housing Market Model

Indicative Targets by Dwelling Size

Figure 135 summarises the above data in both the market and affordable sectors under the modelling exercise. A vacancy allowance has been factored in when moving from household figures to estimates of housing need/demand (the same figures have been used as in the demographic modelling).
8.36 Whilst the outputs of the modelling provide estimates of the proportion of homes of different sizes that should be provided there are a range of factors which should be taken into account in setting policies for provision. This is particularly the case in the affordable sector where there are typically issues around the demand for and turnover of one bedroom homes. Conclusions also need to consider that the stock of four bedroom affordable housing is very limited and tends to have a very low turnover. As a result, whilst the number of households coming forward for four or more bedroom homes is typically quite small the ability for these needs to be met is even more limited.

8.37 It should also be recognised that local authorities have statutory homeless responsibilities towards families with children and would therefore prioritise the needs of families over single person households and couples. On this basis the profile of affordable housing to be provided would be further weighted to two or more bedroom housing. Properties with 2 or more bedrooms provide some flexibility in managing the social housing stock, as they can cater for changes in households' circumstances. Turnover of larger stock is typically lower. Providing larger homes can also support transfers of households in acute need, and in doing so release other (smaller) properties for other households. Providing larger properties can thus help to manage the affordable housing stock.

8.38 For these reasons it is suggested in converting the long-term modelled outputs into a profile of housing to be provided (in the affordable sector) that the proportion of one bedroom homes required is reduced slightly from these outputs with a commensurate increase in four or more bedroom homes also being appropriate.
8.39 There are thus a range of factors which are relevant in considering policies for the mix of affordable housing sought through development schemes. At a Council area-wide level, the analysis would support policies for the mix of affordable housing of:

- 1-bed properties: 30%
- 2-bed properties: 35%
- 3-bed properties: 25%
- 4-bed properties: 10%

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

8.41 The need for affordable housing of different sizes will vary by area across the Council area and over time. In considering the mix of homes to be provided within specific development schemes, the information herein should be brought together with details of households currently on the Housing Register in the local area and the stock and turnover of existing properties. This may include information from housing needs surveys undertaken at a parish level.

8.42 In the market sector a profile of housing that closely matches the outputs of the modelling is suggested. The recommendations take some account of the time period used for the modelling and the fact that the full impact of the ageing population will not be experienced in the short-term. In addition, as noted earlier, current constraints on mortgage finance is likely to suppress demand for smaller units in the short-term (particularly those which would normally have high demand from first-time buyers).

8.43 On the basis of these factors it is considered that the provision of market housing should be more explicitly focused on delivering smaller family housing for younger households. On this basis the following mix of market housing is recommended:

- 1-bed properties: 5%
- 2-bed properties: 40%
- 3-bed properties: 50%
- 4-bed properties: 5%

8.44 The mix set out can provide a starting point for negotiations regarding housing mix within individual development schemes. Negotiations may need to take account of the location, nature and setting of development sites which may affect the mix which is appropriate within individual development schemes.
Implications

8.45 There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households’ ability to save; economic performance and housing affordability. The analysis linked to long-term (20-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes:

<table>
<thead>
<tr>
<th></th>
<th>1-bed</th>
<th>2-bed</th>
<th>3-bed</th>
<th>4+ bed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market</td>
<td>5%</td>
<td>40%</td>
<td>50%</td>
<td>5%</td>
</tr>
<tr>
<td>Affordable</td>
<td>40%</td>
<td>35%</td>
<td>20%</td>
<td>5%</td>
</tr>
<tr>
<td>All dwellings</td>
<td>15%</td>
<td>40%</td>
<td>40%</td>
<td>5%</td>
</tr>
</tbody>
</table>

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

8.47 The mix identified above should inform strategic District-wide policies. In applying these to individual development sites regard should be had to the nature of the development site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level.

8.48 Based on the evidence, it is expected that the focus of new market housing provision will be on two- and three-bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2- and 3-beds) from older households downsizing and looking to release equity in existing homes, but still retain flexibility for friends and family to come and stay.

8.49 The analysis of an appropriate mix of dwellings should also inform the ‘portfolio’ of sites which are considered through the Local Plan process. Equally it will be of relevance to affordable housing negotiations.
9 COMMERCIAL PROPERTY MARKET ASSESSMENT

9.1 In this section we review property market conditions, considering office and industrial market dynamics.

National Economic Conditions

9.2 Nationally, economic growth has been above trend over the last year and a half supported by growth across a range of different parts of the economy. The pick-up in growth since early 2013 reflects a cyclical recovery in demand which is supported by growing confidence and improving credit conditions. However, this has not been accompanied by an improvement in underlying supply potential.

9.3 The Office for Budget Responsibility (OBR) published its Economic and Fiscal Outlook in March 2015. The OBR tentatively expects productivity growth to continue to pick up slowly to more normal rates. However, it appears that the economy was growing less strongly over the past two years than previously estimated, with a growth in real GDP of 0.5% in the final quarter of 2014 – slightly weaker than expected. Lower growth in productivity resulted in the OBR making a downward revision to estimates of economic growth in 2014 (2.6% down from 3.0% previously), and downward revisions to the outlook for the world economy.

9.4 Despite the economy performing weaker than previously forecast in 2014, the recent rapid fall in global oil prices has driven down inflation rates resulting in a projected increase to real incomes and consumer spending power over the next few years. In response the OBR have revised upward the forecasts for real GDP growth over this period to 2.5% in 2015 and 2.3% in 2016. This slightly stronger growth forecast means that the remaining spare capacity in the economy is forecast to be used up by late 2017 – 18 months earlier than previously projected.

9.5 Recent growth in employment across the UK has fed into occupier demand for property. However a significant proportion of recent growth in employment relates to growing self-employment, rather than employee jobs, tempering the impact on demand for commercial property.

9.6 The Bank of England base rate continues to remain at its historic low of 0.5%. Forward guidance provided by the Governor of the Bank of England in August 2013 stated that a rise in the base rate would not be considered until the rate of unemployment fell below 7%. In February 2014, as unemployment approached 7%, the MPC made a further guidance statement. This reported that despite the sharp fall in unemployment, there remains scope to absorb spare capacity further before raising the Bank Rate. When Bank Rate does begin to rise, this is expected to be gradual,
9.7 Growth in house prices has been supported by an improvement in the availability and a reduction in the cost of credit, partly as a result of the Government’s ‘Funding for Lending’ and ‘Help to Buy’ schemes. This is an important influence on the construction sector.

Office Market Review

9.8 At a national level, the office market performed strongly in 2013 with take-up 33% up on the previous year. The first half of 2014 saw more modest take-up, despite improving wider economic confidence, according to Lambert Smith Hampton. Availability levels have however continued to fall, and are now below the 10 year average reflecting limited new development since 2009. Availability of Grade A stock remains relatively static, with the main movement at the secondary end of the market. Speculative development has begun to return, although this has been limited to the larger regional centres. Falling availability is now starting to feed through into positive rental growth in some areas.

9.9 Trends in office take-up are upwards, reflecting wider economic drivers. Development activity is increasing, but from a low level. Rental growth is positive with the South East region seeing the most investment outside London. In areas with limited supply of quality space, rental growth can be expected to accelerate.

9.10 Derbyshire Dales falls within two Functional Economic Market Areas (FEMAs). The north of the District is more aligned (economically) with the Sheffield FEMA. The south of the District is more aligned with the Derby FEMA. However, for the purposes of benchmarking commercial property market dynamics, we do not consider comparison with these large FEMAs is appropriate. Both of the FEMAs are centred around large urban centres which support totally different commercial markets than seen in Derbyshire Dales. As such, any comparison of key commercial market indicators such as amount and quality of stock, availability, and deals data is of limited use.

9.11 In this section we have assessed the Derbyshire Dales commercial property market in relation to neighbouring rural local authorities, namely: Amber Valley, East Staffordshire, High Peak, North East Derbyshire, South Derbyshire, and Staffordshire Moorlands.

9.12 As well as their geographical proximity to Derbyshire Dales, these districts share Derbyshire Dales' proximity to, and influence from, nearby larger urban settlements – namely, Sheffield to the north east, Derby to the south east, Stoke to the west, and Manchester to the north west. In addition these districts are mostly rural in nature. It should be noted however that East Staffordshire includes...
9.13 Figure 137 compares the total office floorspace in each of these authorities. As of 2012, Derbyshire Dales has 75,000 sq m of office floorspace. Net growth of office space has been modest but steady over this period since 2000, increasing by an average of 900 sq m per annum. Overall the stock of floorspace points to a relatively small office market, but one which has seen positive growth.

9.14 East Staffordshire has the largest quantum of office floorspace with 154,000 sq m. This is mostly focussed at Burton-on-Trent. Amber Valley has 89,000 sq m of office floorpace. The other comparator areas have lower totals of office floorspace than Derbyshire Dales.

**Figure 137: Office Floorspace by Local Authority, 2012**

![Bar chart showing office floorspace by local authority.]

*Source: VOA (2012)*

9.15 Figure 138 shows the quantum of office floorspace by Mid-Level Super Output Area (MSOA) in different parts of the District and surrounding areas. In Figure 139 the darker shading means a greater quantum of office floorspace.

9.16 The analysis shows that the strongest concentration of office floorspace in Derbyshire Dales is in and around Matlock, where there are several small office parks – Lime Tree Business Park and Dimple Road Business Centre in Matlock, Molyneux Business Park in Darley Dale, and Scholes Mill in Tansley – alongside significant public sector office-based employment by the County and District Councils.

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12 The latest VOA data at this level dates from 2008. As shown in Figure 137 shows there has been an overall contraction since then, however this data remains broadly representative of the key locations of office space.
9.17 Other office space in the District is located at small office parks located at the main settlements – notably at Deepdale Business Park in Bakewell, and Hathersage Park in Hathersage; with some provision at Ashbourne including at the Waterside and Airfield sites. The chart below breaks down floorspace using a best-fit of MSOAs to key settlements.

**Figure 138: Profile of Office Floorspace by Location, 2008**

<table>
<thead>
<tr>
<th>Floorspace ('000 sq.m)</th>
<th>% Floorspace</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashbourne</td>
<td>5</td>
</tr>
<tr>
<td>Bakewell</td>
<td>13</td>
</tr>
<tr>
<td>Matlock</td>
<td>48</td>
</tr>
<tr>
<td>Wirksworth</td>
<td>5</td>
</tr>
<tr>
<td>Remaining Parts of District</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>83</strong></td>
</tr>
</tbody>
</table>

*Source: Neighbourhood Statistics/ VOA*

9.18 Beyond Derbyshire Dales, the largest concentration of office space in the comparator authorities is at Burton Upon Trent in East Staffordshire, some key settlements in Amber Valley including Alfreton, and at Leek in Staffordshire Moorlands. Beyond this office floorspace in these areas is limited.

**Figure 139: Office Floorspace in Derbyshire Dales and Surrounding Authorities**

*Source: VOA (2008)*
Office Take-Up

9.19 We have used details of deals recorded by Estates Gazette to record office floorspace take-up. Take-up statistics are reliant on agents recording deals on these databases, and thus will inevitably present a slightly partial picture. However what the analysis does allow us to do is benchmark the relative scale of the market for office floorspace, and the profile of demand relative to wider areas.

9.20 Figure 140 profiles the deals for office space recorded by Estates Gazette (EGi) across Derbyshire Dales and the comparator areas. In Derbyshire Dales 51 deals have been recorded since 2006. The majority of these deals are for smaller units with 72% of deals (with reported floorspace figures) being for units of 185 sq m or smaller. 25% of deals were for units between 185 and 465 sq m.

9.21 The number of deals seen in Derbyshire Dales is fewer than seen in East Staffordshire (164) and Amber Valley (99) over this period, and is similar to the transaction rate seen in the other comparator authorities.

9.22 The profile of deals in all of the areas studied is similar to that seen in Derbyshire Dales – focused on smaller sizes units. Only East Staffordshire has significant transactions for larger units and even there, activity has been limited. Across all areas, 64% of deals (with reported floorspace figures) were for units of 185 sq m or smaller, and 3% were for units 1,850 sq m and above.

Figure 140: Profile of Office Deals in by Size, Jan 2006 – Apr 2015

Source: EGi / GL Hearn
9.23 Figure 141 profiles the take-up of office space in terms of floorspace. We consider this to provide a more realistic assessment of the scale of the office market than the profile of the number of deals. It should be noted that 23% of deals did not disclose floorspace figures and not all deals for office floorspace will have been recorded by EGi. The data relies on agents disclosing deals to Estates Gazette. It is unlikely that all deals which have taken place will have been recorded. On this basis quoted figures should be treated as minima and treated with some caution.

9.24 EGi records a total take-up of 7,800 sq m of office floorspace in Derbyshire Dales since 2006 – an average of 830 sq m per annum. This is much lower than the figure for East Staffordshire where there has been an annual average of 17,800 sq m. The Derbyshire Dales figure is more comparable with the other areas. There is a lower overall quantum of office floorspace take-up recorded in Derbyshire Dales than all areas other than High Peak. However Derbyshire Dales and High Peak have the highest proportion of deals with undisclosed floorspace figures, so are likely to be underrepresented here.

Figure 141: Office Floorspace Take-Up by Size, Jan 2006 – May 2015

9.25 Figure 142 shows the number of office deals by local authority by year. The effect of the recession is slightly more evident in these figures (which is to be expected due to a larger sample size) however the correlation is still not as strong as seen in other parts of the country. In this regard Derbyshire Dales is not unusual. This figure again highlights the larger relative scale of the East Staffordshire office market and the relative lack of activity in Derbyshire Dales and many of the other authorities.
9.26 We have looked at the commercial activity in the settlements within Derbyshire Dales in greater detail using data from EGi and CoStar. We have considered office deals over the period 2006 – 2014. Total office take-up is modest relative to industrial floorspace take-up, highlighting a stronger market in the District for industrial space.

9.27 Figure 143 shows office deals in Derbyshire Dales divided by settlement. Matlock has seen the largest amount of office floorspace take-up over this period with 8,100 sq m – 57% of the District’s total. A large amount of this (3,700 sq m) was at Haarlem Mill in Wirksworth. There is a planning application (ref. no. 15/00395/FUL) currently pending consideration to retain the historic mill for use as B1 office space for small business lets as well as residential development at the site. Ashbourne has also seen a considerable amount of office take-up with 3,900 sq m (27%). Hope Valley has seen office take-up of 1,600 sq m (12%), while Bakewell has seen 600 sq m (4%).

9.28 In terms of the number of deals for office space, 40% of deals in Derbyshire Dales over this period have been in Matlock. This proportion is lower than the proportion of floorspace take-up in Matlock indicating deals for relatively larger units than elsewhere in the District. The average unit size of deals in Matlock was 176 sq m. In Ashbourne this figure is 107 sq m; in Hope Valley its 80 sq m; and in Bakewell its 46 sq m.

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13 This is determined by postcode. Developments will be included in their nearest postcode town.
Office Availability

9.29 EGI and CoStar show that there are 13 available office units in Derbyshire Dales as of August 2015 – 5 in Matlock, 5 in Ashbourne, 2 in Hope Valley, and 1 in Bakewell. In terms of total floorspace, there is 3,500 sq m available in Derbyshire Dales. The majority of this (2,500 sq m) is in Matlock. In Ashbourne there is 500 sq m of available office space, in Hope Valley there is 350 sq m, and in Bakewell this figure is 200 sq m. There is less available office space in Derbyshire Dales than in any other authority considered – both in terms of floorspace and number of units.

9.30 The limited availability of office supply in the District is likely to have been impacted by the change in permitted development rights to allow the change of use of office space to residential use. The new rules came into effect in May 2013. Since this date there have been seven prior approval applications for such conversions in Derbyshire Dales. Five of these relate to offices in Matlock, one in Matlock Bath, and one in Wirksworth and one at Bakewell (Deepdale Business Park). This gives an annual average of 3.5 offices removed from the supply which is quite considerable when compared to the average annual take-up of 5.5 units per annum.
9.31 Figure 144 shows the quantum of available floorspace as recorded on EGi which shows around 3,000 sq m of available office floorspace in Derbyshire Dales. East Staffordshire has the greatest quantum of available floorspace with 60,500 sq m available. As this is disproportionately above the other areas, a scaled version of this information is shown in Figure 145 below.

**Figure 144: Office Floorspace Availability, May 2015**

<table>
<thead>
<tr>
<th>Floorspace (Sq m)</th>
<th>Derbyshire Dales</th>
<th>Amber Valley</th>
<th>East Staffordshire</th>
<th>High Peak</th>
<th>North East Derbyshire</th>
<th>South Derbyshire</th>
<th>Staffordshire Moorlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 185 sq m</td>
<td>1,000</td>
<td>2,000</td>
<td>3,000</td>
<td>4,000</td>
<td>5,000</td>
<td>6,000</td>
<td>7,000</td>
</tr>
<tr>
<td>185 - 465 sq m</td>
<td>8,000</td>
<td>9,000</td>
<td>10,000</td>
<td>11,000</td>
<td>12,000</td>
<td>13,000</td>
<td>14,000</td>
</tr>
<tr>
<td>465 - 1850 sq m</td>
<td>16,000</td>
<td>17,000</td>
<td>18,000</td>
<td>19,000</td>
<td>20,000</td>
<td>21,000</td>
<td>22,000</td>
</tr>
<tr>
<td>&gt; 1850 sq m</td>
<td>30,000</td>
<td>31,000</td>
<td>32,000</td>
<td>33,000</td>
<td>34,000</td>
<td>35,000</td>
<td>36,000</td>
</tr>
</tbody>
</table>

Source: EGi / GL Hearn
9.32 This shows that Derbyshire Dales has a similar quantum of available stock to High Peak and North East Derbyshire but considerably less than the other authorities.

9.33 Figure 146 shows availability in terms of units. This again highlights the limited availability in Derbyshire Dales.

Figure 146: Profile of Office Availability, May 2015

Source: EGi / GL Hearn

9.34 All available stock in Derbyshire Dales is second-hand grade. This is the case in 3 of the 6 comparator authorities. Across all areas, 88% of the available office stock is second-hand. The only available new build office space is in East Staffordshire – the vast majority of which is at Bridge Park in Burton Upon Trent – and in North East Derbyshire where 250 sq m is available. The new build available is quoting an asking rent of £9 - £10 psf. This is a lower end of the spectrum for office rents, and will typically not be sufficient to support new-build office development.
Industrial Sector Review

9.35 Overall, the UK industrial market is currently in a strong position with high demand for both industrial and logistic warehouse space. UK manufacturing is benefitting from growth in key sectors such as the advanced engineering, aerospace, and automotive sectors.

9.36 Nationally, there was an increase in take-up of industrial space in 2014 on the previous year. There is a lack of available Grade-A space limiting growth in some sectors. In the industrial sector, average rental values started increasing in spring 2013 and have accelerated through the first half of 2014 – particularly for prime markets such as London and the South East. Development levels are improving as a result of rising capital values, low (but increasing) tender price inflation, improving availability of finance and a decreasing supply of Grade A space according to property consultancy GVA. GVA expect industrial rents to continue to grow in the short-term at 2.8-3.0% per annum.

9.37 Nationally, there is a growing demand for large scale logistics warehouses. This is, in part, driven by the continuing growth of the on-line retail sector and increasing customer expectations for same- or next-day delivery. This is driving demand for retailers to have a larger number of smaller regional depots. These uses generally require excellent motorway access, and in Derbyshire demand is focused along the M1 Corridor.

9.38 The latest Valuation Office Agency data shows that there is 353,000 sq m of industrial (including B2 factories and B8 warehouse and distribution uses) floorspace is Derbyshire Dales. The stock of industrial floorspace is thus over four times that of office floorspace in the District.

9.39 The stock of industrial floorspace has declined by 69,000 (16%) over the past 12 years from 422,000 sq m in 2000. There has been a particular loss of such floorspace in recent years with a net loss of 64,000 sq m since 2009 (although the figures could be affected by differences in the rating list between five year periods).

9.40 Figure 147 shows industrial floorspace totals in Derbyshire Dales and the comparator authorities. This shows that Derbyshire Dales has the lowest quantum of industrial floorspace of all of these authorities.

9.41 As with office floorspace, East Staffordshire has the highest quantum of industrial floorspace with 1,632,000 sq m. Amber Valley also has a high quantum of industrial floorspace with 1,303,000 sq m. The growth trends in these two areas differ however with East Staffordshire experiencing a 16% growth in floorspace since 2000; with Amber Valley seeing an 8% contraction. This mixed trend is a feature of the data – North East Derbyshire and South Derbyshire saw considerable growth of 13%
and 32% respectively; while there were net losses in High Peak (9% loss) and Staffordshire Moorlands (15% loss).

Figure 147: Industrial and Warehouse Floorspace by Local Authority

Source: Valuation Office Agency (2012)

9.42 We would expect growth in areas such as East Staffordshire, North East Derbyshire and South Derbyshire to reflect in particular demand for warehouse/logistics development on sites close to main transport corridors.

9.43 The breakdown of industrial floorspace within the District is shown below (based on a best fit of MSOAs to the main settlements). This is based on 2008 data and shows that there has been a modest increase in floorspace since then.

Figure 148: Distribution of Industrial and Warehouse Floorspace in Derbyshire Dales

<table>
<thead>
<tr>
<th>000s sq.m</th>
<th>Industrial</th>
<th>Warehouse</th>
<th>% District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashbourne</td>
<td>84</td>
<td>25</td>
<td>25%</td>
</tr>
<tr>
<td>Bakewell</td>
<td>39</td>
<td>16</td>
<td>12%</td>
</tr>
<tr>
<td>Matlock</td>
<td>84</td>
<td>34</td>
<td>27%</td>
</tr>
<tr>
<td>Wirksworth</td>
<td>24</td>
<td>4</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>110</td>
<td>24</td>
<td>30%</td>
</tr>
<tr>
<td>Total</td>
<td>341</td>
<td>103</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: VOA/GL Hearn

9.44 Figure 149 shows the location of factory (use class B2) floorspace in Derbyshire Dales and surrounding authorities. The darker shaded areas on the map indicate a higher quantum of factory floorspace. This highlights the comparative lack B2 floorspace in the District.
9.45 The map shows larger quanta of factory floorspace in the neighbouring authority areas. These reflect large single user sites – most notably the Toyota manufacturing plant at Burnaston in South Derbyshire and the JCB headquarters in Rocester, East Staffordshire. The prominence of single sites in the data reflects the overall lack of larger scale industrial estates or areas across the authorities. The largest such area is at Coates Park Industrial Estate in Alfreton on the eastern edge of Amber Valley.

Figure 149: Location of Industrial Floorspace

Source: Valuation Office Agency (2008)

9.46 Figure 150 shows the location of warehouse and distribution (use class B8) floorspace floorspace in Derbyshire Dales and surrounding authorities. Again, it highlights the relative lack of such floorspace in Derbyshire Dales. East Staffordshire offers the greatest quantum of B8 floorspace
with Marchington Industrial Estate in Marchington, and Centrum One Hundred Burton Upon Trent offering large format 'big box' warehouse space.

**Figure 150: Location of Warehouse Floorspace**

![Location of Warehouse Floorspace](image)

*Source: Valuation Office Agency (2008)*

**Industrial Take-Up**

9.47 Figure 151 shows the volume of deals for industrial space recorded in Derbyshire Dales and the surrounding authorities since 2006. Over this period there have been 75 deals recorded in Derbyshire Dales. This is the second lowest of all the authorities with only High Peak having fewer (47). By comparison, over this period there have been 288 deals in Amber Valley and 268 in East Staffordshire. This correlates with the largest concentration of industrial floorspace shown in the VOA data. 70
In Derbyshire Dales 7% of deals done (which recorded floorspace figures) were for units over 1,850 sq m in size, 33% were for units between 465 sq m and 1,850 sq m, 44% were for units between 185 sq m and 465 sq m, and 15% were for units less than 185 sq m. However, over half of the deals done did not disclose floorspace figures so this figure should be treated with caution.

Figure 151 quantifies the trend in floorspace take-up. This shows that there is far greater activity in East Staffordshire where transactions for over 1,000,000 sq m of industrial floorspace have taken place since 2006. This is due to the large floorplate warehouse units in the Borough discussed above. Amber Valley and South Derbyshire have also seen considerable amounts of activity. The lower floorspace compared to number of deals as well as the greater number of deals for smaller space reflects the smaller focus of the Amber Valley market compared to East Staffordshire.

Derbyshire Dales has seen the least amount of recorded activity in terms of floorspace, with deals for 17,000 sq m taking place since 2006. As noted previously this figure should be treated with caution due to the large number of deals in the District where the floorspace figure was not disclosed. This figure was 64% in Derbyshire Dales, compared to 17% for the rest of the authorities.

**Figure 151: Industrial Floorspace Take-Up By Size, 2006 – 15**

Source: EGi / GL Hearn

Figure 152 overleaf compares the number of industrial deals in Derbyshire Dales and the comparator authorities from 2006 to 2014. In Derbyshire Dales, as with elsewhere, there is little evidence that take-up was influenced by the recession in 2007. Activity in Derbyshire Dales has remained fairly steady throughout this period with an average of 8 deals per annum. This compares to the highest annual average of 31 in Amber Valley and the lowest of 5 deals per annum in High Peak.
Peak. Across all authorities there has been a steady increase in the amount of industrial deals across this period growing from 87 in 2006 to 139 in 2014.

Figure 152: Industrial Take-Up by District by Year, 2006 – 14

![Bar chart showing industrial deals by district and year](Image)

Source: EGi / GL Hearn

9.52 Figure 153 shows the breakdown of deals for industrial space in Derbyshire Dales by town as recorded on EGi and Costar. This shows that the majority of industrial deals in the District have been in Ashbourne, with 50 – representing 34% of total deals in the District – and Matlock where there have been 46 deals (32% of District total). There were 22 deals (13% of District total) in Hope Valley, 19 deals (13%) in Bakewell, 7 (5%) in Buxton, and 2 (1%) in Belper.
9.53 Figure 154 shows the quantum of industrial floorspace take-up in Derbyshire Dales since 2011 as recorded by EGi and CoStar. We have only considered data since 2011 due to considerable gaps of floorspace information in records predating this. These figures do reinforce the trend seen above that Matlock and Ashbourne have seen the most industrial activity in the District.
Industrial Availability

9.54 As of August 2015, EGi and CoStar report that there is 21,000 sq m of industrial floorspace available and being actively marketed in Derbyshire Dales. 12,000 sq m (56%) of this is in Ashbourne and 8,000 sq m (38%) is in Matlock with 1,250 sq m (6%) in Bakewell. The lack of available space at Bakewell is notable. The majority – 65% - of this space is in units of floorspace over 1,850 sq m and includes a considerable quantum of floorspace at Rodlsey Lane in Ashbourne, and at Brookfields Close and Molyneux Business Park, both in Matlock.

Figure 155: Derbyshire Dales Available Industrial Floorspace by Settlement, August 2015

Source: EGi / CoStar / GL Hearn

9.55 The available industrial floorspace in Derbyshire Dales is dwarfed by the available space in the comparator authorities. The greatest quantum is in East Staffordshire where there is 334,000 sq m available. South Derbyshire has 216,000 sq m available; there is 120,000 sq m available in Amber Valley; 112,000 sq m available in High Peak; while there is considerably less in North East Derbyshire (12,000 sq m) and Staffordshire Moorlands (10,000 sq m).
Figure 156: Available Industrial Floorspace, May 2015

Source: Focus / GL Hearn

9.56 Figure 157 overleaf profiles the quality of industrial floorspace available in Derbyshire Dales and the comparator authorities. All of the available floorspace in Derbyshire Dales is second-hand stock. There is new build stock available elsewhere with a considerable 82,000 sq m in South Derbyshire – the majority of this being pre-construction plots at Dove Valley Park. In High Peak there is a single 32,000 sq m pre-construction industrial unit being advertised in Glossop. In Amber Valley there are several new build units being advertised at Amber Business Centre in Alfreton. These units are all being advertised at £5-£6 psf.
Feedback from Local Agents

9.57 As part of our consultative approach we have spoken with local commercial agents to gauge their perception of floorspace demand by sector and the levels of supply available in different parts of the Derbyshire Dales.

**Ashbourne**

9.58 Local agents see Ashbourne as the most popular location in the District for commercial premises but that it has limited stock. This is linked to its proximity to Derby. Industrial rents are in the range of £3.50 to £5.50 per sq ft and office rents ranged from £5 to £12 per sq ft. However agents reported a particular lack of office stock in the town.

9.59 Investors are looking to sub-divide larger office stock, for which there is less demand. There is also apparently an unmet demand for industrial stock in the town from existing occupiers at Ashbourne Airfield IE that require space to expand.

**Bakewell**

9.60 Bakewell rents are slightly higher for industrial stock at £4.50 to £5.50 for relets, with newer commercial stock achieving between £6.50 to £7.50 per square foot. Office rents are typically
around £12 per square foot. There is some demand in the town for companies looking to upgrade and expand premises.

9.61 The Riverside Business Park is the major employment location in the town but is restricted due to the poor direct access on to the site. There is an outstanding planning application for a new bridge at the site. The current stock at Riverside Business Park is not adequate and much of it needs redeveloped.

9.62 Demand in Bakewell is mostly for smaller properties but this also reflects the space available. Most of this will be for local businesses to experience modest growth. There is also localised demand for storage space. One owner suggested that the local market was too small, particularly for services offices; and that some of the recent office developments had already been converted to residential.

9.63 One operator at Deepdale Business Park suggested that smaller light industrial uses in the town being empty for some time. Although this may reflect the high quality (and potentially rent) of those premises.

**Matlock and Wirksworth**

9.64 There was a reasonable supply of small industrial spaces in Matlock and Wirksworth although some of the demand is for agricultural or distribution and storage companies who require larger units. There was a perceived shortage of larger units with yard space (2.0 – 2.5 Ha).

9.65 The potential employment sites in the town including those at the former quarries are too large and too expensive to develop. This is due to the significant up front infrastructure and remediation costs at these former quarries.

9.66 Sites of between 500 – 1000 sq ft are readily available in the Matlock and Wirksworth area to both rent or buy. Although demand has not returned back to pre-recession levels it has recently picked up.

**Hathersage**

9.67 The settlement is seen as somewhat of a rural business location and that it was difficult to attract companies from outside of the district.

9.68 New build office accommodation is seen as a long term investment with rents achieving £15 - £16 per sq ft. This is insufficient to support speculative development. Investment would be aided by a local or park wide marketing effort advertising the park as a location for business.
9.69 Within the National Park there is a large amount of environmental costs within new build properties which costs between £500 to £2000 per sq ft. Where new-build development has happened, it is largely from businesses relocating from Sheffield and this has resulted in counter-commuting. There has also been some interest from Mancunian companies (particularly those in food produce).

9.70 The greatest demand in Hathersage is for owner occupied office space for companies employing less than six people. This is largely driven from the owners’ lifestyle choice to move to a rural location.

9.71 Housing is expensive relative to the wider area (particularly the larger cities and towns) so people tend to commute in. There is also a lack of affordable housing in the area so attracting and maintaining staff is sometimes difficult.

Broader Issues

9.72 Communications was a key issue for local business. There was a particular demand for good quality broadband. This would help attract and retain knowledge based or IT intensive companies.

9.73 There was also a desire for better quality jobs for local people and this was seen as office based work. It was also seen that industrial uses not being compatible with the National Park designations.

9.74 Public transport in the District is poor and this makes people rely on their car to get to work. The rural and high altitude nature of the area (particularly in the National Park) means that in the frequent bad weather productivity is severely impacted.

9.75 Marketing of the National Park and the wider district is seen as a failure and that they should do more to promote the area as a location to do business.
Implications

- The commercial market assessment points to local market for office and industrial space within the District where demand predominantly comes from existing local SME occupiers. Demand is stronger for industrial premises.

- Total office floorspace has grown over the last decade, with a net increase of 900 sq.m per annum since 2000.

- The industrial market in the District is larger in scale. The demand profile is focused towards smaller, local-based businesses. There is currently the need to bring forward high quality industrial premises to meet the growth needs of existing businesses. With a long-term trend of declining manufacturing employment, the stock of industrial floorspace has fallen in net terms over the period since 2000.

- Derbyshire Dales does not see significant demand from warehousing/logistics firms, in contrast to a number of surrounding areas particularly those close to the motorway network.
10 BUSINESS SURVEY

10.1 As part of building up an evidence base for employment floorspace demand, GL Hearn have undertaken a Business Survey seeking the views of local business owners about their future needs.

10.2 This represents a sample survey of a limited number of businesses within the District, but is intended to provide an up-to-date view on demand for sites and premises across the District, alongside other information and data considered in this report; and to consider broader economic development issues and help the Council to plan effectively for anticipated economic growth over the plan period.

10.3 This section provides an analysis of the Business Survey. The particular aims of this survey are better understand issues related to:

- Skills and the local labour market;
- Trends and changes in the local economy;
- Local business needs and concerns;
- Employment opportunities, skills gaps and training requirements, and
- Which sectors are expected to grow, and by how much.

10.4 We have secured feedback from over 100 local enterprises from a diverse range of sectors located in the District, through a combination of an electronic questionnaire and a telephone survey. A copy of the questionnaire is appended to this report (Appendix 2). The survey sample equates to about 2% of businesses in the District.

The Survey

10.5 An electronic questionnaire was circulated to 347 businesses across Derbyshire Dales between March and April 2015, with a request to participate in the survey and an explanation of its purpose. This was followed up with reminders in late April. An electronic survey was selected because it was considered convenient and cost effective, allowing respondents to participate at a time that suited them.

10.6 Specific businesses were selected for targeting to capture the views of different sized businesses from a range of sectors and to cover the areas and settlements where most business parks and industrial estates are located.

10.7 Target businesses were then approached via telephone to boost the survey response rate, bringing the total number of responses to 105, amounting to a response rate of 30%. With 4,390 VAT (source: NOMIS 2014) registered businesses in the district, the Survey achieves statistical accuracy of 95% +/- 10% which is statistically robust for our purposes.
10.8 Caution is advised when reviewing the percentage results of subsets and cross tabulations of this survey due to the small size of the resultant sample. Some percentage figures may not add up to 100% due to rounding.

10.9 Our survey allows for analysis and output by type of company and geographic area. The key findings are set out below and a full breakdown of results is appended to this report (Appendix 3).

10.10 The map below shows the geographic location of businesses that participated in this survey. The apparent clustering of business locations reflects the location of business parks and industrial estates which were targeted via the survey. The majority of responses were from Ashbourne, Bakewell and Matlock – the key settlements and business locations in the District.

Sectors

10.11 The survey sample represents the range of economic sectors most active in the District. The ‘manufacturing and engineering’ sector is the most well-represented with over a third of respondents fitting into this category. Retail, service and ‘food & drink’ sectors are evenly represented, each making up approximately 11% of the sample.

10.12 The construction, agricultural and ‘creative & digital’ sectors are also well represented, each making up approximately 8% of the sample. There is a low number of responses from the hospitality and tourist sector; that this sector was not heavily targeted due to the limited requirements for employment space in this sector.
Figure 158: Business Survey Respondent Locations
Figure 159: Sample by Sector

Employees

10.13 The majority of businesses (57%) surveyed are micro-businesses with between 1-5 employees. Approximately 80% of all business surveyed have 20 employees or fewer. Just 7% had over 100 employees. This broadly reflects the structure of the business base in the District.

Figure 160: Number of Full Time Employees at Current Premises

10.14 Much of the business base consists of, and most demand for property, comes from smaller scale operations or independent businesses. We spoke to a number of estate agents working in Derbyshire - who specialise in commercial lettings and sales - about the structure of the local economy and their perceptions of why Derbyshire Dales finds it harder to attract and accommodate
larger firms and businesses. The common view was that the enhanced attractiveness of bigger, more well-connected centres such as Sheffield and Derby meant that larger businesses found it easier to locate at these better connected locations, a factor that is compounded by the lack of a major arterial route going through the Dales. See Section 9 for a detailed account of engagement with local agents and to what extent that feedback supports the findings of the Business Survey.

10.15 The businesses surveyed employ staff on both a full-time and part-time basis. 66% of businesses had part-time employees. The majority of the businesses surveyed (56% of total) employed between 1-5 part time staff; a further 6% employed between 6 and 10 part time staff. 34% of all respondents were sole traders or employed only full-time staff.

**Accommodation**

10.16 The majority of businesses surveyed (55%) occupy ‘office’ floorspace (serviced or unserviced) while 34% occupy industrial floorspace. The proportion of businesses occupying ‘barn conversion/farm’ space, warehouse or laboratories, is much lower at 5%, 4% and 1% respectively. We have not sought to cross-tabulate results relating to these less common categories due to the fact that the results would be drawn from a small sample size, making it difficult to draw out meaningful patterns.

**Figure 161: Type of Accommodation at Current Premises**

10.17 As for tenure, 30% of businesses own the freehold of their premises; while 5% own the leasehold. The remaining 65% of all businesses surveyed rent their current premises.
10.18 When businesses were asked the size of their current premises, respondents were generally uncertain of exact measurements and in many cases, estimates have been made on unit sizes and floorspace. The reported size of individual premises varies greatly. 29% of respondents claim to occupy small premises that measure up to 50 sqm. A further 19% occupy premises measuring between 50 sqm and 100 sqm. Almost 30% of businesses claim to occupy premises measuring over 500 sqm.

10.19 There is an obvious correlation between the average reported floorspace size and the average numbers of employees per business. As mentioned above, Derbyshire Dales’ business base is predominantly orientated towards small and medium-sized enterprises. It struggles to attract larger companies due largely to the proximity of better connected centres and the lack of a main arterial route, amongst other reasons.

**Figure 162: Floorspace at Current Premises**

When asked how long they have occupied their premises, the largest proportion of respondents (40%) cited a period of ten years or more. 16% have occupied their current premises between five and ten years. Half that number (8%) have been less than a year at their current premises.
The level of satisfaction with existing premises is high. 81% of businesses are currently ‘satisfied’ or ‘very satisfied’ with their current accommodation, while 19% are ‘dissatisfied’ or ‘very dissatisfied’. However, these results are slightly misleading as many of those businesses that have expressed satisfaction with their current premises have also acknowledged that they will need new premises in the future. 12.8% of those who said they were ‘satisfied’ or ‘very satisfied’ claim that their current premises will not be adequate for the next two years. 38% of the same group stated that their current premises are not adequate for the next five years.

78% of all respondents claim that their current premises are adequate for their operational needs for the next two years. This rate drops to 54% when business needs are assessed over the next five year period, suggesting that just under half (46%) of businesses surveyed could potentially be actively seeking new premises within the next five years in order to meet their changing commercial needs and to allow their business operations to expand.
10.23 Of those respondents who were able to describe the type of accommodation their business would be seeking to acquire, 41% said ‘industrial’ premises, 36% will be seeking office space, while ‘barn conversion/farm land’ and warehousing will each be sought by 8% of businesses looking to upgrade their facilities.

**Figure 165: Type of premises Required**

- **Office**: 35.90%
- **Serviced office**: 5.13%
- **Industrial**: 41.03%
- **Warehouse**: 7.69%
- **High tech / Lab**: 2.56%
- **Barn conversion /...**: 7.69%
- **Site (undeveloped...**

10.24 Figure 166 shows that of those businesses seeking new ‘office’ floorspace over the next 5 years 14.3% will be seeking premises ‘additional’ to their current premises. Conversely 85.7% will be seeking ‘alternative’ premises.

10.25 25% of industrial floorspace sought will be ‘additional’ to existing facilities, while two thirds of warehouse floorspace sought will be additional.

**Figure 166: Proportion of ‘Additional’ Space sought vs ‘Alternative’**

<table>
<thead>
<tr>
<th>Type of floorspace sought</th>
<th>Office</th>
<th>Industrial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion seeking ‘additional’ floorspace</td>
<td>14.3%</td>
<td>25.0%</td>
</tr>
</tbody>
</table>

10.26 The percentages in Figure 167 above are drawn from those businesses who will require new floorspace within the next five years (46% of all respondents) and then cross tabulated by floorspace category, with results broken down into ‘alternative’ and ‘additional’. We would reiterate that caution should be used when reviewing these cross-tabulations due to the small numbers of
responses involved. The bar graph below represents the same date with actual numbers of responses to highlight this point.

**Figure 167: Category of Floorspace Sought (Additional Vs Alternative)**

When asked what preference they had in terms of tenure, the evidence points to demand for commercial space on a freehold as well as rental basis.
Cross tabulations of the survey results reveal the quantum, quality and tenure sought for each type of floorspace (office and industrial) allowing a deeper level of analysis of likely floorspace demand. The analysis of meaningful data reveals that:

- Office floorspace demand is principally from SMEs seeking units of up to 500 sqm;
- 80% of industrial floorspace demand is focused on units of up to 1,000 sqm;

The evidence shows that the focus of demand is for small to medium sized office and industrial units. These findings are largely backed up by interviews with local agents who claimed that the
focus of demand is for smaller office/industrial units, reflecting the nature of the District’s business base.

10.30 A majority of businesses are cost conscious and will be seeking second hand/Grade B (basic to average) floorspace (64.3% of office floorspace sought and 75% of industrial floorspace sought).

**Figure 170: Quality of Floorspace Sought**

The analysis suggests demand for a mix of freehold and leasehold/rented space. 21% of the demand identified for office floorspace is sought on a freehold basis. This rises to a third for industrial floorspace.
10.32 When businesses were asked in which location they would be seeking new accommodation, responses were mixed with respondents seeking premises in a range of locations but particularly the main towns in the District, with the greatest preference shown for Matlock and surrounding areas.

10.33 In a large majority (87%) of cases where new floorspace is sought, businesses anticipate that the move will involve new jobs being created (i.e. facilitating expansion). It is difficult to pin down the exact number of additional jobs but most respondents anticipate that between 2 and 5 extra jobs will be created as a result of the move.

10.34 Businesses were asked what factors were most important in the selection of new premises. Multiple responses were recorded for each respondent and not surprisingly ‘cost’ featured most prominently in the list of factors, with 79% of respondents citing ‘cost of premises’ and 39.5% citing ‘business rates’ as one of the most important factors (a maximum of three responses were recorded, hence the figures not adding up to 100%).

10.35 Interestingly, ‘broadband’ was the second most cited response with over 62% of respondents flagging up the importance of broadband availability to their selection of new premises. The evidence suggests that broadband access is an important factor in business decision-making when seeking new premises.

10.36 ‘Opportunities for expansion’ and car parking were also popular concerns. See the graph below for a full breakdown of responses.
Figure 172:  Most Important factors when selecting new premises

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadband provision</td>
<td>62.79%</td>
</tr>
<tr>
<td>Cost of premises</td>
<td>79.07%</td>
</tr>
<tr>
<td>Road infrastructure</td>
<td>27.91%</td>
</tr>
<tr>
<td>Access to public...</td>
<td>6.98%</td>
</tr>
<tr>
<td>Staff availability</td>
<td>30.23%</td>
</tr>
<tr>
<td>Business support</td>
<td>6.98%</td>
</tr>
<tr>
<td>Funding availability</td>
<td>25.58%</td>
</tr>
<tr>
<td>Car parking</td>
<td>39.53%</td>
</tr>
<tr>
<td>Opportunity for expansion</td>
<td>11.86%</td>
</tr>
<tr>
<td>Planning permission</td>
<td>23.26%</td>
</tr>
<tr>
<td>Business rates</td>
<td>39.53%</td>
</tr>
</tbody>
</table>

### Issues and Concerns

10.37 Respondents were asked what factors were currently restricting the operation of their business. 40% said that there was nothing restricting operations. Of all the issues that were raised, parking was the most common grievance (‘parking for customers’ and ‘parking for staff’, recorded as two separate responses). This indicates that although floorspace may or may not be sufficient for the purposes of a certain business, the availability of specific related facilities, such as adequate space for staff or customer parking, can still negatively impact on the growth or success of a business. It is important therefore that planning for potential new employment floorspace be fully cognizant of the issues identified by local businesses and that new floorspace is be accompanied by the adequate provision of related facilities.
Inadequate broadband availability was very high on the agenda with almost half (48%) of all respondents claiming that the poor quality provision was affecting their business. Recruitment difficulties, business rates and ‘planning issues’ were also commonly cited as being restrictive.

**Figure 173: Issues Affecting Business Operation**

- **Inadequate broadband...** 47.62%
- **Planning issues** 20.63%
- **Other regulatory...**
  - **Parking for staff** 31.75%
  - **Parking for customers** 34.92%
- **Recruiting staff** 31.75%
- **Rents** 12.70%
- **Rates** 28.57%
- **Business crime** 12.70%

**Outlook**

Most businesses surveyed (80%) expect their turnover to improve over the next two years. Most of the businesses surveyed are therefore quite positive regarding the short-term economic outlook. This figure grows to 86% over the next five year period. 66% of businesses surveyed expect staffing numbers to grow over the next two years, while 76% expect growth in the next five years.

Businesses were asked what they perceived to be the biggest barriers to growth, and the list below provides a sample of some relevant responses:

- Availability of qualified staff / recruitment
- Finance / funding opportunities
- Economic stagnation
10.41 The availability of qualified staff, finance and worries about the economy were the most common perceived barriers to growth.

10.42 When asked which business events would be most useful (multiple answers were recorded) clear preference was shown for ‘marketing and sales’ (55%), followed by ‘web use and social media’ (31%), ‘finance and tax’ (29%), and ‘local supply chain and procurement opportunities’ (28%).

Figure 174: Fig 15: Preferred Free Business Events

10.43 After completing the survey, businesses were given the opportunity to make further comments. The following examples provide a sample of business perspectives:

- “Increased duties will affect viability of my business”
- “Decent broadband very important to sort out as speeds are dreadful.”
- “Rural broadband is the single biggest threat to business growth in the peak district.”
- “VAT and Business rates need to come down for medium sized businesses.”
- “We are on a site with a selection of local businesses. The site has planning permission for housing development - all our futures are uncertain. We would like planning to take into consideration local business on that site to stop local business not having premises to work from.”
- “Staying local to juggle school pick-ups is key to being able to build the business.”
- “Need a sounding board with professional advice for businesses.”
• “On expansion I would like to stay within Hathersage Business Park by moving to a large building, only the planning permissions on new windows for these premises have been very strict and has left them with barely any natural light which to me is very important when employing staff. Also car parking is very restricted which will be a major issue when taking on more staff.”
• “We are a large business and probably the largest in the District. Our key issues relate to infrastructure - roads; communication; drainage. A key issue is the road network through Ashbourne which causes considerable delays / losses.”
• “We would like to move to a larger office but still remain on the Airfield Industrial Estate in Ashbourne as this location is ideal for all employees and clients”.

Implications

10.44 The District predominantly appeals to SMEs and micro-businesses, and of the businesses surveyed, the majority expect business actively, turnover, and staffing numbers to increase over the next five years. Businesses appear generally positive about the economic outlook, with 80% expecting turnover to increase over the next two years. The survey provides evidence of some demand for new employment floorspace in Derbyshire Dales.

10.45 Just under half of all businesses surveyed could potentially be in the market for new premises within the next five years (of which 15% will be seeking additional floorspace), and in general the need is geared towards office and industrial floorspace with the search for premises primarily focusing on business parks/industrial estate locations in the vicinity of Matlock and Ashbourne. Most demand is for small and medium sized premises, of up to 500 sq.m office floorspace and 1,000 sq.m industrial floorspace.

10.46 There is demand for both freehold and leasehold space, with 30% of businesses surveyed owning their premises.

10.47 Broadband availability, affordability and parking facilities are likely to feature as the key factors affecting the take-up of new floorspace. 62% of businesses flagged the availability of broadband as a key issue.
11  ECONOMIC-GROWTH EXPECTATIONS

11.1 This section considers the scale of economic growth which can be expected in the District over the period to 2033. In doing so, we have sought to draw on available econometric forecasts comprising:

- Cambridge Econometrics April 2015 forecasts (purchases as part of this work); and
- Oxford Economics July 2013 forecasts (supplied by Derbyshire County Council).

11.2 We have also considered work undertaken by Ekosgen to consider the distribution of the "policy on" target for 70,000 jobs across the Sheffield City Region (covering the 2013-33 period); and headline comparisons with Experian 2013 econometric forecasts.

Baseline Employment Levels

11.3 The starting point for considering the scale of potential economic growth is to assess the current level of employment in Derbyshire Dales District. The issue with this there is no single definitive source of information regarding employment levels. The Business Register and Employment Survey (BRES) records employment, based on an annual survey of businesses seeking information on employee numbers, turnover and business activities. Historical data is available from the Annual Business Inquiry (ABI) and the Annual Population Survey (APS) also records information. This is a quarterly household survey undertaken by individuals, which records information about respondents’ employment status, where they work and in what sectors. Both data sources have drawbacks. BRES data is principally available for businesses who are registered for pay-as-you earn; and does not fully include self-employed persons. It does not capture some sectors, including agriculture well; and can record people at the place which they are paid, rather than necessarily where the job is located. APS data is based on quite small sample sizes and includes a high proportion of proxy interviews, and as it asks what sectors people are working in may not accurately record employment sectors. There is effectively no regular “employment census” in the UK.

11.4 Reflecting some of these issues, forecasters seek to draw datasets together to model total employment. Cambridge Econometrics’ forecasts for instance model employment by considering BRES and ABI data on employees in employment by industry and gender; agricultural employment from Department for Environment, Food and Rural Affairs (DEFRA) estimates, and self-employment figures from the Annual Population Survey. Adjustments are then made to ensure estimates are consistent with ONS Workforce Job totals at the regional level, which include armed forces personnel.

11.5 The other relevant issue in considering the implications of economic growth for housing need is the relationship between “jobs” and “people.” Some people hold down more than one job, and thus typically the number of jobs in a local economy will exceed the number of people in work (typically
by around 5%). We take account of this in estimating the housing need necessary to support employment growth.

11.6 For small areas such as Derbyshire Dales it is particularly important to “check” the data to consider these issues. To address this we have sought to compare “baseline” employment level in the District in 2011, in respect of both people and jobs, using three core sources:

- Cambridge Econometrics 2015 forecast data;
- Oxford Economics 2013 forecast data; and
- Annual Population Survey (workplace-based measure of people in work);
- 2011 Census data (workplace-based measure of “people” in work).

11.7 The table below compares estimates of employment, using the “jobs” and “people” measures, in Derbyshire Dales in 2011. The 2011 Census indicated that there were 36,200 people working in the District. Based on this we might expect employment of around 38,000. The APS data shows slightly higher people-based employment. However this could easily reflect the survey nature of the data, and associated error margins. The Census data is likely to be more accurate.

<table>
<thead>
<tr>
<th></th>
<th>Jobs (000s)</th>
<th>Jobs (000s)</th>
<th>People (000s)</th>
<th>People (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambridge 2015</td>
<td>48.2</td>
<td></td>
<td>36.2</td>
<td></td>
</tr>
<tr>
<td>Oxford 2013</td>
<td></td>
<td>43.2</td>
<td></td>
<td>40.4</td>
</tr>
<tr>
<td>Census</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>APS 2009-12</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total (000s)</td>
<td>48.2</td>
<td>43.2</td>
<td>36.2</td>
<td>40.4</td>
</tr>
</tbody>
</table>

11.8 The two econometric forecasts show notably higher employment in the District, particularly the Cambridge Econometrics figures. This suggests employment in the District which is 33% (a third) higher than shown by the 2011 Census. Double jobbing is not likely to account for this scale of difference.

11.9 We have therefore sought to interrogate the distribution of employment / people in work by sector. This is shown in Figure 176. It indicates that the key difference between the Census employment numbers, and those from the forecasts, relates to the public administration sector. The difference is substantial, with the Census showing (people-based) employment of 2,180 compared to the forecasts which estimate 7100 – 7400 jobs. For other sectors, employment is modestly above the people-based Census figures, as we might expect.

11.10 There are a number of large public sector employers which are based in the District, including the District and County councils. The evidence would suggest that BRES data has recorded Derbyshire County Council employment at County Hall in Matlock, as this is where people are paid; whereas jobs take place across the County. It would seem likely that the scale of employment in public administration in the District is lower than shown in the CE 2015 forecast data for 2011.
11.11 Turning to look at the 2013 data, the CE forecasts have included a downwards adjustment to employment in public administration and defence (to 3,800 jobs) which compares more favourably, but remains notably larger than the 2,200 shown in the Census. However looking at public administration, education and health employment collectively, total employment is estimated by CE at 10,200 in 2013. This compares with 9,300 shown in the 2011 Census and seems to be a more reasonable estimate. It is entirely possible that there are some differences between data source as to how employment in across these sectors are recorded (as for instance the County Council is the education authority). Overall the CE baseline figures for 2013 look more reasonable. Experian figures are similar to those from CE at 40,400 total employment in 2013.

11.12 The higher Oxford Economics 2013 figures do look to have an inflated estimate of employment in public administration and defence in particular. The correction shown in the later BRES data does not seem to have fed through into the forecasts.

11.13 Estimates of self-employment by sector are likely to differ between the two forecasts. This as much as anything is likely to reflect the survey-based nature of data from the APS, and how this is treated within the two economic models.
Figure 177: Estimates of Employment by Sector in Derbyshire Dales in 2013

<table>
<thead>
<tr>
<th>Sector</th>
<th>Cambridge</th>
<th>Oxford</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture and Mining</td>
<td>1.9</td>
<td>2.1</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>4.7</td>
<td>5.0</td>
</tr>
<tr>
<td>Utilities</td>
<td>0.2</td>
<td>0.4</td>
</tr>
<tr>
<td>Construction</td>
<td>3.1</td>
<td>2.6</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>5.2</td>
<td>5.8</td>
</tr>
<tr>
<td>Transport and Warehouse</td>
<td>1.8</td>
<td>2.2</td>
</tr>
<tr>
<td>Accommodation and F&amp;B Service</td>
<td>4.0</td>
<td>3.3</td>
</tr>
<tr>
<td>Media and IT</td>
<td>1.0</td>
<td>0.7</td>
</tr>
<tr>
<td>Professional Services</td>
<td>3.1</td>
<td>2.9</td>
</tr>
<tr>
<td>Business support services</td>
<td>1.2</td>
<td>1.3</td>
</tr>
<tr>
<td>Public Administration &amp; Defence</td>
<td>3.8</td>
<td>6.6</td>
</tr>
<tr>
<td>Education</td>
<td>3.1</td>
<td>3.9</td>
</tr>
<tr>
<td>Health and Social Care</td>
<td>3.3</td>
<td>3.6</td>
</tr>
<tr>
<td>Arts, Recreation, and Other Services</td>
<td>3.1</td>
<td>2.7</td>
</tr>
<tr>
<td>Total</td>
<td>39.6</td>
<td>43.1</td>
</tr>
</tbody>
</table>

Source: OE, CE, GL Hearn

Growth Forecasts

11.14 It is important to treat forecasts critically, using them as a “tool” to understand how a local economy might perform, rather than necessarily an “answer” in their own right. GL Hearn therefore typically goes through a process of testing economic forecasts.

11.15 An important way of testing the realism of forecasts, consistent with the PPG, is to consider how they sit with past trends. Economic growth is cyclical. In interpreting past economic performance, it is therefore appropriate to consider trends over an “economic cycle.”

Trend-based Projections

11.16 Looking at baseline data (drawing on the CE forecasts) for Derbyshire Dales, and comparing it to national trends; we can identify a number of past economic cycles – from 1981-1993; and from 1993-2010. These reflect the low point of one recession to the low point of the next. Taking account of the issues with the data for public administration (which affects the modelled employment in 2010), we estimate that over each of these cycles, employment in the District grew by 1.0% per annum.

11.17 We have therefore first sought to consider a scenario based on projecting forwards this level of employment growth. We have used a baseline estimate of employment in 2013 of 39,600 (based on
the Cambridge Econometrics figures, which seems reasonable). Projected forwards this would result in growth in total employment of 8,700 persons over the 2013-33 period.

11.18 One way of testing the realism of the data feeding into this is to compare it with growth in people-based employment recorded between the Census points in 2001 and 2011. Our analysis shows that over this period a growth in the number of people in employment of around 4,100 (an average of 410 pa).

11.19 A trend-based analysis would thus show growth of around 435 jobs per annum. There are however sound reasons why forecast growth moving forwards cannot be expected to be as strong as seen in the previous economic cycle; including the influence of restricted public sector spending, which is likely to have a particular impact on Derbyshire Dales; as well as expected weaker global and European economic performance (influencing for instance the manufacturing sector which exports).

Baseline Forecasts

11.20 We have sought next to consider the two forecasts (CE 2015 and OE 2013) for employment growth in Derbyshire Dales. We have considered forecasts over the 2013-33 period, to align with the demographic analysis and avoid the spurious data shown for 2010-12.

11.21 Figure 178 sets out the headline assumptions on employment growth in each of the projections. The CE figures indicate stronger employment growth; with total employment increasing by 3,000 over the 2013-33 period, representing a growth rate of 0.4% pa. The Oxford Economics forecasts are lower, suggesting employment growth of less than 1000 (0.1% pa). At this headline level we have also shown the outputs of 2013 Experian forecasts – these are the strongest of the three forecasts.

Figure 178: Headline Employment Growth from Econometric Forecasts, Derbyshire Dales 2013-33

<table>
<thead>
<tr>
<th></th>
<th>Change in Total Employment</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oxford Economics</td>
<td>900</td>
<td>0.1%</td>
</tr>
<tr>
<td>Cambridge Econometrics</td>
<td>3,000</td>
<td>0.4%</td>
</tr>
<tr>
<td>Experian</td>
<td>4,200</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

11.22 Our core analysis focuses on the Oxford Economics and Cambridge Econometrics’ forecasts. There is a notable difference in the forecasts. To understand the basis for this, it is necessary to interrogate the sectoral growth assumptions which each set of forecasts make. A comparison between the two sets of forecasts suggests that the nature of expected economic performance is quite different.

---

14 This is higher than the 30,600 used in the Ekosgen report which is derived from the Business Register & Employment Survey (BRES). BRES will not fully capture self-employment and jobs within agriculture. The data used by Cambridge Econometrics is outlined in Paragraph 11.4.
11.23 The most substantial difference between the two sets of forecasts arises from expected employment growth in public administration and defence. Oxford Economics expect a reduction in employment in this sector (which is perhaps what we might expect given public spending cuts). In contrast, Cambridge Econometrics expect quite substantial employment growth in this sector, with a 1.4% pa growth rate forecast. This is a key difference between the forecasts.

11.24 The Oxford forecasts indicate stronger expected growth in wholesale and retail trade; arts, recreation and other services; and in the construction sector. They expect positive employment growth in transport and warehousing; and business support services. Employment in health and social care, and education are both expected to fall.

11.25 The key differences with the CE forecasts are the strong employment growth anticipated in public administration and defence; expected growth in food and drink manufacturing; and more substantial reduction forecast in agricultural employment.

**Figure 179: Forecast Employment Growth by Sector, Derbyshire Dales, 2013-33**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Cambridge Econometrics</th>
<th>Oxford Economics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Change 2013-33</td>
<td>CAGR</td>
</tr>
<tr>
<td>Public Administration &amp; Defence</td>
<td>1275</td>
<td>1.4%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>853</td>
<td>1.2%</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>514</td>
<td>0.5%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>417</td>
<td>0.4%</td>
</tr>
<tr>
<td>Arts, Recreation, and Other Services</td>
<td>325</td>
<td>0.5%</td>
</tr>
<tr>
<td>Construction</td>
<td>302</td>
<td>0.5%</td>
</tr>
<tr>
<td>Health and Social Care</td>
<td>208</td>
<td>0.3%</td>
</tr>
<tr>
<td>Media and IT</td>
<td>143</td>
<td>0.7%</td>
</tr>
<tr>
<td>Accommodation and F&amp;B Service</td>
<td>122</td>
<td>0.2%</td>
</tr>
<tr>
<td>Utilities</td>
<td>103</td>
<td>1.8%</td>
</tr>
<tr>
<td>Business support services</td>
<td>40</td>
<td>0.2%</td>
</tr>
<tr>
<td>Transport and Warehouse</td>
<td>-31</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Education</td>
<td>-237</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Agriculture and Mining</td>
<td>-1047</td>
<td>-3.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2987</strong></td>
<td><strong>0.4%</strong></td>
</tr>
</tbody>
</table>

11.26 The two forecasts highlight some of the difficulties associated with long-term economic forecasting. It is difficult to predict how the economy and sectors may perform over shorter, 5 year timescales, let alone consider long-term economic performance.
11.27 We have sought to drill down to examine three of the sectors where key differences are evident in more detail.

11.28 Figure 181 shows the forecasts for manufacturing jobs in Derbyshire Dales. Over the plan period 2013 – 2033 the CE forecast shows a net growth of 400 jobs in the manufacturing sector over this period. Conversely, the OE forecast shows a net loss of 400 jobs. Most forecasting houses generally expect employment in manufacturing to fall linked in particular to productivity improvements; albeit that the sector can be expected to contribute positively to output growth.

11.29 Over the economic cycle however (2010-33), the manufacturing sector is expected to post 0.1% pa growth in employment based on the CE data. Modest growth is expected over the period to 2025, with decline thereafter. This is consistent with the Council’s economic strategy (see below) which targets growth in higher value-added employment.
Figure 181: Forecast Manufacturing Jobs

![Forecast Manufacturing Jobs Graph](image)

Source: CE / OE

11.30 Figure 182 shows the forecasts for jobs in the public administration sector. What is notable is the large jobs increase in 2009 recorded by both forecasts, and a similar reduction in 2013 recorded by the CE projections but not the OE projections. We consider this is likely to be due to recording error often seen with institutions with a dispersed workforce but centralised payroll activities.

11.31 This means the CE and OE forecasts have very different public administration employment figures for 2013. This notwithstanding, over the plan period 2013-33 the forecasts project very different trends for public administration jobs in the district. The CE forecast shows a net growth of 1,300 jobs in this sector over this period. Conversely, the OE forecast shows a net loss of 1,000 jobs. Experian forecasts a larger overall contraction. However all of the forecast include employment estimates which are potentially inflated.
11.32 The strong growth in public administration in the CE forecasts is due to the historic relative strength of this sector in the district and its past performance based on the official statistics. Over the period 1994-2013, employment in PAD in the East Midlands increased by 0.1% per annum compared to 1.6% per annum in Derbyshire Dales. The high growth over these timeframes look potentially to relate, at least in part, to the mis-recording issues identified. The CE forecasts show a sectoral growth rate of 1.6% per annum over the period 2013-36. This compares to a 0.8% figure for the East Midlands region. The other two forecasts expect employment in public administration to fall.

11.33 The forecast growth in PAD in the District looks entirely unrealistic. We see no evidence to justify that growth in the PAD sector will continue to out-perform the regional rate.

11.34 Engagement with key public sector bodies locally suggests that public sector employment in the District can be expected at best to remain static.

11.35 We have therefore developed an adjusted CE forecast with an adjusted growth in PAD whereby employment in this sector is expected to remain static. We have called this the ‘CE with PAD Adjustment’ forecast.

11.36 The PAD adjusted forecast forecasts results in a total of 1700 net additional jobs over the plan period to 2031.

11.37 Figure 183 overleaf shows the three jobs growth forecasts (CE, OE and CE Adjusted) indexed to 2013 values. This shows that OE forecasts slightly stronger growth in the district to 2020 but then levels off. The CE forecasts show a slight decrease in total jobs numbers in the short term but then
project stronger growth over the latter half of the plan period. The PAD adjusted forecast reflects the lower growth rate but still shows strong growth over the latter half of the period.

Figure 183: Benchmarking Jobs Growth Forecasts, Derbyshire Dales

![Jobs Growth: Index (1=2013)](image)

Source: GLH Analysis of OE and CE Data

11.38 There is also a clear temporal dimension to the forecasts, which needs to be understood. Table 185 looks first at the CE forecasts, comparing growth projections looking forwards with historical performance of the sectors.

11.39 Agricultural employment grew strongly in the five year period to 2013. In the short-term there is expected to be a correction; followed by more modest longer-term reductions in employment numbers.

11.40 For the manufacturing sectors, employment is expected to increase in the food, drink and tobacco sector relative to past performance. Growth is also expected in metals and mineral products; and in the longer-term in other manufacturing. This is expected to be offset by declining employment in textiles and non-metallic mineral products.

11.41 A number of sectors which have historically performed relatively strongly, contributing to past economic performance, are not expected to see as strong growth in the future. These include:

- Construction;
- Motor vehicle trade;
- Transport and warehousing;
- Accommodation and food;
• Media and IT;
• Professional Services;
• Arts, Recreation and Other Services.

11.42 It is the comparatively weaker performance in these areas which drives weaker overall economic growth relative to historical trends (for the District). The assumptions in the model regarding future performance of these sectors appear influence overall employment growth expected.

11.43 We would note that the District’s Economic Plan targets growth in professional, scientific and technical activities; but at a scale which is more modest than forecast in the CE data.

Figure 184: CE Forecasts, Expected Employment Growth

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture and Mining</td>
<td>-5.3%</td>
<td>6.8%</td>
<td>-8.2%</td>
<td>-2.5%</td>
<td>-1.5%</td>
</tr>
<tr>
<td>Food, drink &amp; tobacco</td>
<td>1.1%</td>
<td>1.1%</td>
<td>2.6%</td>
<td>2.9%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Textiles etc.</td>
<td>-4.8%</td>
<td>0.4%</td>
<td>-0.8%</td>
<td>-1.2%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Non-metallic mineral products</td>
<td>-2.0%</td>
<td>-2.9%</td>
<td>-1.0%</td>
<td>-2.1%</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Metals &amp; metal products</td>
<td>-5.3%</td>
<td>0.8%</td>
<td>0.3%</td>
<td>0.3%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other Manufacturing</td>
<td>2.2%</td>
<td>-1.1%</td>
<td>-0.4%</td>
<td>0.0%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Utilities</td>
<td>1.1%</td>
<td>9.6%</td>
<td>3.4%</td>
<td>2.1%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Construction</td>
<td>2.6%</td>
<td>1.5%</td>
<td>0.7%</td>
<td>0.5%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Motor vehicles trade</td>
<td>5.9%</td>
<td>3.5%</td>
<td>1.9%</td>
<td>0.5%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>3.6%</td>
<td>-3.0%</td>
<td>1.6%</td>
<td>0.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Retail trade</td>
<td>3.6%</td>
<td>-2.8%</td>
<td>0.0%</td>
<td>0.7%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Transport and Warehouse</td>
<td>2.4%</td>
<td>4.3%</td>
<td>-1.3%</td>
<td>0.1%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Accommodation</td>
<td>3.3%</td>
<td>10.7%</td>
<td>1.2%</td>
<td>1.0%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Food &amp; beverage services</td>
<td>3.3%</td>
<td>0.2%</td>
<td>-0.7%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Media and IT</td>
<td>7.0%</td>
<td>3.9%</td>
<td>3.5%</td>
<td>0.0%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>5.5%</td>
<td>2.5%</td>
<td>3.3%</td>
<td>0.6%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Business support services</td>
<td>6.3%</td>
<td>-6.2%</td>
<td>0.5%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Public Administration &amp; Defence</td>
<td>7.9%</td>
<td>8.0%</td>
<td>-2.1%</td>
<td>3.1%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Education</td>
<td>3.6%</td>
<td>-2.4%</td>
<td>-0.3%</td>
<td>-0.6%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Health and Social Care</td>
<td>2.3%</td>
<td>-0.9%</td>
<td>-0.2%</td>
<td>0.6%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Arts, Recreation, and Other Services</td>
<td>5.7%</td>
<td>2.4%</td>
<td>1.2%</td>
<td>0.1%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Total</td>
<td>1.1%</td>
<td>-0.6%</td>
<td>0.0%</td>
<td>0.5%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

Source: Cambridge Econometrics

11.44 A similar analysis with the Oxford Economics 2013 forecasts is shown below. This shows that there are relatively few sectors in the District’s economy which are expected to support any notable growth. Growth is expected to be strongest in the short-term in professional, scientific and technical activities; transport and storage; other services; wholesale and retail trade; and real estate. However in each case the longer-term growth (post 2018) is expected to be weaker than that either
in the short-term, or (and in particular) in the pre-recession period. Overall this looks like a relatively pessimistic forecast for future performance, if constraint-based factors (such as labour supply in the longer-term) are left aside.

**Figure 185: OE Forecasts, Expected Employment Growth**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A: Agriculture, forestry and fishing</strong></td>
<td>-0.6%</td>
<td>2.4%</td>
<td>-1.7%</td>
<td>-0.5%</td>
<td>-0.6%</td>
</tr>
<tr>
<td><strong>B: Mining and quarrying</strong></td>
<td>-5.0%</td>
<td>5.1%</td>
<td>-3.2%</td>
<td>-3.5%</td>
<td>-3.9%</td>
</tr>
<tr>
<td><strong>C: Manufacturing</strong></td>
<td>-2.4%</td>
<td>1.0%</td>
<td>0.1%</td>
<td>-0.3%</td>
<td>-0.6%</td>
</tr>
<tr>
<td><strong>E: Water supply; sewerage, waste management and remediation activities</strong></td>
<td>3.1%</td>
<td>10.8%</td>
<td>-0.6%</td>
<td>-1.0%</td>
<td>-1.1%</td>
</tr>
<tr>
<td><strong>F: Construction</strong></td>
<td>3.7%</td>
<td>-3.0%</td>
<td>0.7%</td>
<td>0.6%</td>
<td>0.5%</td>
</tr>
<tr>
<td><strong>G: Wholesale and retail trade; repair of motor vehicles and motorcycles</strong></td>
<td>3.2%</td>
<td>-0.4%</td>
<td>1.5%</td>
<td>1.0%</td>
<td>0.2%</td>
</tr>
<tr>
<td><strong>H: Transportation and storage</strong></td>
<td>7.7%</td>
<td>5.2%</td>
<td>2.3%</td>
<td>0.8%</td>
<td>0.1%</td>
</tr>
<tr>
<td><strong>I: Accommodation and food service activities</strong></td>
<td>-0.1%</td>
<td>-2.0%</td>
<td>0.8%</td>
<td>0.4%</td>
<td>-0.2%</td>
</tr>
<tr>
<td><strong>J: Information and communication</strong></td>
<td>0.6%</td>
<td>1.9%</td>
<td>1.6%</td>
<td>0.7%</td>
<td>0.2%</td>
</tr>
<tr>
<td><strong>K: Financial and insurance activities</strong></td>
<td>-3.0%</td>
<td>-0.1%</td>
<td>-0.8%</td>
<td>-0.8%</td>
<td>-0.9%</td>
</tr>
<tr>
<td><strong>L: Real estate activities</strong></td>
<td>5.4%</td>
<td>3.2%</td>
<td>1.5%</td>
<td>1.0%</td>
<td>0.5%</td>
</tr>
<tr>
<td><strong>M: Professional, scientific and technical activities</strong></td>
<td>6.3%</td>
<td>2.3%</td>
<td>2.3%</td>
<td>1.7%</td>
<td>1.2%</td>
</tr>
<tr>
<td><strong>N: Administrative and support service activities</strong></td>
<td>7.1%</td>
<td>-0.3%</td>
<td>0.7%</td>
<td>1.0%</td>
<td>0.5%</td>
</tr>
<tr>
<td><strong>O: Public administration and defence; compulsory social security</strong></td>
<td>7.9%</td>
<td>17.4%</td>
<td>-2.6%</td>
<td>-0.5%</td>
<td>-0.2%</td>
</tr>
<tr>
<td><strong>P: Education</strong></td>
<td>2.9%</td>
<td>-1.6%</td>
<td>-1.3%</td>
<td>-0.2%</td>
<td>-0.1%</td>
</tr>
<tr>
<td><strong>Q: Human health and social work activities</strong></td>
<td>2.4%</td>
<td>0.0%</td>
<td>-0.9%</td>
<td>-0.3%</td>
<td>-0.2%</td>
</tr>
<tr>
<td><strong>R: Arts, entertainment and recreation</strong></td>
<td>4.4%</td>
<td>-2.2%</td>
<td>2.0%</td>
<td>1.4%</td>
<td>0.6%</td>
</tr>
<tr>
<td><strong>S: Other service activities</strong></td>
<td>-0.2%</td>
<td>3.3%</td>
<td>1.7%</td>
<td>1.1%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

**Source:** GLH Analysis of OE data

11.45 It is necessary to take a view regarding future economic performance, based on interrogation of the District’s economic base. The baseline analysis showed a concentration of employment in the District, in relative terms, in:

- Public administration;
- Agriculture;
- Hospitality / tourism.

11.46 Over the last economic cycle, agricultural employment was relatively stable (falling slightly by 100 jobs). Public sector employment, capturing public administration; education; and health, grew relatively strongly. This cannot be expected to be replicated moving forwards, given likely resources and public funding availability. Tourism-related activities, capturing accommodation, food and recreation, saw employment growth of 2,100 over the last economic cycle (1993-2010).
Interrogating the CE data, manufacturing is expected to post a decline over the 2010-31 period. The scale of the reduction (-100 jobs) looks reasonable. Employment in education and health is expected to fall. As we have set out the forecast for public administration looks overly optimistic. There are a couple of sectors for which arguably set against past performance, stronger growth could be seen – specifically accommodation and food; and professional, scientific and technical activities. However equally there is a downside associated with public sector employment which counter-balances this.

**Sheffield City Region Growth Targets**

Sheffield City Region LEP has identified a target to deliver 70,000 additional jobs over ten years, of which 30,000 are at higher-level skills (Level 4 and above). This is a target – it represents a “policy on” position, and is based on achieving 10% growth on current employment levels. A report by Ekosgen for the Sheffield City Region Local Enterprise Partnership has examined how growth might be distributed across the LEP area.\(^{15}\)

At the LEP level, overall employment increased by 9% over the last growth period (1998-2008), in line with national growth. However this was achieved principally through a large increase in public sector employment – public administration, health and education. Baseline economic forecasts used in the development of the LEP’s Strategic Economic Plan suggested underlying employment growth potential of 23,000 over the 2013-33 period across the LEP area. The growth target would see employment growth in line with forecast trends nationally. Clearly, as the Ekosgen report sets out, significant additional investment and public sector intervention will be required to achieve this.

The most significant proportion of the additional growth, at city region level, is expected to result from growth in logistics, finance and professional services, business services and advanced manufacturing. These sectors account for nearly two thirds of expected employment growth. Creative and digital industries are also expected to grow.

Derbyshire Dales’ economic structure, geography and accessibility mean that it is not as well placed to grow as other parts of the City region. This is a conclusion of the Ekosgen/ LEP analysis, and one which the evidence herein supports.

The report provides “policy on” employment projections which indicate growth in jobs of 1,400 over the 2013-24 period. This represents 4.6% growth in employment, compared to 5.7% growth forecast across the UK. Growth is expected to be driven by:

- Tourism, leisure and sport (+800 jobs);
11.53 Edge Analytics Phase 2 Demographic Forecast Report includes a scenario which rolls this rate of employment growth forward to 2034, giving annual employment growth of 136 pa. This would equate to delivery of around 2,700 jobs over a 20 year period.

11.54 The Ekosgen report suggests that there is a significant requirement for public funding / investment to support the scale of growth envisaged in the LEP growth scenario. We would consider this to be a relatively aspirational, policy-on scenario for employment growth.

Findings from the Business Survey

11.55 We have also sought to draw on information from the business survey. In doing so we are conscious that the survey is of a small sample of businesses in the District.

11.56 The business survey clearly highlights that the business base in the District is focused towards small businesses; and includes a strong representation of manufacturing employment. It should also be borne in mind that business sentiment will reflect current trading conditions and the short-term outlook.

11.57 Of the businesses surveyed, 80% expected turnover to increase over the next two years; with 66% expecting staff numbers to increase over the next two years, and 76% over the next five years. The outlook clearly indicates that of the businesses surveyed, a number are looking to expand. Businesses identified the ability to recruit as a key challenge.

11.58 It should however be borne in mind that the survey results are based on a small sample of businesses within the District, and the outlook at the point in time of the assessment. The Survey is of limited use in projecting future employment trends over 15+ years.

Derbyshire Dales Economic Plan

11.59 The Derbyshire Dales Economic Plan 2014-19 targets higher value jobs in place of lower paid / lower skilled jobs. It seeks to do this through growing existing higher value-added businesses, particularly in the manufacturing sector; and creating the conditions for business growth and investment including through ensuring a supply of land and improving broadband. It also promotes the District as a place to do business, particularly through emphasising the quality of place offered by the Peak District.

11.60 The Economic Plan identifies three key sectors which are considered to have growth potential, which are:

- Creative and digital industries (450 jobs);
- Health (250 jobs).
• Manufacturing (including advanced manufacturing and food and drink manufacturing);
• Visitor Economy;
• Knowledge-based and Creative Industries.

11.61 The Plan targets an increase of 300 jobs in manufacturing, professional, scientific and technical jobs between 2012 and 2020 (increasing job numbers in these sectors from 6,200 to 6,500); and a growth in GVA from £1.42 million in 2010 to £1.6 million in 2020.

11.62 These core quantified objectives are achieved in the Oxford Economics forecasts, which sees employment in the identified sectors increase by 400 over the time period set out; and increase in GVA by £0.2 million per annum between 2010-20. Manufacturing employment stays stable; whilst professional, scientific and technical employment sees modest growth (c. 200 additional jobs).

**Drawing the Evidence Together**

11.63 The range of evidence presented highlights the uncertainties with long-term economic forecasting. There are clear issues with data in respect of employment numbers in Derbyshire Dales, and particularly the recording of public administration jobs between 2010-12. This needs to be recognised in interpreting datasets.

11.64 Oxford Economics 2013 forecasts for growth in employment look unduly pessimistic set against past performance, and wider benchmarks. We do not consider that use of these forecasts would be robust, taking into account the emphasis in the NPPF that the planning system does ‘everything it can’ to support sustainable economic growth; and the need to plan positively to support the local economy.

11.65 In contrast, the evidence suggests that other forecasts – including the Cambridge Econometrics 2015 forecasts – over-estimate growth potential in the District’s economy, not least because of the over-estimation of employment (and growth) in public administration. The delivery of higher levels of growth in other (non population-related sectors) will be influenced in part by commercial factors, including development viability. We have taken this into account in drawing conclusions.

11.66 The evidence would suggest that employment growth of around 1,700 jobs over the 2013-33 period would represent a reasonable, evidence-based assessment of the growth potential of the District’s economy. This equates to an average annual growth rate in employment of 0.2% per annum.
12 ECONOMIC-LED HOUSING REQUIREMENTS

12.1 In this section we turn to consider the implications of the economic growth scenarios on the need for housing in Derbyshire Dales. The Planning Practice Guidance outlines that:

‘Plan makers should make an assessment of the likely growth in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population’

‘Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems’

12.2 We set out in this section the housing need which can be expected to result from the Preferred Economic Scenario – for growth in employment of 1,700 between 2013-33 across Derbyshire Dales.

12.3 To convert jobs into growth in the labour-force, overall population growth and hence housing need is not a simple process and the analysis takes account of:

- Commuting patterns
- Double jobbing (i.e. the number of people with more than one job)
- Changes to employment rates (e.g. as a result of reducing unemployment or people working longer).

12.4 The diagram below sets out how these factors are brought together in considering what level of housing provision might be necessary to support expected growth in jobs.

Figure 186: Relating Housing and Economic Growth

12.5 The process essentially looks at what additional economic migration might be necessary to support the expected jobs growth, taking account of what proportion of people might have more than one job, the commuting balance, and how employment rates might change in the future – in particular through people working for longer.
Commuting Patterns

12.6 Figure 201 below shows summary data about commuting to and from Derbyshire Dales from the 2011 Census. The data shows that the District sees a small level of net in-commuting for work. Overall there are around 4% more people who work in the District than live in the District (and are working).

**Figure 187: Commuting patterns in Derbyshire Dales (2011)**

<table>
<thead>
<tr>
<th>Live and work in District</th>
<th>14,107</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home workers</td>
<td>6,559</td>
</tr>
<tr>
<td>No fixed workplace</td>
<td>2,719</td>
</tr>
<tr>
<td>Out-commute</td>
<td>11,861</td>
</tr>
<tr>
<td>In-commute</td>
<td>13,172</td>
</tr>
<tr>
<td>Total working in District</td>
<td>35,246</td>
</tr>
<tr>
<td>Total living in District (and working)</td>
<td>36,557</td>
</tr>
</tbody>
</table>

**Commuting ratio** 0.96

Source: 2011 Census

12.7 In translating the commuting pattern data into growth in the labour-force it is assumed that the commuting ratio remains at the same level as shown by the 2011 Census (i.e. assumes that 4% (net) of additional resident workers will in-commute). This essentially means that there would be expected to be a lesser increase in working residents for a given number of jobs.

Double Jobbing

12.8 As well as commuting patterns we can also consider that a number of people may have more than one job (double jobbing). This can be calculated as the number of people working in each District divided by the number of jobs. Data from the Annual Population Survey (available on the NOMIS website) suggests that around 5.9% of workers have a second job (data averaged from data for the 2004-14 period to recognise relatively high error margins associated with data for individual years). This gives a double jobbing ratio of 0.941 (i.e. the number of jobs can be discounted by 5.9% to estimate the required change in the workforce).

12.9 Hence to work out the change in the resident workforce required to match the forecast number of jobs we can multiply the commuting ratio by the amount of double jobbing and in turn multiply this by the number of jobs – this is shown in the table below.
The analysis indicates that a growth in residents in employment of 1,550 persons would be required between 2013-33 to support growth in employment (jobs) of 1,700 across the District. This reflects evidence that some people (around 4%) have more than one job, and of commuting dynamics.

Changes to Employment Rates

As well as studying commuting levels and double jobbing the analysis needs to consider how economic participation and employment rates will change in the future. Although the past few years have seen an increase in unemployment there have generally been increases in the proportion of people who are economically active (particularly for females and people aged over 50). In the future we may see a continuation of these trends – particularly in relation to people working longer (partly linked to pensionable ages) and have modelled for there to be some increase in employment rates as we move through to 2033.

Figure 203 shows the age/sex specific rates assumed in the analysis. These have been based on consideration of a range of different forecasting houses forecasts and also take account of the 2011 Census and trends over the period since 2001. It should be stressed that these figure reflect what we would consider to be a reasonable set of assumptions although there would be a case for alternatives (both in an upwards and downwards direction).

Figure 204 shows how the overall employment rate in Derbyshire Dales is expected to change over time, a past trend analysis from the Annual Population Survey (APS) back to 2004 has also been shown although some caution should be used in comparing figures given that the sources are different (and the APS suffers from quite large error margins due to being survey-based). The employment rate is based on the number of people in employment divided by the population aged
16 and over. The analysis shows in the past that the rate has been variable but generally downwards. Moving forward, the employment rate is expected to continue to decline, following a slight uplift in 2013-14 due to expected reductions in unemployment. The decline in the rate in the longer-term is strongly linked to the demographic profile of the population (i.e. ageing).

12.14 The rates shown in the figure below are derived from the 2012-based SNPP and it should be noted that these change very slightly with different assumptions about population growth.

**Figure 190: Past trends and projected change in employment rate – Derbyshire Dales**

![Graph showing employment rate trends](image-url)

Source: Derived from Annual Population Survey and demographic projections

### Projection Outputs

12.15 The outputs from the jobs-led projections are as follows and shows that for the resident workforce to increase in line with the forecast number of jobs would require 301 homes per annum to be delivered across Derbyshire Dales District, between 2013-33 using the 2012-based Headship Rates. Including the affordability adjustment in response to market signals, to improve household formation amongst younger households in their late 20s and early 30s, would require 322 homes per year.

**Figure 191: Supporting Expected Employment Growth**

<table>
<thead>
<tr>
<th>Preferred Economic Growth Scenario</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Households 2013</td>
<td>31,028</td>
</tr>
<tr>
<td>Households 2033</td>
<td>36,550</td>
</tr>
<tr>
<td>Change in households</td>
<td>5,522</td>
</tr>
<tr>
<td>Per annum</td>
<td>276</td>
</tr>
<tr>
<td>Dwellings (per annum): 2012 Headship</td>
<td>301</td>
</tr>
<tr>
<td>Dwellings with Affordability Adjustment</td>
<td>322</td>
</tr>
</tbody>
</table>
13 EMPLOYMENT LAND REQUIREMENTS

13.1 In this section we consider demand for employment land and floorspace over the period from 2013-33. The section considers requirements for employment land in the B1, B2 and B8 use classes. The analysis is of ‘demand’ for employment land and therefore does not take account of any supply-side factors such as existing employment land allocations or commitments.

13.2 When considering the scale of future needs the Planning Practice Guidance (PPG, 2014) requires consideration of quantitative and qualitative need. This entails estimating the scale of future needs broken down by different market segments, such as different B use classes. The PPG recommends the use of a number of different techniques to estimate future employment land requirements, namely assessments based on:

- Labour Demand;
- Labour Supply; and
- Past Take-Up.

13.3 There are relative benefits of each approach. Econometric forecasts take account of differences in expected economic performance moving forward relative to the past, overall in regard to the sectoral composition of growth. However a detailed model is required to relate net forecasts to use classes and to estimate gross floorspace and land requirements.

13.4 In contrast, past take-up is based on actual delivery of employment development; but does not take account of the implications of growth in labour supply associated with housing growth nor any differences in economic performance relative to the past. It is also potentially influenced by past land supply policies.

13.5 The quantitative evidence is supplemented by the wider analysis of market and economic dynamics.

Labour Demand Scenarios

13.6 This section takes forward the preferred economic growth scenario set out in Section 11, based on the Cambridge Econometrics 2015 forecasts – with adjustments to growth in Public Administration. The CE forecasts breaks down jobs growth by 21 industrial sectors.

13.7 GLH has converted the forecasts for total employment by sector into forecasts for Full-Time Equivalent (FTE) employment by sector through analysis of the proportion of full- and part-time jobs in Derbyshire Dales on a sector by sector basis. Figure 192 below shows the FTE percentage for each sector in the district. This is used in relating the forecasts for total employment to expected
growth in Full-Time Equivalent (FTE) employment which is used in calculating employment floorspace and land requirements.

**Figure 192: Percentage of FTE jobs per sector**

<table>
<thead>
<tr>
<th>Industrial Sector</th>
<th>% of Full Time Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture and Mining</td>
<td>95%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>97%</td>
</tr>
<tr>
<td>Utilities</td>
<td>97%</td>
</tr>
<tr>
<td>Construction</td>
<td>95%</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>80%</td>
</tr>
<tr>
<td>Transport and Warehouse</td>
<td>90%</td>
</tr>
<tr>
<td>Accommodation and F&amp;B Service</td>
<td>72%</td>
</tr>
<tr>
<td>Media and IT</td>
<td>92%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>89%</td>
</tr>
<tr>
<td>Business support services</td>
<td>81%</td>
</tr>
<tr>
<td>Public Administration &amp; Defence</td>
<td>93%</td>
</tr>
<tr>
<td>Education</td>
<td>92%</td>
</tr>
<tr>
<td>Health and Social Care</td>
<td>77%</td>
</tr>
<tr>
<td>Arts, Recreation, and Other Services</td>
<td>76%</td>
</tr>
</tbody>
</table>

Source: GLH analysis of BRES data

13.8 This provides a figure for net change in the number of FTE jobs in each industrial sector over the plan period. This is shown below.

13.9 The OE forecasts a net jobs growth of 550 FTE jobs over the 20 year period 2013-33. The CE forecast shows a net growth of 1,700 FTE jobs. The CE forecast with PAD adjustment shows a net growth of 2,300 FTE jobs over this period.

**Figure 193: Net change in FTE jobs, 2013-33**

<table>
<thead>
<tr>
<th>Industrial Sector</th>
<th>Employment Change: FTE Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture and Mining</td>
<td>-1200</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-1000</td>
</tr>
<tr>
<td>Utilities</td>
<td>-800</td>
</tr>
<tr>
<td>Construction</td>
<td>-600</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>-400</td>
</tr>
<tr>
<td>Transport and Warehouse</td>
<td>-200</td>
</tr>
<tr>
<td>Accommodation and F&amp;B Service</td>
<td>0</td>
</tr>
<tr>
<td>Media and IT</td>
<td>200</td>
</tr>
<tr>
<td>Professional Services</td>
<td>400</td>
</tr>
<tr>
<td>Public Administration &amp; Defence</td>
<td>600</td>
</tr>
<tr>
<td>Business support services</td>
<td>800</td>
</tr>
<tr>
<td>Education</td>
<td>1000</td>
</tr>
<tr>
<td>Health and Social Care</td>
<td>-1200</td>
</tr>
<tr>
<td>Arts, Recreation, and Other Services</td>
<td>-1000</td>
</tr>
<tr>
<td>Employment Change: FTE Jobs</td>
<td>-800</td>
</tr>
<tr>
<td>Employment Change: FTE Jobs</td>
<td>-600</td>
</tr>
<tr>
<td>Employment Change: FTE Jobs</td>
<td>-400</td>
</tr>
<tr>
<td>Employment Change: FTE Jobs</td>
<td>-200</td>
</tr>
<tr>
<td>Employment Change: FTE Jobs</td>
<td>0</td>
</tr>
<tr>
<td>Employment Change: FTE Jobs</td>
<td>200</td>
</tr>
<tr>
<td>Employment Change: FTE Jobs</td>
<td>400</td>
</tr>
<tr>
<td>Employment Change: FTE Jobs</td>
<td>600</td>
</tr>
<tr>
<td>Employment Change: FTE Jobs</td>
<td>800</td>
</tr>
<tr>
<td>Employment Change: FTE Jobs</td>
<td>1000</td>
</tr>
</tbody>
</table>
GLH has considered the proportion of employment in each of these sectors which is likely to take place in office or R&D floorspace (Use Classes B1a and B1b), light industrial floorspace (Use Classes B1c), general industrial floorspace (Use Class B2), and warehouse / distribution floorspace (Use Class B8). We have calibrated our standard model which relates sectors and use classes for the Derbyshire Dales economy through interrogation of the current composition of employment in key sectors at 4-digit SIC level. This is used to derive the following forecasts of net growth in FTE employment by use class over the plan period:

<table>
<thead>
<tr>
<th>Use Class</th>
<th>2013-18</th>
<th>2018-23</th>
<th>2023-28</th>
<th>2028-33</th>
<th>Total 2013-33</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1a/b</td>
<td>631</td>
<td>128</td>
<td>116</td>
<td>135</td>
<td>1,010</td>
</tr>
<tr>
<td>B1c</td>
<td>73</td>
<td>52</td>
<td>35</td>
<td>34</td>
<td>196</td>
</tr>
<tr>
<td>B2</td>
<td>46</td>
<td>59</td>
<td>47</td>
<td>45</td>
<td>198</td>
</tr>
<tr>
<td>B8</td>
<td>-2</td>
<td>63</td>
<td>55</td>
<td>66</td>
<td>182</td>
</tr>
<tr>
<td>Total B Class</td>
<td>749</td>
<td>303</td>
<td>253</td>
<td>280</td>
<td>1,586</td>
</tr>
</tbody>
</table>

Source: GLH

To these figures we have applied employment densities taking account of the HCA Employment Densities Guide: 2nd Edition (Drivers Jonas Deloitte, 2010). We have converted figures to provide employment densities for gross external floor areas on the following basis:

- Office (B1a and B1b): an average of 14 sq m GEA per employee based on a blend between business park, serviced office and general office floorspace and assuming that the gross external area of buildings is on average 20% higher than the net internal area;
- Light Industrial (B1c): an average of 49 sq m GEA per employee, assuming that the gross external area of buildings is on average 5% higher than the net internal area;
- General Industrial (B2): an average of 38 sq m GEA per employee, assuming that the gross external area of buildings is on average 5% higher than the gross internal area;
- Warehouse/ Distribution (B8): an average of 60 sq m GEA per employee. This is slightly below the middle of the range of employment densities for B8 activities, reflecting the predominantly smaller stock and lack of large scale and high bay warehousing in the district.

Applying these employment densities to the forecasts of net growth in jobs in B-class activities, we can derive forecasts for net changes in employment floorspace. This forecasts a net requirement for additional B-Class floorspace of 42,600 sq m. The breakdown by use class is shown below.

Source: Core Economic Forecasts
13.13 These are net changes and do not take account of replacement demand, such as from existing companies requiring upgraded floorspace. In considering how much employment land to allocate, it is therefore appropriate to include a margin to provide some flexibility within the supply. This is considered further below.

13.14 To calculate the land requirements to support these net changes, we have applied the following plot ratios:

- 0.3 for B1a/b office and R&D uses;
- 0.4 for B1c and B2 industrial uses; and
- 0.5 for B8 warehouse / distribution floorspace.

*Source: GL Hearn*

13.15 This generates the following requirement for net additional land to support employment growth over the plan period:

| Net Land Requirement to Support Net Forecast Employment Growth (ha), 2013-33 |
|-----------------------------------|------------|
| B1a/b                             | 4.8        |
| B1c                               | 2.4        |
| B2                                | 1.9        |
| B8                                | 2.2        |
| **Total B Class**                 | **11.3**   |

13.16 The modelling thus shows a net need for 11 hectares of additional B-class employment land.

13.17 To provide an indication of the potential gross need for employment land in this scenario, it may be appropriate to make some allowance for frictional vacancy within employment floorspace; and provide some margin within the supply of land to provide a choice of sites.

13.18 We have assumed a 10% vacancy rate within the additional floorspace, which is what we would consider reasonable in a functioning commercial property market. A level of vacant floorspace is necessary to support turnover and improvements to stock. On the basis of the above net demand forecasts, this would generate a need for around 1.1 hectares of additional land.
13.19 In identifying how much land to allocate for development, we however consider that it would be prudent to include a ‘margin’ to provide for some flexibility, recognising:

- The potential error margin associated with the forecasting process;
- To provide a choice of sites to facilitate competition in the property market;
- To provide flexibility to allow for any delays in individual sites coming forward.

13.20 We consider that it would be appropriate to make provision for a 5-year ‘margin’ based on past employment land take-up. Over the last 15 years (2000-15) employment completions have averaged 0.45 hectares per annum. This equates to a 5 year margin of 2.25 ha over the 20 year plan period.

13.21 Overall this would thus result in a gross need for 15 hectares of employment land to meet development needs in the District.

### Figure 197: Gross Employment Land Need – Labour Demand Scenario

<table>
<thead>
<tr>
<th>Gross Need</th>
<th>Ha: Derbyshire Dales District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Demand</td>
<td>11.3</td>
</tr>
<tr>
<td>Allowance for Vacant Floorspace</td>
<td>1.1</td>
</tr>
<tr>
<td>Margin to Provide Choice and Flexibility</td>
<td>2.3</td>
</tr>
<tr>
<td>Total Gross Need</td>
<td>14.7</td>
</tr>
</tbody>
</table>

**Past Completions**

13.22 Next we have considered historic completions of employment floorspace in Derbyshire Dales. We have considered data for completions, losses, and net growth of B class floorspace in the District over the period from 2000 to 2015 based on the Council’s planning application data. This period is bisected by the global recession in 2008 and therefore provides an assessment of take-up in both buoyant, and less buoyant, economic conditions.

13.23 Over the period 2000-2015 there has been a total of 25,000 sq m of employment floorspace completed (gross) in Derbyshire Dales. This is equivalent to an annual average completion rate of 1,667 sq m per annum. Over this period there have been total losses of 12,636 sq m, equivalent to 842 sq m per annum. The annual average per use class is shown in the table below.\(^{16}\)

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\(^{16}\) These figures are based on the Council’s data calculated using planning application data. As noted in Section 9 of this report permitted development rights were amended in 2013 to allow the change of use of office space to residential uses without the need for planning permission. Since this time there have been 7 prior notification applications for such changes of use in the District. However, floorspace figures for such permitted changes of use have not been recorded and as such are not included in the Figure 192. Some schemes may not have been ‘completed.’
We have used the same plot ratios as above to calculate the amount of employment land which would be needed to support continued delivery of this scale. An annual average of 0.45 ha of employment land would be required per annum to provide for the gross figure. Over the 20 year plan period this would equate to a gross requirement of 9 ha of employment land.

On a similar basis, an average 0.23 ha of employment land is lost per annum to alternative uses. This gives a net growth of employment land at 0.3 ha per annum. Over the 20 year plan period with equates to a total loss of 4.6 ha of employment land to alternative uses.

Implications

GL Hearn considers that based on the available evidence it would be appropriate to plan for employment growth in line with the Cambridge Econometrics’ forecasts but with adjusted growth in public administration. This is equivalent to planning for employment growth of 1,700 jobs between 2013-33. This is based on interrogation of economic dynamics, including the two forecasts, and potential issues with statistics which will have affected projected growth. GL Hearn does not consider that using the Oxford Economics forecasts would be consistent with “planning positively” for sustainable economic growth, as the NPPF requires.

On a “policy off” basis, to support this level of jobs growth over the plan period we consider that the delivery of 15 hectares (gross) of land for employment uses will be required across Derbyshire Dales. This takes account of the preferred economic scenario, but includes an allowance to provide a choice of sites and flexibility of supply.

The need for 15 hectares of land is based on the analysis undertaken which shows that 12.4 hectares of land would be required to support the expected net growth in jobs, taking account of the growth expected in different sectors and the typical level of vacant floorspace which we might expect in a well-functioning property market. The analysis shows that demand in the District is very localised. A margin of 2.3 hectares of land is thus recommended to ensure that there is a choice of available sites and to provide some flexibility within the land supply to ensure that business growth
can be supported – recognising that a business which wants to expand in Matlock, may not for instance want to move to Hathersage as there is a lack of available land locally.
14 EMPLOYMENT LAND SUPPLY

14.1 This section of the report provides a review of the existing and potential employment land in Derbyshire Dales.

Site Assessment Methodology

14.2 Employment sites to assess were agreed with Derbyshire Dales District Council, and include the main employment locations within the District. Site surveys were undertaken by GL Hearn in March 2015 using a site assessment proforma which draws on best practice guidance and the PPG. The site assessments addressed:

- The nature and intensity of use of the employment site;
- Road access, including access by HGVs and servicing of existing businesses;
- Access to local services/amenities for employees;
- Physical constraints to the development and use of this site;
- Nature of any bad neighbour or adjacency issues;
- The age and quality of existing buildings; and
- Public transport accessibility and adequacy of parking provision.

14.3 A general description of each employment site was prepared. The site survey included specific consideration of the quality of sites and floorspace and their future suitability to meet market demand.

14.4 We have reviewed the development potential of sites, the potential for intensification of use and potential for extension of existing sites. Vacant land and floorspace on existing sites has been recorded. Where development opportunities were identified, information was collected regarding the potential availability of land for development, market attractiveness of the site, and any known constraints (including infrastructure) which might impact upon the deliverability of development.

14.5 The assessments come with the caveat that neither a detailed investigation of land ownership and lease structures nor detailed development appraisals to assess viability at a site-specific level (in the absence of a development scheme) have been undertaken to inform conclusions on developability. GL Hearn advises that the Council liaise with landowners and developers to consider these issues in detail to inform any future site allocations.
Sites Considered

14.6 The list below outlines the sites which have been assessed through this Employment Land Study. In total these sites covered approximately 120 hectares. Of these 89% of the land area on employment sites fell outside of the Peak District National Park. These sites were visited on the 20th of March 2015.

Figure 199: List of Employment and Potential Employment Sites Reviewed

<table>
<thead>
<tr>
<th>Sites Outside the Peak District National Park</th>
<th>Hectares</th>
<th>Ward</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashbourne Airfield Industrial Estate</td>
<td>38.7</td>
<td>Ashbourne South</td>
</tr>
<tr>
<td>Henmore Trading Estate, Ashbourne</td>
<td>0.4</td>
<td>Ashbourne South</td>
</tr>
<tr>
<td>Waterside Business Park, Ashbourne</td>
<td>1.5</td>
<td>Ashbourne South</td>
</tr>
<tr>
<td>Molyneux Business Park, Darley Dale</td>
<td>1.1</td>
<td>Darley Dale</td>
</tr>
<tr>
<td>Porter Lane East, Cromford</td>
<td>1.0</td>
<td>Masson</td>
</tr>
<tr>
<td>Cawdor Quarry, Matlock</td>
<td>14.2</td>
<td>Matlock All Saints</td>
</tr>
<tr>
<td>Dimple Road Business Park, Matlock</td>
<td>0.5</td>
<td>Matlock St Giles</td>
</tr>
<tr>
<td>Hall Dale Quarry, Matlock</td>
<td>27.3</td>
<td>Matlock St Giles</td>
</tr>
<tr>
<td>Brookfield Industrial Estate, Tansley</td>
<td>6.6</td>
<td>Matlock All Saints</td>
</tr>
<tr>
<td>Lime Tree Business Park, Matlock</td>
<td>0.5</td>
<td>Matlock St Giles</td>
</tr>
<tr>
<td>Scholes Mill, Tansley</td>
<td>0.3</td>
<td>Matlock St Giles</td>
</tr>
<tr>
<td>Unity Garage Complex Dale Road, Darley Dale</td>
<td>0.6</td>
<td>Stanton</td>
</tr>
<tr>
<td>Kingsfield Industrial Estate, Wirksworth</td>
<td>0.3</td>
<td>Wirksworth</td>
</tr>
<tr>
<td>Middleton Road Quarry, Wirksworth</td>
<td>8.7</td>
<td>Wirksworth</td>
</tr>
<tr>
<td>Porter Lane West, Middleton by Wirksworth</td>
<td>2.7</td>
<td>Wirksworth</td>
</tr>
<tr>
<td>Ravenstor Road Industrial Estate, Wirksworth</td>
<td>2.0</td>
<td>Wirksworth</td>
</tr>
<tr>
<td>Rowsley Industrial Estate, Rowsley</td>
<td>1.5</td>
<td>Stanton</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sites Inside the Peak District National Park</th>
<th>Hectares</th>
<th>Ward</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deepdale Business Park, Bakewell</td>
<td>2.3</td>
<td>Bakewell</td>
</tr>
<tr>
<td>Riverside Business Park, Bakewell</td>
<td>4.9</td>
<td>Bakewell</td>
</tr>
<tr>
<td>Station Road Industrial Estate Bakewell</td>
<td>1.3</td>
<td>Bakewell</td>
</tr>
<tr>
<td>Whitecross Business Park, Tideswell</td>
<td>1.7</td>
<td>Bradwell</td>
</tr>
<tr>
<td>Calver Works, Calver Slough</td>
<td>0.7</td>
<td>Calver</td>
</tr>
<tr>
<td>Cartledge House BC, Great Hucklow</td>
<td>0.6</td>
<td>Hathersage and Eyam</td>
</tr>
<tr>
<td>Hathersage Business Park</td>
<td>0.5</td>
<td>Hathersage and Eyam</td>
</tr>
<tr>
<td>Station Yard, Hathersage</td>
<td>0.5</td>
<td>Hathersage and Eyam</td>
</tr>
<tr>
<td>Great Longstone Industrial Estate</td>
<td>0.9</td>
<td>Litton and Longston</td>
</tr>
</tbody>
</table>
Figure 200: Location of Employment and Potential Employment Sites

Source: GL Hearn, 2015
Review of Existing Main Employment Sites

14.7 The site assessments are set out in the order of the sub-areas that they are located in.

Sites Outside of the National Park

Ashbourne Airfield Industrial Estate (38.71 Hectares) - Ashbourne South Ward

14.8 This is the most significant employment location within the district housing a number of key local employers such as Moy Park, DA Pak and Homelux. The site is an established former airfield site to the west of Ashbourne with the majority of the site is surrounded by open countryside.

14.9 The site was largely constructed in the 80s and 90s although the majority of buildings are in good or very good condition in a reasonable environment. There is a mix of light and heavy industrial units as well as a number of offices within the estate. There is significant noise and HGV traffic emerging from the site.

14.10 It is the nearest employment location in Derbyshire Dales to the City of Derby. It has relatively good access to the Strategic Road Network (SRN). Public transport does not appear to be particularly good although parking provision on site seems underused. There are only limited facilities/amenities on site.
14.11 Within the site there are a number of vacant and derelict sites which could intensify employment floorspace within the employment location.

14.12 **Conclusion**: The site is in one of the key employment locations in the District and is well occupied. There is clear justification for protection of the site for continued employment use. Opportunities for expansion of the site should be considered through the Local Plan development process.

**Henmore Trading Estate, Ashbourne (0.42 Hectares) - Ashbourne South Ward**

14.13 This is a small trading estate located to the south west of Ashbourne. The site was constructed in the 90s with the majority of buildings are in reasonable condition. There is b-class use on the site although all the units seem occupied with uses such as a car wash, garage and dance school.

14.14 It has good access to the Strategic Road Network (SRN) with the A52 just a short drive away. Public transport is on the nearby road but parking provision on site is limited. There are only limited facilities/amenities on site although the town centre is a short walk away.

14.15 The site has previously been allocated as a part of a wider mixed use development. This would include development to the fields to the rear of the site although these (as is the site) subject to flooding.

14.16 **Conclusion**: Small site providing medium quality small units for local businesses, and is well occupied as such. The site is accessible and contributes positively to local employment.
Waterside Business Park, Ashbourne (1.49 Hectares) - Ashbourne South Ward

14.17 This is a recently developed site which includes some offices as well as a garage, church/community centre and specialist supermarket. The site is located adjacent to the Waterside Retail Park to the south west of the town.

14.18 The majority of buildings are very good condition in a reasonable environment. There is a single vacant area which is yet to be developed which could intensify employment floorspace within the employment location.

14.19 It has good access to the Strategic Road Network (SRN) with the A52 just a short drive away. Public transport is on the nearby road and parking provision on site is good with further parking on the nearby retail park. There are good facilities/amenities in the retail park and the town centre is a short walk away.

14.20 Conclusion: Part of a relatively recent retail led development. The site only has a small amount of existing office space and a small parcel of vacant land. The vacant land provides opportunities for employment-generating development.
The Molyneux Business Park is located in a largely residential part of the town of Darley Dale just north of Matlock. The site is in very good condition suggesting recent renovation. There is a mix of light industrial units as well as a large serviced offices block located within a converted mill.

The site has good access to the Strategic Road Network (SRN) with the site almost directly on the A6. Public transport is reasonably good and there is parking provision on site. However there are only limited facilities/amenities on site or nearby.

**Conclusion:** The site is in very good condition and is well occupied. It is a successful site and well suited to continued employment use.
Porter Lane East, Cromford (1.04 Hectares) - Masson Ward

14.24 This is a recently developed site which includes a B1C unit as well as a garage. The site is located adjacent to a retail unit which has a separate entrance. The site is located in the village of Bolehill to the north of Wirksworth.

14.25 The site has only been recently built therefore the buildings are in very good condition. Part of the site is yet to be developed and could provide additional employment floorspace.

14.26 The site has reasonably good access to the Strategic Road Network (SRN) with the A6 just a short drive away. There is limited public transport on the nearby road and parking provision on site is adequate although further development of the site may change this. There are only facilities/amenities in the area.

14.27 Conclusion: Recently developed site with potential on vacant part of the site for additional employment development.
Cawdor Quarry, Matlock (14.21 Hectares) - Matlock All Saints Ward

The site represents a significant mixed use development opportunity located close to Matlock Town Centre and train station. The site is currently a disused quarry site with access in place via Matlock Spa Road. Part of the site is falls within a designated wildlife site.

The site has a long standing planning permission for large scale residential led mixed use development which includes an element of 1,900sq m B1 floorspace. If developed the site will provide 432 dwellings.

Conclusion: Planning permission exists for residential-led mixed use redevelopment of this site, which includes employment floorspace.
Dimple Road Business Park, Matlock (0.5 Hectares) - Matlock All Saints Ward

14.31 Dimple Road Business Park is a small former council services location located in a largely residential area close to Matlock town Centre. The site is occupied by users such as Dales Housing and Matlock storage.

14.32 The site is seemingly fully occupied and the buildings are well maintained. The site has good access to Matlock Town Centre and its amenities.

14.33 The site is located part way up a steep hill although it is close to the A6 albeit via a residential area. There is a bus stop outside the site and train station is a short walk away. Car parking on site is reaching its limit and there is a lot of on street parking although this could be linked to residential uses.

14.34 Conclusion: Well occupied site providing employment land for local businesses and services. There is clear justification for protection of the site for continued employment use.
Hall Dale Quarry, Matlock (27.25 Hectares) - Matlock All Saints Ward

14.35 The site represents a significant mixed use development opportunity located close to Matlock Town Centre and train station. The site is currently a disused quarry site with access in place via Snitterton Road.

14.36 Part of the site is located within a Regionally Important Geological Site and adjacent to a SSSI. Any development scheme would need to take these factors into account.

14.37 The site was allocated in the Local Plan (adopted 2005) for mixed-use development comprising 100 dwellings and 7 hectares of employment land. Planning permission for employment-led development was granted in 2010, but has since lapsed.

14.38 Conclusion: The site provides potential to accommodate new employment as part of a mixed-use redevelopment scheme.
14.39 This is the main industrial location within Matlock although it is physically detached (1km) away from the settlement boundary. As such facilities and amenities on site are poor. Part of the site, Scholes Mill, is examined separately.

14.40 The site has a mix of uses including a number of trade counters. The majority of the site is good quality buildings built or converted since 1990.

14.41 The site is located close to the A615 which links Matlock and Alfreton. The site has a limited bus service. Access to the site is via a steep road which has a poor junction at Alfreton Road. Circulation in the site could also be better although most units have their own parking.

14.42 **Conclusion:** The site is in one of the key/primary employment locations in the District and is well occupied. There is clear justification for protection of the site for continued employment use.
14.43 The Lime Tree Business Park is a small industrial estate located in the eastern park of Matlock. The site is only a short walk away from Matlock Town Centre. The site is comprised of low rise 1970s lock up units which are well maintained although unattractive.

14.44 The site is located adjacent to Alfreton Road which links to more strategic roads via Matlock Town Centre. The site has good access to Public Transport. Parking on site is adequate although access could be better, especially for HGV traffic.

14.45 Whilst units on the site are generally occupied, levels of activity at the time of the site assessment were low.

14.46 Conclusion: Medium quality site providing accommodation for a mix of uses. Most of the units are occupied, with some used as bases for construction or other companies who work away from the site.
Scholes Mill, Tansley (0.31 Hectares) - Matlock St Giles Ward

14.47 This is a converted mill within the Brookfield Industrial Estate. The site is a good quality office building with private parking. The building is grade II listed building and partly falls within a conservation area and adjacent to the site of importance to nature conservation.

14.48 Facilities and amenities on site are poor and access to the site is via a steep road which has a poor junction at Alfreton Road at the top of it. Circulation in the site is good. The site is located next to a river and as such is located within the flood zone meaning lower floors may not be suitable for residential uses.

14.49 There is a distinct lack of office accommodation within Matlock and as such the site presents the best quality supply. There are four units on this site which are still available to rent and are being marketed. These units are all around 1,300 sq ft with the potential to combine two of them. Overall at the time of the assessment, occupancy levels were reasonable.

14.50 Conclusion: The site is a reasonable quality office location in a largely industrial/retail trade-counter location. The wider area is a primary/key employment location and Scholes Mills should be offered the same level of protection.
Unity Garage Complex Dale Road, Darley Dale (0.55 Hectares) - Stanton Ward

14.51 The site is located in Darley Dale on the A6 north of Matlock. The site benefits from Direct access onto the A6 and may of the uses on site are transport related many of which would not be classed as B-class employment.

14.52 The site is not that well maintained and are aging. Access and circulation of the site is good. There is informal parking on site which is not that well used. Public transport is relatively good with buses outside the site to Matlock and Manchester. There is only limited facilities and amenities near the site.

14.53 The site is adjacent to a large metal works (Alcoa) which provides significant local employment.

14.54 Conclusion: This is generally a lower quality site providing accommodation to mainly transport related uses. It is in an accessible location where there is a cluster of employment activities.
The Kingsfield IE is a small industrial estate located in the mostly residential southern part of Wirksworth.

The site is comprised of low rise 1980s units with loading bays which are well maintained but there are a number of vacant units. There are some amenities nearby and Wirksworth town is only a short walk away.

The site is located adjacent to B5023 Derby Road which links to the A6 via Wirksworth and Matlock. The site has reasonable access to public transport. Parking on site is adequate although access could be better especially for HGV traffic.

Conclusion: Small site providing medium quality small units for local businesses.
Middleton Road Quarry, Wirksworth (8.69 Hectares) - Wirksworth Ward

14.59 The site represents a significant mixed use development opportunity located close to Wirksworth. The site is currently a disused quarry site with access in place via Old Lane and Middleton Road.

14.60 The site has been allocated for employment-led mixed use development under the adopted local plan but has yet to be developed. The site is impacted upon by nearby conservation areas and designated wildlife sites and a leisure trail.

14.61 Direct access to the site is poor although would need to be improved with development. The site is a brownfield site close to Wirksworth Town Centre and its amenities. Although not on the SRN the local roads have direct access to the A6.

14.62 The site could start to deliver homes and employment space in the next five years, although this would be dependent on remediation and development viability. No detailed viability assessment has been undertaken.

14.63 Conclusion: Allocation for mixed-use redevelopment. The site is suitable for employment development as part of a mixed-use redevelopment.
**Porter Lane West, Middleton by Wirksworth (2.65 Hectares) - Wirksworth Ward**

14.64 The Porter Lane site is a largely B8 driven employment location. There is a mix of old a new commercial stock with the majority linked to distribution. The site is located close to the village of Middleton which sits between Wirksworth and Matlock.

14.65 Access to the site is via a short road which crosses a miniature railway line. The site does not have direct access to the SRN although the A6 is nearby. There is some informal parking on the site including that for HGV vehicles. The site functions as the main HQV location for the district.

14.66 The majority of the stock is from the 1990s although other parts date back to pre-1960s. Although the buildings are of a reasonable quality the environment is generally quite poor. Access to public transport is also poor although there is a bus stop with a limited service nearby.

14.67 Part of the site is vacant and cordoned off but could be brought back into use. This could even involve improved access on to Main Street in Middleton.

14.68 **Conclusion:** The site should be retained for employment use with support given subject to suitable access provision for development/ intensification of vacant areas. This is generally a lower quality site but provides an important B8 function and as such it should be protected.
14.69 This Industrial Estate is good quality office and industrial park located to the North of Wirksworth Town Centre. There are a number of core tenants including Technolog and HGI Generators.

14.70 There is a high occupancy rate on the site with the majority of the stock dating from this century. The environment is very good as is the general quality of the stock.

14.71 The site has good access and circulation and ample parking. Although it doesn’t have direct access to the SRN the A6 can be accessed easily. Public transport is relative good and the services and amenities of Wirksworth are nearby.

14.72 The site could be extended as part of any development at the Middleton road quarry site. Although again this is subject to any remediation and environmental designations.

14.73 Conclusion: The site is in one of the better quality employment locations in the District and is well occupied. There is clear justification for protection of the site for continued employment use.
This small industrial estate is located in the village of Rowsley which is north of Darley Dale and Matlock. The site has direct access to the A6 and has a mix of occupiers which include garages and art supplies as well as tractor sales.

Access to the site is good although egress could be improved. The sites has poor circulation and parking is adequate although some still choose to park on street. This maybe because the parking facilities are poor quality.

The majority of the buildings have been built since 1990 and remain in reasonable or very good quality. There is one outstanding office building on site which is well designed and only recently built although this is a little out of character to the rest of the site.

Conclusion: Well occupied site providing employment land for local/rural businesses. Part of the site has recently been redeveloped for a specific occupier.
Sites Inside of the National Park

Deepdale Business Park, Bakewell (2.34 Hectares) - Bakewell Ward

14.78 This recent mixed use development incorporates some high quality flatted accommodation to the front of the site with B1a and B1c accommodation to the rear. The site is located to North West of Bakewell outside of the main settlement but adjacent to a small residential area. Flattened accommodation to the front of site was previously office space.

14.79 The site has direct access to the A6 and circulation within the site are good. Public transport access is relatively good. There is plentiful parking and the light industrial units have their own loading bays. There is a slight incline in the site but this would not restrict HGV access.

14.80 Built this century both the environment and the commercial stock on the site are of very good quality and has a seemingly high occupancy rate. Access to amenities is limited but Bakewell Town Centre is a short drive away.

14.81 There is a small vacant area to the rear of the site which could be developed for further employment floorspace. Subject to the wider National Park duty and purposes this would be a suitable location for low density development.

14.82 Conclusion: This recent development provides high quality employment accommodation with good strategic road access. There is some vacant land with development potential.
Riverside Business Park, Bakewell (4.89 Hectares) - Bakewell Ward

14.83 This site has in part undergone significant development in the last few years including a large brewery complex. The site is located at the North West edge of Bakewell and includes a variety of B-class and Sui generis uses. The site is the largest employment location in Bakewell.

14.84 The site has direct access to the A6 although circulation and access could be improved and indeed critical to the site redevelopment. Public transport access is relatively good. There is reasonable parking on the site although it could be set out better. Improving the access to the site from the A6 is critical to its re-development.

14.85 The site has also had some recent public realm improvements including new signage. There are a number of uses on the site including a timber yard although the most prominent use is a local brewery.
The age and quality of the site also varies with the majority of buildings dating back to a post war era with some being recently built and in very good condition. Part of the site is also derelict and ready for redevelopment. The derelict buildings include a small office building and a large vacant warehouse.

The re-use of the derelict buildings to meet the local need will allow for delivery of additional employment land within the National park without unduly impacting on the landscape or environment.

Conclusion: This is key/primary industrial estate where continued employment use should be supported. The site has significant intensification potential but this may require some infrastructure support. There is a clear justification for retention of the site for continued employment use and the redevelopment of derelict buildings.

Station Road Industrial Estate Bakewell (1.34 Hectares) - Bakewell Ward

This collection of B1a and B1c buildings are located in the north of Bakewell town. The site comprises a number of two store buildings. The site also includes the former train station now being used as offices.

The site is located at the top of a steep hill from the town centre in a largely residential area. Direct access to the site is reasonable although circulation is poor. Public transport access is poor despite
being in the Town. Although the A6 is relatively nearby access to the SRN is not suitable for a large amount of HGV use as this is via the town centre and residential areas.

14.91 There is a small area of vacant land to the rear of the site which is used for informal storage of motor vehicles. This area could be better used for employment uses but would require removal of existing uses.

14.92 Conclusion: Medium quality site providing accommodation for a mix of uses. Some opportunity to intensify employment use.

Whitecross Business Park, Tideswell (1.68 Hectares) - Bradwell Ward

The Whitecross Business Park provides employment accommodation in the remote part of the district. There are a number of businesses on the site which service the rural economy. The small town of Tideswell is located in the North West of the District with the site at the eastern edge of the site.

14.94 The site has good access and reasonable circulation and is close to the A623. Parking on the site is reasonable although in place informal. Public transport is also reasonable with a local bus service to Sheffield and Buxton stopping outside the site. There are no amenities on the site with the closest being in Tideswell Town Centre is around 10 minutes’ walk away.
14.95 The buildings on the site are of mixed quality and age. Although the buildings are reasonable the general environment is in parts poor. Occupancy levels are reasonably high.

14.96 To the rear of the site there is a small parcel of vacant land which is seemingly previously developed. This would be a reasonable location for further employment uses but would need to have improved access and in keeping with the duty and purposes of the National Park.

14.97 Conclusion: Relatively large site providing low/medium quality units providing accommodation for local/rural services/businesses, and is well occupied as such.

Calver Works, Calver Slough (0.71 Hectares) - Calver Ward

The Calver Works sites is a linear collection of lower quality employment buildings located within the village of Calver. The village itself is located to the North of the district along the A623.

14.98 The site has direct access to the A623 although circulation in the site is hindered by a very poor surface. The junction could also be improved. There is some parking on the site but this is unmarked and informal. Public transport is aided by the site being close to a major junction of the A623 and A625 with buses travelling in a number of directions.
14.100 The site dates from the 70s, 80s and 90s and has a reasonably high level of vacancy. Most of the units have their own loading bays. Half the buildings are in reasonable condition with the remainder being poor.

14.101 **Conclusion:** Small site providing low quality small units for local businesses, and is well occupied as such.

**Cartledge House BC, Great Hucklow (0.57 Hectares) - Hathersage and Eyam Ward**

14.102 Cartledge House Business Park is located in the village of Great Hucklow which is located in a remote northern part of district. The site is a former agricultural barn converted to two units.

14.103 Both the quality of the buildings and the environment are very good. Direct access to the site is reasonable but the Strategic Road Network is a short drive away although this is via country roads. Access to amenities and public transport is poor due to the sites remote location. There is ample parking on the site for the current use and circulation is good.

14.104 There is a small area of vacant land to the south of the site which could deliver additional small scale employment uses subject to demand and the wider duty and purposes of the National Park.

14.105 **Conclusion:** Small fully occupied site providing employment land for local/rural businesses.
Hathersage Business Centre (0.53 Hectares) - Hathersage and Eyam Ward

14.106 This is a good quality office location within Hathersage village centre. The site is comprised of low rise and converted office accommodation. This is the most northern employment site in the district and one of the main office locations.

14.107 The site has recently been redeveloped and the environment and quality of the buildings are very good. The site has good access to amenities and public transport. Although on the main road through Hathersage this cannot be classified as the strategic Road Network.

14.108 The site has limited parking which was seemingly at capacity at the time of visit. Circulation in the site is relatively poor. Direct access is reasonable but egress is more problematic. The site is currently marketing one office unit within the converted barn.

14.109 Conclusion: This relatively recent development provides high quality office accommodation. It provides good quality employment floorspace serving the local market.
14.110 The site is a relatively recent linear business park predominantly comprised of offices as well as other non-b class uses such as a gym. The site is located to the east of the town. The site is very good quality.

14.111 The site is adjacent to Hathersage Railway Station therefore public access is good. Access to the Strategic road network is poor however there are main roads which link the town to it reasonably well.

14.112 The site has reasonable access to amenities within the centre of town. Access to the site is good although circulation could be better. Parking is adequate for the existing uses although all loading is off road.

14.113 Conclusion: This relatively recent development provides high quality office and B1b/c accommodation. It provides good quality employment floorspace serving the local market.
Great Longstone Industrial Estate (0.92 Hectares) - Litton and Longston Ward

This rural employment site is located in the village of Great Longstone, which is approximately 3 miles north of Bakewell. The site has a number of uses including as a location for the rural transport services.

Although the SRN is only a short drive away access to the site is located via small rural roads which makes it problematic. The site has good circulation and parking is adequate. There are no amenities nearby and public transport access is poor.

The site is comprised good quality buildings all of which have been built since the 1990s. Most units have loading bays. There are no opportunities to intensify the site.

Conclusion: Well occupied site providing employment land for local/rural businesses.

Implications

The District has a range of employment sites of different sizes and typologies which cater for a range of business needs. Key existing employment sites include Ashbourne Airfield Industrial Estate; Brookfield Industrial Estate and Scholes Mill in Matlock/Tansley; and Riverside Business Park in Bakewell. Ashbourne Airfield Industrial Estate is of sub-regional importance.
14.119 Industrial/commercial sites across the District are generally well occupied and of a decent quality. Smaller sites tend to serve a more local market. The rural nature of the District and its general lack of strategic transport network make serving the national markets more difficult.

14.120 The major development opportunities largely require significant infrastructure and remediation which may influence the viability of development. There are number of other sites which offer smaller scale development potential, including through intensification or through the extension of existing employment locations subject to further investigation.
15 EMPLOYMENT SITE SUPPLY-DEMAND BALANCE

15.1 This section seeks to draw together the evidence regarding supply-demand balance for employment sites in Derbyshire Dales. It considers supply-demand balance in quantitative and qualitative terms.

Quantitative Need for Employment Land

15.2 On a “policy off” basis, the analysis in Section 12 concluded that it would be appropriate to plan to provide 15 hectares (gross) of employment land provision with development potential across Derbyshire Dales District. This takes account of the preferred economic scenario, but includes an allowance to provide a choice of sites and flexibility of supply.

15.3 In assessing the quantitative need for employment land provision, we have sought to establish the potential supply of land on employment sites within the District. We have set out four tranches of potential employment land with development potential which relate to our recommendations as set out previously in this section. These are:

- Employment Sites outside the National Park – Sites with planning permission or vacant/cleared sites in existing key/primary or general employment locations where there is a realistic chance of delivery and are outside of the National Park;
- Employment Sites within the National Park - Vacant or cleared sites in general employment locations within the National Park;
- Mixed-Use Development Sites - Sites which could deliver an element of employment land as part of a wider mix of uses. We have not quantified employment land from these sites but given the overall site area.

15.4 The allocation of sites will be made by the Council. These will reflect the most suitable sites for development taking into consideration among other things market demand, landscape impact, sustainability, infrastructure etc. as well as public consultation.

Employment Sites outside the National Park

15.5 The first of the above groups of sites comprises around 6.4 ha of employment floorspace across six plots on three different employment sites. These are summarised in the table below.
Figure 201: Primary Supply outside of the National Park

<table>
<thead>
<tr>
<th>Ward</th>
<th>Area (Ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashbourne Airfield 3</td>
<td>0.2</td>
</tr>
<tr>
<td>Ashbourne Airfield 2</td>
<td>0.4</td>
</tr>
<tr>
<td>Ashbourne Airfield 1</td>
<td>4.8</td>
</tr>
<tr>
<td>Waterside BP</td>
<td>0.2</td>
</tr>
<tr>
<td>Porter Lane East</td>
<td>0.3</td>
</tr>
<tr>
<td>Porter Lane West</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6.4</strong></td>
</tr>
</tbody>
</table>

Source: GLH 2014

15.6 Three of these sites are within the Ashbourne Airfield Industrial Estate. Their location with the wider site is set out within Figure 202 below.

Figure 202: Vacant Sites with Ashbourne Airfield Industrial Estate

Employment Sites in the National Park

15.7 There is a potential supply of 1.4 ha of employment land on sites within the National Park. The development potential identified represents opportunities for intensification of existing employment sites.
15.8 The District Council is not the planning authority within the National Park, and therefore has no control over the development of these sites.

**Figure 203: Supply within the National Park**

<table>
<thead>
<tr>
<th>Site</th>
<th>Sub Area</th>
<th>Area (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cartledge House</td>
<td>Hathersage and Eyam</td>
<td>0.1</td>
</tr>
<tr>
<td>Station Road, Bakewell</td>
<td>Bakewell</td>
<td>0.1</td>
</tr>
<tr>
<td>Tideswell IE</td>
<td>Bradwell</td>
<td>0.5</td>
</tr>
<tr>
<td>Riverside 2</td>
<td>Bakewell</td>
<td>0.02</td>
</tr>
<tr>
<td>Riverside 1</td>
<td>Bakewell</td>
<td>0.5</td>
</tr>
<tr>
<td>Deepdale BP</td>
<td>Bakewell</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>1.42</strong></td>
</tr>
</tbody>
</table>

Source: GLH 2014

**Development Potential of Mixed-Use Development Sites**

15.9 The third of these groups comprise around 50.2 ha of land on former quarry sites an element of which could be brought forward to meet future employment land needs, subject to market demand. Each of these sites is allocated for mixed use development.

15.10 Whilst the sites in total comprise 50ha, it is likely that a substantial proportion of this would be developed for residential or other uses.

**Figure 204: Potential Sites which could contribute to meeting Future Demand**

<table>
<thead>
<tr>
<th>Site</th>
<th>Sub Area</th>
<th>Area (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cawdor Quarry, Matlock</td>
<td>Matlock All Saints</td>
<td>14.2</td>
</tr>
<tr>
<td>Hall Dale Quarry, Matlock</td>
<td>Matlock All Saints</td>
<td>27.3</td>
</tr>
<tr>
<td>Middleton Road Quarry, Wirksworth</td>
<td>Wirksworth</td>
<td>8.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>50.2</strong></td>
</tr>
</tbody>
</table>

Source: GLH 2014

**Overall Supply Position**

15.11 Taking into account the committed supply as well as intensification opportunities we can see that there is a modest potential supply of employment land in the District on identified employment sites, totalling 7.8 ha. This represents vacant or developable land across 9 sites.

**Figure 205: Potential Net Supply of Employment Land (ha)**

<table>
<thead>
<tr>
<th>Supply</th>
<th>Area (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Supply Outside National Park</td>
<td>6.4</td>
</tr>
<tr>
<td>Secondary Supply Inside National Park</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7.8</strong></td>
</tr>
</tbody>
</table>
15.12 The supply from these existing employment sites would meet around 50-55% of the need identified of 15 Ha. Up to 7.2 hectares of additional employment development might need to be provided, based on the analysis undertaken, from other sites – including through mixed-use development of the former quarry sites, or through extension of existing employment sites – in order to meet the identified demand.

15.13 It should be borne in mid that a significant proportion of the identified supply comprises land at Ashbourne Airfield. This is a key/primary employment location in the District where there is clear evidence of demand; and of development potential.
17 CONCLUSIONS

17.1 This final section of the report draws conclusions regarding housing and economic development needs. It considers needs ‘leaving aside’ issues relating to land supply, development constraints and infrastructure. It also considers what mix of housing, employment and retail space is needed.

The Housing Market Area

17.2 The NPPF sets out that local planning authorities should work together to assess the full housing needs within the relevant Housing Market Area (HMA). The SHMA has reviewed the definition of the HMA, considering existing research at national and local levels, together with migration and commuting patterns and house prices - the key indicators identified in the Planning Practice Guidance (PPG).

17.3 GL Hearn has sought to bring together analysis of house prices (and changes thereof), migration and commuting flows, discussions with estate and letting agents and engagement with wider stakeholders to consider HMA geographies.

17.4 National research undertaken by CURDS for Government identifies a complex set of relationships between different parts of the District and nearby cities, with the major settlements in the District relating to Derby; with some of the northern parts of the District relating either to Sheffield, or to Buxton/ Manchester. This is however based on now somewhat dated 2001 Census commuting data. Previous commuting analysis undertaken for ONS identified different parts of the District falling within five separate Travel to Work Areas, highlighting the complexity of interactions with surrounding areas. However the majority of the District (including most of the towns) was identified within a Matlock TTWA.

17.5 House prices are fairly consistent housing costs across the District; and a particular parity with costs in High Peak District (which has previously been identified in the same HMA).

17.6 The analysis indicates that Derbyshire Dales sees relatively modest migration flows with surrounding local authorities, reflecting both its modest population size and the complexity of relationships from different parts of the District in different directions. Its strongest relationships relative to population size are with Amber Valley (2.2 gross moves per 1,000 population) and Chesterfield (2.0); although in terms of absolute numbers the strongest links are with Sheffield.

17.7 Levels of self-containment of migration (excluding long-distance flows) at 66% are insufficient for the District to be regarded as a housing market area in its own right.
17.8 Both migration and commuting evidence suggests that different parts of the District fall in separate Housing Market Areas – with the northern part of the District relating to Chesterfield and Sheffield; and the southern part more towards Derby.

17.9 Analysis of 2011 Census data highlights that the strongest relationship from Matlock is towards Chesterfield; from Ashbourne and Wirksworth is towards Derby; and from Bakewell and Hathersage is towards Sheffield. It does not point towards a particularly strong relationship in economic terms with High Peak or towards Manchester.

17.10 Although less precise, the wider indicators considered also highlight a reliance on the major cities for a number of areas including major retail and leisure provision. There are particularly notable reliance on Derby and Sheffield; although Chesterfield also has an important functional role.

17.11 Throughout the analysis we can see that there is a complex set of relationships at play across Derbyshire Dales. There are clearly economic and housing market relationships between the north of the District and Sheffield; and the south of the District and Derby. The central part of the District is slightly more complex, with a relationships between this area and a number of surrounding cities/larger towns – including Chesterfield.

17.12 The evidence indicates that the southern part of the District falls within a Wider Derby-focused HMA / FEMA. This area includes Ashbourne and Wirksworth.

17.13 The northern part of the District should be defined as falling within a Sheffield-focused HMA / FEMA. This includes Bakewell and Hathersage.

17.14 The central part of the District, including Matlock, should reasonably be seen as falling within an area of overlap between Housing and Functional Economic Market Areas; with influences from Sheffield; from Chesterfield; and from Derby.

17.15 In our view, recognising the complex set of inter-relationships which exist between different parts of the District and surrounding areas/larger settlements is more helpful than seeking to artificially simplify the picture by seeking to assess a dominant relationship or aggregate the District as a whole with one housing market area or another. In doing so the construct would be artificial and would fail to recognise the different relationships which are evident in different parts of Derbyshire Dales.

17.16 The Planning Practice Guidance accepts that functional geographies may not align well with local authority boundaries. It also accepts that there may be some overlap between these areas, and the evidence would point to this being the case in the central parts of the District.
17.17 The District is defined as cutting across two Local Enterprise Partnership areas. This would seem to us to be an acknowledgement, by Government, that parts of the District fall within separate areas of economic/ housing market influence.

17.18 On the basis of the evidence it would seem appropriate, and indeed pragmatic, for this study to focus on assessing the specific development needs of Derbyshire Dales District. It is important that a clear picture of development needs for the District is developed to inform the Local Plan.

17.19 For the purposes of local plan preparation it is important that there is consistency in the approach which is used to identifying housing and economic development needs, and thus whilst different parts of the District fall within different HMAs/ FEMAs the preparation of a single assessment is appropriate.

17.20 The inter-relationships identified between Derbyshire Dales and adjoining authorities in this section are however relevant in respect of the Duty to Cooperate, particularly in respect of housing provision. The evidence points suggests that the strongest migration links are with Sheffield, Amber Valley, North East Derbyshire, Chesterfield and Derby.

**Assessment of Housing Need (OAN)**

17.21 This report provides an assessment of overall housing need. It considers the need for housing arising across the District as a whole, including both within the plan area and those parts of the District which fall within the Peak District National Park.

17.22 In interpreting the findings, it is important to recognise the distinction between housing need and housing targets. Mr Justice Hinkinbottom makes clear this distinction in the case of Gallagher Homes Limited & Lioncourt Homes Limited vs Solihull Metropolitan Borough Council. In this he makes a distinction between household projections, the full objective assessment of need for housing and a housing requirement as follows:

i. **Household projections:** These are demographic, trend-based projections indicating the likely number and type of future households if the underlying trends and demographic assumptions are realised.

ii. **Full Objective Assessment of Need for Housing:** This is the objectively assessed need for housing in an area, leaving aside policy considerations. It is therefore closely linked to the relevant household projection; but is not necessarily the same. An objective assessment of housing need may result in a different figure from that based on purely demographics if, e.g., the assessor considers that the household projection fails properly to take into account the effects of a major downturn (or upturn) in the economy that will affect future housing needs in an area. Nevertheless, where there are no such factors, objective assessment of need may be – and sometimes is – taken as being the same as the relevant household projection.

iii. **Housing Requirement:** This is the figure which reflects, not only the assessed need for housing, but also any policy considerations that might require that figure to be manipulated to determine the actual housing target for an area. For example, built development in an area might be
constrained by the extent of land which is the subject of policy protection, such as Green Belt or Areas of Outstanding Natural Beauty. Or it might be decided, as a matter of policy, to encourage or discourage particular migration reflected in demographic trends. Once these policy considerations have been applied to the figure for full objectively assessed need for housing in an area, the result is a “policy on” figure for housing requirement. Subject to it being determined by a proper process, the housing requirement figure will be the target against which housing supply will normally be measured.

17.23 This judgement in the High Court is clear that figures for Objectively Assessed Need (OAN) for housing should “leave aside policy considerations.” This is also set out in Planning Practice Guidance. It is clear that such policy considerations include policy factors or designations which may restrict development, as well as land availability and infrastructure provision. It is also intended to be determined on a “policy off” basis.

17.24 In determining planning policies, the Council may therefore need for instance to adjust the level of housing provision necessary to support the economic vision and strategy which they set out for the District. It may also consider alternative assumptions, such as seeking to change commuting dynamics, as long as the implications of this are discussed and agreed with neighbouring authorities.

17.25 On this basis the figures for housing need set out in this report represent an input to determining future levels of housing provision – not an ‘answer’ in themselves. This is important to recognise, and reflected in recent announcements from Government.

**Approach: Following the Planning Practice Guidance**

17.26 The PPG sets out that household projections published by the Department of Communities and Local Government (CLG) should provide the starting point estimate of overall housing need. The latest official household projections currently available are the CLG 2012-based Household Projections.

17.27 The projections are however trend-based and the PPG outlines that the SHMA needs to consider whether it is sustainable to plan on the basis of past trends, or whether wider evidence suggests that level of housing provision (in the absence of development constraints) should be adjusted to take account of:

- Employment trends
- Market signals
- Need for affordable housing

17.28 It sets out that employment trends should be considered to assess whether an alternative level or distribution of housing provision is necessary to support economic growth; or whether housing
provision should be adjusted upwards to improve the affordability of market housing or enhance the delivery of affordable housing.

17.29 This report seeks to follow this approach. We have summarised each of these steps, and how this is brought together to define overall housing need.

**Demographic-led Projections: the “Starting Point”**

17.30 The latest official household projections are 2012-based Household Projections. These provide the “starting point” for considering housing need. Planning Practice Guidance emphasises the use of the latest official projections, as they are based on a nationally consistent methodology and assumptions.

17.31 The 2012-based Sub-National Population Projections (SNPP) indicates population growth of 8.4% in the District between 2013-33. This is modestly below that projected for Derbyshire as a whole (9.5%), but above recent rates of population growth.

17.32 The 2012-based SNPP look to be a sound demographic projection. Population growth sits above recent trends, but higher migration is projected moving forwards taking account of the likelihood that net migration to the District will increase as a result of age structure changes in the District; and growing populations in areas from which people typically move to Derbyshire Dales. The wider evidence suggests that recent population growth has been constrained to some degree.

17.33 The 2012-based Household Projections, based on the SNPP, project a need for an average of 244 dwellings per annum over the 2013-33 period.

**Figure 206: Projected household growth 2013-33 – 2012-based SNPP (as adjusted) and 2012-based headship rates**

<table>
<thead>
<tr>
<th></th>
<th>2012-based rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Households 2013</td>
<td>31,028</td>
</tr>
<tr>
<td>Households 2033</td>
<td>35,513</td>
</tr>
<tr>
<td>Change in households</td>
<td>4,485</td>
</tr>
<tr>
<td>Per annum</td>
<td>224</td>
</tr>
<tr>
<td>Dwellings (per annum)</td>
<td>244</td>
</tr>
</tbody>
</table>

17.34 The 2012-based Household Projections adopt slightly more positive assumptions on new household formation than the 2011-based Interim Projections (showing a need which is 4% higher on a comparable basis).

17.35 A sensitivity analysis considering alternative potential projections of migration shows housing need ranging from 126 – 280 dwellings per annum. This indicates that longer-term migration projected forwards on a linear basis has been lower, but there are sound reasons as to why the SNPP
projections are lower – they are dynamic projections, and net migration is expected to increase over time linked to changes in the population in the District, and areas from which people typically move to it.

**Economic Growth Prospects**

17.36 Future migration to the District may however vary from past trends taking account of economic performance. A range of economic forecasts have been considered in this report, alongside evidence regarding commercial market conditions, a business survey and interrogation of a range of economic data.

17.37 The two core forecasts considered show employment growth which could range between 900 – 3,000 jobs over the 2013-33 period. Interrogation of the forecasts however shows that because of data anomalies, the Cambridge Econometrics forecasts over-estimate potential employment growth in public administration.

17.38 Based on bringing together the balance of evidence, a reasonable evidence-based assessment of economic growth potential would be for employment growth of 1,700 jobs over the 2013-33 period. This is based on the most up-to-date econometric forecasts but with an adjustment to expected performance of the public administration sector which reflects anomalies within the official data. This would require provision of 301 homes per annum.

**Figure 207: Housing Need to Support Employment Growth**

<table>
<thead>
<tr>
<th></th>
<th>CE with PAD Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Households 2013</td>
<td>31,028</td>
</tr>
<tr>
<td>Households 2033</td>
<td>36,550</td>
</tr>
<tr>
<td>Change in households</td>
<td>5,522</td>
</tr>
<tr>
<td>Per annum</td>
<td>276</td>
</tr>
<tr>
<td>Dwellings (per annum)</td>
<td>301</td>
</tr>
</tbody>
</table>

17.39 Following the approach in Planning Practice Guidance, it would be appropriate to adjust upwards migration assumptions in order to support economic performance. An additional 57 homes per annum across the District are required in order to support future economic performance (over and above the need assessed based on past demographic trends). This adjustment is a result of enhanced migration and results in an overall housing need for 301 dwellings per annum.

17.40 The case for an uplift to housing provision is a reflection, as much as anything, of the age structure of the District’s population. There may be potential for this adjustment to be met through a redistribution of housing provision within the two housing market areas, rather than this being a “net additional” need at an HMA level.
Affordable Housing Need

17.41 This report includes an assessment has the housing needs arising from households who require financial support – these households would be eligible for affordable housing. This indicates that taking account of the current supply of affordable housing, 101 households will require support each year in meeting their housing need.

17.42 The affordable housing need represents 41% of the need identified in the demographic-led projections, based on the 2012-based Household Projections; and 34% of the need derived from the higher Economic-Led Projections.

17.43 Following the approach in the PPG, the affordable housing needs evidence supports the case for a marginally higher level of housing provision than shown in the demographic-led projections. The higher housing provision in the economic-led projections will contribute to enhancing affordable housing delivery.

Market Signals

17.44 Planning Practice Guidance sets out that market signals should be assessed to consider whether there is a case for adjusting housing provision, in effect to improve affordability over time where there is evidence that in the past there has been a supply/demand imbalance.

17.45 The analysis undertaken indicates that the housing market in Derbyshire Dales is considerably more constrained than the surrounding areas in the Derby HMA and North Derbyshire and Bassetlaw HMA, and the East Midlands region in general, as reflected in relatively high house prices. The median house price in Derbyshire Dales is £218,500.

17.46 Comparatively high house prices contributes to affordability pressures. This is partly a reflection of the high quality of place which the District offers. The evidence does not suggest that house prices have deteriorated over the period since 2007. Prices over this period have been broadly static. Sales volumes in Derbyshire Dales remain well below pre-recession levels.

17.47 The private rented sector in Derbyshire Dales has seen an 8% increase in rental prices in recent years (since 2011) – a rate of increase above inflation. This level of growth is stronger than seen in the neighbouring areas and stronger than regional and national trends.

17.48 Affordability ratios in Derbyshire Dales are high - above the national and county averages. Median house prices in Derbyshire Dales are 8.6 time the median earnings in the District, compared to a national rate of 6.5 and a county rate of 5.5. The lower quartile ratio is slightly worse at 9.3 indicating the problem is more acute at the lower end of the market.
17.49 Nationally, increasing house prices and worsening affordability has resulted in a decrease in the level of homeownership and an increase in the numbers renting instead of buying. Similarly there has been an overall increase in the proportion of residents living in over occupied dwellings and HMOs. These indicators of a constrained housing market have not however been as evident in Derbyshire Dales as elsewhere. This is likely due to the profile of the Derbyshire Dales population which comprises a much larger proportion of older residents than average and, relatedly, has a much larger proportion of residents who own their own home, and crucially, who own their own home outright rather than through a mortgage or loan, than seen in other areas.

17.50 The demographic data does however show fewer younger people (those in their 20s and 30s) living in the District suggesting that those priced out of the market are leaving or remain living outside of the District for longer. The evidence suggests that housing costs would make it difficult for younger people to live in the District.

17.51 Overall the analysis of market signals clearly points to higher affordability pressures on housing in Derbyshire Dales than in other parts of the country, and higher prices and more acute affordability pressures than seen in neighbouring areas. The data shows that it is the neighbouring areas which are more aligned with the general situation across the East Midlands region. The demographic analysis indicates that levels of household formation, particularly for younger households, has fallen.

17.52 Taking account of the evidence from market signals, GL Hearn conclude that it would be appropriate to consider an adjustment to the overall assessment of housing need to improve affordability over time in line with the approach outlined in the Practice Guidance. This is modelled by adjusting upwards household formation rates amongst younger households in their late 20s and early 30s, supporting improved household formation and reducing numbers of people living with parents or in shared accommodation. To achieve this an additional 21 homes per year are needed (for the economic-led projection).

Conclusions regarding Objectively-Assessed Housing Need

17.53 The evidence indicates a starting point demographic-based need for 244 homes per annum (2013-33). This is based on past trends in births, deaths, age-specific trends in migration and household formation.

17.54 The evidence suggests that an additional 57 homes per annum would be needed to support expected economic growth, raising the housing need to 301 homes per annum.

17.55 The evidence from market signals provides clear evidence of a case for adjusting housing provision further in order to support improvements to affordability, and boost supply of affordable housing. The scale of adjustment considered appropriate has been quantified relating the evidence of
affordability pressures and demographic analysis. It seeks to improve the ability of younger households to form new households. A need for an additional 21 homes per annum is identified to improve affordability. GL Hearn consider that the key impact of improving affordability (in terms of overall housing need) would be to support increased household formation amongst younger households.

17.56 Drawing this together, we identify an Objectively-Assessed Need (OAN) for housing for 322 homes per year (2013-33) across Derbyshire Dales Local Authority District. The composition of this is as follows:

**Figure 208: Objectively-Assessed Housing Need – Derbyshire Dales, 2013-33**

![Objectively-Assessed Housing Need Chart]

17.57 The OAN does not represent a policy target for housing provision. It needs to be brought together with other evidence regarding the capacity of the District to accommodate development. However it is an important starting point for considering how much housing provision to plan for.

**Bringing Evidence Together at an HMA Level**

17.58 The policy emphasis within the NPPF is on seeking to meet housing needs at both a district and housing market area level, where it is sustainable to do so and consistent with wider policies in the Framework. We would recommend that in bringing forward its local plan that the Council works to bring together evidence of housing needs and policies for housing provision working with other authorities in each of the two housing market areas which include parts of the District. This will be important in providing a comprehensive justification for housing policies in the plan.

**Housing Need for the Plan Area**
17.59 Derbyshire Dales District includes parts of the Peak District National Park. The Planning Authority for the National Park is the Peak District National Park Authority. Derbyshire Dales Local Plan will deal with the area outside of the National Park. Neither demographic nor economic forecast data is available below local authority level.

17.60 GL Hearn consider that it would be a reasonable planning assumption to assume that the demographic-based need can be split on the basis of the current distribution of population within those parts of the District inside and outside the National Park.

17.61 It seems inappropriate to apply adjustments to improve affordability and support economic growth within the Park, given the specific policy framework applicable within National Parks. Paragraph 14 in the NPPF sets out a presumption in favour of sustainable development whereby local plans should meet objectively assessed needs unless the adverse impacts of doing so would significantly and demonstrably outweigh the benefits, or policies within the Framework indicate that development should be restricted. The footnote to this Paragraph clearly outlines that the Framework expects the designation of a National Park to restrict development – and thus there is not an expectation that a National Park will seek to meet its objectively assessed housing needs in full. Instead, as set out above, the policy focus is on meeting local needs with a specific focus on providing affordable housing within the Park; and working with local authorities to plan to meet housing needs across the wider Housing Market Areas.

17.62 In consideration of national planning policy, we therefore consider that it would be reasonable for the PDNPA to plan to meet a proportion of the housing needs identified within the Park itself; taking account of the statutory principles and 2010 Circular based on:

- Meeting local housing needs, particularly for affordable housing;
- Supporting local employment opportunities and key services;
- Land supply, development constraints, landscape impact etc.

17.63 It is unrealistic to consider that sufficient housing provision is likely to be delivered in the PDNP to support workforce growth.

17.64 We would advise DDDC to liaise with the National Park Authority to consider what supply can be expected to be brought forward within the National Park. Our interpretation of national policy would be that consideration would need to be given to any shortfall in provision within the National Park parts of the District and the ability to accommodate this within the remainder of the District.

17.65 Of the District’s population, we estimate (based on interrogation of the distribution of the 2011 Census population at output area level) that 35.9% live within the National Park. 64.1% live outside of the National Park. Using these proportions we have sought to calculate the need arising from within the National Park, and outwith it.
We identify an objectively-assessed need for 227 homes per annum within the Plan Area, and 95 homes per annum within those parts of the District which fall within the National Park.

We would advise the Council to discuss and agree conclusions with the PDNPA, and to consider the likely supply (and by association any unmet need arising) in the National Park. The capacity to meet any unmet need will need to be tested through the plan-making process.

Housing Mix

The NPPF in Paragraph 159 requires local planning authorities to identify the range of types and sizes of accommodation likely to be needed by the population in future, including that required by those groups with specific housing needs.

Mix of Homes of Different Sizes

There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households’ ability to save; economic performance and housing affordability. Section 8 modelled the needs for different sizes of market and affordable homes, based on an understanding of how the size and structure of the population is expected to change, and analysis of how households of different ages occupy homes and through taking account of wider stakeholder engagement and market intelligence.

The analysis indicates that the majority of demand for market housing will be for mid-market homes with 2 and 3 bedrooms. This reflects demographic and market dynamics, as well as an expectation that some households will chose to downsize to smaller properties over the period to 2033, taking account of demographic trends. The evidence also points to a strong demand for bungalows from older households.

The majority of the need for affordable housing is for 1- and 2-bed properties, however the mix which should be planned for needs to take account of a number of wider issues related to how the affordable housing stock can be effectively managed. This includes the likely impact of extension of right-to-buy to housing association tenants, and the potential impacts of this on supply of family housing.
The SHMA concludes that the following represents an appropriate mix of affordable and market homes to plan for over the 2013-33 period:

**Figure 210: Recommended Housing Mix – Derbyshire Dales District**

<table>
<thead>
<tr>
<th></th>
<th>1-bed</th>
<th>2-bed</th>
<th>3-bed</th>
<th>4+ bed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market</strong></td>
<td>5%</td>
<td>40%</td>
<td>50%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Affordable</strong></td>
<td>40%</td>
<td>35%</td>
<td>20%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>All dwellings</strong></td>
<td>15%</td>
<td>40%</td>
<td>40%</td>
<td>5%</td>
</tr>
</tbody>
</table>

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

The mix identified above should inform strategic policies. In applying these to individual development sites regard should be had to the nature of the development site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level.

The analysis of an appropriate mix of dwellings should also inform the ‘portfolio’ of sites which are considered through the Local Plan process, including: Site Allocations, Neighbourhood Plans and other planning documents. Equally it will be of relevance to affordable housing negotiations.

**Affordable Housing Mix**

In respect of the need for different types of affordable housing, this report has considered what households can afford; together with the supply through re-lets of existing housing stock. It identifies that 80% of the net need for affordable housing is for social and affordable rented homes, with 20% for equity-based intermediate housing options such as:

- Help-to-Buy Shared Ownership
- Affordable Rent
- Rent-to-Homebuy
- Low Cost Sale

In setting policies the Council should bring together plan-wide viability evidence with the needs evidence in this report.

The costs of intermediate housing products should be carefully considered to ensure they are genuinely affordable – this will need to include consideration of any deposit requirements which may be a barrier to access for a number of households. Many young households who may sufficient potential income to afford intermediate housing solutions cannot secure shared ownership/ shared
equity homes as they have insufficient savings to afford the deposit, or their financial circumstances mean that obtaining mortgage finance is difficult.

17.79 These factors may the ability of some households to afford intermediate housing products. However this is potentially offset by households who can potentially afford to rent privately without financial support, but how cannot afford to buy a home or get on the housing ladder without it. Intermediate housing products can help such households to get a foothold on the housing ladder.

**Specialist Housing and Accommodation for Older Persons**

17.80 This report indicates that the number of residents aged over 65 is expected to increase by 9,400 (54%) between 2013-33. Demographic change is likely to see a requirement for additional care/support and specialist housing provision, although many older households will remain in their current homes or general needs housing.

17.81 As a result of a growing older population and increasing life expectancy, the analysis projects an increase of 1,175 people with dementia and almost 2,500 people with mobility problems over the 2013-33 period. Some of these households will require adaptations to properties to meet their changing needs; whilst others may require more specialist accommodation or support.

17.82 Based principally on the expected growth in population of older persons, the report estimates a need for an additional 1,182 specialist dwellings for older persons over the 2013-33 period (59 per annum). This need is principally for market housing. Specialist housing includes sheltered and extra care housing. It forms part of the OAN identified above for 342 dwellings (being 17% of this).

17.83 The modelling is based on an increase in local prevalence rates towards national averages, and on the current tenure mix of older person households. Where a surplus need for specialist affordable housing is shown this needs to be considered alongside evidence regarding how 'fit-for-purpose' current stock is. It may be the case that some existing sheltered housing is in a poor condition or suffers from low demand; and that there remains a need for additional extra-care accommodation – such as to reduce the proportion of households accommodated in residential care. The Council should bring the SHMA analysis together with local knowledge of demand and the stock profile in determining the appropriate mix of specialist housing in development schemes.

17.84 Decisions about the appropriate mix of specialist housing should take account of the current stock, other local needs evidence as appropriate, and policies regarding accommodation and care for older persons. The district and county councils should liaise as appropriate in this respect.

17.85 The Council should give consideration to how best to deliver the identified specialist housing need, including for instance the potential to identify sites in accessible locations for specialist housing; or
to require provision of specialist housing for older people as part of larger strategic development schemes.

17.86 The SHMA recognises that some extra care housing schemes were difficult to fund; and leasehold provision can be slow to sell, particularly as a result of high service charges.

17.87 In addition to specialist housing, the potential for the wider housing stock to cater for a growing older population needs to be considered. Many older people live in homes which they may have lived in for some years. Adaptions to properties and floating support (such as through the Safe and Independent Living Scheme) may help households requiring support to remain in their home.

17.88 Some households may wish to downsize, should suitable, attractive properties be available locally. This has been taken into account in deriving the findings regarding the future mix of market and affordable housing above. However more needs to be done to raise awareness of the range of options and support which is available. A growing older population will also increase the demand for bungalows. Whilst recognising the economics of delivery of bungalows can be challenging, provision should be given strong support on appropriate sites.

Need for Registered Care Provision

17.89 Registered care provision fall within a C2 use class; with households who live in care homes counted as part of the institutional rather than the household population. As such provision of residential care provision is treated in the analysis of housing need separately in this report from that for C3 dwellings.

17.90 The report indicates a net need for 436 C2 bedspaces for older persons over the 2013-33 period, equivalent to 22 per year. The assessment should be treated as indicative, and does not seek to set policies in how older persons with care needs should be accommodated. This does not form part of the identified OAN for housing of 342 homes per annum.

Meeting the Housing Needs of Other Vulnerable Groups

17.91 This report has considered the needs of a number of other vulnerable groups. Demographic projections suggest a 149% increase in the population aged over 85 from 2013 to 2033 with Census data suggesting that 84% of this age group have some level of disability. This suggests a growing need for homes which can be adapted to households’ changing circumstances (such as lifetime homes) as well as support for households to make adaptations to properties.

17.92 The Black and Minority Ethnic (BME) population in Derbyshire Dales is relatively small in national terms. It has however grown notably over the past decade. Characteristics of BME groups
(including tenure profiles and occupancy patterns) suggest that such households may be disadvantaged in the housing market. Where possible the Council should provide advice to BME groups and in particular ensure that accommodation quality (particularly in the private rented sector) can meet the needs of such households which are disproportionately likely to contain children.

17.93 Lone parent households are particularly disadvantaged with a high reliance on rented housing. Projections suggest a small increase in the number of children in the District over the next few years and if past trends are repeated there will be a notable increase in the number of lone parents. Again advice about housing options and maintaining a good quality of accommodation will be critical to ensure that such households’ needs are best met.

Need for Employment Land

17.94 This report has considered the need for employment land and floorspace in Derbyshire Dales taking account of economic trends and projected growth in employment, commercial property conditions and a survey of businesses in the District.

17.95 The evidence suggests that the office market in the District is modest in scale and focused on demand from local small and medium-sized businesses. Most demand arises from businesses of under 50 employees. Total office floorspace has increased in net terms (growing by 900 sq.m since 2000).

17.96 The industrial market in the District is larger in scale. The demand profile is focused towards small, local-based businesses. With a long-term trend of declining manufacturing employment, the stock of industrial floorspace (including warehouse/ distribution floorspace) has however fallen in net terms over the period since 2000. Derbyshire Dales does not see significant demand from warehousing/ logistics firms, in contrast to a number of surrounding areas particularly those close to the motorway network.

17.97 The District predominantly appeals to SMEs and micro-businesses. Most businesses in the District are positive regarding the current economic outlook. A significant proportion of the businesses surveyed expect business actively, turnover, and staffing numbers to increaser over the next five years. 80% of the businesses surveyed expected turnover to increase over the next two years. The survey however will particularly provide information on business sentiment at the point-in-time at which it was undertaken.

17.98 This report provides forecasts for future employment floorspace needs. A number of demand-driven scenarios have been considered – including those based on econometric (demand) forecasts, and past rates of development (completions).
Applying these employment densities to the forecasts of net growth in jobs in B-class activities, we can derive forecasts for net changes in employment floorspace. This forecasts a net requirement for additional B-Class floorspace of 42,600 sq m.

To provide an indication of the potential gross need for employment land in this scenario, it is considered appropriate to make some allowance for frictional vacancy within employment floorspace; and provide some margin within the supply of land to provide a choice of sites.

Taking account of these factors, the labour demand scenario (based on econometric forecasts) identifies a need to identify up to 15 hectares of employment land to meet development needs in the District to 2033. This includes both the plan area and the National Park.

This has been compared to projections of past completions, which would indicate a need for 9 hectares of employment land (gross).

On a “policy off” basis, to support this level of jobs growth over the plan period we consider that it would be appropriate to plan for provision of 15 hectares (gross) for employment land across Derbyshire Dales. This takes account of the preferred economic scenario, but includes an allowance to provide a choice of sites and flexibility of supply. This need can be met through sites with planning consent for employment floorspace, land allocated for employment use and where appropriate new employment or mixed use allocations.

Employment Land Supply

It seems feasible that this level of employment land provision could be accommodated on existing employment sites, and those allocated or with planning consent. The core existing employment sites provide potential for development of up to 7.8 hectares of employment land. The Council should consider the potential for up to a further 7.2 ha to be brought forward through mixed-use development schemes, such as on the quarry sites identified, through extensions to existing employment sites or through new employment site allocations.

Planning Policies relating to Existing Employment Sites

In addition to establishing policies regarding future employment land provision, the Local Plan needs to set out a clear policy framework in regard to existing employment sites. This report has
included a review of exiting employment land supply, considering the market attractiveness of sites. The evidence suggests an overall need for new employment allocations, and does not identify existing sites that are of a particularly poor quality or not suitable for continued employment use. The Council would thus be justified in seeking to protect existing sites for continued employment use.

17.106 Specific policies are necessary regarding the mix of development appropriate on the three sites identified as having mixed use development potential. GL Hearn considers that the existing policy framework/planning consents for these sites are appropriate.

17.107 In respect of losses of employment land, we consider that substantive evidence should be sought from proposals seeking a change of use, where this is not permitted development. Planning applications involving loss of employment land should be required to demonstrate that:

A. Is there an adequate supply of allocated employment sites of sufficient quality in the locality (the relevant settlement within the District) to cater for a range of business requirements;

B. There is an appropriate balance between population and employment in the relevant settlement, and that redevelopment would not have a detrimental impact on the local economy and commuting patterns;

C. Active marketing at a reasonable price had been undertaken for a continuous period of 2 years; with evidence provided that the size and quality of space provided did not meet local demand taking account of market conditions and expected future economic trends;

D. Employment or mixed use redevelopment would not be feasible, taking account of site characteristics (including physical factors, accessibility and neighbouring uses) and development viability;

E. Alternative sites are available within the local area to accommodate any businesses displaced through any redevelopment scheme.
Wider Actions to Support Economic Growth

17.108 Looking more widely at factors which can support economic growth, evidence suggests that broadband availability, affordability and parking facilities are likely to feature as the key factors affecting the take-up of new floorspace. 62% of businesses flagged the availability of broadband as a key issue. Improvements to broadband infrastructure are needed to support economic growth in the District.

Monitoring & Review

17.109 In accordance with good practice in planning, it will be important that both demand and the supply pipeline of housing provision and employment floorspace are kept under review. On-going monitoring should address completions, market signals for housing provision as well as trends in take-up and availability of employment floorspace and rental levels as well as key indicators related to overall growth in employment, sector performance and skills. The latest ONS Population and Household Projections should also be considered.

17.110 Should there be a material change in the long-term economic or housing market outlook then it may be appropriate to revise demand forecasts. On the supply-side the Council to seek to ensure that a 5-year supply of deliverable land is maintained based on past completions.

17.111 On-going monitoring and review should inform decision making in line with a ‘plan-monitor-manage’ approach.
APPENDIX A: Affordable Housing – Key Definitions

Key definitions relating to affordable housing are set out in this section.

**Affordable Housing Need**

Affordable housing need is defined as the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market.

**Newly-Arising Need**

Newly-arising (or future) need is a measure of the number of households who are expected to have an affordable housing need at some point in the future. In this assessment trend data from CoRe has been used along with demographic projections about the number of new households forming (along with affordability) to estimate future needs.

**Supply of Affordable Housing**

An estimate of the likely future supply of affordable housing is also made (drawing on secondary data sources about past lettings). The future supply of affordable housing is subtracted from the newly-arising need to make an assessment of the net future need for affordable housing.

**Affordability**

Affordability is assessed by comparing household incomes, based on income data modelled using a number of sources including CACI, ASHE, the English Housing Survey (EHS) and ONS data, against the cost of suitable market housing (to either buy or rent). Separate tests are applied for home ownership and private renting (in line with the SHMA Guidance) and are summarised below:

A. Assessing whether a household can afford home ownership: A household is considered able to afford to buy a home if it costs 3.5 times the gross household income – CLG guidance suggests using different measures for households with multiple incomes (2.9×) and those with a single income (3.5×), however (partly due to data availability) the analysis has only used a 3.5 times multiplier. This ensures that affordable housing need figures are not over-estimated – in practical terms it makes little difference to the analysis due to the inclusion of a rental test (below) which tends to require lower incomes for households to be able to afford access to market housing;

B. Assessing whether a household can afford market renting: A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than 30% of gross income. The choice of an appropriate threshold is an important aspect of the analysis, CLG guidance
Assessment of Housing and Economic Development Needs
Derbyshire Dales District Council, Final Report.

(of 2007) suggested that 25% of income is a reasonable start point but also notes that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40% (although this can vary by area). Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics). Hence a pragmatic view has been taken in this assessment with a figure of 30% being adopted. Analysis has also been carried out to test the sensitivity of affordable need at different percentages (from 25% to 40%).

It should be recognised that a key challenge in assessing affordable housing need using secondary sources is the lack of information available regarding households’ existing savings. This is a key factor in affecting the ability of young households to purchase housing particularly in the current market context where a deposit of at least 10% is typically required for the more attractive mortgage deals. The ‘help to buy’ scheme is likely to be making some improvements in access to the owner-occupied sector although at present this is likely to be limited (although the impact of recent extensions to this scheme to include the second-hand market should be monitored moving forward). In many cases households who do not have sufficient savings to purchase have sufficient income to rent housing privately without support, and thus the impact of deposit issues on the overall assessment of affordable housing need is limited.

Affordable Housing

The NPPF provides the definition of affordable housing (as used in this report). The following is taken from Annex 2 of NPPF.

“Affordable housing includes social rented, affordable rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices;
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.”

Within the definition of affordable housing there is also the distinction between social rented affordable, and intermediate housing. Social rented housing is defined as:

“Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency as a condition of grant.”
Affordable rented housing is defined as:

“Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80 per cent of the local market rent.”

The definition of intermediate housing is shown below:

“Intermediate affordable housing is ‘Housing at prices and rents above those of social rent, but below market price or rents. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent but does not include affordable rented housing.”