High Peak Housing and Economic Land Needs Assessment

High Peak HELNA

High Peak Borough Council and the Peak District National Park Authority

9th September 2022

LICHFIELDS

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Contents

1.0 Introduction

1.1 Lichfields has been appointed by High Peak Borough Council [HPBC] and the Peak District National Park Authority [PDNPA] to undertake a Housing and Economic Land Needs Assessment [HELNA] for the Borough (including that part which sits within the National Park's administrative boundaries). For the avoidance of doubt references to 'the Borough' and 'High Peak' are to the totality of the study area. Reference to 'National Park' is solely to that part which lies within High Peak unless expressly indicated otherwise.

1.2 The overarching objective of the study is to provide the housing and economic evidence base to support policy development as HPBC reviews its new plan.

1.3 The PDNPA is the local planning authority [LPA] for that part of the High Peak that is within the boundary of the National Park. The 2010 Vision and Circular states that:

"The Government recognises that the Parks are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them. The expectation is that new housing will be focused on meeting affordable housing requirements, supporting local employment opportunities and key services."

1.4 Nevertheless, there is a requirement on the PDNPA to assess housing need and to plan for appropriate levels of development in line with Guidance and the PDNPA's duty to foster economic and social well-being of local communities. The PDNPA is currently reviewing its Core Strategy and Development Management Polices aiming to consult on issues and options in late 2022. The date of the plan is likely to be 2024 – 2040 and will be informed by the assessment of sub-area needs as set out in this HELNA.

1.5 The study is split into three inter-related parts – the first establishes land requirements and policy imperatives in relation to employment land classes E(g)(i) offices, E(g)(ii) R&D, E(g)(iii) light industrial, B2 general industrial and B8 storage and distribution. The second identifies the overall housing need for the Borough. The third considers the need for different types of housing and provide policy advice according to the Local Plan four sub-areas of Buxton, Glossopdale, the Central Area, and that part of the National Park within the Borough's boundaries. The analysis aligns with the HPBC Local Plan period of 2021 to 2041 and will provide a robust and up-to-date evidence upon which the new Local Plan can be based.

1.6 A key element of the work has involved disaggregating needs across the four sub-areas under the planning auspices of HPBC, including that part of the Borough which is the planning responsibility of the PDNPA, which will only require a level of development to meet its immediate indigenous needs.

1.7 The study has also sought to understand other key economic matters arising from the study and to provide growth options to consider with their workforce implications and associated impact on housing requirements.

Study Scope

1.8 This HELNA is intended to assist HPBC and PDNPA in understanding the economic picture of High Peak, the implications of employment growth on workforce and housing requirements and the related need for employment and housing land to address those requirements as best we can at present given the ongoing uncertainty arising from the Covid-19 Pandemic.

1.9 To this end, the scope of the study involves:

Economic needs:

1 Confirm the extent of the functional economic area and associated policy implications.

2 Sectoral and employment forecasts and consideration of the future labour supply.

3 Review of past take up of employment land including commentary on planning approvals for business growth outside of Local Plan allocations and business relocation/growth outside of the district which could be linked to lack of available/suitable sites.

4 Commentary on the possible long-term implications of the Covid-19 pandemic on the economy and working practices, including the demand for home-working and more locally based satellite sites, where this could impact on employment land provision.

5 Identify employment land requirements for the Borough having regard to the above. The consultant should work with HPBC and PDNPA to establish the correct geographic area over which to assess needs, having regard to the housing scenarios and commercial market demand within the sub-areas (Buxton, Central Area, Glossopdale, and the National Park) and should also comment on potential unit size demand, tenure and optimum scale of overall site development.

6 Identify any specific locational requirements of relevant sectors of the economy, including new or specialist sectors. Reference should be made to those identified in the D2N2 Local Enterprise Partnership's [LEP] Local Industrial Strategy [LIS] and Growth Strategy for High Peak as well as commercial demand assessment information (where available) and information provided by Invest in Derbyshire inward investment team.

7 Commentary on the current and potential future stock of employment land and the extent to which it can support the future needs of the economy in terms of the quantum, quality, size, locational requirements alignment with market demand and known viability issues. This will draw on the findings of the Strategic Housing and Economic Land Availability Assessment [SHELAA].

Overall housing needs:

8 Confirmation of the extent of the housing market area and any associated policy implications.

9 Local Housing Need [LHN] for High Peak Borough applying the standard method [SM2] as set out in the Planning Practice Guidance [PPG].

10 Assess alternative methods to identify housing need that may be necessary to support economic growth.

11 Adopt alternative methods to identify housing need which recognises that the LPA boundary of the Borough does not align with the High Peak Local Plan area due to the presence of the Peak District National Park (as alluded to in the PPG).

The need for different types of housing:

12 The appropriate mix of market housing types and tenure required.

13 The need for affordable housing, including the type and tenure that is required. This should include recommendations regarding the policy merits of increasing the discount to be applied to First Homes beyond the minimum 30% and the consideration of bespoke eligibility criteria as appropriate.

14 The demand for self and custom build housing, and opportunities to improve delivery.

15 The need for housing for older people, disabled people and people with specialist care needs. This includes an assessment of opportunities to support such provision, and the delivery of the Derbyshire Older People's Housing, Accommodation and Support Strategy and the Derbyshire Working Age Adults Housing, Accommodation and Support Strategy.

16 The likely demand for student accommodation in Buxton, recognising the scaling back of courses at the University of Derby campus in the town.

Report Structure

1.10 This HELNA is structured as follows:

1 Background Policy Context - sets out the national and local planning policy context along with the economic strategy for the Borough.

2 Summary of the methodology.

3 Defining the Housing Market Area / Functional Economic Market Area that the Borough sits within.

Part 1: Employment Needs

4 Socio economic conditions, examining macro and micro-economic trends and conditions.

5 Commercial property market signals and analysis.

6 Forecasting future economic growth needs and employment land requirements.

7 Review of the SHELAA analysis.

Part 2: Housing Needs

8 Area profile and Market Signals Analysis - a detailed assessment of the Borough's demographic characteristics and the housing market more generally.

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

Part 3: The need for different types of housing

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

11 Local housing dynamics, examining how the need might best be distributed across the Borough (including the area within the National Park's administrative boundaries).

12 Analysis of the type, tenure and size of housing required in the Borough.

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

Part 4: Conclusions and recommendations

14 brings together and summarises the key findings and recommendations.

2.0 Background – Policy Context

Introduction

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

Development Plan

2.2 The current Development Plans for the Borough have been prepared by PDNPA for the National Park and HPBC for the balance of the Borough. These documents are summarised below.

Peak District National Park Core Strategy (October 2011)

2.3 The Peak District National Park *Local Development Framework: Core Strategy Development Plan Document* was adopted in October 2011 and covers the period up to 2026.

2.4 The Core Strategy initially summarises the national context as it relates the purpose of planning policy in a national park. It states that the 1995 Environment Act establishes the statutory purposes of national park designation, as:

i to conserve and enhance the natural beauty, wildlife and cultural heritage of the national parks; and

ii to promote opportunities for the understanding and enjoyment of the special qualities [of the parks] by the public.

2.5 Section 62 of the Act also places a general duty on all relevant authorities to have regard to these purposes. In pursuing these purposes, section 62 also places a duty on the National Park Authorities to seek to foster the economic and social well-being of their local communities. Where there is an irreconcilable conflict between the statutory purposes, the Sandford Principle will be applied and the conservation of the National Park will be given priority.

2.6 The Core Strategy details policies that relate closely to the delivery of national park purposes. These are to conserve and enhance natural beauty, wildlife and cultural heritage, and to promote opportunities for the understanding and enjoyment of the park's special qualities. Within this context policies provide for new affordable dwellings, community facilities and small-scale business and retail facilities in or on the edge of 63 so-called 'named settlements'.

2.7 There are no targets for housing provision but the spatial objectives for the core strategy set out indicative figures for each landscape character area. These are, over the plan period, between 35 and 75 homes across the Dark Peak and Moorland Fringes, between 550 and 890 homes across the White Peak and Derwent Valley and between 30 and 130 homes across the South West Peak.

2.8 The Core Strategy seeks to protect employment sites in sustainable locations such as Bakewell, Tideswell (both located in Derbyshire Dales District) and through the Hope Valley. The Core Strategy notes that there is a higher-than-average number of residents in the National Park who work from home, with improved internet connectivity it is expected more residents in the National Park will be able to work from home.

2.9 It is noted the largest sectors in the National Park are agriculture (19%) and hotels and restaurants (which account for 19% of businesses but 10% of jobs).

Peak District Development Management Policies Plan (May 2019)

2.10 The Peak District Development Management Policies Plan [DMPP] represents Part 2 of the Local Plan for the National Park. It comprises of a written statement of policies for the positive management and control of development and the use of land within the authority's boundary.

2.11 The DMPP supplements the spatial strategy and core policies of the Core Strategy with detailed operational policies. The DMPP does not provide targets for the completion of new build homes within the National Park area. It has been agreed that any new homes built within the National Park area count towards the target in the respective local authority area.

2.12 The PDNPA Employment Land Review identified a need for 5 ha. It was considered it could be met through existing provision – intensification, making better use of land, and through windfall development (for example, an office development in Bakewell).

High Peak Local Plan (adopted April 2016)

2.13 The High Peak Local Plan aims to support jobs growth through the provision of 350 homes per year to 2031. The market towns of Buxton, Glossop, Chapel-en-le-Frith, New Mills and Whaley Bridge are the main areas for the majority of new homes to be located and also the provision of land for new businesses and industry. The Local Plan makes provision for an additional 35.6 ha of employment land by up to 2031.

2.14 The Local Plan sets out the spatial vision, which sets out that by 2031 the Borough will have a range of housing types and tenures to meet the needs of the Borough, including for the ageing population and affordable housing.

2.15 The Local Plan's objectives for the **Glossopdale** sub area of the Borough will have:

- Protected and enhanced sites designated for environmental value and protected designated Green Belt;
- Allocated a range of suitable, deliverable housing sites sufficient to meet the requirements of Glossopdale; and,
- Allocated suitable, deliverable sites for industrial and business use sufficient to meet the economic needs of the area.

2.16 The Local Plan's objectives for the sub area known as the **Central Area** of the Borough will have:

- Maintained the open character of the green wedges in New Mills and protected designated Green Belt with minor boundary changes;
- Support the development of new housing in sustainable sites in existing built-up areas and the development of new housing within the mixed redevelopment of industrial legacy sites;
- Support the creation of higher technology businesses and retention and provision of employment sites and encouraged the growth of tourism; and,
- Support improvements to the range and quality of town centre retail and services and support out-of-centre proposals in accessible locations.

2.17 The Local Plan's objectives for the **Buxton** sub area of the Borough will have:

- Implemented the Buxton Design and Place Making Strategy to support the distinctiveness of the area;
- Protect the quality and supply of natural mineral water;

- Ensure residential development avoids adverse impact on the integrity of the Peak District Moors and support the provision of additional sports facilities; and,
- Encourage the growth of tourism and safeguard suitable existing employment sites.

Chapel-en-le-Frith Neighbourhood Plan (August 2015)

2.18 Chapel-en-le-Frith Neighbourhood Plan covers the 15-year period 2013-2028. The vision statement for the Neighbourhood Plan includes the following:

- Affordable, quality homes to provide for local needs;
- Ample, well-paid jobs for local people;
- Re-invigorated town and village centres;
- Excellent facilities for all ages;
- Safe, convenient and sustainable transport links; and,
- Access to, and protection of, countryside recognised as *special*.

2.19 The Neighbourhood Plan allocates sites for a minimum of 454 homes (outside the National Park). In addition, during the research phase 412 homes received planning permission from HPBC. The number of homes over the plan period is therefore 813, which exceeds the minimum target provided by HPBC.

2.20 The Neighbourhood Plan also allocates approximately 9.44 ha for employment use over the plan period (again outside the National Park).

National Planning Policy Framework

2.21 The current National Planning Policy Framework [NPPF] was published on 20th July 2021. At the time of writing, it is understood that the Government is planning to consult on a new NPPF 'Prospectus' setting out how it intends to change national planning policy later this summer. In the meantime, the 2021 version of the NPPF remains extant. It has a number of stated priorities which comprise a stronger plan-led approach, able to support the provision of new homes, improve affordability and ensure a higher rate of housing delivery. Policies on economic growth remains a key part of the planning balance and the Government retains the aspiration to support growth, innovation and above all, to improve productivity levels.

2.22 Regarding planning policy in National Parks, the NPPF states the following:

"Great weight should be given to conserving and enhancing landscape and scenic beauty in National Parks, the Broads and Areas of Outstanding Natural Beauty which have the highest status of protection in relation to these issues. The conservation and enhancement of wildlife and cultural heritage are also important considerations in these areas, and should be given great weight in National Parks and the Broads. The scale and extent of development within all these designated areas should be limited, while development within their setting should be sensitively located and designed to avoid or minimise adverse impacts on the designated areas." [paragraph 176]

2.23 This paragraph (footnote 59) references '*English National Parks and the Broads: UK Government Vision and Circular 2010*' which provides further guidance and information about national parks' statutory purposes, management and other matters. Paragraphs 78 and 79 of the document states:

"78. The Authorities have an important role to play as planning authorities in the delivery of affordable housing. Through their Local Development Frameworks they should include policies that pro-actively respond to local housing needs. The Government recognises that the Parks are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them. The expectation is that new housing will be focused on meeting affordable housing requirements, supporting local employment opportunities and key services.

79. The Government expects the Authorities to maintain a focus on affordable housing and to work with local authorities and other agencies to ensure that the needs of local communities in the Parks are met and that affordable housing remains so in the longer term."

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

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

Employment Land / Economic Policy

2.26 The first iteration of the NPPF came as the UK economy was emerging from the deepest recession in a generation. Today, that period of recession continues to cast a long shadow in terms of impact on the public finances and productivity levels and is now complicated by the economic uncertainties created by Brexit the Covid Pandemic and other global factors (e.g. the war in Ukraine).

2.27 The NPPF incorporates an "economic objective" which remains the first overarching objective of the planning system (paragraph 8, point a). This requires the need to "*support growth, innovation and improved **productivity**"* (emphasis added). Productivity is a concept rarely explored in any detail in plan-making or decision-taking, but the added emphasis seems appropriate given the national imperative on the issue.

2.28 Chapter 6 of the NPPF addresses economic considerations (including the rural economy). It states that:

"Significant weight should be placed on the need to support economic growth and productivity, taking into account local business needs and wider opportunities for development." [§81]

2.29 The NPPF (paragraph 83) sets out that planning policies should recognise and address the specific locational requirements of different sectors. This includes making provision for clusters

or networks of knowledge and data-driven, creative or high technology industries and for storage and distribution operations at a variety of scales and in suitably accessible locations.

2.30 Regular reviews of allocations are now required by the NPPF and, even prior to plan reviews, applications for alternative uses should be supported where unmet needs for development could be provided for. Furthermore, in "*areas of high housing demand*", the use of existing employment (and retail) land for homes is supported where this does not "*undermine key economic sectors or sites*".

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

Housing Policy

2.32 The NPPF outlines how LPAs should determine housing needs:

"To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for." [§61]

2.33 LHN is defined in Annex 2 of the NPPF as follows:

"Local housing need: the number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 61 of the Framework)."

Planning Practice Guidance

2.34 On 6th March 2014 the Government launched the Planning Practice Guidance [PPG] web-based resource[1]. This brought together many areas of English planning guidance into a new format linked to the NPPF. This included replacing the previous Strategic Housing Market Assessment [SHMA] Practice Guidance published in 2007, which has now been cancelled. Although the new PPG is more succinct and provides less detail on the assessment of affordable housing need than the 2007 Guidance, the overall approach remains essentially the same. Following the publication of revisions to the NPPF, the section of the PPG addressing the calculation of objectively assessed housing needs was updated on 24 June 2021. The PPG's more general guidance on Housing and Economic Needs Assessments was last updated on 16th December 2020.

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

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

2.36 The PPG states that:

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

2.37 The PPG also provides helpful commentary on the following circumstances relevant to the PDNP, which allows for an alternative approach to the standard methodology for identifying housing need:

"Where strategic policy-making authorities do not align with local authority boundaries (either individually or in combination), or the data required for the model are not available such as in National Parks and the Broads Authority, where local authority boundaries have changed due to reorganisation within the last 5 years or local authority areas where the samples are too small, an alternative approach will have to be used. Such authorities may continue to identify a housing need figure using a method determined locally, but in doing so will need to consider the best available information on anticipated changes in households as well as local affordability levels."[4]

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

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

"Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination."[5]

2.39 The PPG states that for the purposes of decision making "*there is separate guidance on how the standard method for assessing local housing need applies to calculating 5 Year Land Supply and the Housing Delivery Test*"[6].

2.40 The PPG[7] states the following:

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

- *the plan was adopted in the last 5 years, or*
- *the strategic housing policies have been reviewed within the last 5 years and found not to need updating.*

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

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

[3] 2a-005-20190220
[4] 2a-014-20190220
[5] 2a-015-20190220
[6] 2a-016-20190220
[7] 68-005-20190722

Employment Land Need Assessments

2.42 The NPPF requires planning policies to set out a clear vision and strategy, which positively and proactively encourages sustainable growth. The PPG has two sections in 'Plan Making':

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

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

- *working together with county and neighbouring authorities, Mayors, combined authorities and with Local Enterprise Partnerships to define the most appropriate geography to prepare policies for employment;*
- *preparing and maintaining a robust evidence base to understand both existing business needs and likely changes in the market, with reference to local industrial strategies where relevant; and,*
- *engaging with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.*[8]

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

Authorities can use this evidence to assess:

- *the need for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development;*
- *the existing and future supply of land available for economic development and its suitability to meet the identified needs. This should be undertaken at the same time as, or combined with, Strategic Housing Land Availability Assessments and should include a reappraisal of the suitability of previously allocated land.*
- *the likely availability and achievability of employment-led development, taking into account market signals;*
- *the role, capacity and function of town centres and the relationship between them, including any trends in the performance of centres;*
- *locations of deprivation which may benefit from planned remedial action; and,*
- *the needs of the farming and food production industries, including the location and extent of the best and most versatile agricultural land, and the ways in which planning could support investment in those industries*[9]*."*

2.43 The PPG includes guidance on the assessment of housing and economic development. This replaces the previous Office of the Deputy Prime Minister [ODPM] *Employment Land Reviews: Guidance Note* from 2004 (although this arguably remains a source of good practice). The PPG[10] has reintroduced its methodology for assessing economic development needs. It states that plan makers should liaise closely with the business community to understand their current and potential future requirements[11].

2.44 It also advises that Plan-makers should also assess:

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

[8] 61-040-20190315
[9] 61-041-20190315
[10] 2a-025-20190220
[11] 2a-026-20190220

- the existing stock of land for employment uses within the area;
- the recent pattern of employment land supply and loss – for example based on extant planning permissions and planning applications (or losses to permitted development);
- evidence of market demand (including the locational and premises requirements of particular types of business) - sourced from local data and market intelligence, such as recent surveys of business needs, discussions with developers and property agents and engagement with business and economic forums;
- wider market signals relating to economic growth, diversification and innovation; and,
- any evidence of market failure – such as physical or ownership constraints that prevent the employment site being used effectively.

2.45 In terms of using market signals to help forecast future needs, the PPG[12] advises that a range of data which is current and robust should be used, such as:

- sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand);
- demographically derived assessments of current and future local labour supply (labour supply techniques);
- analysis based on the past take-up of employment land and property and/or future property market requirements; and,
- consultation with relevant organisations, studies of business trends, an understanding of innovative and changing business models, particularly those which make use of online platforms to respond to consumer demand and monitoring of business, economic and employment statistics.

2.46 In terms of how market demand can be analysed, the PPG[13] advises that plan makers should note that:

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

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

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

2.47 In order to derive employment land requirements, the PPG[14] states that when translating employment and output forecasts into land requirements there are four key relationships which need to be quantified:

- Standard Industrial Classification sectors to use classes;
- Standard Industrial Classification sectors to type of property;

[12] 2a-027-20190220
[13] 2a-029-20190220
[14] 2a-030-20190220

- Employment to floorspace (employment density); and,
- Floorspace to site area (plot ratio based on industry proxies).

2.48 The PPG has also added in two new sections on how authorities can assess need and allocate space for logistics[15] and how specific locational requirements of specialist or new sectors be addressed[16].

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

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

- *engagement with logistics developers and occupiers to understand the changing nature of requirements in terms of the type, size and location of facilities, including the impact of new and emerging technologies;*
- *analysis of market signals, including trends in take up and the availability of logistics land and floorspace across the relevant market geographies;*
- *analysis of economic forecasts to identify potential changes in demand and anticipated growth in sectors likely to occupy logistics facilities, or which require support from the sector; and*
- *engagement with Local Enterprise Partnerships and review of their plans and strategies, including economic priorities within Local Industrial Strategies.*

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

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

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

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

[15] 2a-031-20190722
[16] 2a-032-20190722

Build Back Better – Our Plan for Growth (March 2021)

2.51 The Government's plan for growth to level up the country to capture the opportunities available post Brexit and to boost the economy following the Covid Pandemic.

2.52 In March 2021, the Government revealed its plan to tackle the long-term issues facing the UK including inequalities across the union of the UK, supporting the country's transition to net zero and supporting the Government's vision for Global Britain. Build Back Better sets out the Government's spending targets in key areas such as capital spending on infrastructure, Levelling Up Fund, UK Shared Prosperity Fund, Towns Fund and High Street Fund to invest in local areas, as well as investment in skills and further education, investment in innovation, City and Growth Deals and supporting the transition to Net Zero. Its policies are intended to level up the UK and spread the benefits of Brexit nationwide.

Local and Sub-Regional Evidence Base

Derbyshire Working Age Adults Housing, Accommodation and Support Strategy 2020 –2035

2.53 The Derbyshire Working Age Adults Housing, Accommodation and Support Strategy [the WAAHASS] sets out Derbyshire County Council's [DCC] vision for those residents in the authority area [the County] who have care and support needs. The Strategy sets out DCC's strategic vision of people being supported to live independently in their own homes locally. DCC's vision is for those with care and support needs in the County to be offered a choice of housing that is right for them.

2.54 The WAAHASS acknowledges that there is already a high proportion of people aged 18-64 living in residential care compared with the national rate, and further challenges await:

- By 2030 it is projected that there will be 9,740 people living in Derbyshire County who have a learning disability or who are autistic. This is an increase of 8% from 2017; and,
- By 2035, it is estimated that 145,913 people living in the County will have a diagnosed mental health condition.

2.55 The WAAHASS identifies that DCC is working with partners including health officials, local authority staff, the voluntary sector and commissioned providers to adopt a joined-up model of care and support which has a strengths-based, community focus.

2.56 The WAAHASS outlines a locality-based analysis of current provision and ambitions for the future, setting out demand and gaps in the market. **The key priorities identified for High Peak Borough in relation to housing and accommodation are to support working-age adults with care and support needs to live well and independently.**

2.57 An overview of other relevant issues specific to High Peak Borough are summarised as follows:

- Recruitment and retention of workers providing home care is challenging.
- Smaller and more innovative approaches may be required in the Peak District National Park as well as making better use of existing housing stock.
- HPBC is promoting building regulations which promote accessibility/ larger space dimensions to ensure new build properties meet minimum accessibility standards as set out in M4 (2) of Part M of the building regulations.
- HPBC has delivered a range of adapted housing to support people with disabilities.

Derbyshire Older People's Housing, Accommodation and Support Strategy 2019-2035 (August 2020)

2.58 Derbyshire's Older People's Housing, Accommodation and Support Strategy [OPHASS] builds on the Strategic Vision for Older People's Housing and Accommodation document. The OPHASS considers all types of housing and accommodation from age designated housing and housing with care through to residential and nursing care provision. It provides detail about DCC's plans on a district-by-district basis in relation to the different types of housing, accommodation and support required to manage and address the demand.

2.59 The OPHASS acknowledges that Derbyshire has a higher than average number of older residents admitted to long-term residential care. The OPHASS estimates that:

- By 2030 22,772 people in Derbyshire will be living with dementia, an increase of 35% from 2020; and,
- By 2035 the population aged 90 and over will more than double.

2.60 The OPHASS includes a locality-based analysis of current and future housing, accommodation, and support needs. There are some commonalities across the county including: a growing number of older people, a significant proportion of people funding their own care or support and a need for different types of housing and accommodation to be developed and available to meet demand by 2035. An overview of High Peak Borough is summarised as follows:

- The Borough's rural characteristics require innovative and small-scale initiatives to meet demand;
- An additional 386 units of age-designated housing tailored to the needs of older people and an additional 260 units of housing with care (i.e. Extra Care) are required to 2035;
- Provision is currently concentrated in the Buxton area. DCC welcomes opportunities in the other main towns as well as larger villages in the Borough; and,
- An additional 480 nursing care beds are required and the development of affordable provision without top-ups would be encouraged in the Borough.

D2N2 Local Industrial Strategy (March 2020)

2.61 Building on the Government's National Industrial Strategy, the D2N2 LIS sets out the actions the local authorities within the D2N2 region are taking to address productivity barriers across Derby, Derbyshire, Nottingham and Nottinghamshire, enabling businesses to create more jobs, export more goods and services and grow their productivity.

2.62 The challenges facing the D2N2 economy include:

- A persistent labour productivity gap, with Gross Value Added [GVA] per hour worked 14% below the UK average (which has widened over the past 5 years);
- 54,000 jobs are at risk from automation, with a further 413,000 jobs likely to experience various forms of automation;
- 12/17 local authorities within the D2N2 area are identified as 'social mobility cold spots';
- 28% higher emissions per capita than the UK average due to concentration of energy-intensive industries;
- Poor regional rail connectivity; and,
- High proportion of low skilled and low earning jobs and long-term unemployment.

2.63 To address these challenges and rebalance economic growth, the D2N2 local authorities intend to focus on three key aims in the D2N2 region:

i Upskilling for productivity;

ii Clean growth; and,

iii Connectivity and inclusion.

Peak Sub-Region Employment Land Review (2008) and Employment Land Requirement Study Demand Update (2014)

2.64 The Employment Land Review [ELR] was prepared in 2008 and the Employment Land Requirement Study [ELRS] was prepared in 2014 to provide an update to the ELRs of HPBC and the adjacent Staffordshire Moorlands District Council.

2.65 The ELR study noted that the vast majority of the 720,000 sqm of industrial/ commercial floorspace in High Peak is designated as warehousing and industrial – 686,000 sqm, 95% of the total. The ELRS identifies that floorspace has declined by 10% (79,000 sqm) over the period 2000-2012, an average loss of 5,000 sqm per annum. Office space has also declined by 28% over the same period (14,000 sqm). Over the period 2007/8 to 2012/13 losses identified in the ELRS by HPBC totalled 2.95 ha of employment land. This equates to an average loss of 0.49 ha per annum.

2.66 The ELRS suggests that 39.4 ha of employment land may be lost over the period 2011 to 2031. This includes a mixture of allocated sites, Primary Employment Zones [PEZ] and Major Developed sites in the Green Belt.

2.67 The ELR notes there was around 10,152 sqm of industrial floorspace available in High Peak, equivalent to 1.5% of the total B2/ B8 industrial stock. For offices in High Peak, the available stock was over 1,760 sqm, equivalent to 5% of the total stock. Both figures are below the typical normal market level for their respective sectors.

2.68 In High Peak, the ELRS identifies that completions over the period 2007 to 2013 were predominantly related to B2 development and to a lesser extent B8 development.

2.69 Data from HPBC suggested that there is currently around 71.29 ha of 'available' B Class employment land across High Peak. The ELRS reports that some of this land may no longer be suitable for B2 or B8 developments. Feedback from stakeholders reported in this document suggested that the quality of the supply in High Peak is generally low and investment is needed to improve the quality of key employment sites.

2.70 The ELR identifies the Borough's current sectoral strengths which include health and social work, education, other business activities and retail. These sectors support the largest number of jobs in the Borough. According to the ELR study the fastest growing sectors are forecast to be retail (+207 jobs over the plan period), hotels and catering (+51), residential and social care (+41) and health (+39). The sectors forecast to experience the biggest decline in job numbers over the plan period are forecast to be in public administration (-134) and education (-212).

2.71 The ELRS concludes that High Peak Borough requires between 40 ha and 80 ha (gross) to meet its employment land needs up to 2031. This was approximate to the Oxford Economics [OE] Baseline / Policy On / Labour Supply Scenarios at the lower end, and above the Past Take Up Rate projection at the top end.

High Peak SHMA and Housing Needs Study (2014)

2.72 High Peak's SHMA and Housing Needs Study was published in 2014 and provides a detailed analysis of the social, economic, housing and demographic situation across the Borough. A key element of the study was to explore the scale of housing need and the extent to which additional affordable housing was needed. The SHMA identified a range of 420-470 dwellings per annum [dpa] as the overall target for new housing delivery and an affordable housing requirement of 878 dpa based on gross household formation over the Plan period to 2031, taking into consideration a backlog of under-delivery in affordable homes across the Borough.

2.73 Using 2011 Census data, the SHMA identified that the Borough was self-contained in terms of migration. This was supported by additional data on migration which demonstrated a positive inward migration with strong linkages with the surrounding Local Authority areas of Cheshire East, Derbyshire Dales, Manchester, Sheffield, Stockport, and Tameside indicating that the Borough was part of a larger housing market area. Travel to Work Census data showed that around 60% of residents lived and worked in High Peak, with a further 40% working elsewhere in the region, indicating that High Peak is part of a broader functional market area which extends sub-regionally into Greater Manchester, Cheshire East, Sheffield, and Derbyshire.

2.74 The SHMA set out that house prices had increased by 186% in the Borough between 1996 and 2011. The SHMA identified that the most prevalent type of property in the Borough is terraced homes, 34.4% of the total number of homes, and that almost 98% of all dwellings have three bedrooms or more. Most dwellings are owner occupied (72.1%). Vacant properties comprised 3.2% of the total dwelling stock.

2.75 The SHMA estimated that the population aged 65 and over would increase by 70.3% by 2031, representing a significant demographic shift in the Borough's population. Consequently, the need to diversify the range of housing for older people, who wish to stay in their own homes, was acknowledged.

High Peak Strategic Housing and Economic Land Availability Assessment

2.76 This section provides a high-level review of HPBC's Strategic Housing and Employment Land Availability Assessment [SHELAA] 2020 (published in July 2022) to inform the study's conclusions on the relative balance of demand and supply over the plan period. This summarises the quantum and quality of existing and pipeline of housing and employment land across the Borough and its suitability in accommodating economic development needs over the short, medium, and longer term before comparing this with the future demand for sites across the range of scenarios.

Overview of the SHELAA

2.77 The SHELAA was produced by Stantec on behalf of HPBC in 2022, with the intention of ensuring that sufficient housing and employment land is made available to meet the Borough's identified needs. Its base date is April 2020, and it excludes the PDNP area of High Peak.

2.78 The High Peak SHELAA initially considered 244 sites identified by the Council, informed by previous studies and suggested as part of a 'call for sites' exercise. Some 59 sites were subsequently removed from the study for a variety of reasons.

2.79 Of the remaining 185 sites:

- 160 sites were assessed for housing development; and,
- 25 sites were assessed for employment use.

2.80 The assessed sites were placed into three category bands:

- Sites which perform well against the suitability, availability and achievability assessments, and are therefore affected by the fewest constraints, were placed into Category 1 (potentially can come forward within 0-5 years).
- Sites with a limited level of constraints, such that they are likely to be available for delivery after the first five years, were placed into Category 2 (potentially can come forward in years 6-10). These sites may be suitable for development, depending on their individual circumstances and on specific measures being proposed to overcome their constraints within a 6 to 10-year time horizon.
- Sites allocated to Category 3 (potentially can come forward in years 11-15) are classified as being 'not currently developable' and have more significant constraints. For these sites to be considered appropriate for development it would have to be clearly demonstrated that the significant constraints can be mitigated or overcome to make them deliverable or developable.

2.81 Stantec's site categorisation does not take account of all the policy considerations that are relevant in selecting sites for allocation or for the granting of planning permission, which are likely to include the broad sustainability of the development, impact on biodiversity, and strategic transport and other infrastructure capacity issues. The SHELAA therefore does not undertake any analysis to consider whether the assessed sites are in the right place to meet strategic policy objectives. Stantec suggests that these are choices to be made through the plan-making process.

Summary of Findings

2.82 The SHELAA concludes that the 160 assessed housing sites could potentially yield around **12,508 dwellings**. Of this theoretical dwelling yield:

- 5,589 dwellings could be expected to come forward for development in years 1 to 5;
- 5,400 dwellings could be expected to come forward for development in years 6 to 10;
- 1,489 dwellings could be expected to come forward for development in years 11 to 15; and,
- 30 dwellings could be expected to come forward for development beyond the 15 year assessment period.

2.83 Stantec assessed the adequacy of this theoretical capacity against the identified 5, 10 and 15-year dwelling requirements for the Borough (using a 5% buffer), taking into account outstanding planning commitments, Local Plan allocations, windfall sites as well as an allowance for a proportion of dwellings to be delivered within the PDNPA (after taking account of non-implementation discounts).

2.84 The SHELAA found that outstanding planning commitments, in combination with allocated sites, are sufficient to meet the 350 dpa requirement in the Local Plan for the first 5-year period (with a 5% buffer). To fully meet the Borough's 10-year target and the 15-year dwelling requirement, the SHELAA identifies it would be necessary for a proportion of Category 1 sites to be bought forward, in addition to Local Plan allocations, along with an allowance for windfall sites and PDNP sites.

2.85 The SHELAA concludes that there are more than sufficient housing sites identified to accommodate the 15-year requirement. However, the site categorisation does not take account of all the policy considerations that are relevant in selecting sites for allocation. No analysis was undertaken to consider whether the theoretical supply from the assessed sites is in the right place to meet strategic policy objectives.

2.86 Of the 25 assessed employment sites, the SHELAA concluded that 21 sites could collectively deliver **59.4 ha of employment land**, as follows:

- 11 sites, providing a total of 19.1 ha of land, were assessed as most suited to 'industrial development' uses;
- 10 sites, providing a total of 40.3 ha of land, were assessed as most suited to 'storage and distribution' uses; and,
- No sites were assessed as most suited to 'office' uses.

2.87 Whilst available land was identified for 'industrial development' and 'storage and distribution' uses, Stantec did not consider that any of the assessed sites were suited to 'office' use:

"*It is important to note that the placing of sites into employment land typologies does not strictly prohibit the site coming forward of another type of employment land use. Our findings demonstrate that High Peak can theoretically meet its residual requirement for 29.932 ha of employment land, without requiring the release of Green Belt land. Whilst the residual employment requirement could theoretically be entirely accommodated on previously developed land, development on greenfield land may be more suitable in order to meet employment land requirements in full.*" [page 3]

Growth Strategy for High Peak (October 2017)

2.88 The Growth Strategy for High Peak [GSHP] sets out HPBC's vision and ambition for the Borough.

2.89 The GSHP sets out several challenges facing the Borough, including:

- Delivery of Local Plan housing and employment sites, unimplemented development sites and maintaining a five-year housing supply;
- Lack of affordable and special needs homes;
- Available land for development (employment and housing), poor town centre retail (availability of the right size premises, lack of diversity), rural accessibility to infrastructure, vacant and under used heritage assets and a shortage of quality hotel accommodation;
- High disparity in income levels and long-term unemployment persisting;
- Poor public transport and connectivity, weather dependency; and,
- Ageing population.

2.90 The GSHP also notes there are a variety of opportunities and strengths in High Peak. High Peak is located between Greater Manchester, Sheffield City Region, Cheshire and Warrington and the Northern Powerhouse which provides access to residents of High Peak to major economies. High Peak has many local strengths, such as:

- Natural assets (Peak Park) and distinctive built heritage;
- Well established leisure offer;
- Advanced manufacturing, aggregates and logistics businesses;
- Low level of crime; and,
- Desirable area to live, work and visit.

2.91 The aim of the GSHP is to grow the economy and use growth to support Council services. The Council's approach to this is by driving growth in productivity and capturing community value. By 2031, the GSHP aims to achieve:

- 35.6 ha employment land developed;
- 6,500 homes delivered;
- 1,950 affordable homes delivered (30% of total target);
- £588m in private sector investment in land and house building;
- 910 new jobs created and existing jobs retained;
- £59m p.a. additional spend in the local economy;
- 30% increase in investment in infrastructure provision;
- Halve the wage gap between commuters and residents;
- Increase the number of new business start-ups to match the regional average level;
- Maintain retail vacancy rate below the national average; and,
- Double number of overnight visitor stays during the week.

2.92 The GS details four key growth priorities:

- Reinforcing identity;
- Delivering quality housing;
- Growing enterprise culture; and,
- Enhancing visitor experience.

2.93 There are three main development sites detailed in the GS: Buxton Town Centre, Glossop Town Centre, and the A6 Enterprise Corridor.

3.0 Methodology

3.1 This section provides a broad overview of the HELNA methodology, with commentary on the approach taken to defining the spatial areas for assessment. As set out in the introduction, this HELNA comprises a series of steps to identify economic and housing needs.

3.2 A more detailed overview of each element of the methodology is provided at the beginning of each section. To align with the emerging Local Plan, the timeframe for the analysis is from 2021 to 2041. The approach has been set out separately for the employment and housing elements (Parts 1 and 2).

Approach to Part 1 Employment

3.3 The July 2021 version of the NPPF requires local authorities' strategic policies to:

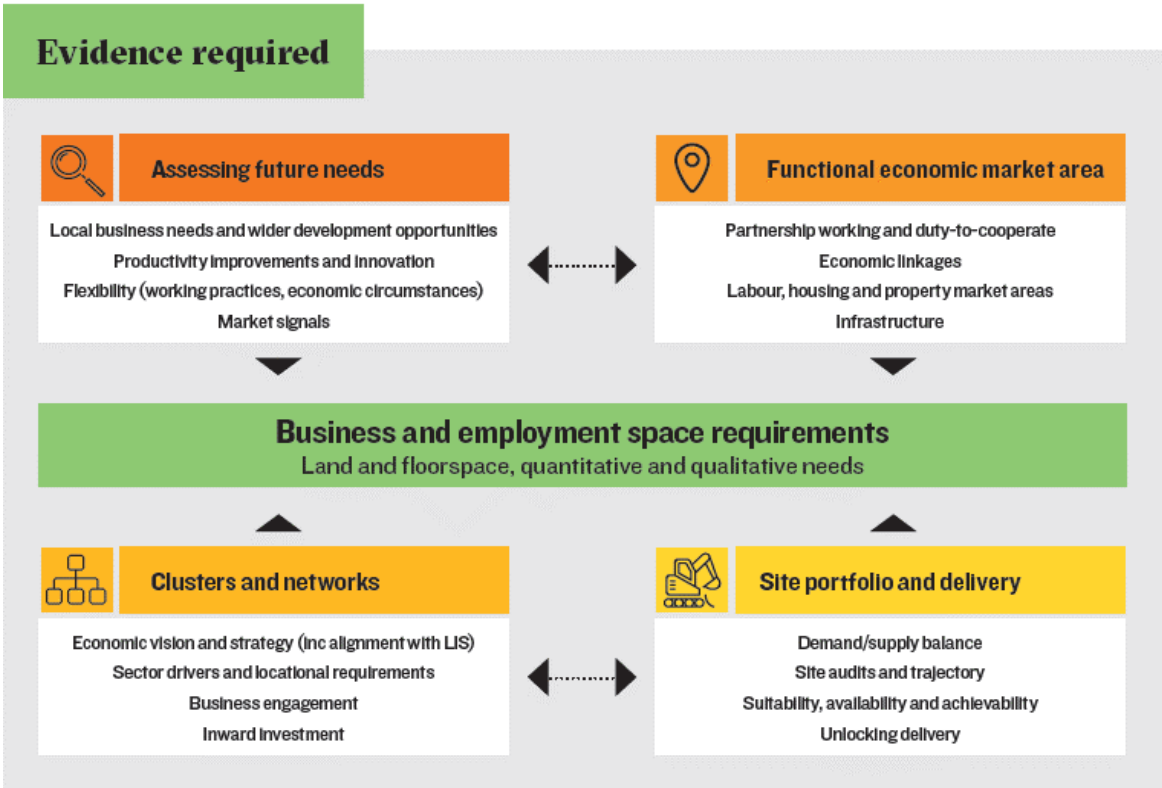
"set out overall strategy for the pattern, scale and quality of development, and make sufficient provision for: housing (including affordable housing), employment, retail, leisure and other commercial development." [§20]

3.4 Considering this in evidence base terms, the NPPF states in paragraph 80 that:

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

3.5 Lichfields has assessed the scale of future demand and growth potential of the Borough to quantify the amount and type of floorspace needed across the main employment (B) and employment focused town centre (E) use classes between 2021 and 2041, in both quantitative and qualitative terms. This is broken down by economic sectors and, where possible, number of units.

3.6 The revised PPG notes that LPAs should develop an idea of future needs based on a range of data which is current and robust. LPAs will need to take account of business cycles and make use of forecasts and surveys to assess employment land requirements. Lichfields' approach generated three broad scenarios of future economic development needs to give flexibility and cater for uncertainty in future economic growth levels. This utilised Lichfields' in-house employment land model developed as part of our WORKSpace framework. This NPPF/PPG-compliant methodology can be summarised overleaf.



3.7 Within this context, several potential economic scenarios have been developed in this study to provide a framework for considering future economic growth needs and employment space requirements in the Borough up to 2041.

3.8 Lichfields has followed the approach outlined in the 2021 PPG, modelling a range of scenarios including:

1 Projections of employment growth in the main employment sectors (labour demand) derived from economic forecasts produced by Experian (December 2021 model run). The Experian projection comprises the 'baseline', or policy-off projection. A pre-covid (March 2020) scenario was also modelled, as well as a scenario that incorporated a 2021 projection from Cambridge Econometrics [CE] to sensitivity test the level of growth identified by Experian for the Borough.

2 Lichfields also modelled a 'policy on' scenario which involved accelerating key growth sectors in line with HPBC and PDNPA aspirations.

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

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

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

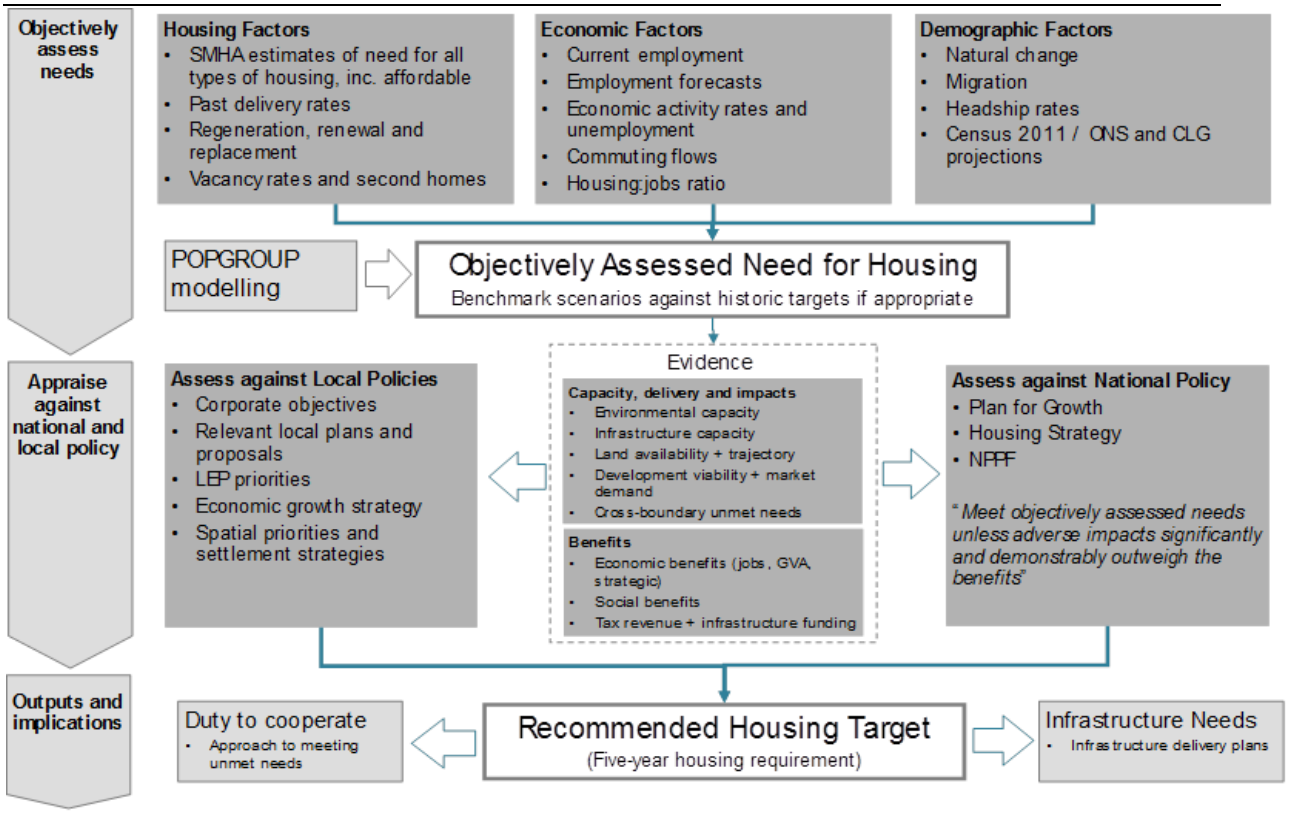
3.10 It is important to acknowledge that there will be an element of landless growth / contraction here, whereby job growth / decline will not automatically give rise to an immediate

increase/decrease in floorspace, or land, requirements. This is due in part to the current spare capacity across many firms, where companies that have laid off staff in the immediate aftermath of the recession, have been operating out of the same building and hence can accommodate a return to past staffing levels without having to physically expand their operations. Such latent capacity will have a bearing on the extent to which HPBC and PDNPA may wish to tailor its Eg(i)/(ii)/(iii)/B2/B8 allocations going forward and should be monitored over time.

Approach to Part 2 Housing

3.11 In response to the need to generate locally derived requirements for growth, Lichfields developed HEaDROOM, a conceptual framework for identifying local housing requirements providing a robust basis for planning through Local Plans. Lichfields' HEaDROOM Framework (so called given its focus on the housing, economic and demographic factors underpinning the need for housing in a locality) has been applied in this study (See Figure 3.1) to identify the LHN.

Figure 3.1 HEaDROOM Framework for Objective Assessment of Need for Housing



Source: Lichfields

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

Approach to defining the overall Local Housing Need

3.13 As set out in more detail in Section 10.0, this study has applied the Government's standard method to derive an overall local housing need for the Borough. This uses the 2014-based Sub-National Household Projections [SNHP] for 2012-2032, plus a market signals uplift based on the most recent (2021) workplace-based affordability ratio data for the Borough.

3.14 The Government is clear that the figure derived by the LHN target is intended to be a minimum figure, with the PPG setting out that there will be circumstances when a higher figure than that generated by the Standard Methodology [SM2] might be considered. This is because SM2 does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour which includes whether growth strategies are in place; where strategic infrastructure improvements are in place; or where there is unmet need from neighbouring authorities. We are also advised to consider previous delivery levels and recent assessments of need.

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

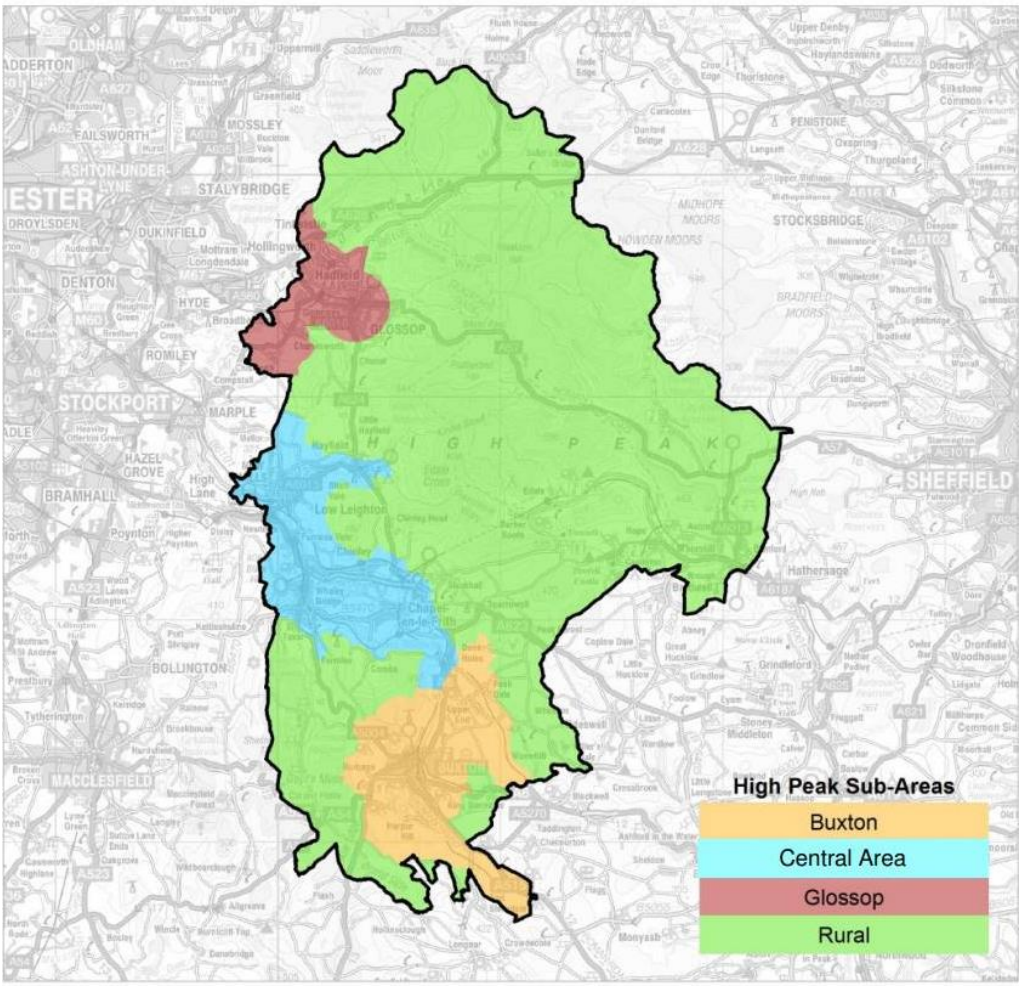
Identification of housing need for each sub area

3.16 Lichfields has taken into account the following considerations to provide an indicative breakdown of potential housing need in each of the four sub-areas in the Borough (as illustrated in Figure 3.2 the 'Rural' sub area corresponds with the National Park boundaries in High Peak)[17]:

- **Assessment of sub-area populations**, based on 2020 mid-year estimates [MYE] data on the number of residents as a starting point to determine each sub-area's 'fair share' of housing need. This is amalgamated into four sub-areas: Buxton, the Central Area, Glossop and that part of the National Park within High Peak's boundaries.
- **Analysis of services within each settlement.**
- **The availability of land in each sub-area**, based on information contained within HPBC's 2020 SHELAA (July 2022), including any identifiable shortfall in any type of housing e.g. bungalows or large family homes.

[17] LSOA boundaries have been used as these are the closest fit to Neighbourhood Plan boundaries.

Figure 3.2 High Peak Sub-Area Boundaries



Source: Lichfields

Identification of the type, tenure and size of housing required

3.17 Paragraph 61 of the NPPF states that:

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

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

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

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

- *the overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);*
- *the extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and*
- *the anticipated deliverability of different forms of provision, having regard to viability*."[18]

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

- Private rented sector;
- self-build and custom building;
- family housing;
- housing for older people;
- housing for people with disabilities/mental health;
- student housing;
- service families; and,
- affordable housing.

3.20 The needs of travellers will be considered separately in HPBC's Gypsy and Traveller Accommodation Needs Assessment.

3.21 The revised PPG states that plan-making authorities will need to count housing provided for older people against their housing requirement[19]. For the purposes of this study however, the needs of individuals living in communal (use class C2) accommodation, such as elderly residents living in Care Homes and students living in halls of residence, have been assessed separately.

Affordable Housing Needs

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

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

1 The local housing market;
2 Market signals, including house prices and affordability issues;
3 The existing stock of affordable housing;
4 Anticipated future changes in the affordable housing stock; and,
5 Current and anticipated future levels of need for affordable housing.

[18] 67-001020190722
[19] 63-016a-20190626

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

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

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

The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments. ***An increase in the total housing figures included in the plan*** *may need to be considered where it could help deliver the required number of affordable homes."*[20] [Lichfields' emphasis]

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

4.0 Defining the HMA/FEMA

Introduction

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

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

4.3 The methodology adopted for this study follows the PPG approach on defining HMAs/FEMAs within and across local authority areas[21].

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

- *"The relationship between housing demand and supply across different locations, using house prices and rates of change in house prices. This should identify areas which have clearly different price levels compared to surrounding areas.*
- *Migration flow and housing search patterns. This can help identify the extent to which people move house within an area, in particular where a relatively high proportion of short household moves are contained, (due to connections to families, jobs, and schools).*
- *Contextual data such as travel to work areas, retail and school catchment areas. These can provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use)."*

4.5 As for FEMAs, the PPG notes that since patterns of economic activity vary from place to place, there is no standard approach to defining a FEMA. However, it is possible to define them taking account of the following factors[22]:

- *"extent of any Local Enterprise Partnership within the area;*
- *travel to work areas;*
- *housing market area;*
- *flow of goods, services and information within the local economy;*
- *service market for consumers;*
- *administrative area;*
- *catchment areas of facilities providing cultural and social well-being; and,*
- *transport network."*

4.6 The study also considers High Peak's general economic linkages within the wider area. Similarities in characteristics such as employment and business structures between different geographies can strengthen the basis of conclusions made after reviewing each of the previous

[21] 61-018-20190315
[22] 61-019-20190315

PPG variables, while offering the additional opportunity to identify other economic linkages and trends that may not have been identified otherwise.

Defining the HMA

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

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

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

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

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

4.11 However, the PPG was revised in September 2018, removing the reference to 70% and instead stating that migration flow and housing search patterns can:

"…help identify the extent to which people move house within an area, in particular where ***a relatively high proportion*** *of short household moves are contained."*[23] [Lichfields emphasis]

4.12 This arguably introduces an element of ambiguity in terms of what comprises a 'relatively high proportion' which suggests this may be up to the discretion of policy makers. Migration flows and calculation of self-containment percentages within and between local authorities have been used by Lichfields to assist in defining the HMA.

Previous analyses of HMAs for High Peak Borough and neighbouring local authorities

High Peak SHMA (2014)

4.13 This study (produced by Lichfields) determined the extent of the HMA based on 2001 Census commuting data, the latest available at the time. It concluded that the situation was complex and did not necessarily allow for a straightforward demarcation of the boundary, as there were considerable overlaps with the Manchester/Sheffield Strategic HMAs.

4.14 The 2001 Census data suggested that the Borough has a self-containment of just under the typical 70% for a self-contained HMA, at around 68%. Furthermore, analysis by the CLG in

[23] ID: 61-018-20190315

2010[24] suggested that the Borough was split between three separate Local HMAs (Buxton, Hyde and Sheffield North & South), and at a more strategic scale, the wider HMAs of Manchester and Sheffield.

4.15 The complex nature of the relationships between wards within High Peak and neighbouring authorities present in the data demonstrated that there were clear relationships with bordering authorities that had to be taken into account. The report recommended therefore that meeting the full housing needs within these overlapping HMAs would require co-operation between the various authorities in these adjoining Strategic HMA areas.

4.16 It must be noted that even at the time of the SHMA's release in 2014, the data underpinning this HMA analysis was already 13 years old, and is now more than 20 years out of date in 2022.

4.17 In conclusion, previous evidence demonstrates that High Peak is in an area of overlapping HMAs. Previous work has not settled on a particular boundary or defined with absolute certainty the HMA in which High Peak sits. This has influenced this study, and should be taken into account by HPBC and PDNPA going forward.

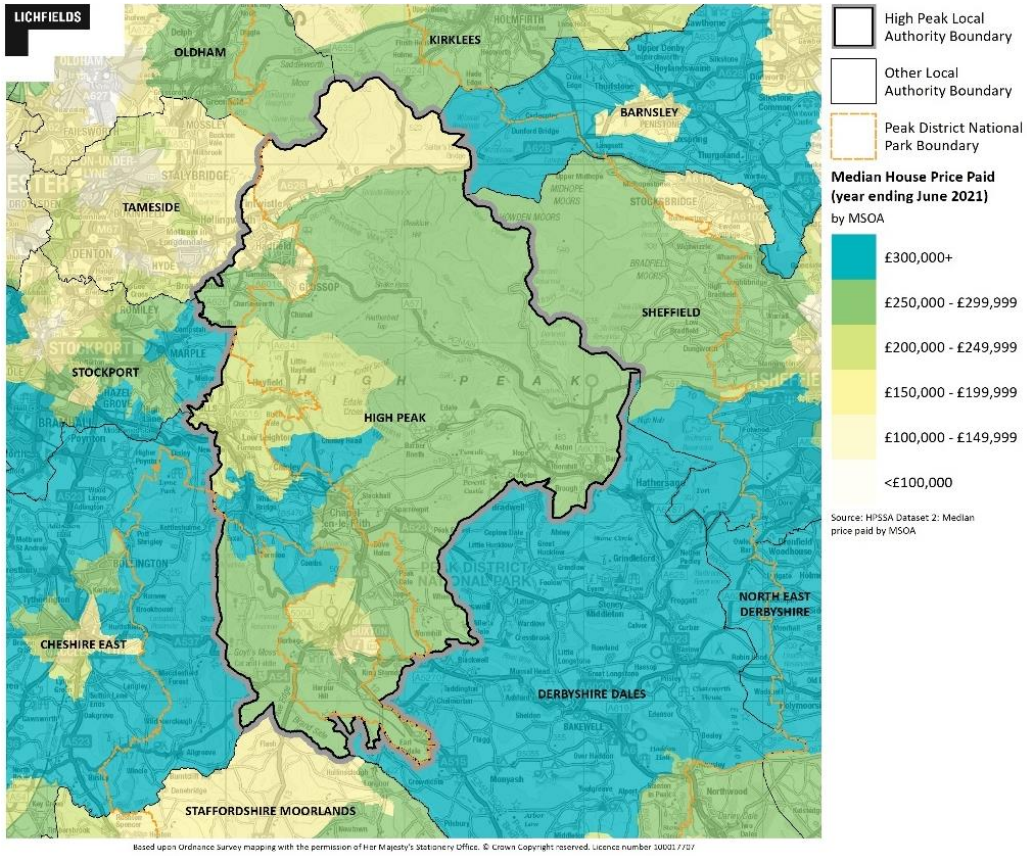
HMA Analysis

Housing Demand and Supply

4.18 Figure 4.1 shows median house prices across the Borough and the neighbouring local authorities. The median house price for High Peak overall was £217,500 in the year ending June 2021 in contrast to much higher prices in Derbyshire Dales (£283,000), Stockport (£270,000) and Cheshire East (£264,999), but much higher than Kirklees, Tameside, Oldham, and Barnsley which range from £170,000 to £140,000. Median house prices are highest (over £300,000) in the area around the west of Chapel-en-le-Frith including Whaley Bridge. House prices are also generally higher in the National Park areas, but lower in Buxton and New Mills which may be a reflection of the proximity / accessibility to Manchester and the quality /size of the existing housing stock.

[24] CLG (November 2010): *Geography of HMAs: Final Report*

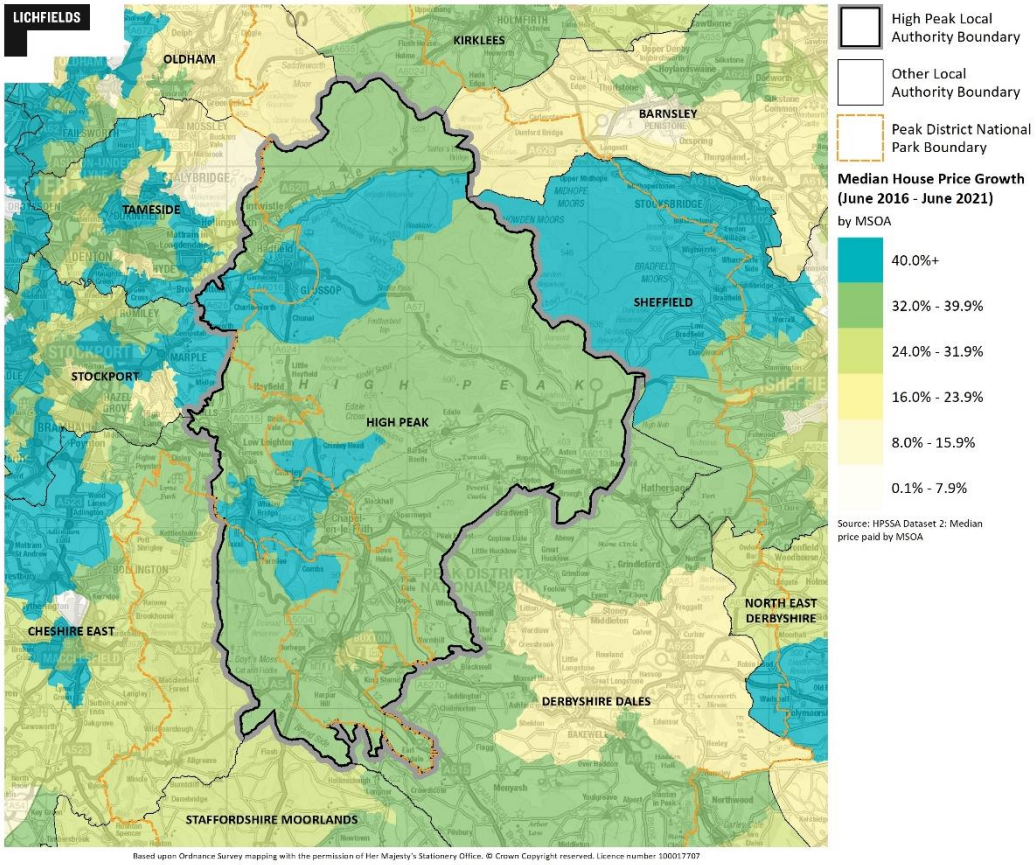
Figure 4.1 Median house price paid (Year to June 2021)



Source: ONS, HM Land Registry Price Paid

4.19 Median House prices in High Peak increased by around £52,500 or 37.2% between 2016 and 2021. This is a comparable level of growth to Oldham (39.8%), Tameside (38.6%) and Cheshire East (37.2%). As shown in Figure 4.2, the greatest rate of increase was in the areas to the west of Chapel-en-le-Frith including Whaley Bridge; and Glossop to the north, where prices rose by more than 40%.

Figure 4.2 Median house price change 2016-2021

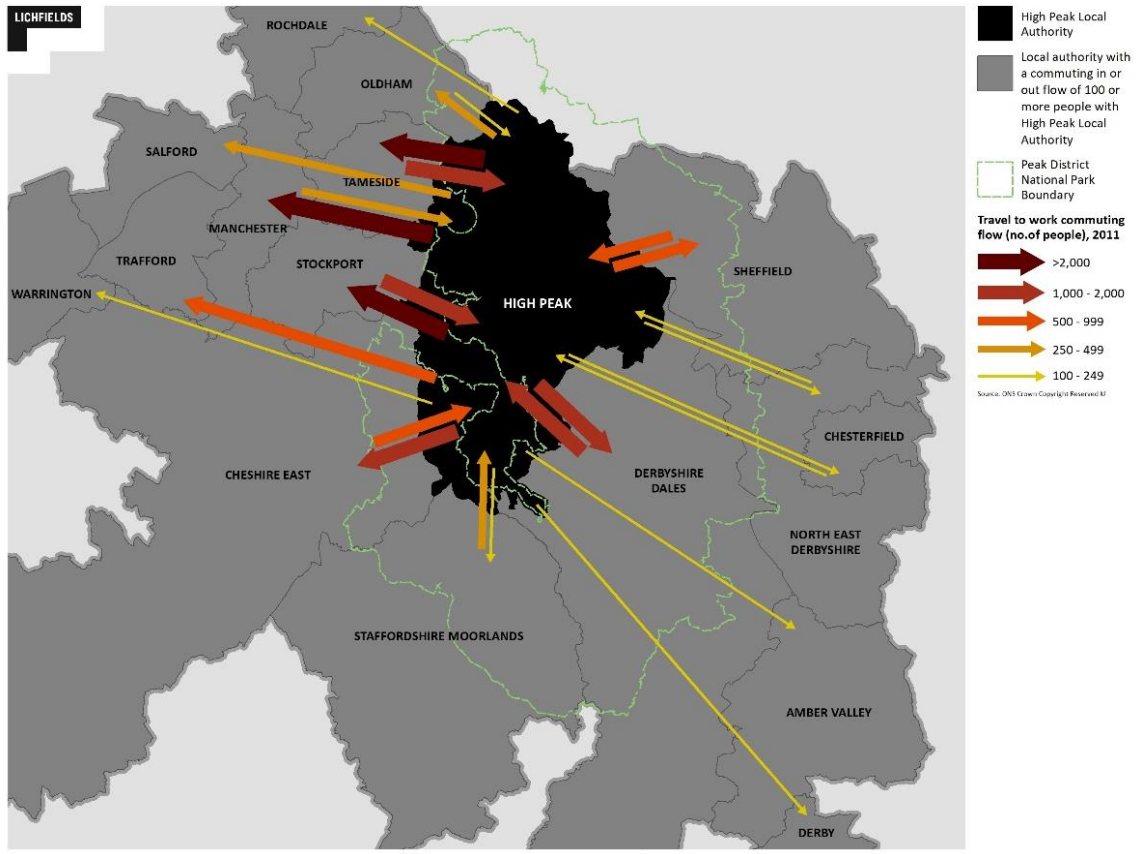


Source: ONS, HM Land Registry Price Paid

Migration Flows and Housing Search Patterns

4.20 In July 2014, origin/destination data on migration was released for the 2011 Census at local authority level. At the time of writing (summer 2022) this remains the most up to date information as the 2021 Census has yet to release comparable migration statistics. This data enables an up-to-date analysis of migration flows for the Borough.

Figure 4.3 High Peak Commuting Flows



Source: Census (2011): WU01UK

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

4.22 Figure 4.3 indicates that there is a high level of interdependency between High Peak and surround local authority areas. The Borough has high levels of out-commuting to Stockport (3,324 people or 19.1% of all out-commuters), Manchester (3,314 / 19.0%) and Tameside (2,735 / 15.7%). In terms of in-commuters the strongest relationships are with Derbyshire Dales (1,291 people or 16.8% of all in-commuters), Tameside (1,287, 16.8%), Stockport (1,060 / 13.8%) and Cheshire East (858 / 11.2%).

4.23 Table 4.1 presents the migration flows of 50 people or more between the Borough and neighbouring local authorities using data from the 2011 Census. The analysis indicates that the level of self-containment of migratory movements in the Borough is moderate with supply-side self-containment totalling 62.8% of all those moving out of a dwelling moving within the Borough and demand-side self-containment totalling 60.9% of all those moving into a dwelling in the Borough moving from that same area. Whilst these figures are still slightly below the 70% self-containment rate suggested by the Practice Guidance as being necessary to justify a self-contained HMA, the former 2007 Practice Guidance does suggest that rural areas (such as High Peak) typically have lower levels of self-containment.

Table 4.1 Migration into/out of/within High Peak

District of Origin/Destination	Residents moving into/within High Peak		Residents moving out of/within High Peak	
High Peak (moves within)	**5,058**	**62.8%**	**5,058**	**60.9%**
Tameside	334	4.1%	276	3.3%
Stockport	301	3.7%	250	3.0%
Manchester	205	2.5%	234	2.8%
Cheshire East	133	1.7%	203	2.4%
Derbyshire Dales	132	1.6%	150	1.8%
Sheffield	125	1.6%	179	2.2%
Salford	50	0.6%	53	0.6%
Leeds	39	0.5%	94	1.1%
Kirklees	20	0.2%	62	0.7%
Other districts	1,661	20.6%	1,746	21.0%
Total moves	**8,058**	**100.0%**	**8,305**	**100.0%**

Source: Census (2011): MM01CUK_ALL

4.24 However, as previously noted the 2018 PPG iteration states that when defining the HMA, there should be a particular focus "*where a relatively high proportion of short household moves are contained*". If we therefore constrain the analysis only to moves within High Peak and those to the immediate adjoining authorities, **the Borough has a self-containment rate of 81.7% for in-migration, and 80.8% for out-migration.**

4.25 Noting that there are limited migratory links between High Peak and some adjoining authorities such as Barnsley and Kirklees; and the stronger links with other authorities such as Manchester which is not adjoining but still close geographically; we can also limit this analysis to those authorities which were either the origin or destination of 50 movers or more (as shown in Table 4.1). **This would give the Borough a self-containment rate of 79.1% for in-migration, and 77.1% for out-migration.**

Conclusion on the extent of the HMA

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

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

4.28 As such, and based on a strict interpretation of the PPG, the Census 2011 data, and analysis of migratory patterns (excluding long distance moves) amongst other indicators, show that self-containment in High Peak is sufficiently high for the Borough to be considered a single HMA for the purpose of considering housing needs in the context of the Local Plan. This was also the conclusion of the 2014 SHMA. This previous assessment was supported by the Inspector at the previous Local Plan examination. Therefore, it is considered both reasonable and pragmatic to take the administrative boundaries of the Borough as being a 'best fit' HMA for planning purposes.

Defining the FEMA

Travel-to-Work Areas

4.29 Detailed guidance on how to define a FEMA has been produced by the Government[25]. This states that examining commuting flows can help to define the FEMA of an economy. The latest commuting flows data from the 2011 Census can be used to define Travel to Work Areas [TTWAs] to consider the relationship between where people live and where they work.

4.30 The Office for National Statistics [ONS] defines labour market areas as those areas where the bulk of the resident population also work. Defining labour market areas requires an analysis of commuting patterns to identify Travel to Work Areas [TTWAs] for local economies. The current criteria for defining TTWAs is that at least 75% of an area's working population work in the area (FEMA Test #1) and at least 75% of the people who work in the area also live in the area (FEMA Test #2). The area must also have a working population of at least 3,500 (High Peak has a working population of 33,000[26]). However, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted to define a TTWA as part of a limited "trade-off" between workforce size and level of self-containment[27].

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

4.32 The ONS 2011 TTWA mapping indicates High Peak falls primarily within the Buxton TTWA, which covers most of the southern and eastern side of the Borough including Buxton, Chapel-on-le-Frith, Edale, Castleton and Hope. Meanwhile, the northern and western sides of High Peak fall within the Manchester TTWA, which includes Whaley Bridge, New Mills and Glossop. A small portion in the east of the Borough also sites within the Sheffield TTWA, including Bamford.

Figure 4.4 Buxton Travel to Work Area

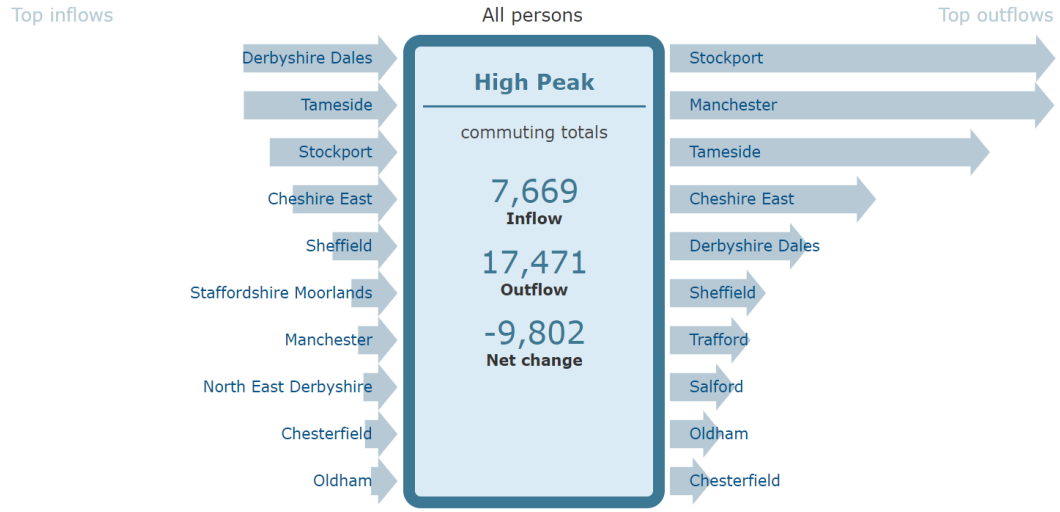
Source: ONS 2011 TTWAs (2015)

[25] DLUHC (2010) Functional Economic Market Areas: An Economic Note
[26] Source: ONS (2021) Business Register and Employment Survey 2020
[27] Commuting to work, Changes to Travel to Work Areas: 2001 to 2011 (ONS, December 2015)

Commuting

4.33 Expanding on the TTWA analysis above, it is possible to examine commuting relationships at local authority and middle super output area [MSOA] geographical levels using 2011 Census origin and destination data.

Figure 4.5 High Peak commuting flows (2011)



Source: Census 2011 (WU01UK) / Nomis

4.34 Figure 4.5 summarises High Peak's key commuting characteristics based on this dataset. At the time of the 2011 Census, 7,669 residents commuted into High Peak on a daily basis against 17,471 out-commuters, giving a net out flow of 9,802 commuters.

4.35 In total, **62.1% of High Peak's working residents work in the Borough (FEMA Test #1)**. Similarly, 28,435 local residents lived and worked in High Peak out of a total of 36,104 people working in the Borough. This equates to **78.8% of the residents (FEMA Test #2)**.

4.36 **On this basis, High Peak would only pass one of the FEMA tests.**

Flow of goods, services, and information within the local economy

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

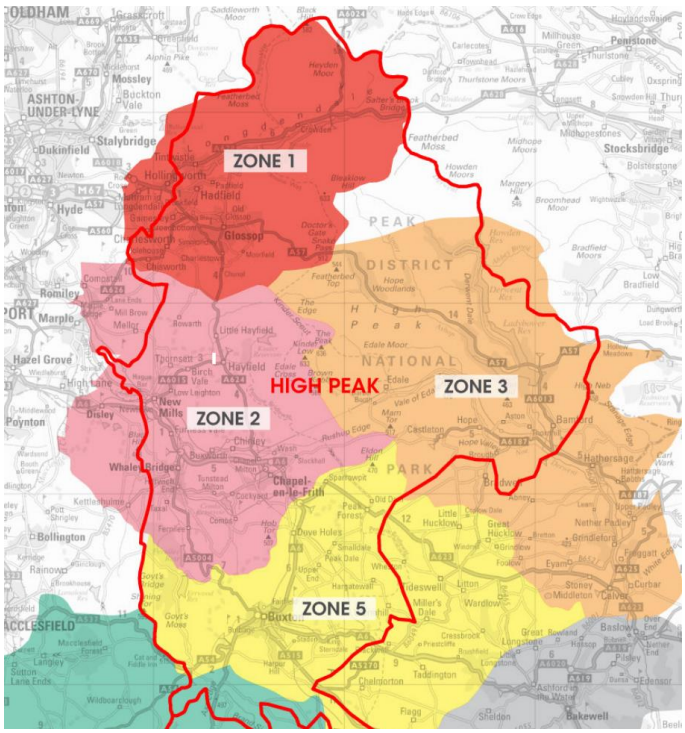
Digital connectivity

4.38 The latest data from Think Broadband shows that High Peak has 96.44% coverage of superfast broadband over 24 Mbps and 95.0% coverage of superfast broadband over 30 Mbps. The Borough's good access to superfast broadband indicates that businesses and residents can easily connect to the wider world and that High Peak's digital economic linkages likely extend well beyond the Borough boundary.

Service Markets for Consumers

4.39 The *High Peak Retail, Leisure and Town Centres Study 2022* (April 2022) subdivides the Borough into 4 zones which broadly reflect the catchment areas of the main centres and mirrors the same zones used in the 2014 Retail Study Addendum as shown in Figure 4.6.

Figure 4.6 High Peak retail catchment zones



Source: High Peak and Staffordshire Moorlands Quantitative Retail Study Addendum 2014

4.40 Table 4.2 shows the relative shares of convenience retail expenditure across the zones, as well as the amount retained by each. The retention level demonstrates the proportion of residents residing in that zone who also shop at destinations in the same zone. In terms of main food expenditure, the highest level of retention for main food expenditure is in Zone 1, which covers Glossop, followed by Zone 5 (Buxton). The proportion of main food convenience expenditure retained in Zone 3 is the lowest at 14%, indicating that a high proportion of residents' expenditure is being spent at destinations elsewhere. This is not unsurprising in light of the rural nature of Zone 3.

Table 4.2 Convenience expenditure retention by zone 2021

	Main Food Expenditure Retention	Top Up Food Expenditure Retention	**Total Convenience Expenditure Retention by Zone**
Zone 1 - Glossop	88.7%	92.2%	**89.6%**
Zone 2 - Chapel-en-le-Frith, New Mills, Whaley Bridge	73.9%	86.4%	**77.1%**
Zone 3 - Castleton, Hathersage	13.7%	81.4%	**30.4%**
Zone 4 - Bakewell	63.0%	84.9%	**68.5%**
Zone 5 - Buxton	81.4%	91.5%	**83.9%**

Source: Nexus Planning (2022): High Peak Retail, Leisure and Town Centres Study 2022

4.41 **The total proportion of convenience expenditure retained within the High Peak local authority area is 65.1%, or £274.5m of the available expenditure generated by residents**. This increases considerably to 88.5% when including all of the destinations within the Study Area but outside of the High Peak authority area. Key convenience destinations located within the Study Area but outside of High Peak principally comprise of those within Leek (the Aldi, Morrisons and Sainsbury's stores).

4.42 Table 4.3 displays comparison expenditure and retention and shows a similar story. It indicates that a total of 35.7% or £177.7m of available comparison goods expenditure generated by residents living in the Study Area is retained within High Peak Borough. However, a total of £320.7m is currently leaking to destinations outside of High Peak Borough, or 64.3%. The level of leakage of comparison goods expenditure outside of the Study Area is the highest for Zones 2, 3 and 4, with the lowest figures being recorded within Zone 5.

4.43 The report includes more detailed analysis of comparison leakage, indicating that destinations including Lyme Retail Park in Macclesfield, The Peel Centre in Stockport and town centre destinations such as Stockport town centre are all key destinations outside of the authority area which are attracting shopping trips from residents in High Peak.

Table 4.3 Comparison expenditure retention and leakage (2021)

	2021 Study Area Residents' Expenditure £m	2021 Market Share (%)
Buxton Town Centre	£46.3m	9.3%
Glossop Town Centre	£36.6m	7.3%
Chapel-en-le-Frith Town Centre	£11.6m	2.3%
B&Q, Standen Business Park, Buxton	£11.5m	2.3%
New Mills Town Centre	£11.1m	2.2%
Tesco Superstore, Wren Nest Road, Glossop	£10.7m	2.1%
Whaley Bridge Town Centre	£10.4m	2.1%
All Destinations Inside High Peak	**£177.7m**	**35.7%**
Total leakage outside High Peak Borough	**£320.7m**	**64.3%**
TOTAL	**£498.4m**	**100.0%**

Source: Nexus Planning (2022): High Peak Retail, Leisure and Town Centres Study 2022

Transport Network

4.44 Transport networks support productivity and the success of local economies by facilitating the swift movement of goods and people and supporting business operations. The road network within the Borough is typical of many rural authorities, with A roads providing access to Motorways to the east and west. The A57 runs south-eastwards from Glossop through the Peak District, connecting Greater Manchester and Sheffield. The A628 also originates in Greater Manchester and runs north-eastwards towards Barnsley. To the south of the Borough, the A537/A54 and A53 provide connections from Cheshire East and Staffordshire Moorlands into Buxton, whilst the A515 and A6 connect to Buxton from the Derbyshire Dales. The A6 runs northwards from Buxton to Chapel-en-le-Frith providing the main north-south link through the southern part of the Borough, before heading north-west to Stockport. The A623 also branches out from Chapel-en-le-Frith running eastwards into the Derbyshire Dales.

4.45 The Borough has several train stations, principally servicing the main centres and branching off to smaller centres for tourists looking to experience the Peak District. Rail connections principally provide access to Greater Manchester to the northwest, Sheffield and Chesterfield to the East, and, though not directly, to Macclesfield and Stoke to the South. There are no rail connections running northwards from High Peak due to the geography of the Peak District, with northwards journey's (to/from Huddersfield for example) requiring routes via Greater Manchester or Sheffield.

4.46 Using Census 2011 data, Table 4.4 shows the method of commuting for those travelling into and out of High Peak Borough, set against the UK average. Those travelling by car account for 80.1% and 75.4% of in-commuters and out-commuters respectively, a much higher level than the UK average of 60.1%. Just 4.4% of those commuting into High Peak do so by train, which is

lower than the UK average of 8.6%, 12.5% of those commuting out of the Borough do so by Train.

Table 4.4 Method of travel to work

Method of Travel to Work	Into High Peak	Out of High Peak	UK Average
Underground, metro, light rail or tram	0.2%	0.2%	3.7%
Train	2.5%	12.5%	5.4%
Bus, minibus or coach	4.4%	2.8%	8.6%
Taxi	0.1%	0.2%	0.5%
Motorcycle, scooter or moped	0.8%	0.9%	0.8%
Driving a car or van	80.1%	75.4%	60.1%
Passenger in a car or van	6.1%	3.9%	5.8%
Bicycle	1.2%	1.2%	3.1%
On foot	4.2%	2.5%	11.7%
Other method of travel to work	0.3%	0.3%	0.3%

Source: Census (2011): WU03UK - Location of usual residence and place of work by method of travel to work

Duty-to-Cooperate

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

4.48 Regarding the DtC, it is relevant to note that the Levelling Up and Regeneration Bill [LURB] was introduced by Michael Gove on 11th May 2022. At the time of writing, it remains at the Committee stage. Amongst a raft of important changes proposed to the current planning process, the Government wishes to repeal the current Duty to Cooperate, the legal obligation introduced via the Localism Act 2011 that requires cooperation between LPAs with regard to plan making.

4.49 This will instead be replaced by a 'requirement to assist' with certain plan making. The Government has clarified that despite the abolition of the Duty to Co-operate, there will be a continued need for engagement between the plan-making authorities and relevant bodies when planning development to enable delivery of infrastructure at a local or strategic level. New powers are proposed that would allow for at least two LPAs to produce a joint spatial strategy. This would have a similar effect to the strategic role of the Greater Manchester Places for Everyone plan, albeit across much smaller geographies.

4.50 Whilst there remains a requirement on specific bodies (prescribed public bodies) to assist in the plan making process (if requested by the plan making authority), cross boundary issues are likely to remain a challenge in particular the ability to assist in accommodating growth from a neighbouring authority.

4.51 This HELNA recognises that neighbouring LPAs have pursued individual Local Plans, which are at very different stages in their production. However, it is currently understood that neighbouring LPAs are committed to meeting their own employment land needs and do not require High Peak to take on board any of their needs, or vice versa.

4.52 It is important to note that this HELNA reflects the district-level approach taken in other ELRs across the sub-region. Therefore, the focus and spatial extent of the HELNA focusses on High Peak as a Borough, but its findings must be seen in the context of those other pieces of evidence

in neighbouring areas, which together will form the overall evidence base for the various FEMAs.

4.53 Furthermore, the methodological approach set out and adopted in this HELNA is underpinned by nationally consistent demographic and economic assumptions, which ensures a degree of consistency across the sub-region, in its approach for the determination of LHN and complements the neighbouring LPA's ELRs thus ensuring a clear picture of housing and employment land need across Derbyshire and beyond.

4.54 Notwithstanding, in accordance with the DtC, the requirements of the 2011 Localism Act and the NPPF, HPBC and PDNPA will need to continue to "*engage constructively, actively and on an on-going basis*" (Section 110:2 of the 2011 Localism Act) with its neighbouring authorities to ensure that strategic planning issues, in particular employment land needs, are met.

Conclusion on the extent of the FEMA and HMA

4.55 Defining the Borough's FEMA is not straightforward. Typically, an area passing both previously defined FEMA tests provides enough indication that the area should plan to meet its own economic needs within its own boundary. As High Peak only passes one of these tests, other factors must be considered, many of which overlap with the HMA analysis.

4.56 Being a rural authority, there is a net outflow of workers to a number of surrounding locations, meaning the workforce is pulled in many directions and parts of the Borough fall within different TTWAs. However, as previously demonstrated, the self-containment of the Borough from a housing perspective has strengthened, indicating a clear desire from workers commuting to elsewhere to remain based within High Peak.

4.57 Therefore, there is a need to be pragmatic when planning for both future employment land and housing needs. Given that this study brings together assessments of both housing and economic needs; the passing of one FEMA test; and the strengthening of housing self-containment, it is appropriate that both housing and economic needs be considered in tandem, with High Peak planning to accommodate its needs in full within its own boundary even if from a technical perspective, it is likely that part of the FEMA is likely to extend north-westwards into Greater Manchester.

4.58 As with the HMA analysis, meeting employment needs within overlapping TTWAs should necessitate co-operation between the various adjoining authorities, with HPBC and PDNPA addressing how this interdependence impacts upon employment land requirements within High Peak through the DtC.

5.0 Part 1: Socio-Economic Context

5.1 This Part of the report analysis the employment needs of the Borough. It begins with a local contextual review, assesses the economic conditions and trends and future economic prospects of the Borough. It then considers commercial property market signals and intelligence before forecasting the future employment land needs of the Borough.

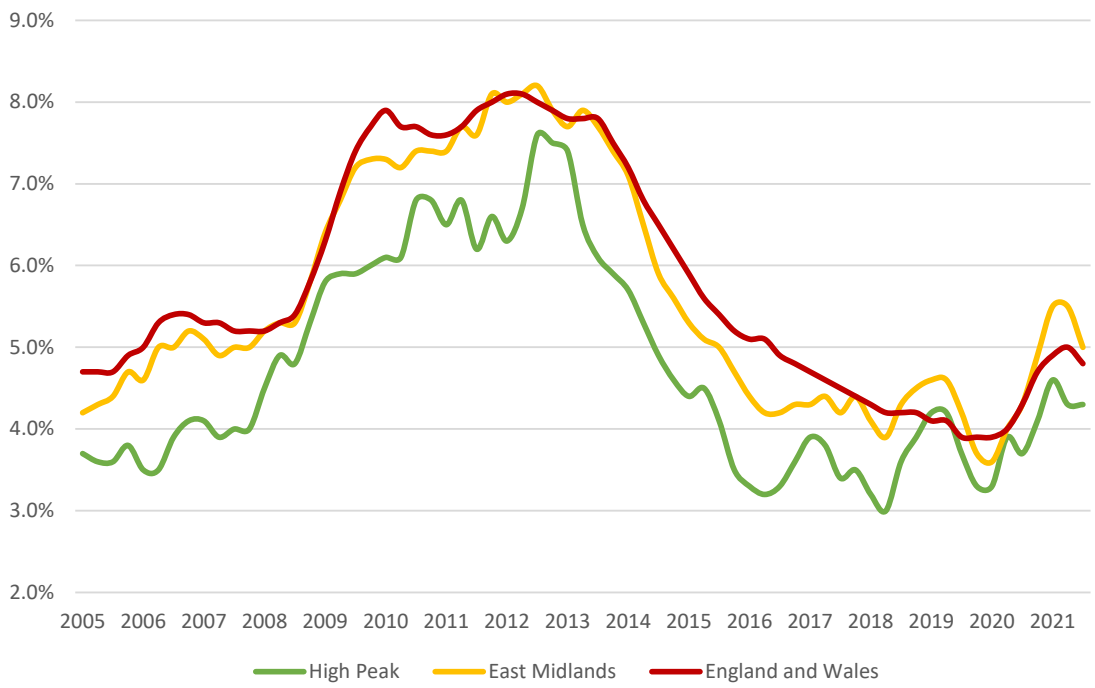
Economic Conditions and Trends

Labour Market Indicators

5.2 In the year to September 2021, 44,000 people or 76.3% of High Peak's residents aged 16-64 were economically active, meaning they were in or actively seeking employment. This matches the regional rate, but remains below the national rate of 78.7%. Of the four sub-areas in the Borough, High Peak Rural had the highest overall level of economic activity at 88.5%, followed by Glossop (78.1%), Chapel-en-le-Frith (74.2%) and Buxton (70.2%).

5.3 Figure 5.1 shows the rate of unemployment in High Peak, the East Midlands and England and Wales between 2005 and 2021. The most recent data (October 2020 – September 2021) indicates an unemployment of c.2,000 people or 4.3% in High Peak, which is lower than the regional and national rates of 5.0% and 4.7% respectively. The impacts of the Covid-19 pandemic on unemployment are clear, with unemployment in High Peak peaking in the year to March 2021 at 2,400 people or a rate of 4.6%. This is, however, still below the regional and national peaks of 5.5% and 5.0%, following the historic trend of High Peak having relatively low levels of unemployment.

Figure 5.1 Unemployment rate 2005 - 2021

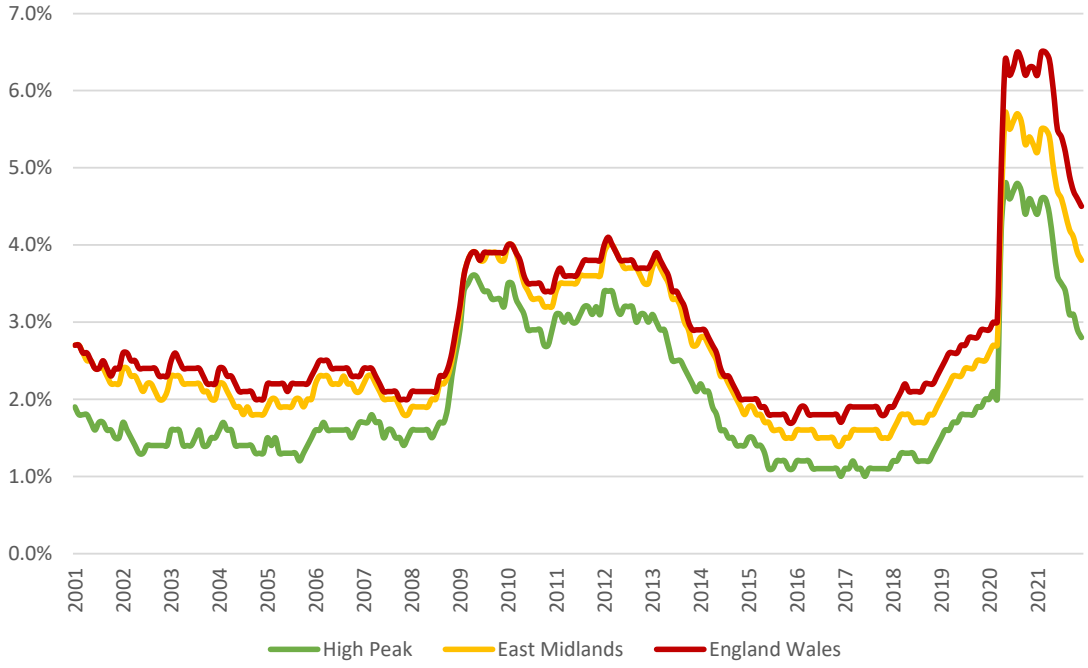


Source: ONS (2021): Model-based estimates of unemployment

Figure 5.2 shows the rate of benefit claimants amongst residents aged 16+ in High Peak, the East Midlands and England and Wales. As with the unemployment rate, High Peak has historically remained below the regional and national rates. Again, the series clearly show the

impact of the Covid-19 pandemic, with the number of claimants in the Borough rising rapidly from 1,165 people or 2.0% in March 2020 to a peak of 2,765 or 4.8% in April 2020 – just two months. This peak was, however, below the regional and national average rates of 5.7% and 6.5% and has since fallen, returning to 1,625 people or 2.8% in December 2021[28].

Figure 5.2 Claimant count as a percentage of people aged 16+ 2011 - 2021



Source: ONS (2021): Claimant Count

5.4 As shown in Table 5.1, the Borough had a median resident-based annual income (i.e. people who lived in High Peak but do not necessarily work there) of £28,665 in 2021, which was lower than the East Midlands median of £29,212 and the England and Wales median of £31,349. Similarly, the workplace-based median income in High Peak (i.e. people who work in High Peak but do not necessarily live there) was £26,954, lower than the respective regional and national median incomes of £28,416 and £31,344. That workplace-based incomes are lower in High Peak reflects fact that the Borough is a net exporter of labour, with residents working in higher-paid jobs elsewhere (i.e. Greater Manchester) then bringing that income back home with them.

Table 5.1 Median resident/workplace annual gross income 2021

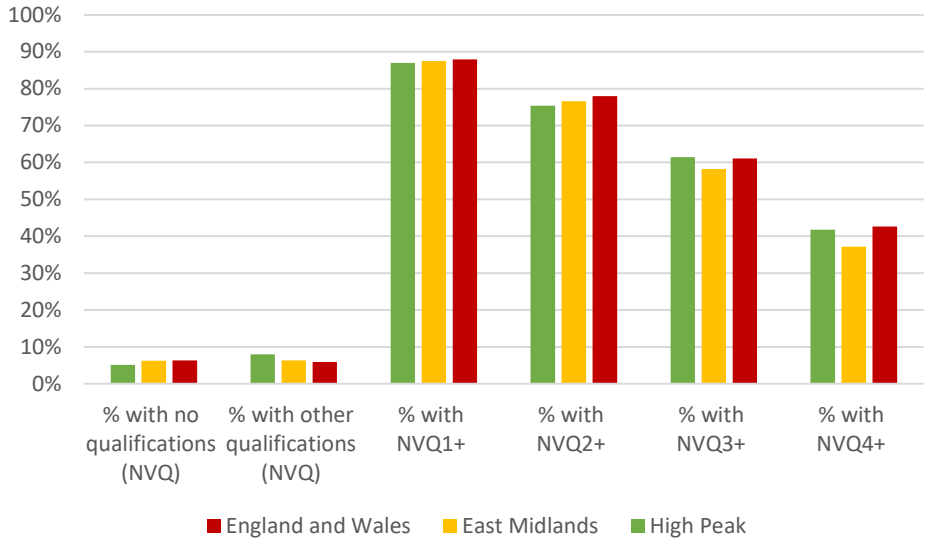
	Resident analysis	Workplace analysis
High Peak	£28,665	£26,954
East Midlands	£29,212	£28,416
England and Wales	£31,349	£31,344

Source: ONS (2021): Annual Survey of Hours and Earnings

[28] In terms of the difference between the two, the ONS's modelled Unemployment Rate refers to people without a job who were available to start work in the two weeks following their interview and who had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained. The number of people measured by the Claimant Count is not itself a measure of unemployment but is strongly correlated with unemployment, and, as it is an administrative count, is known without sampling error. The Claimant Count is the number of people claiming benefit principally for the reason of being unemployed. This is measured by combining the number of people claiming Jobseeker's Allowance (JSA) and National Insurance credits with the number of people receiving Universal Credit principally for the reason of being unemployed.

5.5 Figure 5.3 shows the share of the Borough's population aged 16 -64 with Non-Vocational Qualifications [NVQs]. Overall, the Borough is relatively well educated compared to the East Midlands. 5.1% of High Peak's residents have no qualifications, compared to 6.2% regionally and 6.3% nationally. Whilst the Borough has a lower share of residents with level one, two and above NVQs than the regional and national rates, it has a higher share of residents with level three or four plus than the national average.

Figure 5.3 Qualification attainment 2020 - aged 16 -64



Source: ONS (2021): Annual Population Survey (Jan - Dec 2020)

Business Demography and Enterprise

5.6 In 2021 there were a total of 3,940 enterprises in High Peak, having grown by 570 or 16.9% in the decade since 2011. This is a considerably lower rate of growth than seen regionally (34.0%) or nationally (34.5%). As with the East Midlands and England and Wales, enterprises in the Borough are heavily skewed towards micro firms with fewer than 10 employees. These account for 89.6% of High Peak's firms, whilst 8.8% have between 10 and 50 employees, 1.4% have between 50 and 250 employees, and 0.1% have more than 250 employees. These are similar proportions to the regional and national comparators, although the share of large firms is lower, with just 5 firms in this bracket within the Borough.

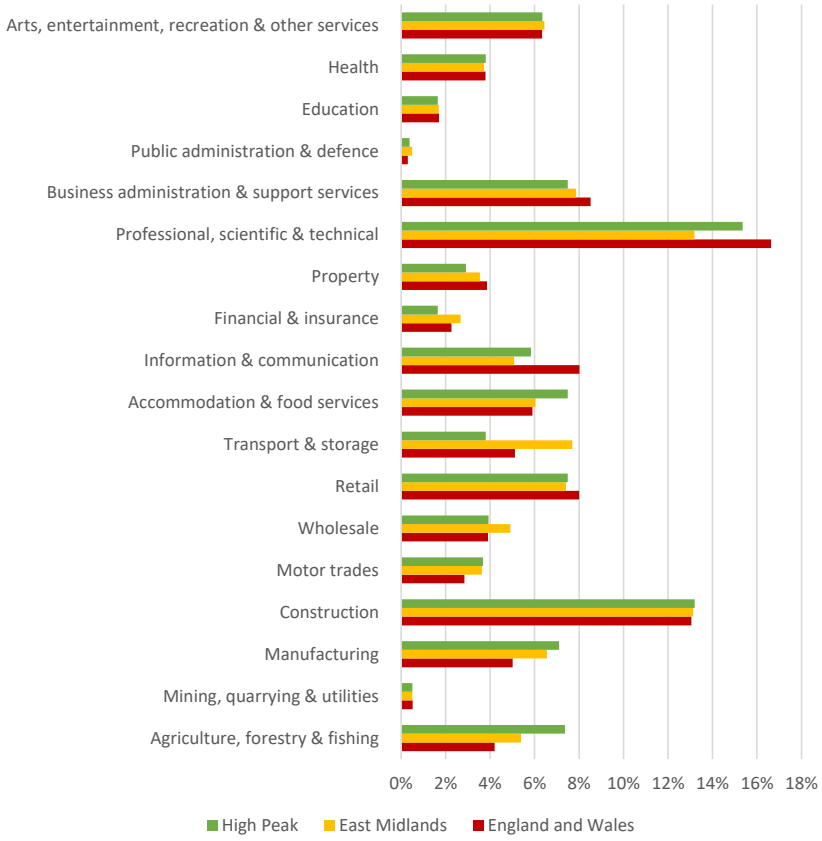
Table 5.2 Size of enterprises

	High Peak	East Midlands	England and Wales
Micro (0 to 9)	89.6%	89.4%	89.8%
Small (10 to 49)	8.8%	8.7%	8.3%
Medium-sized (50 to 249)	1.4%	1.6%	1.5%
Large (250+)	0.1%	0.4%	0.4%

Source: ONS (2021): Business Counts

5.7 Figure 5.4 shows the share of enterprises in High Peak, the East Midlands and England and Wales broken down by broad industrial sector. The highest share of enterprises is within the Professional, scientific and technical sector, with 605 firms or 15.4% of all firms in the Borough. This is followed by construction (520 firms / 13.2%); then retail, hospitality and business administration and support all with 295 firms of 7.5% of the total. Relative to the comparator areas, High Peak has a particularly high representation in Agriculture and Manufacturing firms, and underrepresentation in Transport and Storage, Finance and Insurance, and Property firms.

Figure 5.4 Enterprise by broad sector



Source: ONS (2021): Business Counts

Employment

5.8 Employment levels in High Peak Borough stood at just under 32,000 people in 2020, having fallen by around 1,625 or 5.1% in the decade since 2020. In comparison, the East Midlands and England and Wales experienced employment growth of 7.5% and 11.0% respectively over the same period. As shown in Table 5.3, Buxton accounts for 9,750 of the Borough's total employment or 30.6%. The Central Area (including Chapel-en-le-Frith) and Glossop have a slightly smaller share of employment at 9,705 (30.5%) and 8,215 (25.8%) respectively. The rural areas of the Borough (equating to the National Park) make up the remainder with around 4,145 in employment or 13.0% of the total.

Table 5.3 Sub-area employment (2020)

Sub-Area	Employment	%
Buxton	9,750	30.6%
Central Area	9,705	30.5%
Glossop	8,215	25.8%
High Peak Rural	4,145	13.0%
High Peak Borough	**31,815**	**100.0%**

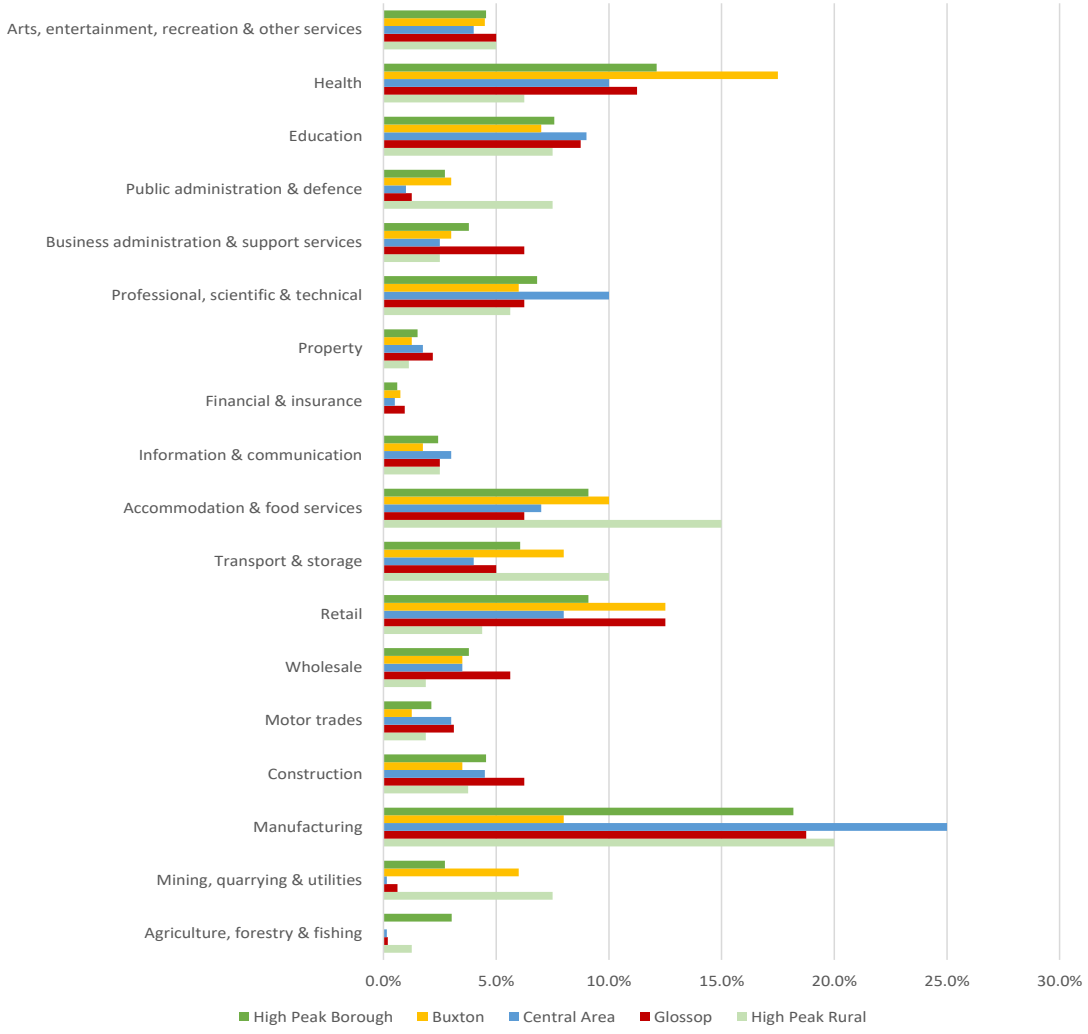
Source: ONS (2021): Business Register and Employment Survey 2020 (numbers may not sum due to rounding)

5.9 High Peak Borough has a job density of 0.68 jobs per person[29]. This is much lower than the regional and national densities of 0.79 and 0.85 respectively.

[29] ONS (2021): Jobs Density 2020, defined as the number of jobs in an area divided by the resident population aged 16-64

5.10 Figure 5.5 presents employment by broad sector within High Peak and its sub-areas based on the same 2020 BRES data summarised in Table 5.3 above. Overall, the Borough's largest sectors of employment are Manufacturing (6,000 people or 18.2% of all employment) Health (4,000 / 12.1%), and Retail and Hospitality (3,000 / 9.1% each). Buxton has a high relative representation in Health and Retail, whilst the Central Area has a particularly high share of the Borough's manufacturing employment and Professional, Scientific and Technical roles. Glossop also has high representation in Retail, Business administration and support and IT, with the National Park having particularly high employment in both hospitality and manufacturing.

Figure 5.5 Sub-area employment by broad sector, 2020



Source: ONS (2021): Business Register and Employment Survey 2020

Location Quotient Analysis

5.11 Whilst recent Government policy has focused on spatial-led growth models, there is an increasing need for and shift towards sector-based growth models. To identify the full economic potential of High Peak, it is important to revisit which industrial sectors are best placed to drive future growth. This is informed by an understanding of which sectors are under or over-represented in terms of local employment and their recent growth performance.

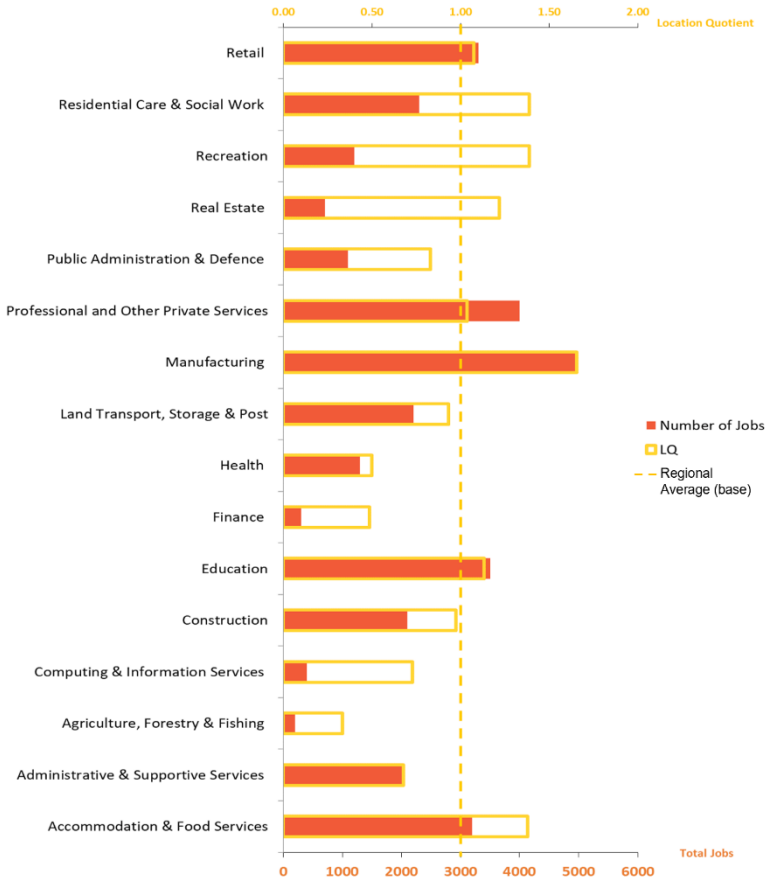
5.12 Figure 5.6 assesses the Borough's current sectoral strengths using location quotients [LQs], which measure the proportion of employment in an industry at the Borough level relative to the

regional average. In the graph, the LQs are shown using a yellow outline. A value above 1.0 (shown as a dashed yellow line in the diagram below) denotes a higher local representation of a sector compared to the East Midlands average, whilst anything below 1.0 signifies an under-representation. The further the yellow outline is from 1.0, the greater the extent of any over or under-representation. In addition, the orange bars show the absolute level of employment within High Peak accounted for by each sector.

5.13 The strength of High Peak's manufacturing sector is clear, with the sector having the highest share of employment and also the highest LQ of 1.66, meaning the Borough has two thirds more employment in this sector than would be expected based on the regional avearge. The Borough also has higher than expected representation in a number of sectors including recreation (LQ of 1.39), hospitality (1.38) and real estate (1.22).

5.14 Meanwhile, some of the more under-represented sectors include finance (0.49), health (0.5), construction of buildings (0.59), and administrative and support services (0.68).

Figure 5.6 Location quotient analysis



Source: Experian December 2021 / Lichfields analysis

Deprivation

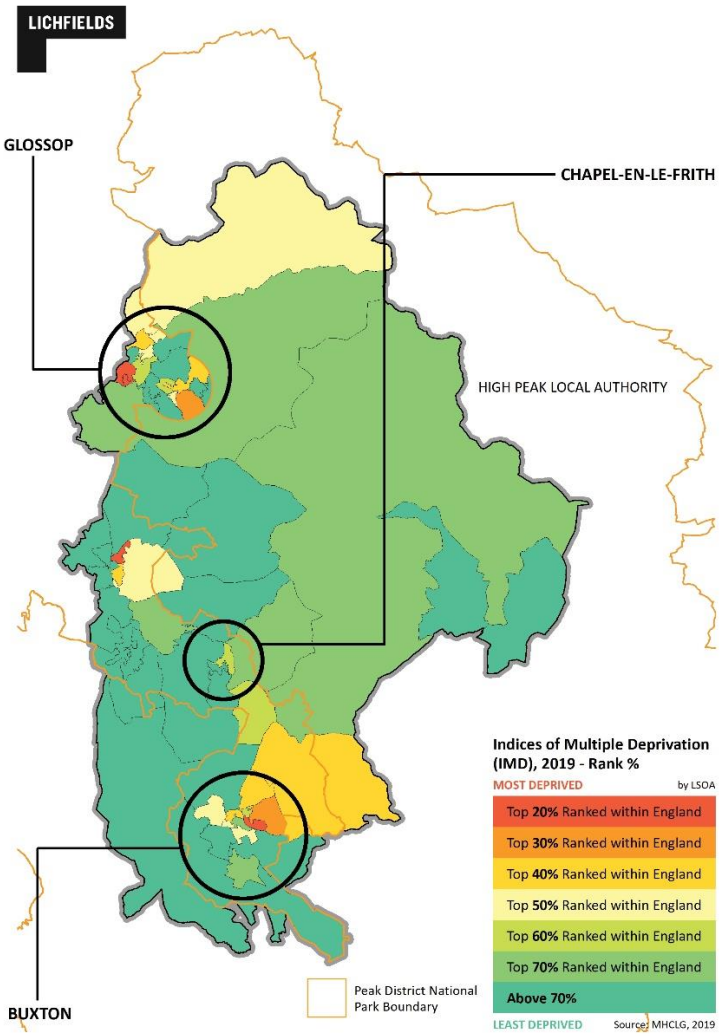
5.15 Deprivation at a local level is measured by the Indices of Multiple Deprivation [IMD], which uses a number of datasets to rank areas across seven sub-domains of deprivation that range from access to health services to income levels[30]. These categories are combined to produce an overall deprivation rank for each local authority in England. The IMD 2019 identifies that out of

[30] Ministry of Housing, Communities and Local Government (DLUHC), Indices of Multiple Deprivation (2019)

all 317 local authorities in England, High Peak is ranked as being the 115th least deprived (based on 'rank of average rank'), ranking among the 64% least deprived authorities nationally.

5.16 Figure 5.7 shows deprivation across High Peak by Lower-Layer Super Output Area [LSOA]. High Peak has relatively few areas of high deprivation overall, with just 3 LSOAs falling within the top 20% deprived areas nationally, falling in Buxton, New Mills and Glossop. Outside of these centres, the rural areas of the Borough generally fall within the 30% or 40% least deprived areas nationally.

Figure 5.7 Deprivation in High Peak



Source: DLUHC: Index of Multiple Deprivation 2019

Summary

5.17 Overall, High Peak performs well across a number of economic indicators. Economic activity in the Borough is identical to the wider East Midlands, whilst both unemployment and the number of benefit claimants are low in comparison having weathered the Covid-19 Pandemic relatively well, indicating a resilient local economy. The Borough also has relatively low levels of deprivation, although there are small, concentrated, pockets of deprivation in the main centres of Buxton and Glossop as well as New Mills.

5.18 Incomes in the Borough are below the regional average, particularly with regards to the workplace population as a result of high levels of out commuting. This is something that could be improved by attracting higher value employment opportunities into the Borough, although there will inevitably remain strong links with surrounding major cities. High Peak has relatively few residents with no qualifications and a high share of residents with upper tier qualifications, suggesting that higher paid jobs outside of High Peak Borough requiring higher educational qualifications, are generally taken up by out-commuting High Peak residents.

5.19 In terms of the Borough's business base, there is a high representation of firms in both agriculture and manufacturing, whilst the latter supports the highest share of the Borough's employment alongside a relatively strong hospitality sector.

6.0 Commercial Property Market Signals and Intelligence

Introduction

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

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

6.3 This analysis uses data from the following sources:

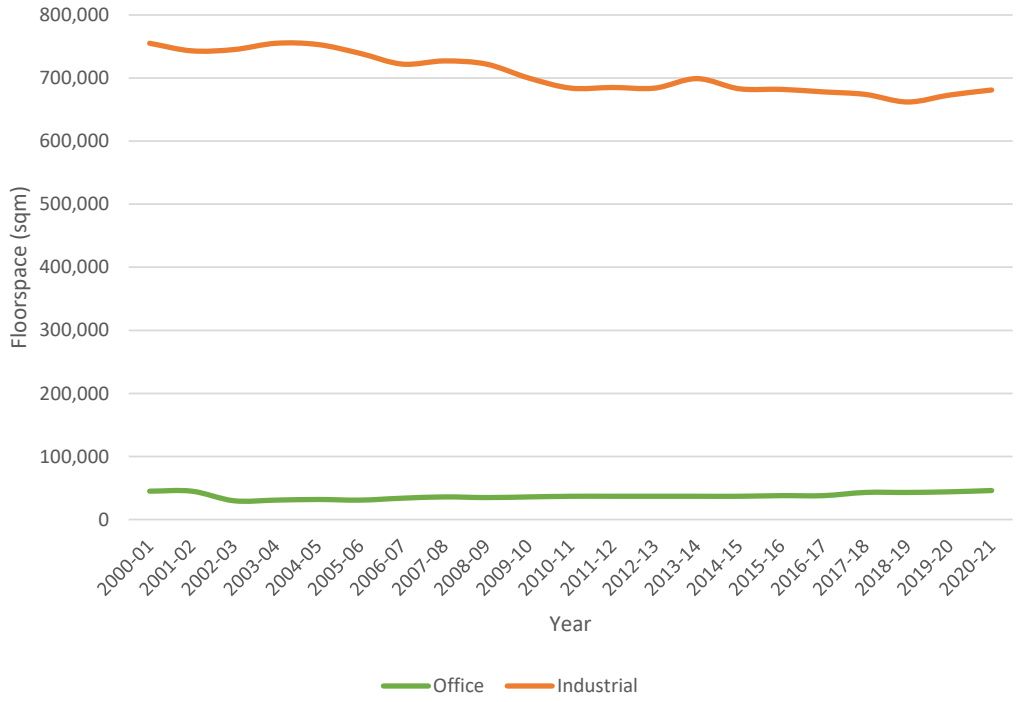
1. Commercial floorspace data from the ONS and various datasets from the Valuation Office Agency [VOA];
2. Monitoring data on commercial space from HPBC;
3. CoStar commercial property data;
4. The results of a business survey issued by HPBC in January 2022; and,
5. Discussions with a number of local agents and other commercial stakeholders.

Employment Space

6.4 Figure 6.1 and Table 6.1 show data on industrial and office floorspace from the VOA. In total, High Peak has approximately 727,000 sqm of employment floorspace, of which approximately 93.7% is factories/warehouses and 6.3% offices. Table 6.1 shows that over the period 2000/01 to 2020/21, commercial office space in High Peak increased by around 1,000 sqm or 2.2% to reach approximately 46,000 sqm. However, 2020/21 was the first year in which the amount of office space returned to the 2000/01 level of 45,000 sqm, after floorspace fell by a third to 30,000 in 2002/03. In comparison, the East Midlands and UK saw increases in office floorspace of 20.2% and 8.5% respectively over the same period.

6.5 Over the same period, the total amount of industrial floorspace decreased by 74,000 sqm or 9.8% to approximately 681,000 sqm compared with a decrease of 3.4% across the East Midlands as a whole. The amount of industrial floorspace in High Peak fell from a peak of 356,000 sqm in 2004/05 to a low of 322,000 in 2013/14, before returning to growth and only surmounting this previous peak in 2020/21.

Figure 6.1 Stock of employment floorspace



Source: Valuation Office Agency (2021): NDR Floorspace Tables

6.6 Over the same period, the total amount of industrial floorspace decreased by 74,000 sqm or 9.8%, to approximately 681,000 sqm compared with a decrease of 3.4% across the East Midlands and growth of 7.0% nationally.

Table 6.1 Employment floorspace growth

	Office			Industrial		
	Floorspace (sqm)	Change (2002-2021)	% Change (2001-2021)	Floorspace (sqm)	Change (2002-2021)	% Change (2001-2021)
High Peak	**46,000**	**+1,000**	**+2.2%**	**681,000**	**-74,000**	**-9.8%**
East Midlands	4,782,000	+805,000	+20.2%	40,733,000	+2,675,000	+7.0%
England and Wales	86,320,000	+6,783,000	+8.5%	333,187,000	-11,740,000	-3.4%

Source: Valuation Office Agency (2021): NDR Floorspace Tables

6.7 Overall, whilst the amount of office space has grown over most of the past 20 years the amount of floorspace has only increased by 1,000 sqm due to a 33% decrease in 2002/03. Industrial floorspace on the other hand has declined by around 10% but continues to dominate the overall offer within the Borough, accounting for between 94% and 96% of total space over the past two decades.

Spatial Distribution

6.8 Commercial property market data from CoStar provides insight on industrial and office floorspace. CoStar is an online commercial property database maintained by a team of market researchers which tracks in detail properties that appear on the market. Whilst this means that CoStar does not capture 100% of properties and floorspace as tracked by the VOA, it is considered as relatively accurate for larger properties and provides insight and market analysis that would not otherwise be available.

6.9 Table 6.2 gives an indication of the spatial distribution of properties and floorspace across the four sub-areas of High Peak. In terms of office space, whilst Glossop has the highest share of properties (41.3%), they tend to be smaller as indicated by both the Central Area and Buxton having higher shares of floorspace at 41.8% and 32.6% respectively.

6.10 Similarly, Glossop accounts for the largest share of industrial properties (43.3%) but also accounts for 44.2% of the industrial floorspace in the Borough. This is closely followed by the Central Area which accounts for 39.1% of industrial properties and 36.3% of industrial floorspace.

6.11 Overall, the Central Area and Glossop collectively account for over 80% of employment properties and over 85% of floorspace in the Borough. Buxton has 13.6% of all floorspace, whilst High Peak Rural has just 1.2%. Just 6.3% of the Borough's floorspace is office-related meaning all areas are dominated by industrial space; however, 15.4% of Buxton's floorspace is office compared to just 3.0% of Glossop's.

Table 6.2 Industrial/office properties by sub-area

	Buxton	Central Area	Glossop	High Peak Rural	Total
Office					
Properties	15	20	26	2	63
Properties %	23.8%	31.7%	41.3%	3.2%	100.0%
Floorspace	8,895	11,393	6,179	783	27,250
Floorspace %	32.6%	41.8%	22.7%	2.9%	100.0%
Industrial					
Properties	21	54	61	2	138
Properties %	15.2%	39.1%	44.2%	1.4%	100.0%
Floorspace	48,014	142,348	197,391	4,608	392,360
Floorspace %	12.2%	36.3%	50.3%	1.2%	100.0%
Total					
Properties	36	74	87	4	201
Properties %	17.9%	36.8%	43.3%	2.0%	100.0%
Floorspace	56,909	153,740	203,570	5,390	419,610
Floorspace %	13.6%	36.6%	48.5%	1.3%	100.0%

Source: CoStar (Jan 2022) / Lichfields analysis

Quality of Premises

6.12 CoStar's star rating system uses market-tested criteria which allows for analysis of the quality of existing office and industrial stock. CoStar's criteria take account of architectural design, structures/systems, amenities, site/landscaping/exterior, and certifications.

6.13 Table 6.3 shows a breakdown of office and industrial properties in High Peak by star rating against the regional comparator. The data indicates that the Borough is heavily skewed towards lower- quality premises, with 1- and 2-star properties accounting for 57.1% of office, 56.5% of industrial and 56.7% of all properties. This is a higher share of lower quality premises than across the East Midlands (46.6%). It is also notable that the Borough has no properties awarded either 4 or 5 stars for quality.

Table 6.3 Quality of properties

	High Peak		East Midlands
	Properties	%	%
Office			
1 - 2 Star	36	57.1%	51.0%
3 Star	27	42.9%	47.2%
4 - 5 Star	0	0.0%	1.9%
Industrial			
1 - 2 Star	78	56.5%	43.7%
3 Star	60	43.5%	52.8%
4 - 5 Star	0	0.0%	3.5%
Total			
1 - 2 Star	114	56.7%	46.6%
3 Star	87	43.3%	50.5%
4 - 5 Star	0	0.0%	2.9%

Source: CoStar (Jan 2022) / Lichfields analysis

6.14 Table 6.4 shows the quality of properties across the 4 sub-areas. The data indicates that whilst Buxton accounts for a small number of properties overall, it has double the number of 3-star properties than 1- or 2-star, whereas the Central Area and Glossop have higher amounts of low-quality premises.

Table 6.4 Quality of properties by sub-area

	Buxton	Central Area	Glossop	High Peak Rural
1 - 2 Star	12 (10.5%)	50 (43.9%)	51 (44.7%)	1 (0.9%)
3 Star	24 (27.6%)	24 (27.6%)	36 (41.4%)	3 (3.4%)
4 - 5 Star	0	0	0	0

Source: CoStar (Jan 2022) / Lichfields analysis

Floorspace Availability

6.15 Table 6.5 shows the availability of floorspace in each sub-area, comprising any space that is currently marketed. Availability is very low across the board, with just 499 sqm or 1.8% of total office floorspace and 1,886 sqm or 0.5% of total industrial floorspace being on the market.

Table 6.5 Floorspace availability by sub-area (sqm)

	Buxton	Central Area	Glossop	High Peak Rural	**Total**
Office					
Floorspace	8,895	11,393	6,179	783	**27,250**
Available	93	275	131	0	**499**
Available %	1.0%	2.4%	2.1%	0.0%	**1.8%**
Industrial					
Floorspace	45,214	134,413	188,782	4,512	**372,921**
Available	0	880	1,006	0	**1,886**
Available %	0.0%	0.7%	0.5%	0.0%	**0.5%**
Total					
Floorspace	54,109	145,806	194,961	5,294	**400,170**
Available	93	1,156	1,136	0	**2,385**
Available %	0.2%	0.8%	0.6%	0.0%	**0.6%**

Source: CoStar (Jan 2022) / Lichfields analysis

Development Rates

Completions

6.16 Data on gross completions for the period 2007/08 to 2020/21 was analysed, based on Annual/Authority Monitoring Reports [AMRs] for those years. Take-up (i.e. completions) of land for employment development has been provided over this time period, broken down by Use Class. The three-year period 2014/15-2016/17 is amalgamated as one overall number. Over this 14-year period, gross completions for B-Class uses in High Peak amounted to 52.49 ha, or 3.75 ha per annum.

6.17 Just over 17 ha was developed in 2020/21 alone, the vast majority of which was for mixed B1/B2/B8 (16.984 ha). However, this includes the site at Carpenter Plc, Dinting Lodge Industrial Estate, Glossop for a Non-Material Amendment [NMA] (planning application reference NMA/2018/0023) that involves the reduced extension/altered building shape to an earlier 2009 consent (planning application reference HPK/2009/0496) which involved an Extension to the North East Corner of the main industrial building to provide additional floorspace, associated engineering works, tree removal and landscaping works.

6.18 Having reviewed the application, it will only involve the delivery of 9,241 sqm of additional floorspace, with the 16.984 ha relating to the entire site that includes an existing industrial building, car parking etc. As such, including 17 ha in the analysis risks over-exaggerating the total amount of land that has come forward in recent years. For the purposes of this analysis, and working on a standard plot ratio of 40%, we have assumed that the site would deliver 2.31 ha rather than 16.984 ha.

6.19 A similar issue arises for an extension to the Natural Stone Surfaces Factory on Frith Knoll Road, Chapel-en-le-Frith, to provide additional storage and warehouse. The application [ref: HPK/2018/0476] sought planning consent for an extension to the existing factory at the south-western corner of the site and a reconfiguration of the car park. The existing factory has a footprint of 1,660 sqm. The proposed factory extension will have a footprint of 325 sqm which will result in an overall footprint of 1,985 sqm. The AMR identifies this as being a gross gain of 0.6378 ha, whereas again this relates to the entire site including the existing building. Working on a plot ratio of 40% it is more reasonable to assume that the 325 sqm equates to 0.08 ha.

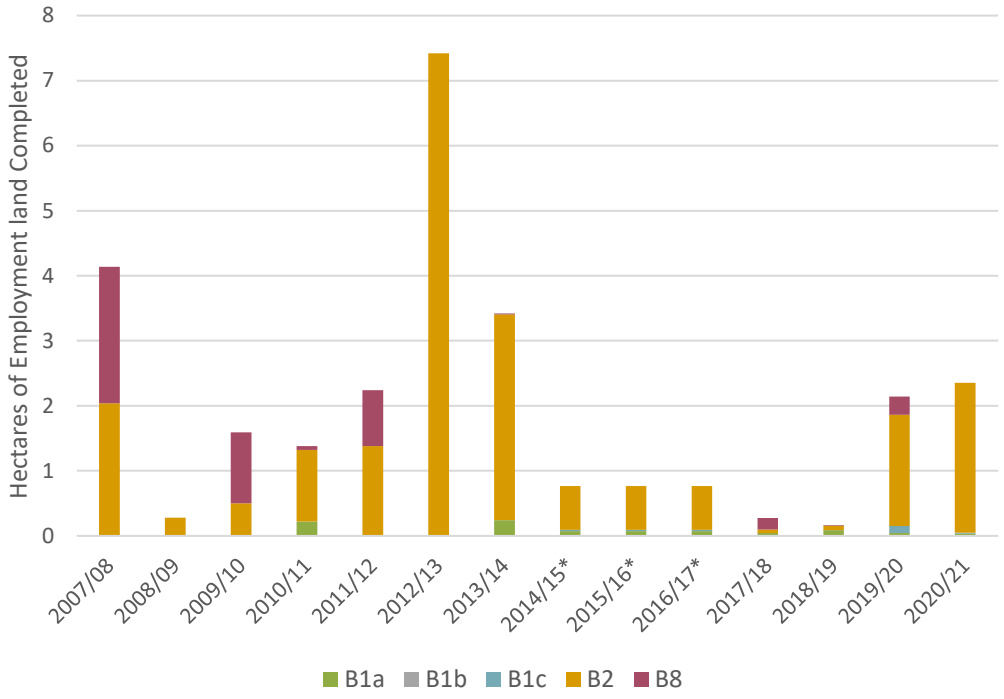
6.20 Finally, an application for a proposed small extension to the rear of Saica Flex at Staden Park, Staden Lane, Buxton [HPK/2019/0003] for an additional 110 sqm rather than the 0.99 ha in the AMR. This has been adjusted down to just 0.03 ha of employment land. Similarly, the 10.89 ha recorded for the 3 combined years of 2014/17 reduces to 2.3 ha once extensions are more accurately included in the figures.

6.21 Once these adjustments are made, it reduces the total amount of gross completions for B-Class uses in High Peak to **27.71 ha, or 1.98 ha per annum**.

6.22 As can be seen by reference to Figure 6.2, delivery has therefore fluctuated, with a range from 0.27 ha in 2017/18 and 0.28 ha in 2008/09, to 7.42 ha in 2012/13. In general, of the specified B-use Class, just 3.4% has come forward for office/R&D; around 0.4% for light industrial uses; 79.5% for B2 general manufacturing and 16.6% for B8 warehousing and distribution.

6.23 Employment Land completions are unfortunately not recorded by the Peak District National Park Authority.

Figure 6.2 Gross Annual Employment Land Completions in High Peak 2007/08 – 2020/21

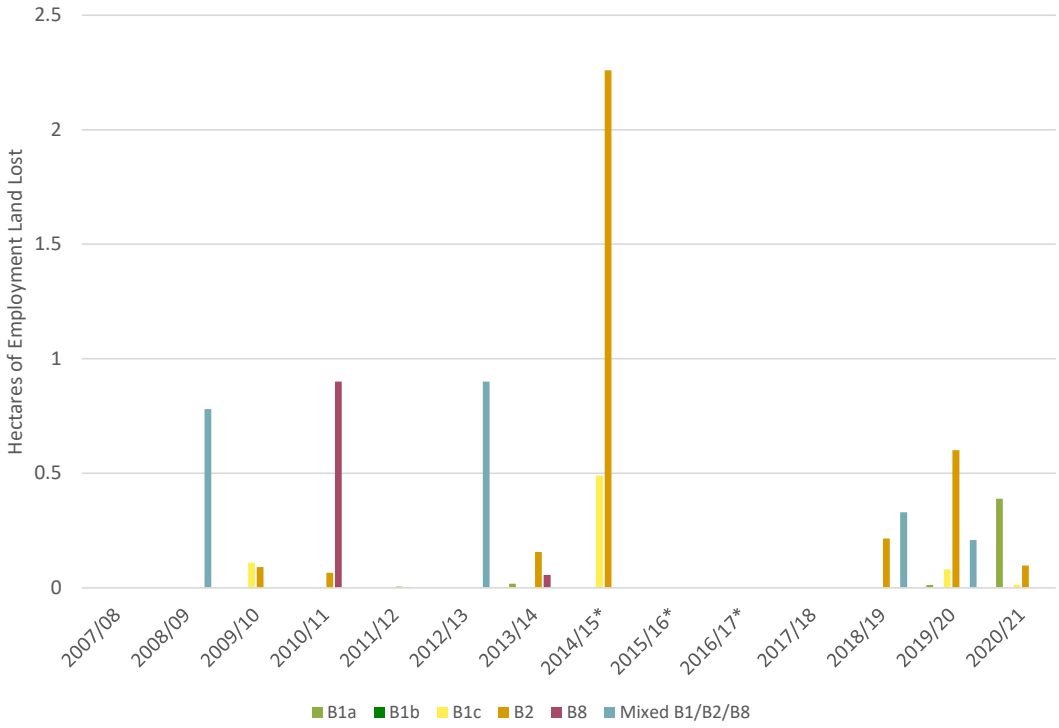


Source: HPBC Annual Monitoring Reports
*Figure relates to the combined employment land completions for the three monitoring years 2014/15, 2015/16 and 2016/17 where 2.3 ha was delivered over the 3 years at an average of 0.77 ha per annum.

Losses

6.24 Losses were also recorded by HPBC in its AMRs dating from 2007/08 to 2020/21. Figure 6.3 indicates that a total of 7.78 ha was lost to alternative non-B Class uses over those years, at an average of 0.56 ha a year. As can be seen from the Figure below, 3.49 ha of B2 general industrial floorspace has been lost, followed by 2.22 ha of mixed B1/B2/B8 land, 0.96 ha of B8 warehousing, 0.69 ha of B1c light industrial land and just 0.42 ha of B1a/b office/R&D land. Although the 2.75 ha of land that was lost in 2014/15, 2015/16 and 2016/17 covers three years, it nevertheless represents a peak in losses that is in excess of any other monitoring year.

Figure 6.3 Employment Land Losses in High Peak, 2007/08 to 2020/21



Source: HPBC Annual Monitoring Reports

*Figure relates to the combined employment land completions for the three monitoring years 2014/15, 2015/16 and 2016/17.

Development Pipeline

6.25 The table below presents existing commitments for employment land as of 31st March 2021, broken down by use class (office, industrial and storage). **It indicates that High Peak Borough currently has a forward supply of 50,350 sqm of employment floorspace, of which 21,189 sqm relates to general industrial B2 floorspace**. At a plot ratio of 40%, this equates to 12.59 ha.

Table 6.6 All Uncompleted Employment Land Commitments to 31st March 2021 in High Peak Borough Involving >50 sqm Net Gain (sqm)

	Eg(i)(ii)	Eg(iii)	B2	B8	**Mixed**	**TOTAL**
High Peak Borough	5,640	1,521	21,189	12,736	**9,263**	**50,350**

Source: HPBC 2021
Note: 'Net Gain relates to the difference between the amount of employment land developed, and the amount of existing employment land that was demolished to make way for the new build. Monitoring only covered commitments that resulted in a net gain of 50 sqm or more.

6.26 The National Park Authority does not monitor employment land completions or losses; it only comments on what it grants planning permission for in its Annual Monitoring Reports. In this regard, it is apparent that the only planning permission for a B-Class employment-led development in the past three years was for the very minor 1.5m extension of an outbuilding and its conversion into an office at Nether Hawthorns 27 Main Road Bamford, which was approved on 15th January 2020.

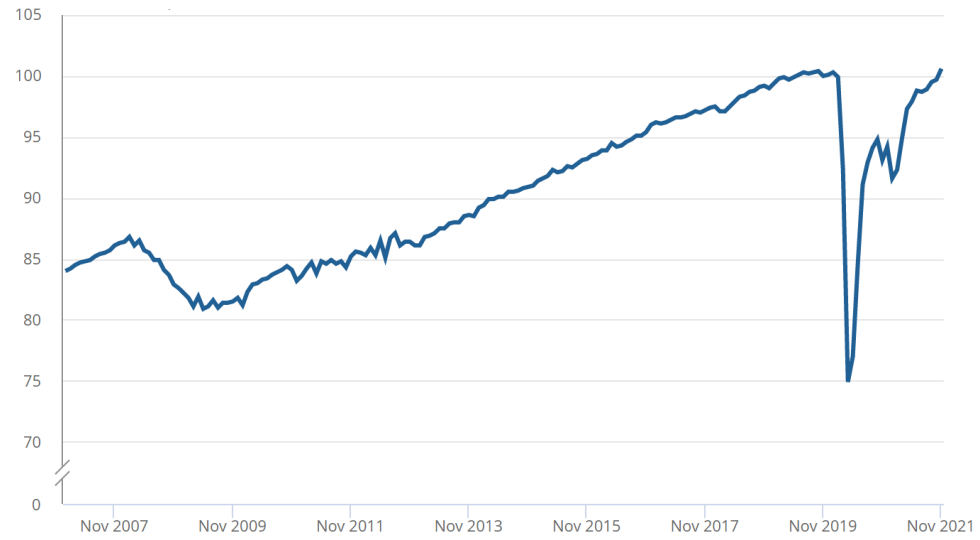
Commercial Overview

Macro-Economic Drivers

6.27 Macro-economic trends are a critical influence on the future performance of High Peak Borough's economy. These shape the level of demand for the sale of goods and services. In turn this affects business formation and survival, investment decisions, recruitment, wages and productivity.

6.28 The outbreak of Covid-19 and resulting pandemic developed rapidly with far reaching impacts on the economy and business across the country. The series of lock-down measures led to unprecedented shut-downs of large parts of the economy simultaneously, with effects being transmitted rapidly across all sectors.

Figure 6.4 UK GDP Monthly index, January 1997 until November 2021

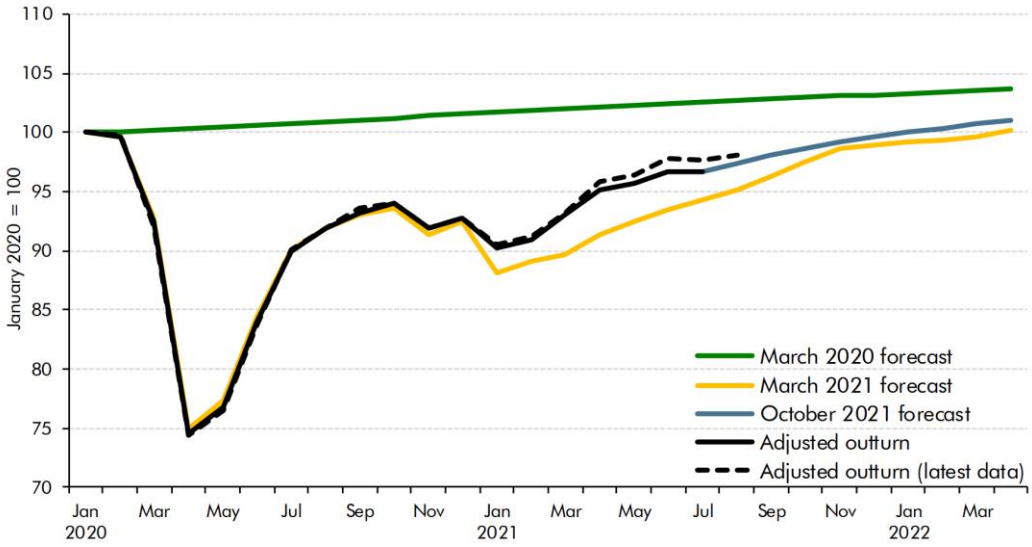


Source: ONS (2021): Monthly estimate of GDP November 2021

6.29 The latest official figures from the Office for National Statistics [ONS] show that UK Gross Domestic Product [GDP] is estimated to have grown by 0.9% in November 2021, compared with a 0.2% increase in October 2021. There was an increase in output across all sectors in November 2021, with services being the main driver of GDP growth having contributed 0.5 percentage points. This means that GDP is now 0.7% above its pre-coronavirus level (February 2020) for the first time. However, whilst services and construction are both 1.3% above their pre-pandemic levels, production remains 2.6% below.

6.30 The Office for Budget Responsibility's [OBR's] latest Economic and Fiscal Outlook (October 2021) reports that the successful vaccine rollout has allowed the economy to reopen, and when combined with consumers' and businesses' adaptability has seen output recover faster than was expected. Government support for businesses has helped limit insolvencies, whilst the self-employment income support scheme [SEISS] has helped preserve employment in some of the sectors hit hardest by the pandemic. In all, this has led the OBR to scale down their estimate of long term 'scarring' of the economy.

Figure 6.5 Monthly real GDP outturns and near-term forecast



Source: OBR (2021): Economic and Fiscal Outlook October 2021 - Chart 1.2

6.31 The economy is now anticipated to grow by 6.5% in 2021 (2.4 percentage points faster than the OBR predicted in March 2021), with unemployment peaking at around 5.25%. This has helped the budget deficit almost halve to £183 billion in 2021/22 (£51bn lower than predicted in March.

6.32 The strength of the rebound in demand has, however, led the UK to bump up against supply side constraints in several markets, which have been exacerbated by changes to migration and trading regimes due to Brexit. In turn there have been soaring energy prices, labour shortages and supply chain blockages that are likely to hold back output growth in the coming quarters. With inflation forecasts of around 6% and 8% for 2022 and 2023 respectively from both the OBR[31] and the Organisation for Economic Co-operation and Development [OECD][32] (the highest rate seen for three decades) and subsequent pressure on wages, there are clear downside risks for the continued recovery. Still, the OBR's October 2021 forecast reflects an uplift in expectations over the short and medium-term.

[31] OBR (2022): The economy forecast: inflation.
[32] OECD (2022): OECD Economic Outlook, Volume 2022 Issue 1.

Figure 6.6 Overview of OBR economic forecast

	Percentage change on a year earlier, unless otherwise stated						
	Outturn	Forecast					
	2020	2021	2022	2023	2024	2025	2026
Output at constant market prices							
Gross domestic product (GDP)	-9.8	6.5	6.0	2.1	1.3	1.6	1.7
GDP per capita	-10.2	6.3	5.6	1.7	1.0	1.3	1.4
GDP levels (2020=100)	100.0	106.5	112.8	115.2	116.7	118.6	120.6
Output gap	-0.4	0.9	0.6	0.5	0.1	0.0	0.0
Expenditure components of real GDP							
Household consumption	-10.9	4.7	9.8	1.3	1.7	1.3	1.0
General government consumption	-6.5	14.7	2.0	1.5	1.2	1.7	2.1
Business investment	-10.2	-2.4	15.7	4.7	-0.8	4.8	5.8
General government investment	3.5	14.7	-2.1	6.5	-1.0	1.1	1.8
Net trade[1]	0.8	-0.8	-2.5	0.3	0.1	-0.1	-0.2
Inflation							
CPI	0.9	2.3	4.0	2.6	2.1	2.0	2.0
Labour market							
Employment (million)	32.5	32.2	32.6	33.0	33.2	33.3	33.4
Average earnings	1.2	5.0	3.9	3.0	2.2	2.9	3.5
LFS unemployment (rate, per cent)	4.6	4.9	4.8	4.3	4.2	4.2	4.2

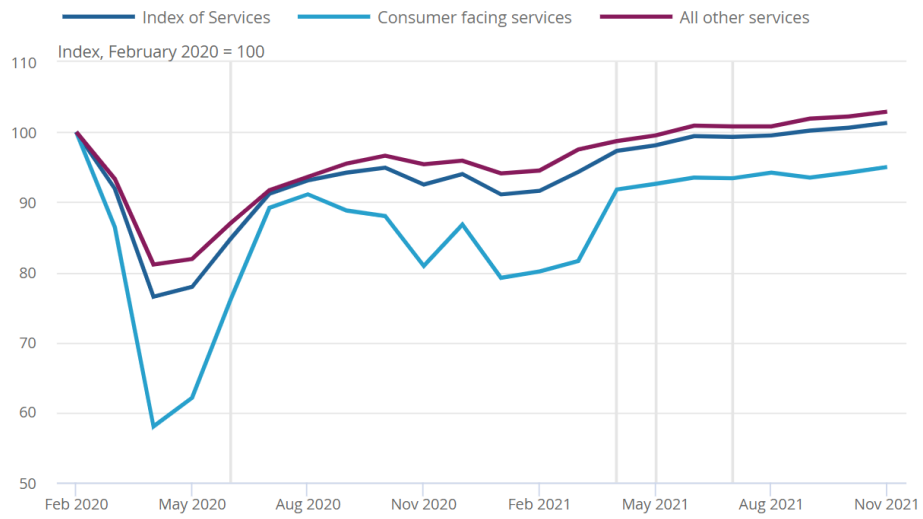
[1] Contribution to GDP growth.

Source: OBR (2021): Economic and Fiscal Outlook October 2021 – Table 1.1

UK Industrial Sector Growth Prospects

Services output grew by 0.7% in November 2021, meaning output in the sector is now 1.3% above its pre-covid level (February 2020). Within this, 8 of the 14 services sub-sectors have surpassed pre-covid levels, with the biggest contributions being from health and social care, retail and arts, entertainment and recreation. Consumer-facing services (i.e. any role or job function that involves direct interactions with customers) remain 5.0% below pre-covid levels despite growing by 0.8% in November due to an increase in retail trade. All other services however are 2.9% above pre-covid levels (Figure 6.7).

Figure 6.7 Monthly index of services, February 2020 to November 2021

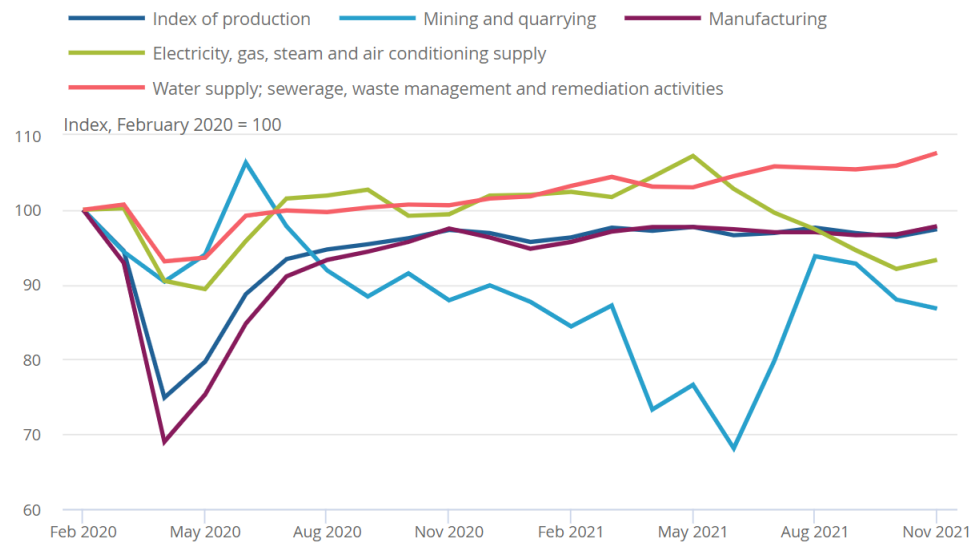


Source: ONS (2021): Monthly estimate of GDP November 2021

6.33 Production output increased by 1.0% in November 2021 according to the ONS, following negative growth in September and October of 0.5% and 0.7% respectively. Overall, the sector remains 2.6% below pre-covid levels driven predominantly by manufacturing, which is 2.2%

below its pre-covid level. However, manufacturing was the largest contributor to growth in November, increasing by 1.1% with growth in 9 of the 13 manufacturing sub-sectors.

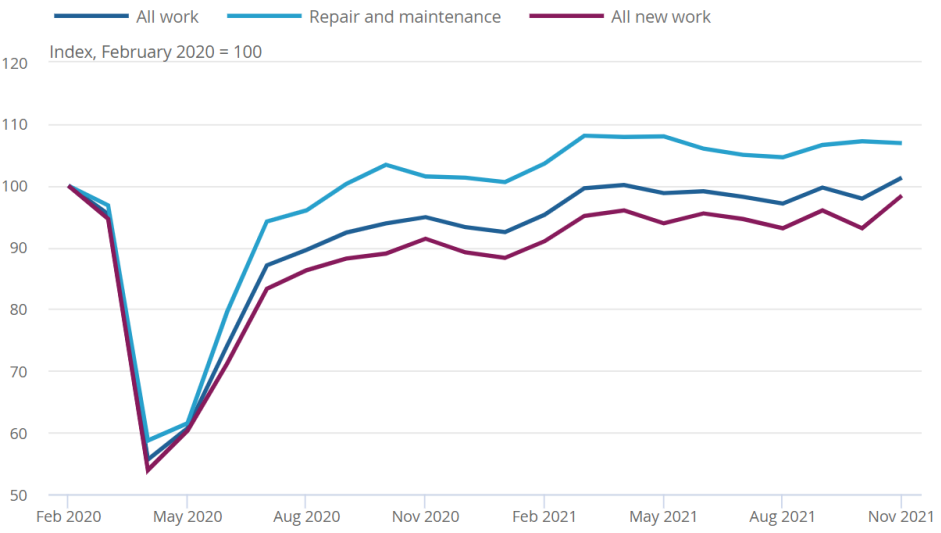
Figure 6.8 Monthly index of services, February 2020 to November 2021



Source: ONS (2021): Monthly estimate of GDP November 2021

6.34 According to the ONS, construction sector output increased by 3.5% in November 2021 following a fall of 1.7% in October. This is the largest monthly rise in construction output growth since March 2021, with the output in the sector now being 1.3% above its pre-covid level. The main contributors were infrastructure and private new housing, which increased by 11.4% and 5.5% respectively. Anecdotal evidence suggests that some of the issues in sourcing construction products in recent months have begun to ease.

Figure 6.9 Monthly index of services, February 2020 to November 2021



Source: ONS (2021): Monthly estimate of GDP November 2021

Business Survey Results

6.35 HPBC issued a business survey through its monthly business newsletter between January and March 2022. As the response to the survey did not meet expectations, the limited findings will be incorporated within other sections of this report where appropriate. The main comments from respondents are summarised as follows:

- There were several comments pertaining to a "severe" lack of industrial space and land for industrial development within High Peak.
- One respondent indicated that they required an additional 20,000sqm of floorspace for business expansion and would ideally like a development site of around three hectares but faced a shortage of suitable land for expansion or relocation within High Peak.
- One respondent stated that due to the expense of redeveloping brownfield land and obtaining permission for change-of-use, businesses willing to work with difficult sites should be provided with more support, as many firms wish to expand their current premises or relocate within High peak but face a lack of easy sites.
- Two respondents highlighted the need for flexible space for SMEs in the Borough, ideally in town centre locations to improve vibrancy. One indicated that they may relocate to Greater Manchester to find the type of space they need.
- The excellent mineral resources present in High Peak were highlighted as a key strength of the Borough.
- One respondent highlighted that in their location internet speeds are quicker over mobile than over the landline. This means that the business suffers due to intermittent signal drops.

Commercial Property Market Stakeholder Engagement

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

Current Trends

6.37 Stakeholders stated that rental levels have remained steady in the Borough in recent years, with commercial space often only appealing to local businesses rather than attracting larger firms into the Borough. The retail markets in the Borough are depressed with little appetite for additional floorspace and little to no need for additional office floorspace. There continues to be a demand in Buxton and Glossop where small industrial estates serve a stable market. There are also small industrial estates located in the valleys which have steady business with long-standing companies.

6.38 The sectors anticipated to drive demand are primarily commercial, including logistics and warehousing. The main employment sites in the Borough were identified as the towns of Buxton and Glossop.

6.39 Views were expressed during the stakeholder consultation that building costs, viability of sites and poor connectivity were issues in the Borough in bringing forward new sites for development. Furthermore, in terms of the strength of the market, Buxton has a healthy tourist industry, and the Borough contains many local businesses providing local jobs. There is a shortage of high-quality premises and amenities in the area, such as access and parking.

6.40 In terms of current vacancy rates, the Borough has a low demand and low supply office market where occupiers of premises tend to remain in situ for many years. No quantitative evidence was provided by agents to support a specific vacancy rate.

Strengths

6.41 The Borough's commercial market is good for local businesses servicing local demand and the proximity of the Borough with relative ease of access to nearby Greater Manchester, Yorkshire, Sheffield and Cheshire East. It was noted that High Peak has a low demand, low supply market for commercial footprints. However, when new space is occupied, this is often for the long term.

6.42 Buxton is recognised as being an attractive tourist destination with the potential to attract people to the Borough to support the labour force, particularly if additional hotel accommodation is provided. The existing labour force was identified as a strength and it was generally considered that the Borough is an attractive place to live.

6.43 New Mills and Whaley Bridge have a stable retail market where service industries have entered the market, feeding off the affluent population. Small bistros have popped up where there have been vacancies on their respective High Streets. Rents across the Borough in small commercial spaces have remained the same over several years, meaning in real terms rents have decreased, which has helped small businesses to open.

6.44 The industrial market within High Peak continues to perform well, mirroring what happens in neighbouring Stockport. Larger industrial properties are increasing in value in terms of square footage values.

6.45 It is noted there is plenty of brownfield land within the Borough which could be allocated for development should the demand be present.

Weaknesses

6.46 Buxton and Glossop Town Centres both appear to be suffering from the nationwide decline of the High Street. The office market across the Borough is also in a state of homeostasis with little appetite for additional floorspace or plans for additional development. It was also highlighted that there is a lack of high quality floorspace in the north of the Borough in the region 1,000 - 13,000 sq. ft. There was a shortage of quality commercial floorspace reported in Glossop, Sett Valley, New Mills, Chapel-en-le-Frith and the fringes of Stockport. It was noted that there has never been an identifiable office market in High Peak Borough other than for indigenous occupiers.

6.47 Infrastructure is noted for being an issue holding the Borough back. High Peak does not have good access to a motorway and railway connectivity is poor.

6.48 Agents suggested that land which has been allocated for commercial or industrial development has not been developed due to a high cost of site mitigation and/ or the high costs associated to building works in the Borough.

Site Specific Factors

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

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

Industrial and Logistics Space

6.50 The industrial sector was identified as performing well in the Borough and is notably seeing rental values increase, achieving levels of approximately £6/sq. ft. This was considered by agents to be broadly consistent across the Borough. It was noted there is a highlighted need for additional floorspace in the Borough that is cost-effective to develop. Demand outweighs supply in this sector, and it is anticipated that land required over the next five years will primarily be in the industrial sector. Vacancy rates are typically low, reflecting the demand for sites. It was highlighted that the Borough has a relative scarcity of smaller Industrial sites between 2,000 and 3,000 sq. ft. per unit and that these are the units most in demand (particularly with smaller local industrial firms). Stakeholders also suggested that starter units (up to 1,500 sq. ft.) were also in need.

6.51 Demand for additional sites was highlighted to be in Buxton and Glossop. Stakeholders suggested that there was little to no demand for larger sheds and that it is mainly local businesses who occupy the sites. It was emphasised that larger firms require better connectivity and so look at sites in neighbouring authorities as opposed to High Peak. It should, however, be noted that the site at Graphite Way which was provisionally allocated several years ago has received little interest.

6.52 Agents also recognised the role of the rural industrial estates within the Borough around the valleys. These estates were occupied by long standing local businesses. Again, it was noted there was little interest in these sites from larger businesses. Nonetheless, the rural industrial estates are important within the local economy and have a significant role in ensuring the sustainability of the Borough's villages. Stakeholders stated that the rural industrial estates are particularly attractive to businesses seeking easy-to-access sites (particularly those which use HGVs) which are free from congestion. It was also highlighted that the rural industrial estates offer greater potential for businesses to expand compared to some of the more enclosed and constrained urban estates and are typically easier to redevelop for other industrial uses.

Office Space

6.53 In contrast to the industrial sectors, there is less focus on office space in the Borough. It was noted that the Borough has never had a strong office market and that only small floorplates[33] are required for small professional offices such as solicitors or local authority.

6.54 Stakeholders identified that there is limited choice for high quality office space, but the odd small site with office accommodation would more than satisfy demand within the Borough.

6.55 Agents considered that sites with large floorplates were not necessary within the Borough due to a lack of demand.

6.56 In terms of the future needs of businesses, whilst it is difficult to obtain a longer-term view from stakeholders for five years hence, this is clearly an important area of analysis given the dynamically changing economy.

Responses from Adjoining Authorities

6.57 Lichfields contacted Officers of adjoining districts for their views on the relationship between their areas and High Peak from the perspective of housing and employment land. The responses are summarised below:

[33] i.e. the space available for use by commercial tenants within an office building

Barnsley Metropolitan Borough Council

- Barnsley adopted their Local Plan in January 2019. The Council is currently undertaking a scoping exercise to see whether any guidance documents need to be reviewed. The Council is looking to determine by 2023/24 whether a full review is required.
- Employment land need of 291 ha in total. The Local Plan has allocated a total of 297 ha of employment land over the plan period.
- Housing need of 21,546 dwellings over the plan period (2014-2033).
- The Council is satisfied that it can meet its employment and land needs within the Borough; however, this will involve Green Belt release.
- Barnsley is currently in a position that it does not require neighbouring authorities to help meet its housing and employment land needs.
- Housing and employment land delivery over the period 2020-2021 was lower than anticipated due to the pandemic. The Council will therefore be reviewing housing and employment land needs in any Local Plan reviews.
- The Council was not aware of any major housing or employment land proposals which would affect High Peak.

Cheshire East Council

- Cheshire East's Local Plan Strategy Part 1 was adopted 2017. Part 2 of the Local Plan is currently at examination. Part 1 of the Local Plan is due to be reviewed in summer 2022.
- The Borough's adopted housing need is 1,800 dpa, or 36,000 over the plan period.
- It has an employment land need of 380 ha per annum.
- The Council is satisfied that the Borough can meet its own housing and employment land needs; however, this will require Green Belt release. Cheshire East is currently the 7th highest performing local authority in the country for housing delivery.
- Cheshire East Council has safeguarded sufficient land for the next planning period. The Council would not, therefore, be seeking HPBC's assistance to help meet any unmet demand.
- There is a fairly limited relationship between the two authorities in terms of commuting. There are limited commuting flows from Buxton to Macclesfield and Disley to New Mills.
- There are currently no proposals for employment or housing land which would affect High Peak that Council Officers are aware of.

Derbyshire Dales District Council

- The Derbyshire Dales Local Plan was adopted December 2017. Since then, the Council has approved the review process of the Local Plan to take the Plan forward to 2040 from 2033. Evidence is currently being gathered with a particular focus on housing and employment land.
- The district currently has a housing need of 284 dpa.
- Its employment land need equates to 24 ha per annum
- The Council is satisfied that the Borough can meet its own housing and employment land needs up to 2033 within its own boundaries.

- There is a fairly limited relationship between the two authorities in terms of commuting to work. The National Park acts as a physical barrier between the two authorities from a commuting perspective.

Kirklees Council

- The Council has identified a housing need of 1,730 dpa, or 31,140 over the plan period.
- The district has an employment land need of 193 ha over the plan period.

Oldham Council

- Oldham Council is one of the nine local authorities included in Places for Everyone [PfE]. The Council is currently reviewing its Local Plan, with Issues and Options planned for 2023.
- The district has a housing need of 890 dpa, based on SM2. There is currently not enough land supply to meet its housing targets up to 2037.
- Employment land broken down by use: office 61,960 sqm up to 2037, industry and warehousing 251,143 sqm. 136,000 sqm of the industry and warehousing allocation is in PfE.
- The Council can meet its employment land needs with the help of the eight remaining PfE authorities and intends to meet its own housing needs in Borough.
- There is a very limited commuting relationship between the two authorities.

Sheffield City Council

- It was determined by Sheffield City Council that no functional market relationship is present between the two authorities.
- It has a housing need of 2,124 dpa to 2036.
- Employment land broken down by use: office 147,055 sqm up to 2036, warehousing 386,381 sqm. There is an expected oversupply of industrial space (Eg(iii) and B2) in the City of c.59,014 sqm over the plan period.
- The Council is expected to meet its own employment land needs within its own administrative area.

Stockport Metropolitan Borough Council

- Stockport has pulled out of the Greater Manchester Strategic Framework, now known as PfE. Stockport Council is currently preparing a stand-alone Local Plan, with the Regulation 18 consultation set for Autumn 2022.
- It has a housing need of 1,093 dpa based on SM2. Over the current plan period this equates to 18,581 dwellings.
- The Council is instructing an ELR to determine its employment land needs. At the current time, the Council do not know the scale of employment land required in the Borough.
- The Council is struggling to meet its own housing needs without increasing town centre densities or requiring Green Belt release.
- There are currently no proposals for employment or housing land which border High Peak Borough that the Council is aware of.
- There is an existing relationship between the two authorities. Stockport Council Officers are aware that there are many residents from High Peak travelling into Stockport and on into Manchester for work and education.

Tameside Metropolitan Borough Council

- Tameside Council is one of the nine authorities included in the PfE Plan. PfE has now been submitted to the Secretary of State. The Council is currently identifying its Local Development Scheme [LDS], the timetable of which will be dictated by PfE. The intention is for the LDS to be published in summer 2022.
- There is currently no adopted plan target for housing. The Council's UDP expired a few years ago. The Council's housing needs equates to 651 dpa. The Council has been meeting its housing need target in recent years.
- Regarding employment land needs, there is no target within the Borough. The Council is relying on PfE to identify and meet its employment land targets.
- The Council does not have a five-year housing land supply. The Council is currently running at roughly 91% of their Housing Delivery Test target. The Council will begin to take into account the figures in the PfE Plan.
- The Council is not looking to High Peak Borough to provide any unmet housing or employment land need.
- Within the Borough there are tens of hectares of suitable brownfield sites for employment land the Council intends to be utilised.
- There is an existing relationship between the two authorities in terms of commuting to work. There is a shared train line connecting the two but there are not significant flows of people moving directly between the two Boroughs.
- There is a Development Consent Order [DCO] application on the A57 Glossop bypass at Mottram Village, which is sited close by High Peak Borough.
- There are two lapsed applications which could affect High Peak. The first relates to a lapsed application for a district retail centre adjacent to an existing supermarket, whilst the second lapsed application is for a large retail park on an open plot of land. The Council anticipates that the schemes may be abandoned due to the current fragile retail market.

7.0 Forecasting Future Employment Needs

Introduction

7.1 This section considers the quantitative future economic growth needs in High Peak. It models a range of scenarios over the Plan period 2021 to 2041. These scenarios consider the need for office and industrial (i.e. manufacturing and warehousing) floorspace. The final requirements are specified in floorspace (sqm) for E Class office (incorporating R&D), and land (in hectares) for E-Class light industrial, B2 and B8 uses.

7.2 As well as considering the baseline forecast growth using Experian's most recent, Covid-19 adjusted December 2021 econometric projections, we have also compared this more pessimistic model run with the (pre-Covid) March 2020 iteration as well as a regeneration, or 'policy on' scenario, as well as taking into account past delivery of employment space and the potential labour supply generated by housing growth scenarios set out in Section 10.0 of this report.

7.3 The forecast demand scenarios are based on a quantitative requirement and do not take into account qualitative factors that may influence the actual requirement.

Methodology

7.4 The Government's PPG advises on how to calculate future employment land requirement. The PPG[34] sets out that strategic policy making authorities will need to "*develop an idea of future needs based on a range of data which is current and robust, such as:*

- *sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand)*
- *demographically derived assessments of current and future local labour supply (labour supply techniques)*
- *analysis based on the past take-up of employment land and property and/or future property market requirements*
- *consultation with relevant organisations, studies of business trends, an understanding of innovative and changing business models, particularly those which make use of online platforms to respond to consumer demand and monitoring of business, economic and employment statistics.*
- *Authorities will need to take account of longer-term economic cycles in assessing this data and consider and plan for the implications of alternative economic scenarios."*

7.5 An aspirational 'regeneration-led' scenario has been included which takes into account additional demand that could be generated by key growth sectors, private sector developments and interventions.

7.6 The forecast employment land scenarios covering the 20-year Plan period from 2021 to 2041 are:

1 Baseline employment forecasts (**labour demand**), using Experian's Local Market Quarterly Forecasts for December 2021 (compared to the pre-Covid 19 March 2020 projection);

2 A comparison with the lower Cambridge Econometrics [CE] projections, with the mid-point between the CE and Experian projections modelled (**labour demand**);

[34] Planning Practice Guidance – Reference ID: 2a-027-20190220

3 Trending-forward **past jobs growth** experienced in High Peak over the long term, from 2001-2021;

4 A '**policy on'** projection based on accelerating growth in key growth sectors at a rate over and above the Experian baseline;

5 Estimated growth in the **local labour supply** and the jobs and employment space that this could be expected to support. This is based on the PopGroup demographic analysis which modelled the level of job growth that might be expected to be sustained under the SM2 260 dpa as well as 2014-based and 2018-based Sub-National Population Projections [SNPP] demographic projections; and,

6 Consideration of **past trends in completions of employment space** based on monitoring data collected by HPBC and PDNPA, and how these trends might change in the future.

7.7 All these approaches reflect different factors and careful consideration needs to be given as to how appropriate each is to High Peak's particular set of circumstances and the policy aspirations of HPBC and PDNPA. In addition, to be robust, the economic growth potential and likely demand for employment space needs to be assessed under different future sensitivities, to reflect lower or higher economic growth conditions arising in future.

7.8 The ultimate judgement regarding the level of employment need that the Council should plan for is not, therefore, simply shaped by a consideration of quantitative analysis. A range of qualitative factors should be considered, that would typically consider the quality and demand for existing premises, the spatial distribution of supply and demand for premises, and insights from commercial property agents and local businesses.

A. Econometric Job Forecasting

7.9 Experian econometric job forecasts were obtained by Lichfields to underpin this analysis. It should be emphasised that such forecasts tend to be most reliable at regional and national scales and consequently less so at the local economy level. Nevertheless, they provide a valuable input in respect of understanding future land needs by indicating the broad scale and direction of economic growth in different sectors.

Scenario 1: Experian Baseline December 2021

7.10 Experian's model takes account of the existing economic structure of each Local Authority (broken down by economic sector) and the historical relationship between the regional performance of an industry and the performance observed at the Local Authority level. The forecasts of job growth by sector used here reflect recent trends and economic growth projections at national and regional level, and how economic sectors in High Peak have fared relative to the East Midlands region's growth in the past. They are not constrained by either labour supply or land availability.

7.11 Before presenting the job growth outcomes from the scenarios it is worth highlighting in broad terms, limitations in how these were generated:

1 They are predominantly trend-based estimates projecting historic growth patterns into the future.

2 For the projections, the population data that underpinned the modelling comprises the ONS 2019 MYE for 1997-2019. 2018-based SNPP for England were also used by Experian.

3 The forecasts do not consider policy influences and unforeseen impacts of individual business decisions.

4 There is not always a clear-cut relationship between employment change and employment land needs. Additional employment space may be required even if employment itself is falling; for example, if a manufacturing firm requires more space to enable greater automation and achieve job reductions through productivity gains.

7.12 Local area forecasts released by Experian in December 2021 provide an up-to-date view on the impact of Covid-19 for High Peak. Though viewed as a very significant, albeit hopefully temporary shock, the forecasts imply a significant impact on all sectors of the economy and all parts of the region. The December 2021 projections take account of the latest Covid-19 position and revised macroeconomic assumptions more widely, including the Brexit agreement. They are used to consider impacts of the Covid-19 pandemic on High Peak's economy, both in the short term and the effect on its forecast growth over the longer-term Plan period. These local level employment forecasts are consistent with Experian's December 2021 UK macro forecast, with further detail on key assumptions summarised below:

Experian Scenario Assumptions: December 2021

The recovery path from the pandemic has panned out broadly in line with expectations, with the national lockdown remaining in place until the end of March, and restrictions now being gradually eased. This precedes a strong rebound in growth in the second and third quarter of the year as the economy reopens, supported by a rapid vaccine rollout initially to the most vulnerable cohorts. Consumer spending drives the increase in output, as savings accrued during the lockdowns are spent and pent-up demand comes through.

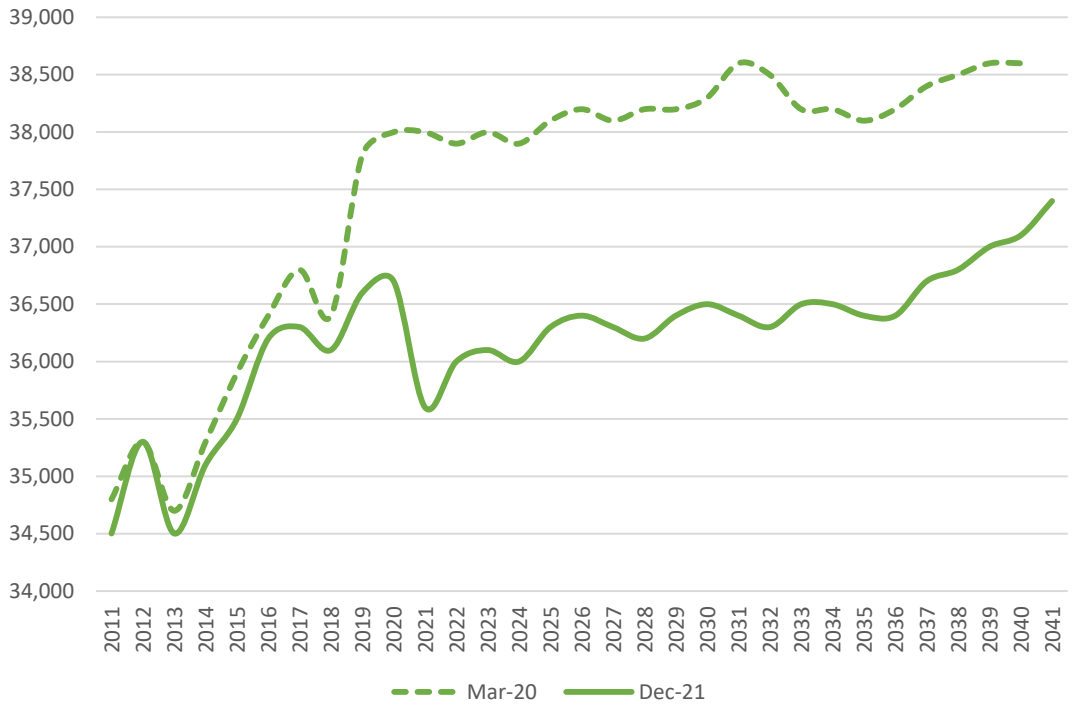
As we approach the end of the year, we expect the uplift from consumer spending to fade as the initial exuberance surrounding the reopening of the economy eases, and government support for households is withdrawn. In particular, the unemployment rate is expected to rise to 6.4% in 2021 Q4, coinciding with the end of the furlough scheme. Despite this we expect GDP to return to pre-pandemic levels by the end of the year.

In the longer term we expect the pandemic to cause a small degree of lasting damage to GDP levels as a portion of jobs in some of the most severely impacted sectors are permanently lost. The Brexit deal agreed with the EU in December was broadly in line with our expectations and any adverse impacts largely from non-tariff barriers to trade were already built into our baseline forecast.

7.13 Reflecting the greater than usual degree of uncertainty and variability attached to the most recent forecasts, they may need to be re-considered closer to the Local Plan examination stage depending on how the economic situation changes in the intervening period.

7.14 Figure 7.1 compares Experian's pre- and post-Covid projections for High Peak. They indicate that the later projection not only factors in a very significant fall in the total number of workforce jobs in 2020 and 2021 (of -1,000 from 2019 levels), but worryingly that it will not be until 2038 that we see a recovery to 2019 job levels. To put that in perspective, the UK economy is expected to return to 2019 employment levels by 2023 – many years before High Peak. The projections also indicate that there is likely to be a permanent 'scarring' of High Peak's economy, with job growth never catching up to the pre-Covid employment levels with a persistent gap of between 1,500 to 2,200 jobs for the remainder of the Plan period post 2021.

Figure 7.1 Change in Total Workforce Jobs in High Peak (historic and projected) 2011 to 2041



Source: Experian UK Macro Economic Forecasts December 2021 / March 2020

7.15 A detailed breakdown of the various projections is provided in Table 7.1 for High Peak (and comparator areas). The Table indicates that the December 2021 Experian baseline workforce employment projections reported a period of sustained employment growth since the depths of the last recession. Between 2011 and 2021, High Peak's economy grew by 1,100 jobs, equal to a Compound Annual Growth Rate [CAGR] of 0.31 %. This is a much lower level of growth than the East Midlands rate of 0.70% over the same time period, and particularly the UK-wide figure of 0.92%. However, it is at least higher than the longer-term trend stretching back to 2001, since when High Peak has actually lost jobs overall.

7.16 Over the Plan period of 2021-2041 the December 2021 projections indicate that High Peak will experience a CAGR of 0.25% (well below both the East Midlands and UK growth rates). This growth rate is triple the March 2020 Experian econometric projection, which forecast growth of only 600 workforce jobs over the next 19 years at a CAGR of just 0.08%. **However, this is distorted by the fact that 2021 represents the low point of the pandemic from the perspective of workforce jobs, with much of the net 1,800 workforce job growth effectively representing lost growth in previous 2 years.**

Table 7.1 Workforce Jobs Growth for High Peak and comparator areas

	2001-2021		**2011-2021**		**Experian Dec 2021 Projections 2021-2041**		**Experian March 2020 Projections 2021-2040**	
	Net Jobs Growth	CAGR	Net Jobs Growth	CAGR	Net Jobs Growth	CAGR	Net Jobs Growth	CAGR
High Peak	**-500**	**-0.07%**	**1,100**	**0.31%**	**1,800**	**0.25%**	**600**	**0.08%**
East Midlands	323,880	0.74%	157,830	0.70%	**289,070**	**0.58%**	**209,170**	**0.43%**
UK	4,526,030	0.70%	3,030,550	0.92%	**4,833,150**	**0.65%**	**3,542,140**	**0.49%**

Source: Experian UK Macro Economic Forecasts December 2021 / March 2020

7.17 Table 7.2 summarises those sectors expected to experience the largest absolute increases or decreases in employment for High Peak over the Plan period. Experian project a growth equal to 1,800 net jobs between 2021 and 2041, driven by Education (+500); Land Transport, Storage and Post (+500); Accommodation & Food Services (+300); Professional Services (+300); Other Private Services (+300); and Recreation (+300). Job losses are predominantly concentrated in one sector – manufacturing – which is projected to fall by 900 jobs over the next 20 years due to ongoing structural changes in the economy (with 100 job losses also in Agriculture, Forestry & Fishing and in Finance).

Table 7.2 Job Change across High Peak (2021 to 2041)

Sector	2021	2041	Difference
Accommodation & Food Services	3,000	3,300	**+300**
Admin & Supportive Services	2,000	2,200	**+200**
Agriculture, Forestry & Fishing	200	100	**-100**
Air & Water Transport	0	0	**0**
Computing & Information Services	400	400	**0**
Construction	2,100	2,200	**+100**
Education	3,500	4,000	**+500**
Extraction & Mining	500	500	**0**
Finance	300	200	**-100**
Fuel Refining	0	0	**0**
Health	1,200	1,300	**+100**
Insurance & Pensions	0	0	**0**
Land Transport, Storage & Post	2,200	2,700	**+500**
Manufacturing	5,700	4,800	**-900**
Media Activities	0	0	**0**
Other Private Services	1,100	1,400	**+300**
Professional Services	2,800	3,100	**+300**
Public Administration & Defence	1,200	1,200	**0**
Real Estate	700	700	**0**
Recreation	1,100	1,400	**+300**
Residential Care & Social Work	2,300	2,300	**0**
Retail	3,300	3,500	**+200**
Telecoms	0	0	**0**
Utilities	0	0	**0**
Wholesale	2,000	2,100	**+100**
TOTAL	35,600	37,400	**+1,800**

Source: Experian (December 2021) / Lichfields' analysis
Key: **PURPLE** = Office/Industrial sector **GREEN** = Part Office/Industrial sector

7.18 In translating these jobs into employment land requirements, the analysis includes an allowance for jobs in other non-employment sectors that typically utilise industrial or office space, such as

some construction uses, vehicle repair, courier services, road transport and cargo handling and some public administration activities. This is because a certain proportion of these jobs will occupy premises falling within the office/industrial sectors.

7.19 Using Experian's baseline forecasts (which are based to an extent on past trends and current representation across the industrial classifications relative to the national and regional averages), Table 7.3 indicates negative growth in E(g)/B-class jobs for High Peak overall, equal to -87 between 2021 and 2041, with all of the growth in the non-B uses. There is reasonable growth in office-based activities of 248; very modest growth of 73 light industrial jobs; continued strong declines in manufacturing employment; and reasonable gains in distribution jobs (driven particularly by strong growth in land transport, storage and postal jobs).

Table 7.3 Forecast Employment Change in High Peak 2021-2041 – Experian December 2021 Baseline Total Workforce Jobs

	Office*	Light Industrial**	B2 General Industrial***	B8 Warehousing* ***	**Total Office / Industrial / Distribution Jobs**	Other Jobs	**Jobs in All Sectors**
High Peak	+248	+73	-854	+445	**-87**	+1,887	**+1,800**

Source: Experian December 2021 / Lichfields Analysis. Note: rounding errors mean that sums to not always add.
* includes a proportion of public sector employment and administration & support services
** includes some manufacturing, vehicle repair and some construction activities
*** includes manufacturing and some construction/utilities
****includes elements of transport & communications sectors

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

1 The office floorspace requirement is related to job growth / decline in the financial and business service sectors[35];

2 The light industrial floorspace requirement is related to job growth / decline in some manufacturing sectors, specialised construction activities and some wholesale trades[36];

3 The general industrial floorspace requirement is related to job growth / decline in most manufacturing sectors[37]; and,

4 The wholesale / distribution floorspace requirement is related to job growth / decline in the industrial sectors of wholesale and land transport, storage and postal services.[38]

7.21 Lichfields has then translated the resulting figures into employment land projections using standard employment densities that have been applied to the forecast job change figures (based upon the latest Homes and Communities Agency [HCA][39] guidance on employment densities). These translate FTEs into workforce jobs, and plot ratios by use class.

7.22 For the purposes of this HELNA it has been assumed that:

1 One general office workforce job requires 12.5 sqm of employment floorspace (Gross External Area [GEA]);

2 One light industrial job requires 47 sqm of employment floorspace [GEA];

[35] i.e. Majority of BRES Sectors 58-74, Office administration and support, some activities of membership organisations and a proportion of Public Administration and Defence
[36] Some printing and recording media; manufacture of computer and electronic products; some manufacture of furniture and repair & installation of machinery & equipment; majority of Specialised Construction Activities, plus car repair.
[37] Remaining Manufacturing sectors, plus some construction and waste and remediation activities.
[38] Wholesaling less car repairs retail car sales, plus post/couriers and land transport
[39] HCA (November 2015): *Employment Densities Guide, 3rd Edition*

3 One general industrial workforce job requires 36 sqm of employment floorspace [GEA]; and,

4 One job per 65 sqm for general, smaller scale warehousing (assumed to account for around half of future space) and 1 job per 71 sqm for medium scale units (assumed to account for the remaining 50% of future space). CoStar indicates that no large scale/'big box' logistics units have been constructed in High Peak at all since 2012.

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

7.24 It is accepted that the current Covid-19 pandemic has dramatically altered working patterns, with the number of people working from home rising exponentially since the lockdown began in March 2020. UK-wide, in the period ending 3rd May 2021, the proportion of working adults that had travelled to work (both exclusively and in combination with working from home) was 60%. This proportion has been gradually increasing since mid-February (44% in the period 10 to 14 February 2021)[40]. The latest data (February 2022) indicates that following the end of Plan B measures, the percentage of working adults working from home has decreased to 17% in the latest period. More than half (54%) reported travelling to work only in the past seven days (48% in the previous period)[41]. This comes after the increase in the percentage of working adults working from home while Plan B measures were in place in England (10 December 2021 to 27 January 2022).

7.25 Many commentators are suggesting that there will be a permanent shift towards home working and the greater flexibility this affords people, with the need for office space in particular falling significantly.

7.26 Whilst in our view it is quite likely that there will be some long-term shift in working patterns because of the pandemic, at the time of writing (February 2022) it is still too soon to say what the scale of that change on home working is likely to be. Until robust data is available later this year, we therefore propose to retain the aforementioned job densities, particularly as the HCA work already factors in an element of home working / hot desking into the calculations. That said, we have explored the potential impacts of any future need for Covid/health related measures in the sensitivity testing at the end of this chapter.

7.27 An adjustment has also been made to reflect the fact that a proportion of employment floorspace will always be vacant. Commercial and Industrial Property Research published by the VOA in 2005 indicates that for 2004/05, estimated vacancy rates for employment land totalled 8% for the East Midlands region; 9% for England; and just 5% for High Peak.

7.28 Other more recent sources are also now suggesting that a figure of around 7.5%[42] / 8% should be used to calculate the normal, or equilibrium vacancy rate. CoStar data indicates that as of Q1 2022 almost no office or industrial units are available (with vacancy rates equalling 1.5% and 0.2% respectively). These current levels of vacancy are historically low, with industrial vacancy averaging 4.2% over the 10-year period 2012-2022 with commercial office at around 3.0% over the same time period. Therefore, it is sensible to apply a degree of flexibility to allow for market fluctuations.

[40] Source: https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/bulletins/coronavirustheukeconomyandsocietyfasterindicators/6may2021

[41] ONS (18th February 2022): *Coronavirus and the social impacts on Great Britain*

[42] Welsh Government (August 2015): Practice Guidance – Building an Economic Development Evidence Base to Support a Local Development Plan

7.29 Based on this data and discussions with local agents it is reasonable to suggest that the lower end of the 8-10% 'ideal' vacancy rate typically used for HELNAs across the country represents a robust benchmark for an appropriate level of available floorspace going forward.

7.30 Where a reduction in jobs is forecast (e.g. manufacturing), the associated amount of negative floorspace has been halved (in line with common methodological practice amongst HELNAs undertaken elsewhere across the country), to reflect the fact that job decline at a particular company does not automatically translate into a comparable loss of floorspace, at least not in the short-medium term.

7.31 This assumption is supported by an analysis of past trends in High Peak. Baseline data from Experian indicates that B2 general industrial sectors lost around 560 jobs between 2007 and 2021, despite the net growth in B2 industrial land actually increasing by a very substantial 14.67 hectares (net) over the same time period.

7.32 Furthermore, the post-Covid Experian baseline forecast (December 2021) indicates that the level of Gross Value Added [GVA] generated by general industrial activities in High Peak will increase by around £40.7 million (in 2018 prices) between 2021 and 2041. This takes account of an initial contraction in the early years of the period and subsequent recovery. This contrasts with a loss of 852 B2 general industrial jobs projected by Experian over the same time period. This would again support the conclusion that the forecast reduction in industrial jobs in High Peak is unlikely to give rise to a commensurate reduction in demand for industrial space.

7.33 The resultant floorspace estimates are provided in Table 7.4. They indicate an overall net gain of office/industrial floorspace in High Peak of 24,388 sqm between 2021 and 2041. This is driven by an increased demand for office, light industrial and particularly B8 (due to reasonably strong growth in land transport, storage and post), with a continued fall in demand for industrial floorspace.

Table 7.4 Forecast Net Floorspace Change (sqm) in High Peak 2021-2041

	2021	2041	+/-	Net Requirement*
Office	67,695	70,800	+3,105	**+3,353**
Light Industrial	111,694	115,140	+3,446	**+3,721**
B2 General Industrial	194,570	163,832	-30,738	**-15,369****
B8 Logistics	203,137	233,399	+30,262	**+32,683**
Total Office / Industrial / Distribution	577,096	583,170	**+6,074**	**+24,388**

Source: Experian December 2021 / Lichfields Analysis. Note, sums do not always add due to rounding errors.
*Factoring in an 8% vacancy allowance where the net requirement is positive
**Net requirement halved as the job growth is negative. No vacancy adjustment applied in such instances.

Scenario 2) Pre-Covid Experian March 2020

7.34 As a sensitivity, this scenario mirrors the approach set out above, but instead of using Experian's December 2021 model run, it uses the equivalent from 21 months earlier. Crucially, this is pre-Pandemic and therefore factors in a more optimistic economic outlook, not just over the short term to 2023, but over the whole of the Plan period to 2041.

7.35 As can be seen from Table 7.5, the level of job growth across High Peak is 630 over the 20- year plan period, which is 1,200 lower than the re-calibrated December 2021 model, although as discussed above, the discrepancy is due to the more recent model factoring in a V-shaped return to normality with the trough being in 2021; in actuality, the March 2020 model projects a larger economy by 2041, with 38,630 jobs compared to 37,400 in the December 2021 forecast.

7.36 The net E/B class job growth is negative, at -1,133, although the split is similar, with a modest growth in office jobs (+59 compared to 248 in the December 2021 projections) and a slightly weaker growth in warehousing jobs (362 jobs, compared to 445 in the December 2021 projections). The decline in the number of general industrial jobs is more severe in the pre-Covid projection, at -1,428, compared to -854 in the December 2021 version. The earlier projections also forecast a decline in light industrial jobs (-126) compared to a growth of 73 in the post-Covid projections.

Table 7.5 Forecast Employment Change in High Peak 2021-2041 – Experian March 2020 Baseline Total Workforce Jobs

Use class	High Peak Jobs		Change
	2021	2041	2021-41
Office*	5,081	5,140	+59
Light Industrial**	2,578	2,452	-126
B2 General Industrial***	6,122	4,694	-1,428
B8 Logistics****	2,826	3,188	+362
Total Office / Industrial / Distribution	**16,606**	**15,473**	**-1,133**
Non B Class Jobs	21,394	23,157	+1,763
Jobs in All Sectors	**38,000**	**38,630**	**+630**

Source: Experian March 2020 / Lichfields Analysis. Note, sums do not always add due to rounding errors.

* includes a proportion of public sector employment and administration & support services

** includes some manufacturing, vehicle repair and some construction activities

*** includes manufacturing and some construction/utilities

****includes elements of transport & communications sectors

7.37 The resultant floorspace estimates are provided in Table 7.6. This indicates a negative net requirement for just -1,296 sqm of employment floorspace, with the growth in B8 logistics more than counteracted by declining need for B2 general industrial and light industrial floorspace.

Table 7.6 Forecast Net Floorspace Change (sqm) in High Peak 2021-2041

	2021	2041	+/-	Net Requirement*
Office	63,509	64,251	+742	**+801**
Light Industrial	121,164	115,230	-5,934	**-2,967****
B2 General Industrial	220,380	168,967	-51,413	**-25,707****
B8 Logistics	192,158	216,766	+24,608	**+26,576**
Total Office / Industrial / Distribution	**597,211**	**565,213**	**-31,998**	**-1,296**

Source: Experian March 2020 / Lichfields Analysis. Note, sums do not always add due to rounding errors.
*Factoring in an 8% vacancy allowance where the net requirement is positive
**Net requirement halved as the job growth is negative

Scenario 3) CE/Experian Mid-Point

7.38 To sensitivity test the soundness of the Experian projections, Lichfields was asked to obtain the latest econometric projections produced by CE. The two are highly respected data forecasting houses and both are used by Local Authorities across the country to underpin their economic and employment land strategies. The overall approach to identifying future employment growth is similar for both Experian and CE, although there are some slight differences in terms of the data used, as well as the extent to which they smooth out and run several iterations of scaling

applied to account for all identities between regions, locals and sectors. Data Guides setting out the detailed methodologies of both forecasting houses are provided in Appendix 1.

7.39 The latest March 2021 model run of the CE model indicates that total net employment growth over the period 2021-2041 will equate to 1,094. This is lower than the 1,800 projected by Experian over the same time period.

7.40 We have modelled the mid-point of the two forecasts, which equates to a net growth of 1,447 jobs over the 20-year Plan period. To translate this job growth into employment floorspace requirements, similar assumptions concerning vacancy rates and employment densities as per Scenarios 1 and 2 were applied to the job projections. It has been assumed that the projected employment split of office/ industrial and B8 jobs will mirror the Experian December 2021 projections in 2021 and 2041.

7.41 Under these scenarios, addressing the future employment requirements of local residents under this scenario would result in a net requirement of 19,341 sqm of employment floorspace between 2021 and 2041 in High Peak.

Table 7.7 High Peak net employment floorspace required from CE/Experian Mid-Point scenario 2021-2041 (sqm)

	Offices	Light Industrial	General Industrial	Ware-housing	Total
3) CE/Experian Mid-Point Scenario	+2,631	+2,548	-16,142	+30,304	**+19,341**

Source: Lichfields' analysis

Scenario 4) Policy-On

7.42 An alternative job-based estimate of future needs was previously compiled in the 2014 High Peak and Staffordshire Moorlands ELR which was termed the Regeneration, or 'Policy-On', scenario. This was based upon a review of the draft Ekosgen Report 'Growing the Rural Economy Evidencing the Case for the Peak District' (January 2014). Individual detailed classifications used in the OE FTE job projections were reassessed to test whether there were any concrete policy justifications for modifying any of the categories. This focused on accelerating job growth in several core growth sectors in the two Boroughs over the Plan period in line with national trends. The growth sectors were identified as being the Knowledge Economy; Manufacturing; Cultural and Digital Industries; Visitor Economy; and Ecosystem Services[43].

7.43 We have revisited this exercise considering HPBC's more recent Growth Strategy for High Peak (published in October 2017). This identified 5 key employment sectors for the Borough:

1 **Manufacturing (specifically Advanced Manufacturing and Food and Drink Manufacturing):** Growth Potential – Linked to supply chain growth. Key constraint – Availability of sites + skills.

2 **Bio-Pharma (Professional, scientific & technical):** Growth potential – Currently exporting these skills; link to Medi Park, Universities and AstraZeneca. Key constraints – Quality of accommodation (business clustering).

3 **Aggregates (Mining & quarrying):** Growth potential – Unique resource specific to High Peak geology, link to national infrastructure projects. Key constraints – Development within national park areas + access to skills.

[43] Ecosystem services include all the essential natural services provided by the land including: food, timber and other crops, clean water, biodiversity and carbon storage, and landscapes for enjoyment and leisure which are not easily captured by SIC codes and therefore do not show up in economic forecasts.

4 **Creative Industries (Arts, entertainment & recreation):** Growth potential – Linked to Media City, Manchester. Key constraint – Availability of suitable office accommodation with high speed digital connectivity.

5 **Leisure & Tourism (Accommodation and food):** Growth potential – Link to Peak Park, Buxton Crescent and rise in cycling + outdoor leisure activities. Key constraints – Quality of accommodation, National Park environmental and landscape development restrictions, diversity of offer and skill gap.

7.44 Following discussions with HPBC Officers, it was agreed that since the publication of their Growth Strategy, the Covid Pandemic and continuing demographic trends indicating a rapidly ageing population suggested that a 6th core sector, Health and Social Care, should also be added to the list.

7.45 Except for construction, retail, business/professional services and logistics, which had more limited opportunities for growth in High Peak due to the Borough's location, Officers also considered that this was a good match with the D2N2 Strategic Economic Plan's [SEP's] growth sectors.

7.46 The relevant Experian sectors were matched in line with the 6 key employment sectors as follows:

Table 7.8 High Peak Borough Key Employment Growth Sectors and SIC alignment

D2N2 SEP Target Growth Sectors	Approximate Comparable Standard Industrial Classifications (Comparable Growth Rates 2021-2041 in Brackets)
1) Advanced / Food and Drink Manufacturing	• Manufacture of Computing and Electronic Products (High Peak: -33.3% / East Midlands -16.6% / UK -15.6%) • Food, Drink & Tobacco Manufacturing (High Peak: -14.3% / East Midlands -7.1% / UK -8.9%) • Machinery & Equipment Manufacturing (High Peak: -50.0% / East Midlands -16.9% / UK -19.7%) • Transport Equipment Manufacturing (High Peak: -33.3% / East Midlands +6.8% / UK +5.2%)
2) Bio Pharma	• Manufacture of Chemical Products (High Peak: -14.3% / East Midlands -15.8% / UK -17.2%) • Manufacture of Pharmaceutical Products (High Peak: 0.0% / East Midlands +0.7% / UK +10.9%)
3) Aggregates	• Extraction and Mining (High Peak: 0.0% / East Midlands -7.5% / UK -6.3%)
4) Creative Industries	• Computing and Information Services (High Peak: 0.0% / East Midlands +18.1 / UK +18.9%) • Media Activities (High Peak: 0.0% / East Midlands +11.1% / UK +14.4%) • Printing and Recording Media Manufacture (High Peak: 0.0% / East Midlands -42.8% / UK -43.6%)
5) Leisure & Tourism	• Accommodation and Food Services (High Peak: +10.0% / East Midlands +25.7% / UK +26.6%) • Recreation (High Peak: +27.3% / East Midlands +27.0% / UK +27.9%)
6) Health and Social Care	• Health (High Peak: +8.3% / East Midlands +26.0% / UK +25.7%) • Residential Care and Social Work (High Peak: 0.0%

D2N2 SEP Target Growth Sectors	Approximate Comparable Standard Industrial Classifications (Comparable Growth Rates 2021-2041 in Brackets)
	/ East Midlands +16.1% / UK +14.8%)

Source: Lichfields Analysis / HPBC EDO /Experian 2021 / HPBC Growth Strategy 2017

7.47 The Table shows the percentage growth between 2021-41 for High Peak compared to the East Midlands and the UK as a whole. We have applied the highest overall growth rate of either High Peak, the East Midlands or the UK to each of the 6 Key Growth Sectors.

7.48 Table 7.9 summarises the forecast job growth in the Policy-On Scenario. The adjustments to the Experian forecasts outlined above result in an overall increase of 3,320 jobs to 2041, an increase of 9% or 1,520 workforce jobs higher than the Experian December 2021 baseline. This increase is predominantly due to significant increases in sectors that traditionally are not based if offices, factories or warehouses. Sectors such as Health and Social Care contribute to an overall increase of 2,978 net jobs over the 20-year plan period, an increase of 1,091 on the baseline projection. In contrast, the E/B-Class growth is more modest, at +341 overall (compared to -87 in the baseline, a difference of 428 jobs).

Table 7.9 Policy On workforce job change in High Peak 2021-2041

	2021	2041	Absolute Change	% Change
E(g)(i)/(ii)*	5,416	5,736	**+321**	+6%
E(g)(iii)**	2,376	2,464	**+87**	+4%
B2***	5,405	4,893	**-512**	-9%
B8****	2,987	3,432	**+445**	+15%
Other	19,416	22,394	**+2,978**	+15%
Employment Jobs	16,184	16,525	**+341**	+2%
Total Jobs (including non-employment jobs)	**35,600**	**38,920**	**+3,320**	**+9%**

Source: Experian September 2021 / Lichfields' Analysis. Note: rounding errors mean that sums do not always add.
* includes a proportion of public sector employment and administration & support services
** includes some manufacturing, vehicle repair and some construction activities
*** includes manufacturing and some construction/utilities
****includes elements of transport & communications sectors

7.49 These employment forecasts were then converted to floorspace requirements in the same manner as the Experian baseline forecast. The resulting forecasts are more optimistic in terms of office and light industrial job growth (and less pessimistic for general industrial declines). The major driver of net growth remains warehousing (although as that is not one of HPBC's key growth sectors the scale of floorspace requirements is unchanged from before). These are set out in Table 7.10.

Table 7.10 Policy On jobs based (net) employment space requirements in High Peak Borough 2021-2041 (sqm)

	Office	Light Industrial	B2 General Industrial	B8 Distribution	Total Office / Industrial / Distribution
High Peak Borough	+4,328	+4,429	-9,210	+32,683	**+32,230**

Source: Lichfields' Analysis

Sensitivity Test: Past Trends Job Growth

7.50 This sensitivity test looks at past trends in jobs growth experienced in High Peak over the long term (2001-2021) and trends the resultant CAGR over the Plan period from 2021-2041.

7.51 As set out above, over the long term, High Peak's economy has experienced negligible growth levels over the past 20 years or so, even allowing for the expected blip in the immediate aftermath of the recession in 2009/10-2010/11. Over that period (2001-2021), the number of jobs in High Peak declined by 500, or -0.07% per annum (CAGR), well below the national rate of +0.69% over the same time period.

7.52 Applying this CAGR rate annually from 2021 onwards for High Peak equates to a net job growth of -493 to 2041. Assuming the same sectoral representation for each industry in 2041 as the December 2021 Experian baseline, constrained to the aforementioned overall net job growth figures, would result in a decline in the number of office/industrial jobs equal to -1,074 to 2041 (see Table 7.11).

Table 7.11 Forecast workforce jobs change in High Peak 2021-2041 – Past Trends

Use class	High Peak Jobs		Change
	2021	2041	2021-41
Office*	5,416	5,317	-99
Light Industrial**	2,376	2,300	-77
B2 General Industrial***	5,405	4,272	-1,133
B8 Logistics****	2,987	3,222	+235
Total Office / Industrial / Distribution	**16,184**	**15,110**	**-1,074**
Non B Class Jobs	19,416	19,997	+581
Jobs in All Sectors	**35,600**	**35,107**	**-493**

Source: Experian December 2021 / Lichfields Analysis. Note: rounding errors mean that sums do not always add.

* includes a proportion of public sector employment and administration & support services

** includes some manufacturing, vehicle repair and some construction activities

*** includes manufacturing and some construction/utilities

****includes elements of transport & communications sectors

7.53 The resultant floorspace estimates are provided in Table 7.12. They indicate a modest overall net loss in employment floorspace of -5,589 sqm between 2021 and 2041 in High Peak. Any employment floorspace need is driven by a strong past growth in B8 warehousing in recent years.

7.54 **It is considered that relatively limited weight can be attached to this modelling exercise as the past rates of job growth are of a different magnitude to the stronger Experian projections for 2021, which factor in the impacts of Brexit and Covid-19.**

Table 7.12 Past Trends workforce job growth net employment floorspace requirements 2021-2041

	2021	2038	+/-	Net Requirement*
Office	67,695	66,459	-1,236	-618
Light Industrial	111,694	108,080	-3,614	-1,807
B2 General Industrial	194,570	153,787	-40,783	-20,391
B8 Logistics	203,137	219,089	15,952	+17,228
Total Office / Industrial / Distribution	**577,096**	**547,415**	**-29,681**	**-5,589**

Source: Experian December 2021 / Lichfields Analysis. Note: rounding errors mean that sums do not always add.

*Factoring in an 8% vacancy allowance where the net requirement is positive

B. Labour Supply

7.55 It is also important to consider how many jobs, and hence how much employment space, would be necessary to broadly match the forecast growth of the resident workforce in the High Peak. In contrast to the other approaches, this scenario focuses on the future supply of labour rather than the demand for labour. It indicates the amount of new jobs needed to align with the future working-age population, and how much employment space would be needed to accommodate these jobs.

7.56 Lichfields has modelled the jobs growth that might be expected to be sustained under a series of demographic projections aligned with the Government's SM2 for calculating housing need, as well as the other demographic-led scenarios set out in detail in Section 10.0 of this report.

7.57 On this basis, we have taken forward 3 labour force scenarios as follows:

5 SM2 (260 dpa): 1,804 net job growth 2021-2041;

6 2014-based SNPP adjusted for the 2020 MYE (165 dpa): -277 net job growth 2021-2041; and,

7 2018-based SNPP (240 dpa): 1,907 net job growth 2021-2041.

7.58 It is important to note that although the 2018-based SNPP would generate a slightly higher level of employment growth than the SM2 projection, it paradoxically indicates a lower level of housing need. This is because in the mechanics of the PopGroup modelling, the SM2 scenario incorporates 2014-based SNPP inputs which have a much lower level of growth in the key working age group 18-67 than the 2018-based SNPP does. Under the 2018-based SNPP, as there is already a higher level of potential workers living in the Borough than is assumed in the SM2 scenario, then future net in-migration levels do not need to be quite as high to deliver the constrained jobs growth projection.

7.59 To translate this job growth into employment floorspace requirements, similar assumptions concerning vacancy rates and employment densities as per the econometric demand side forecasting work were applied to the job projections. It has been assumed that the projected employment split of office/ industrial and B8 jobs will mirror the Experian December 2021 projections in 2021 and 2041.

7.60 Under these scenarios, addressing the future employment requirements of local residents would result in a net requirement of between -3,122 sqm to +25,918 sqm of employment floorspace between 2021 and 2041 in High Peak depending on the scale of housing provided.

Table 7.13 High Peak net employment floorspace required from labour supply growth scenarios 2021-2041 (sqm)

	Offices	Light Industrial	General Industrial	Warehousing	Total
5) SM2 260 dpa	+3,361	+3,735	-15,360	+32,710	**+24,446**
6) 2014-based SNPP adjusted for 2020 MYE	-413	-1,474	-19,918	+18,684	**-3,122**
7) 2018-based SNPP	+3,572	+4,077	-15,135	+33,404	**+25,918**

Source: Lichfields' analysis. Note: rounding errors mean that sums do not always add.

Estimating the Net Land Requirement

7.61 The next step involves translating floorspace into land requirements for office, industrial and warehousing uses. Land requirements have been calculated by applying appropriate plot ratio assumptions to the floorspace estimates:

- **Office/Industrial/Warehousing:** a plot ratio of 40% was applied, so that a 1 ha site would be needed to accommodate 4,000 sqm of employment floorspace for the three main commercial / industrial uses.

7.62 The resulting net land requirements for the labour demand and labour supply scenarios are set out in Table 7.14. It ranges from a low of -0.78 ha (net) under the 2014-based SNPP Scenario (6) up to as high as 8.06 ha net under the Policy-On Scenario (4).

Table 7.14 High Peak net land requirements by labour demand and supply led scenarios (ha) 2021-41

Scenario	Offices	Light Industrial	General Industrial (B2)	Warehousing (B8)	Total
1) Experian December 2021 Baseline	0.84	0.93	-3.84	8.17	**6.10**
2) Experian pre-Covid March 2020 Baseline	0.20	-0.74	-6.43	6.64	**-0.32**
3) CE/Experian Mid-Point Job Growth	0.66	0.64	-4.04	7.58	**4.84**
4) Policy On	1.08	1.11	-2.30	8.17	**8.06**
5) SM2 260 dpa	0.84	0.93	-3.84	8.18	**6.11**
6) 2014-based SNPP adjusted for 2020 MYE	-0.10	-0.37	-4.98	4.67	**-0.78**
7) 2018-based SNPP	0.89	1.02	-3.78	8.35	**6.48**

Source: Lichfields Analysis. Note: rounding errors mean that sums do not always add.

C. Past Development Rates

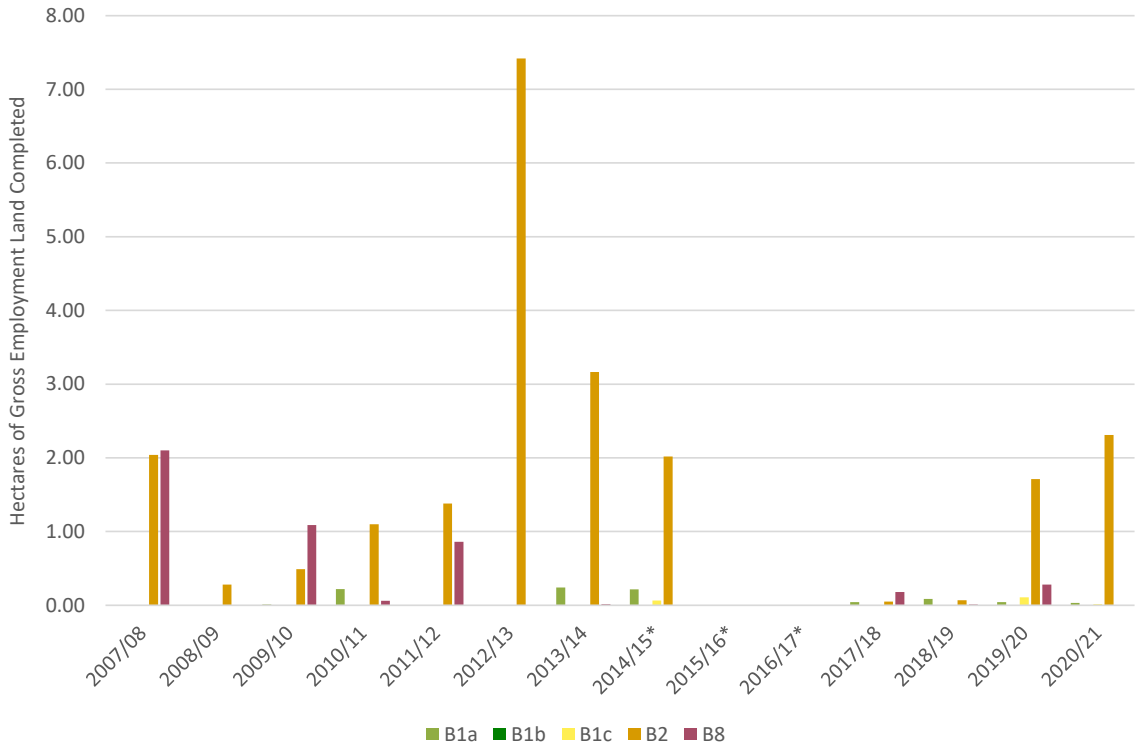
7.63 Because they reflect market demand and actual development patterns on the ground, in some situations long term completion rates of employment floorspace can provide a reasonable basis for informing future land needs, particularly where land supply or demand has not been unduly constrained historically. However, the future demand picture may not necessarily reflect past trends and some adjustments may be needed.

Scenario 7) Past Developments Rates

7.64 As set out in Section 6.0, monitoring data on past completions by B-Class uses between 2007/08 and 2020/21 was provided by Council Officers via HPBC AMRs. Over this 14-year period, gross completions for B-Class uses in High Peak amounted to 1.98 ha per annum gross. This figure is equivalent to **7,917 sqm per annum** if a standard plot ratio of 40% is applied.

7.65 Figure 7.2 indicates that with the exception of a sharp peak of 7.42 ha of B2 general industrial land delivered in 2012/13, on average delivery has been reasonably consistent over the 14-year period for which detailed records are available. Redistributing the 1.37 ha of non-specific, mixed B-Class element on a proportionate basis across the employment use classes, the majority of this has come forward for office (3.2%), general industrial (79.5%) or B8 warehousing (16.6%) uses, with the remaining 0.7% for light industrial uses.

Figure 7.2 Gross Take-Up of B-Class employment land in High Peak Borough, 2007/08 – 2020/21



Source: HPBC Council / Lichfields' Analysis
*Data for 2014/15, 2015/16 and 2016/17 is combined.

7.66 Losses per annum have averaged 0.56 ha (2,222 sqm) over the same time period, resulting in a net gain of **1.42 ha (5,695 sqm) per annum**. Table 7.15 presents the net annual take-up for High Peak by Employment Use class.

Table 7.15 High Peak Annual Average Take up / Losses of Employment Floorspace, 2007/08-2020/21 (ha)

	Annual Gross Completions*	Annual Losses to alternative non B-Class uses	Annual Net Completions
E(g) (i) Office / E(g) (ii) R&D	0.06	0.04	0.02
E(g) (iii) Light Industrial	0.01	0.07	-0.06
B2 General Industrial	1.57	0.35	1.23
B8 Warehousing	0.33	0.10	0.23
Total	**1.98**	**0.56**	**1.42**

Source: HPBC / Lichfields Analysis. Note: rounding errors mean that sums do not always add.

7.67 For the purposes of this scenario, we have trended forward this net annual figure over the 20-year plan period from 2021 to 2041. The data suggests that if past trends were replicated in

future, then trending forward an annual net requirement of 1.42 ha / 5,695 sqm could justify the provision of 113,908 sqm / 28.48 ha (net) over the next 20 years in High Peak.

Table 7.16 High Peak Net Employment Space Requirements Based on Past Completions Trends, 2021-2041

	Scenario 7) Past Take Up (2021-41)	
	Total Net Floorspace Change (sqm)	**Total Net Land Requirements (ha)**
Total Net Floorspace / Land	113,908	28.48

Source: HPBC / Lichfields Analysis

7.68 This approach assumes that past trends of development would continue unchanged, which may not fully reflect changes in the economy as it returns to growth. On the other hand, future development rates for industrial space may be lower than has been achieved historically as the sector rationalises and/or makes more efficient use of space.

7.69 Other factors suggest that past take up rates may not significantly increase in the future:

a The fact that as of 31st March 2021, HPBC had a substantial forward supply of 50,350 sqm of employment floorspace, of which 21,189 sqm relates to general industrial B2 floorspace. At a plot ratio of 40%, this would equate to 12.59 ha, or 41% of the total requirement summarised in Table 7.16.

b The move towards a more Business Services-orientated economy with significantly higher employment densities.

c The drive towards lower density logistics, with e-commerce and the retreat from the High Street that has been accelerated by the pandemic, pivotal.

d The continued restructuring of the traditional manufacturing economy with the potential for 'recycling' of older sites.

e The new E Class use, which includes office, R&D and light industrial uses alongside retail, and the potential for greater levels of losses as a result without the need for planning permission (although conversely this could potentially increase the need for new floorspace).

f The long-term impacts of the economic downturn as we emerge from the Pandemic and the continued uncertainty surrounding the long-term economic fallout from Brexit.

g The significant reduction in public sector spending available to deliver difficult brownfield sites.

h The need to consider alternative uses for existing employment sites (i.e. for Sui Generis uses).

7.70 On balance, for High Peak, it is suggested that the 1.42 ha long term net annual past take up rate (Scenario 7) represents a realistic figure going forward over the remainder of the plan period. This should be regularly monitored by HPBC and PDNPA and amended as necessary.

Flexibility Factor

7.71 To estimate the overall requirement of employment space that should be planned for in allocating sites, and to allow some flexibility of provision, it is normal to add an allowance as a safety margin for factors such as delays in some sites coming forward for development. This margin, or flexibility factor, is a contingency adjustment, providing a modest additional land buffer so that supply is not too tightly matched to estimated demand, and so that shortages of

land do not arise if future demand turns out to be greater than the forecasts. Such flexibility is sensible given the uncertainties in the forecasting process and the scope for delays in developing employment space.[44]

7.72 The former South-East England Planning Partnership Board [SEEPB] guidance on employment land assessments recommended an allowance that is equivalent to the average time for a site to gain planning permission and be developed, typically about two years. Given the size of High Peak Borough's economy, this is considered appropriate. The net margin set out above of **87 sqm of office floorspace (0.02 ha), 4,902 sqm of industrial and warehousing floorspace (1.23 ha) and 930 sqm of office floorspace (0.23 ha)** was therefore used over two years, as set out in Table 7.16. As the figure for light industrial uses was negative, this was set to zero.

Table 7.17 High Peak Safety Margin Allowances

Uses	Net Average Annual Take-up (ha)	2-year Safety Margin Added (ha)
Office and R&D	0.02	0.04
Light Industrial	0.00 (as net figure is negative)	0.00
General Industrial	1.23	2.45
Warehousing	0.23	0.46
Total	**1.48**	**2.96**

Source: Lichfields' Analysis. Note: rounding errors mean that sums do not always add

7.73 Drawing together the results from each of the economic scenarios, the following table summarises the net land requirements across the Plan period factoring in 2-years of flexibility uplift (equal to 2.96 ha). They range from an unsatisfactory 2.18 ha (Scenario 6 2014-based SNPP) all the way up to 31.44 ha (Scenario 8 Past Take Up).

Table 7.18 Net Land Requirements for High Peak (including flexibility factor) for 2021 to 2041 (ha)

		Offices / R&D (ha)	Light Industrial (ha)	General Industrial (ha)	Warehousing (ha)	Total (ha)
1) Experian December 2021 Baseline	Net	0.84	0.93	-3.84	8.17	**6.10**
	+ Flexibility Factor	*0.88*	*0.93*	*-1.39*	*8.64*	***9.06***
2) Experian pre-Covid March 2020 Baseline	Net	0.20	-0.74	-6.43	6.64	**-0.32**
	+ Flexibility Factor	*0.24*	*-0.74*	*-3.98*	*7.11*	***2.64***
3) CE / Experian Midpoint	Net	0.66	0.64	-4.04	7.58	**4.84**
	+ Flexibility Factor	*0.70*	*0.64*	*-1.58*	*8.04*	***7.79***
4) Policy On	Net	1.08	1.11	-2.30	8.17	**8.06**
	+ Flexibility Factor	*1.13*	*1.11*	*0.15*	*8.64*	***11.02***
5) Labour Force under SM2 (260 dpa)	Net	0.84	0.93	-3.84	8.18	**6.11**
	+ Flexibility Factor	*0.88*	*0.93*	*-1.39*	*8.64*	***9.07***
6) 2014-based SNPP MYE	Net	-0.10	-0.37	-4.98	4.67	**-0.78**
	+ Flexibility Factor	*-0.06*	*-0.37*	*-2.53*	*5.14*	***2.18***
7) 2018-based SNPP	Net	0.89	1.02	-3.78	8.35	**6.48**
	+ Flexibility Factor	*0.94*	*1.02*	*-1.33*	*8.82*	***9.44***
8) Past Take Up	Net	0.43	-1.12	24.51	4.65	**28.48**
	+ Flexibility Factor	*0.48*	*-1.12*	*26.96*	*5.11*	***31.44***

Source: Lichfields' Analysis

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

Convert Net to Gross Floorspace Requirements

7.74 While the net employment space requirements presented in Table 7.18 represent the minimum recommended quantum of employment space to plan for in High Peak over the plan period, **HPBC and PDNPA will need to take a view on the extent to which additional space should be planned for over and above the net requirements, in order to allow for replacement of ongoing losses of employment space during the Local Plan period**.

7.75 There is usually a need to ensure a reasonable allowance that provides for some flexibility but avoids over-provision of land. HPBC and PDNPA may wish to make a suitable allowance for the replacement of future losses of employment space that may be developed for other (non-office/industrial) uses over the plan period. Where such an allowance is factored into future employment space needs, it seeks to ensure that sufficient space is re-provided to account for employment space that could be lost moving forwards. It is intended, therefore, to provide some protection against the erosion of employment space over the plan period. This is a widely accepted approach in planning for future employment land needs.

7.76 Not all losses need necessarily to be replaced as some will reflect restructuring in the local economy as less space may be needed in some sectors in future. However, some replacement is needed to refresh the quality of the stock, provide choice and to avoid the employment land supply continually declining. This would be on the basis that the stock of employment land in High Peak contains some older sites, particularly manufacturing and Victorian Mills, that are less likely to meet future needs and are of a scale that reflect past industrial patterns rather than the amount of land needed in future.

7.77 As set out in Section 6.0, data provided to Lichfields by HPBC and PDNPA indicates that losses have averaged **0.56 ha (or 2,222 sqm @40% plot ratio)** per annum over the period 2007/08 to 2020/21.

7.78 A point to note is whether the past losses generally reflect the size of High Peak's economy, and whether this should be adjusted to allow for a degree of refurbishment to prevent the portfolio becoming increasingly unattractive to the market.

7.79 This alternative approach analyses the rate of 'churn', which would be equivalent to a proportion of High Peak's existing stock per annum. A number of other ELRs have used a replacement figure of around 1% per annum[45], which would be the equivalent of the area's entire stock being replaced over a period of 100 years. This has been acknowledged as a valid alternative approach (to adjusting for anticipated future losses) when translating net employment land needs into a gross planning requirement. A 0.5% replacement level would be the equivalent of the entire stock being replaced over 200 years. To put this into context, a widely used rule of thumb in the development industry suggests that high bay logistics units often have a much shorter shelf life of just 30-35 years before they become obsolete to modern distribution occupiers and require substantial refurbishment if not demolition and rebuild.

7.80 Other ELR studies[46] have noted that approximately 20% of historic completions have been achieved through (former) B-Use Class redevelopment (i.e. the re-use of formerly B-Use Class employment sites), with the remainder requiring new sites. This suggests that there will likely be a requirement for a high proportion of replacement activity on new sites to deliver new employment land supply to meet modern occupier needs.

[45] See, for example, Lichfield District Council's Employment Land Review 2014 Update and work covering the areas of: The West of England Updated Employment Evidence (Bath & North East Somerset, Bristol, North Somerset and South Gloucestershire) November 2018; Greater Exeter Economic Development Needs Assessment (Devon County, East Devon, Exeter, Mid-Devon, Teignbridge and Dartmoor National Park) March 2017 and Dartmoor National Park Employment Land Review, January 2018.
[46] West of England Joint Spatial Plan Area Updated Employment Evidence (2018)

7.81 Table 7.19 compares the rate of replacement needed for High Peak's office/industrial stock. It assumes that 0.5% / 1% of the existing commercial / industrial floorspace would be replaced per annum (based on the existing floorspace for the district using the latest Business Rates VOA data for 2020) and netting off a further 20% (assuming that 1 out of 5 sites will be recycled for employment use).

Table 7.19 High Peak Replacement Rate Analysis (2021)

	Annual Replacement at 1%*	Annual Replacement at 0.5%*	% of Units built prior to 1940 (as at 2003)
Office	368 sqm (0.09 ha)	184 sqm (0.05 ha)	83.6%
Industrial & Warehousing	5,448 sqm (1.36 ha)	2,724 sqm (0.68 ha)	60.0%
Total	**5,816 sqm (1.45 ha)**	**2,908 sqm (0.73 ha)**	**66.5%**

Source: Lichfields analysis/VOA Business Floorspace (2021) / DLUHC (2004): Age of commercial and industrial stock: local authority level 2004 (Table 3.1). *Using a standard 40% plot ratio to translate office/industrial floorspace to land and netting off 20% replacement.

7.82 The Table indicates that the long-term rate of losses, 0.56 ha, is lower than the level that might be expected given the size of High Peak's economy. Given its size, High Peak would need to be replacing around 1.45 ha of employment land per annum to refresh all of the stock in 100 years, whilst redeveloping 0.73 ha per annum would take 200 years to regenerate all of the Borough's current stock, which is clearly a less than desirable outcome. The 0.56 ha past trend rate of loss is below even the lower end of this range.

7.83 Furthermore, as set out in the Table (and acknowledging that this is based on rather dated 2003 VOA information), High Peak has a very high proportion of older stock, with 67% of all office/factory/warehousing units dating from before WWII. This compares to 40.1% across the East Midlands and 40.0% for England and Wales. This could suggest a higher rate of churn may be required to address the high proportion of older stock that is less likely to be fit to meet the needs of modern-day occupiers.

7.84 Data provided by HPBC indicates that as of 31st March 2021, around **27.3 ha** of existing employment land in the Borough has extant planning permission for alternative, non-B Class uses (or is currently under construction). This excluded around half a hectare of employment sites which had an expiry date before 31st March 2021, and where it could not be confirmed by HPBC as to whether the scheme was ever commenced. Spread out over 20 years, this would equate to a loss of **1.36 ha per annum** (of which the vast majority, or 91%, relates to existing industrial/warehousing uses.

7.85 Whilst accepting that not all of these sites may ultimately be lost, conversely it is highly likely that other windfall sites will come forward over the 20-year plan period for alternative uses that are currently in operational employment use. It is therefore likely that the 1.36 ha per annum is a conservative under-estimation.

7.86 Balancing these considerations, it is accepted that factoring an element of future losses is not an exact science. The following factors have therefore been balanced in reaching a judgement as to the appropriate level of loss replacement:

- Historic losses have included a number of relatively small employment sites, including the piecemeal development of small infill parcels. Losses fluctuate from virtually nothing one year, to as high as 2.75 ha over the 3 years 2014/15 to 2016/17 (predominantly former B2 general industrial uses). The loss of larger sites would potentially have a greater impact on the demand-supply balance at the local level.

- The current rate of loss, at 0.56 ha per annum (over the longer term), is much lower than the level of employment land that would need to be replaced and would equate to around 0.31% of the entirety of High Peak's stock were replaced annually.
- Movements between the range of uses that fall within the new E use class no longer require planning permission because they no longer constitute 'development', which could result in more office/light industrial land being lost than previously. The Permitted Development Rights streamlining 'office and light industrial E Classes to residential' conversion may therefore exacerbate losses over the short to medium term.
- Whilst losses have declined to 0.5 ha in 2020/21, it is difficult to disentangle this latest figure from the unprecedented economic crisis resulting from the Pandemic. There are substantial levels of employment land that have extant planning permission for non B Class uses, totalling over 27 ha.

7.87 Mindful of the factors outlined above, it is considered that on balance, and, given the uncertainties involved, it is prudent to plan for a replacement figure equal to around **1.12 ha**. This represents an average of past trends (0.56 ha p.a.); 1% churn (1.45 ha p.a.) and the employment sites that could be lost (1.36 ha p.a.). This should be monitored by HPBC and PDNPA over the coming years and adjusted as necessary. This also takes into account the views of agents and developers on the need to replace and rejuvenate High Peak's existing floorspace over the course of the plan period. It seeks to address the very high proportion of ageing stock in the Borough. Over 20 years, this would see the replacement of **22.48 ha, the vast majority of which would need to be in industrial use**.

7.88 In summary, the demand-led range of total gross land requirements to 2041, factoring in a 2-year margin of choice, results in the following demand projections for High Peak.

7.89 The scenarios range from a low of 24.66 ha (Scenario 6 2014-based SNPP) to the Past Take Up (Scenario 8) figure of 53.91 ha. The other 6 scenarios cluster between 25-34 ha. These are lower than the findings of the 2014 ELR Demand Update, which identified a need for between 40 ha and 80 ha, which no doubt reflects the lower level of growth in recent years and the influence of the pandemic and Brexit:

1 Econometric demand-led projections: 25.11 ha – 33.50 ha;

2 Labour Supply projections: 24.66 ha – 31.92 ha; and,

3 Past Take Up: 53.91 ha.

Table 7.20 High Peak Gross Employment Land Comparisons 2021-2041

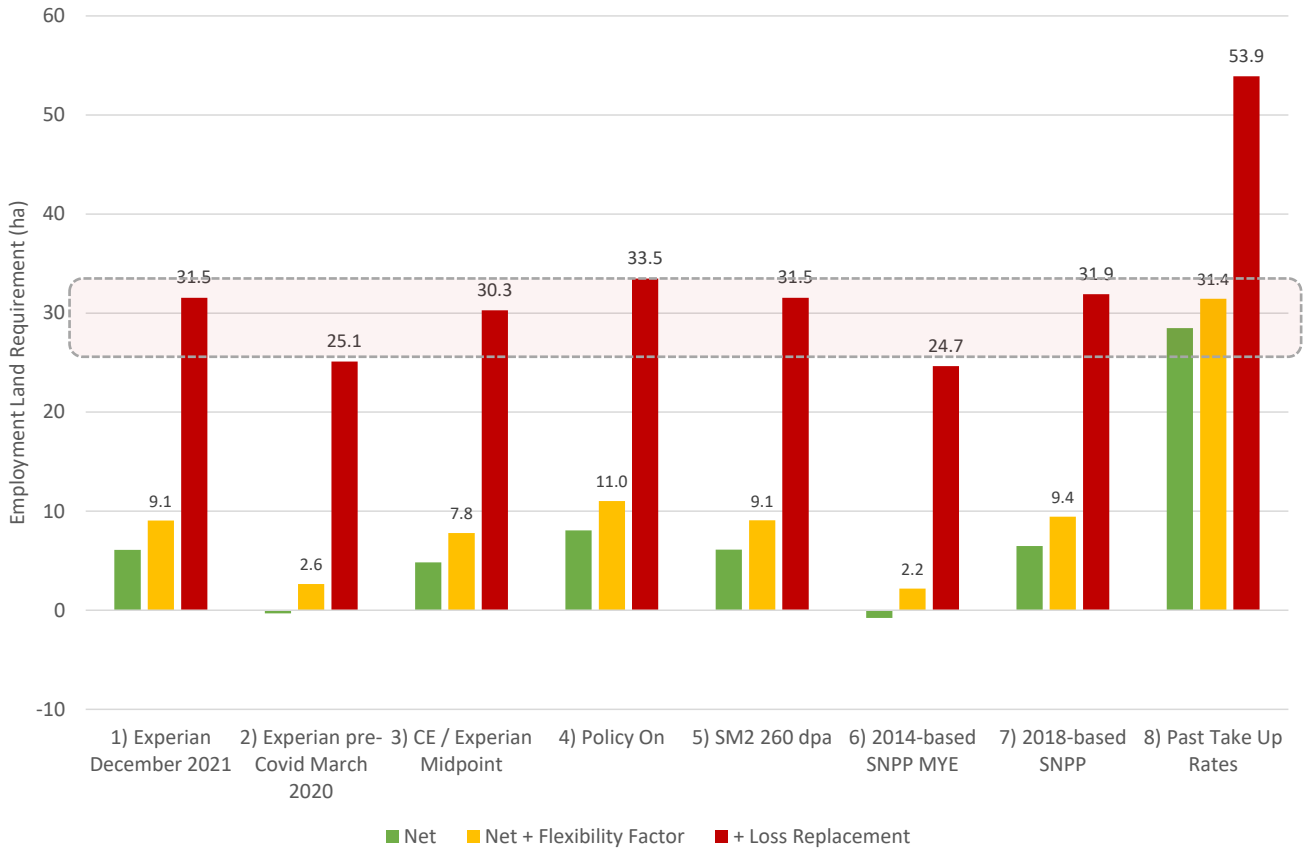
		Offices / R&D (ha)	Light Industrial (ha)	General Industrial (ha)	Warehousing (ha)	**Total (ha)**
1) Experian December 2021 Baseline	Net	0.84	0.93	-3.84	8.17	**6.10**
	+ Flexibility Factor	0.88	0.93	-1.39	8.64	**9.06**
	+ Loss Replacement	**2.56**	**3.74**	**12.73**	**12.51**	**31.54**
2) Experian pre-Covid March 2020 Baseline	Net	0.20	-0.74	-6.43	6.64	**-0.32**
	+ Flexibility Factor	0.24	-0.74	-3.98	7.11	**2.64**
	+ Loss Replacement	**1.92**	**2.06**	**10.15**	**10.99**	**25.11**
3) CE / Experian Midpoint	Net	0.66	0.64	-4.04	7.58	**4.84**
	+ Flexibility Factor	0.70	0.64	-1.58	8.04	**7.79**
	+ Loss Replacement	**2.37**	**3.44**	**12.54**	**11.92**	**30.27**
4) Policy On	Net	1.08	1.11	-2.30	8.17	**8.06**
	+ Flexibility Factor	1.13	1.11	0.15	8.64	**11.02**
	+ Loss Replacement	**2.80**	**3.91**	**14.27**	**12.51**	**33.50**

		Offices / R&D (ha)	Light Industrial (ha)	General Industrial (ha)	Warehousing (ha)	**Total (ha)**
5) Labour Force under SM2 (260 dpa)	Net	0.84	0.93	-3.84	8.18	**6.11**
	+ Flexibility Factor	0.88	0.93	-1.39	8.64	**9.07**
	+ Loss Replacement	**2.56**	**3.74**	**12.73**	**12.52**	**31.55**
6) 2014-based SNPP MYE	Net	-0.10	-0.37	-4.98	4.67	**-0.78**
	+ Flexibility Factor	-0.06	-0.37	-2.53	5.14	**2.18**
	+ Loss Replacement	**1.61**	**2.44**	**11.59**	**9.01**	**24.66**
7) 2018-based SNPP MYE	Net	0.89	1.02	-3.78	8.35	**6.48**
	+ Flexibility Factor	0.94	1.02	-1.33	8.82	**9.44**
	+ Loss Replacement	**2.61**	**3.82**	**12.79**	**12.69**	**31.92**
8) Past Take Up	Net	0.43	-1.12	24.51	4.65	**28.48**
	+ Flexibility Factor	0.48	-1.12	26.96	5.11	**31.44**
	+ Loss Replacement	**2.15**	**1.69**	**41.08**	**8.99**	**53.91**

Source: Lichfields' Analysis

7.90 The various projections for High Peak are illustrated in Figure 7.3, demonstrating the narrower cluster of 7 of the 8 scenarios between 25 ha and 34 ha.

Figure 7.3 Comparison of High Peak's employment land requirements for 2021 to 2041 (hectares)



Source: Lichfields' Analysis

Reality Check

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

7.92 To provide a clearer steer as to what level of growth High Peak should be planning for, it is important to apply reality checks.

Replacement of Losses

7.93 The scenarios considered in the preceding paragraphs include an allowance for the replacement of losses at 100% of past trends. This is considered appropriate, having regard to the scale and nature of historic losses and the lack of large-scale employment losses in the pipeline.

Post Covid Impact on Employment Densities

7.94 As set out earlier in this Report, it is accepted that the current Covid-19 pandemic has dramatically altered working patterns, with the number of people working from home rising exponentially since the lockdown began in March 2020. Many commentators are suggesting that there will be a permanent shift towards home working and the greater flexibility this affords people, with the need for office space in particular falling significantly. Examples could include the need for social distancing in terms of desk-spacing and layouts, less sharing of desks, and more communal space. Conversely, the impact may actually be to increase densities, with a higher proportion of the workforce working from home, and rotating the use of desk space to minimise the number of people in the office at any given point in time, which may actually have the effect of increasing densities.

7.95 The modelling currently assumes that one general office workforce job requires 12.5 sqm of employment floorspace [GEA]. If employment densities were to decrease by, say, 20%, to 15 sqm, then the land requirements would only increase by around 0.2 ha overall. Conversely, if more people were to work from home but still come into the office a few days a week, perhaps to a smaller office but with a similar number of staff as before, and employment densities actually increased by 20% (to 1 job per 10 sqm), then this would reduce the level of employment land needed by a similar amount.

7.96 Either way, our view remains that it is likely that there will be some long-term shift in working patterns as a result of the pandemic, it is still far too soon to say what the scale of that change on home working is likely to be. The sensitivity test demonstrates that we would have to see a fairly profound shift in office employment densities to have a significant impact on the level of employment land needed overall.

Sub-Area Employment Land Split

7.97 Both the Experian and CE forecasts used in the production of this report cover those parts of the Peak District National Park which fall within the High Peak local authority area. The employment land take-up and loss information covers the area outside of the National Park. However, it is not considered that this anomaly has any discernible impact upon the findings of the OAN for employment because the majority of industrial centres in High Peak are located out with the National Park. Furthermore, the PDNPA does not monitor employment land completions or losses, it only comments on what is granted planning permission for in its AMRs (which have not been updated since 2016/17).

7.98 In addition, most jobs in the National Park are related to non-B class uses, such as tourism, mining and quarrying, and leisure, which do not have a direct impact upon the requirement and supply of employment land.

7.99 An analysis has therefore been made of BRES data and a split applied to the Baseline depending upon the current prevalence of jobs in these employment land sectors that are based in the National Park.

7.100 Table 7.21 summarises total employment by sector in High Peak as of 2020 using the ONS BRES data. This indicates that across the four sub-regions in the Borough, the Central Area has the highest proportion of the Borough's office jobs (35%), with the National Park the least (at 17%). Glossop has the most light industrial and B8 warehousing jobs, whilst the Central Area has the highest number of B2 General industrial. Buxton has the highest proportion of non B-Class jobs, at 37% of the total Borough-wide figure of 16,490. Perhaps unsurprisingly, the National Park has the lowest proportion of all of the Borough's commercial and industrial jobs.

Table 7.21 Current Employment by Sector in High Peak (BRES 2020)

	High Peak Borough	Glossop	Central Area	Buxton	National Park
Office*	4,025	910 (22.6%)	1,400 (34.8%)	1,040 (25.8%)	675 (16.8%)
Light Industrial**	1,225	530 (43.3%)	230 (18.8%)	340 (27.8%)	125 (10.2%)
B2 General Industrial***	5,420	1,260 (23.2%)	2,460 (45.4%)	900 (16.6%)	800 (14.8%)
B8 Logistics****	2,710	825 (30.4%)	615 (22.7%)	930 (34.3%)	340 (12.5%)
Total Office / Industrial / Distribution	**13,380**	**3,525 (26.3%**	**4,705 (35.2%)**	**3,210 (24.0%)**	**1,940 (14.5%)**
Non B Class Jobs	16,490	4,185 (25.4%)	4,185 (25.4%)	6,155 (37.3%)	1,965 (11.9%)
Jobs in All Sectors	**29,870**	**7,710 (25.8%)**	**8,890 (29.8%)**	**9,365 (31.4%)**	**3,905 (13.1%)**

Source: BRES 2020 / Lichfields Analysis

* includes a proportion of public sector employment and administration & support services

** includes some manufacturing, vehicle repair and some construction activities

*** includes manufacturing and some construction/utilities

****includes elements of transport & communications sectors

7.101 This is a snapshot of the current split of jobs across the Borough. The Experian and CE forecasts only provide a Borough-wide breakdown. However, if we were to assume that the current split across all jobs was carried forward over the remainder of the Plan period, then the (gross) total employment land requirement would be split as follows:

Table 7.22 Gross Employment Land Requirements by Sub-Region in High Peak 2021-2041

	High Peak Borough	Glossop	Central Area	Buxton	National Park
1) Experian December 2021	**31.54**	8.96	10.21	8.11	4.26
2) Experian pre-Covid March 2020	**25.11**	7.03	8.15	6.52	3.41
3) CE / Experian Midpoint	**30.27**	8.57	9.87	7.74	4.10
4) Policy On	**33.50**	9.45	11.02	8.47	4.54
5) SM2 260 dpa	**31.55**	8.97	10.21	8.11	4.26
6) 2014-based SNPP MYE	**24.66**	6.86	8.33	6.11	3.36
7) 2018-based SNPP	**31.92**	9.08	10.31	8.22	4.31
8) Past Take Up Rates	**53.91**	13.51	21.75	10.93	7.73

Source: BRES 2020 / Lichfields Analysis

7.102 Depending upon the scenario followed, the part of the National Park located within the Borough's administrative boundaries could potentially require between 3.4 ha and 7.7 ha of employment land over the next 20 years, with a narrower range of between 3.4 ha and 4.5 ha if Scenario 8 (Past Take Up Rates) is excluded. This is around 13.5% of the Borough-wide total.

7.103 It is for Council Officers to determine the most appropriate employment land scenario that aligns with their policy and economic growth objectives. In this regard, the PDNPA has a statutory duty to conserve and enhance the landscape and scenic beauty within its boundaries, and unrestricted development would clearly be inappropriate. As referenced, above, the NPPF (paragraph 176) states that "*the scale and extent of development within all these designated areas should be limited, while development within their setting should be sensitively located and designed to avoid or minimise adverse impacts on the designated areas*."

7.104 Given that the National Park has seen very little employment land development in recent years, in our opinion it would be unreasonable for the PDNPA to pursue a target towards the upper end of the range (i.e. 7.73 ha). A lower growth figure of between 3.4 ha and 4.5 ha is likely to represent a closer fit with meeting their realistic employment land growth needs, which are generally very modest and relate to indigenous needs, and align with the purposes of a National Park.

Demand / Supply Balance

7.105 As set out in Section 2.0, the High Peak Strategic Housing and Employment Land Availability Assessment [SHELAA] was published on behalf of the authority in July 2022 as part of a joint instruction together with Staffordshire Moorlands District Council and the Peak District National Park Authority. The SHELAA sets out the findings in relation to that part of the Borough for which HPBC has responsibility as local planning authority. It therefore excludes an assessment of land within the Peak District National Park which is covered within a separate report. The base date of the SHELAA is April 2020.

7.106 The SHELAA notes that whilst 27 sites were originally put forward for assessment as part of the employment element of this study, two sites were removed from the assessment at the initial sifting stage as they both are located within the defined Green Belt, which was identified by Stantec as an Absolute Constraint. A total of 25 sites progressed to the next stage of the assessment.

7.107 Of the 25 assessed sites, the consultants undertaking the SHELAA determined that three sites were unable to accommodate any additional employment floorspace. It was also determined

that given the unique use of site STN_E020 (Harpur Hill Industrial Estate) which comprises the HSE Science and Research Centre, which is considered the "*most comprehensive facility in the world dedicated to the investigation and research of health and safety science*", the site is unavailable for mainstream employment uses and, as such, Stantec did not include employment floorspace potential from this large site within its assessment.

7.108 Table 7.23 indicates that the SHELAA has identified a forward supply of 21 employment sites that could potentially yield around 59.4 ha of employment floorspace. Of this theoretical capacity, 7.6 ha are on four sites assessed as being 'deliverable' (i.e. Category 1), with a further 51.8 ha of land on 17 'developable' sites (Category 2). There are 15 majority previously developed sites in our assessment, and these sites could theoretically deliver 33.2 ha of employment land, all of which is assessed to be Category 2 'developable' sites which could come forward in the second 5-year period.

7.109 There are 6 majority greenfield sites in the SHELAA's assessment, which could theoretically deliver 26.2 ha of employment land, of which 7.6 ha could come forward in the first 5-year period (Category 1) and a further 18.6 ha has been identified on 'developable' PDL sites (Category 2).

Table 7.23 Summary of Supply from SHELAA Employment Sites by Category

	Category			
	1 (Deliverable)	2 (Developable)	3 (Constrained)	TOTAL
Previously Developed sites (area, ha)	0	15 (33.2 ha)	0	**15 (33.2 ha)**
Greenfield sites (area, ha)	4 (7.6 ha)	2 (18.6 ha)	0	**6 (26.2 ha)**
Total sites (area, ha)	**4 (7.6 ha)**	**17 (51.8 ha)**	**0**	**21 (59.4 ha)**

Source: Stantec (July 2022): High Peak SHELAA 2020, Table 5.3

Category 1 – site is suitable, available and achievable and faces no constraints which might prevent it from coming forward within the first five-year period;

Category 2 – site faces some constraints of either suitability, availability or achievability and would not be expected to come forward within the first 5-year period, but could still be expected to come forward within the second 5-year period;

Category 3 – site faces more significant constraints, and would not be expected to come forward within the first 10-year SHELAA assessment period, although it might be expected to come forward in the third 5-year period.

7.110 Of these 21 site sites (59.4 ha), the SHELAA estimated that:

- 11 sites, providing a total of 19.1 ha of land, were assessed as most suited to 'Industrial Development' uses;
- 10 sites, providing a total of 40.3 ha of land, were assessed as most suited to 'Storage and Distribution' uses; and,
- No sites were assessed as most suited to 'Office' uses.

7.111 The SHELAA notes that whilst available land was identified for 'Industrial Development' and Storage and Distribution' uses, it was not considered that any of the assessed sites were suited to 'Office' use:

"It is important to note that the placing of sites into employment land typologies does not strictly prohibit the site coming forward of another type of employment land use. Of the 59.4 ha of land identified as most suited to employment uses, 33.2 ha (56 per cent) is on previously developed land, and the remaining 26.6 ha (46 per cent) is on greenfield land. Our findings demonstrate that High Peak can therefore theoretically meet its residual requirement for

29.932 ha of employment land, without requiring the release of Green Belt land. Whilst the residual employment requirement could theoretically be entirely accommodated on previously developed land, development on greenfield land may be more suitable in order to meet employment land requirements in full." [paragraphs 5.4.5-5.4.6]

7.112 According to the SHELAA, this supply is broken down as follows:

Table 7.24 Employment Sites Theoretical Capacity

Sub-Area	**Site Name**	Employment Land Use	Net Developable Area	Majority Land Type	Site Category
Buxton	Land Off Tongue Lane, Buxton	Industrial Development	1.3	GF	1
	Harpur Hill Industrial Estate	Storage and Distribution	1.6	PDL	2
	Waterswallows Road Buxton	Storage and Distribution	9.0	PDL	2
	Hoffman Quarry	Storage and Distribution	7.9	PDL	2
	Land At Staden Lane Harpur Hill	Industrial Development	1.8	GF	1
	Cowdale Quarry	Industrial Development	8.3	PDL	2
	Harpur Hill Industrial Estate	-	0.0	GF	-
	Land Off Waterswallows Lane Peak Dale	Storage and Distribution	10.4	GF	2
	Hoffman Quarry Grin Low Road Buxton Harpur Hill	Storage and Distribution	2.0	PDL	2
Central Area	Sheffield Road/Townend Chapel	Storage and Distribution	1.1	PDL	2
	Bowden Road (North) Chapel	Storage and Distribution	0.8	PDL	2
	Bowden Road (South) Chapel	Industrial Development	0.2	PDL	2
	Bings Wood Industrial Estate	Industrial Development	1.4	PDL	2
	Furness Vale Industrial Estate	-	0.0	PDL	-
	Birch Vale Industrial Estate	Industrial Development	0.8	PDL	2
	Newtown Industrial Estate	Industrial Development	0.3	PDL	2
	Thornsett Industrial Estate	Industrial Development	0.4	PDL	2
	North A6 Bowden Lane	Storage and Distribution	2.8	GF	1
	Chapel Bypass	Storage and Distribution	4.5	GF	2

	Chapel Sheffield Road Triangle Dcc Depot	Storage and Distribution	0.3	PDL	2
	St Georges Mill, New Mills	-	0.0	PDL	-
Glossop	Wren Nest Road	Industrial Development	1.6	GF	1
	Etherow Industrial Park	Industrial Development	1.8	PDL	2
	Waterside Mill Waterside Glossop Hadfield	Industrial Development	1.1	PDL	2
	Land At Dinting Vale Road	-	0.0	GF	-

Source: Stantec (July 2022): High Peak SHELAA 2020, Appendix A.7

7.113 **The demand side assessment indicates that High Peak Borough requires between 25 ha and 54 ha of employment land over the 20-year plan period to 2041. Accepting that the SHELAA has a slightly earlier base period (2020 rather than 2021), the forward supply of 59.4 ha would, theoretically, appear to be of a sufficient scale to meet even the upper end of the range, although there is of course no guarantee that all the identified source of supply would necessarily come forward for that use.**

7.114 It is relevant to note that in terms of the distribution of that supply, none of it is located in the National Park area, whilst there appears to be an imbalance with where the sites are located:

- 9 sites, equal to 42.3 ha, or 71.2% of the forward supply, are located in and around Buxton, despite this area having between 20% and 26% of the demand (6-11 ha);
- 12 sites, equal to 12.6 ha, or 21.2% of the forward supply, are located in and around the Central Area, which has around 32%-40% of the need (8-22 ha); and,
- Just 4 sites, or 4.5 ha (7.6% of the forward supply), are located in and around Glossop, despite this area having between 25% and 28% of the demand (7-14 ha).

8.0 Part 2: Housing Context

Introduction

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

Demographic Context

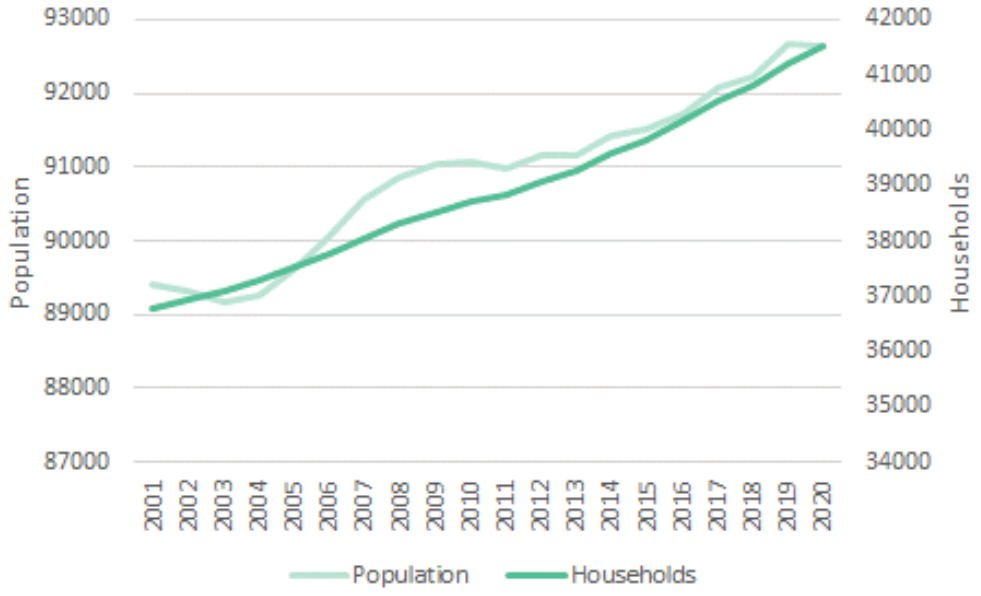
8.2 Understanding the demographic context of an area is critical to understand the foundations for a robust objective assessment of housing need. Up-to-date demographic evidence, informed by the 2011 Census and other nationally consistent data sources such as the Annual Population Survey [APS] and ONS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

- how the Borough's population has evolved in the past;
- how the key components of change (notably births, deaths and migration) have influenced this; and,
- how they are likely to continue shaping population and household change in the future.

Population and Household Change

8.3 The latest MYE for High Peak indicate that the population of the Borough was 92,633 residents in 2020. This represents an overall population increase of 3,233 people since 2001 (+3.49%).

Figure 8.1 Population and Household Change in High Peak Borough



Source: ONS Mid-Year population and Household Estimates (2001-2020)

8.4 The number of households in the Borough also rose steadily over the period 2001 to 2020, to 41,526 – an increase of 4,738 (+12.88%). The faster rate of household growth is likely to have been driven by a nationwide trend towards smaller household sizes.

Components of Population Growth

Natural Change

8.5 The Borough's population growth in recent years has been driven by natural demographic change (i.e. the rate of births exceeding that of deaths) as well as internal and international migration. Between 2001 and 2020 the population grew by circa 3,233 people.

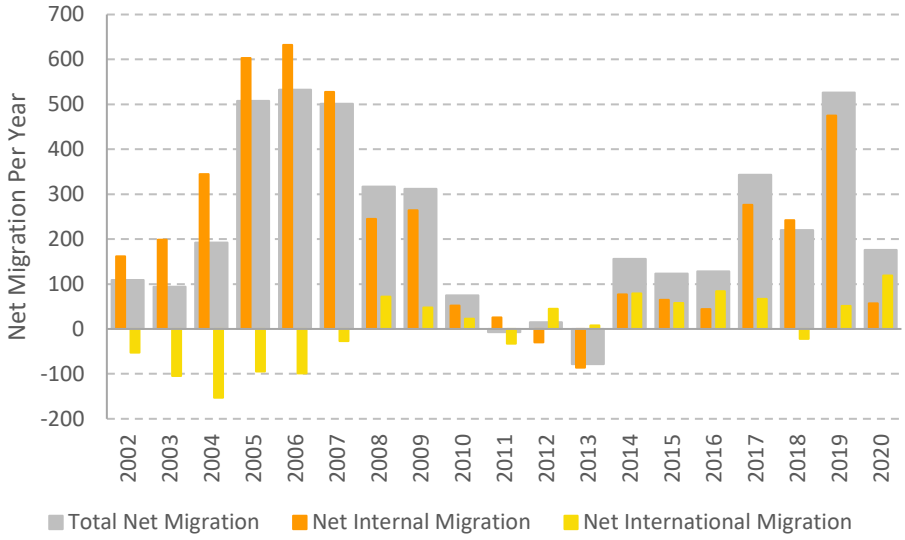
8.6 Natural demographic change was greater during the period 2006 to 2011. After 2011, the role of natural demographic change has declined in respect of being a driver of population growth.

Migration

8.7 As illustrated in Figure 8.2, net migration[47] has been consistently inward-moving over the period 2002 to 2020. Net internal migration has also been consistently higher than international migration and has been positive each year since 2002, except for 2012 and 2013 (when there were net losses of 30 and 86 internal migrants respectively). Net internal migration was particularly high between 2004 and 2007; however, it declined during the recession and remained low between 2010 and 2017. Subsequently, net internal migration has increased to +276 in 2017, the highest level since before 2008-9.

8.8 Net international migration has also fluctuated over the period, between -53 (2002) and +119 (2020), but has been positive over the last seven years, averaging +76, except for 2018 (which had a net loss of -22).

Figure 8.2 Net Internal and International Migration for High Peak 2002 - 2020

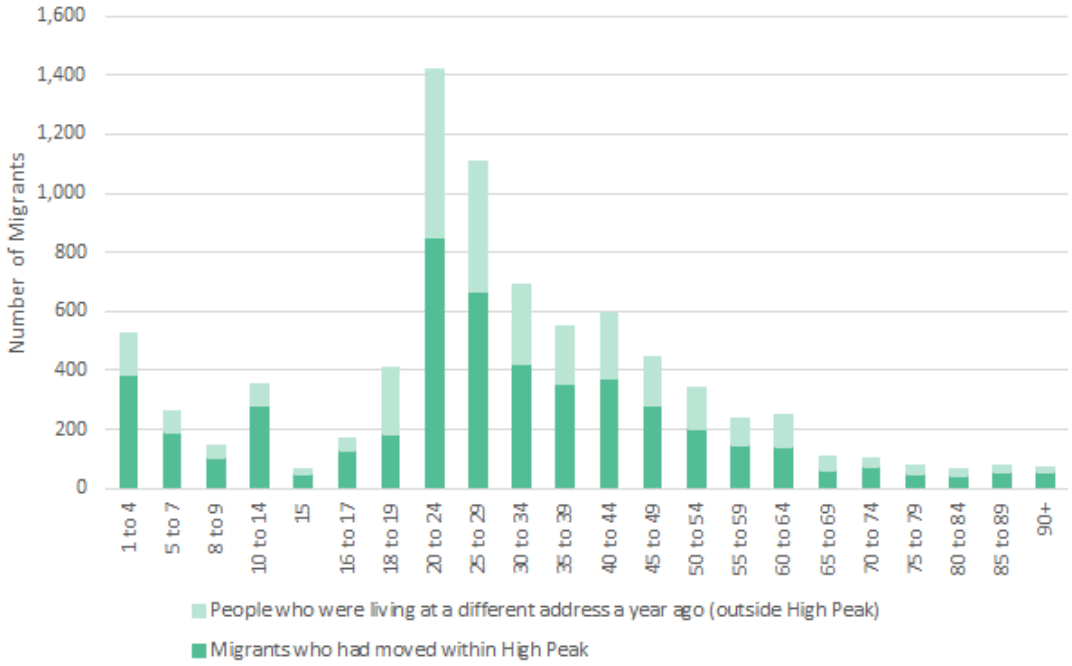


Source: ONS Migration Estimates - Revised Mid-Year Estimates Series

8.9 Figure 8.3 illustrates a breakdown of age of internal migrants based on the Census 2011 data. This highlights that younger households moved into and within High Peak Borough the year before the Census. People aged 20-24 were the largest age group to move into and within the Borough, followed by 25-29. The number of young people under 14 moving in suggests a large proportion of internal migrants were young families moving into the Borough.

[47] international migration comprises people moving into the country from abroad; cross-border migration (which for the purposes of this analysis has been included in the internal migration figures) represents residents moving to/from High Peak from other countries within the UK (i.e. Scotland, Northern Ireland or Wales), whilst internal migration represents residents moving to/from high Peak Borough from elsewhere in England.

Figure 8.3 Age Structure of Internal Migrants



Source: Census 2011/ Lichfields analysis. Note: includes cross-border in-migrants within the UK.

Current Demographic Profile

8.10 Table 8.1 shows how the population structure of the Borough has changed since 2002. The total population grew by 3.5% between 2002 and 2020, from 89,433 to 92,633. The 0-17 and 18-44 age groups declined over the period 2001-2020, falling -18.04% and -17.42% respectively. This was offset by a significant growth of the 65-84 age group (+41.32%) and those aged 85 and over (+27.55%).

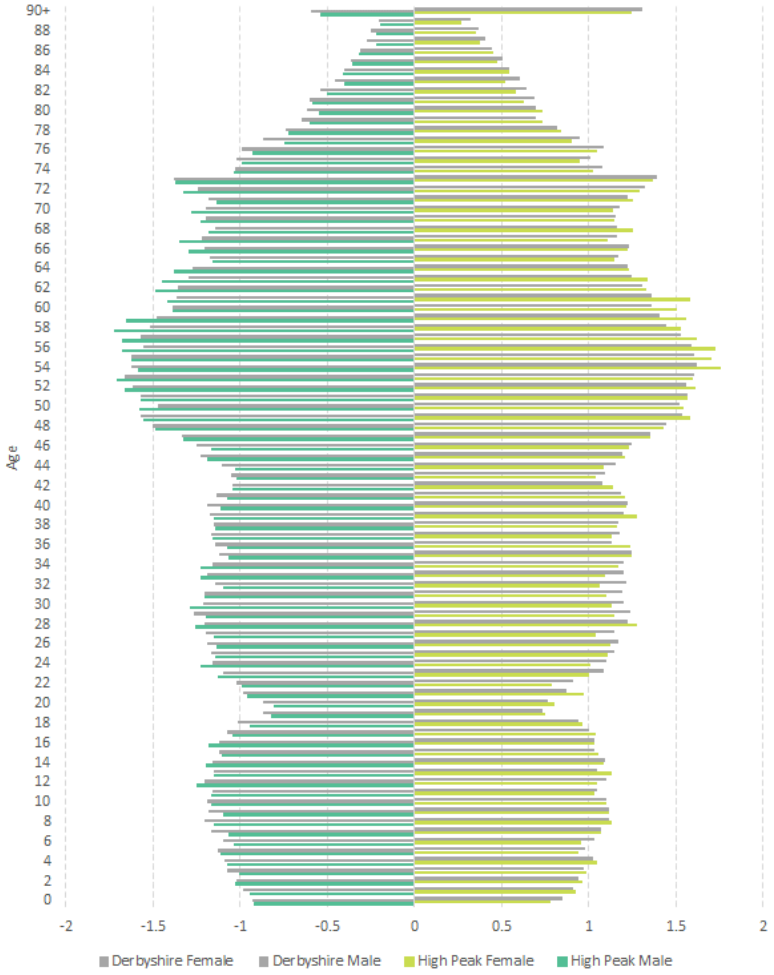
Table 8.1 Population Change in High Peak Borough 2001-2020

	2001	2020	% Population share in 2020	Change 2001 – 2020	Change 2001 – 2020 (%)
0 – 17	20,726	17,596	18.99%	-3,130	-18.04%
18 - 44	31,773	27,213	29.34%	-4,560	-17.42%
45 – 64	23,122	27,851	30.06%	+4,728	+16.29%
65 – 84	12,059	17,654	19.05%	+5,595	+41.32%
85+	1,753	2,319	2.5%	+566	+27.55%
Total	**89,433**	**92,633**	**~**	**+3,199**	**+3.6%**

Source: ONS Census 2001 and Mid-Year Estimates 2020

8.11 Figure 8.4 presents the population structure of the Borough as compared to Derbyshire County in 2020. The population of the two areas are broadly comparable across most of the age groups. The proportion of the population comprising older people is very similar in the Borough compared to Derbyshire as a whole.

Figure 8.4 Population Structure of High Peak Borough and Derbyshire County



Source: ONS Mid-Year Population Estimates 2020

Household Composition

8.12 As shown in Table 8.2 at the time of the 2001 Census, the most common type of household in the Borough was couples with dependent children, accounting for 23.88% of all households, followed by couples with no children (20.26%). By 2011, the number of households classed as couples with dependent children had decreased by 13.95%, whilst the number of households without children had remained stable. However, households classed as couples with dependent children remains the most common type of household type (20.55% of the total).

8.13 There was significant growth in the number of households with single people under 65, an increase of 1,564 households (+25.93%). There was also growth in the proportion of lone parent households with both dependent children and non-dependent children, which grew by 15.64% and 4.97% respectively.

8.14 The proportion of households comprising older people decreased; households with single people over 65 decreased by 9.63%, whilst households with older couples declined by 1.53%.

Table 8.2 Change in Household Composition in High Peak Borough 2001 - 2011

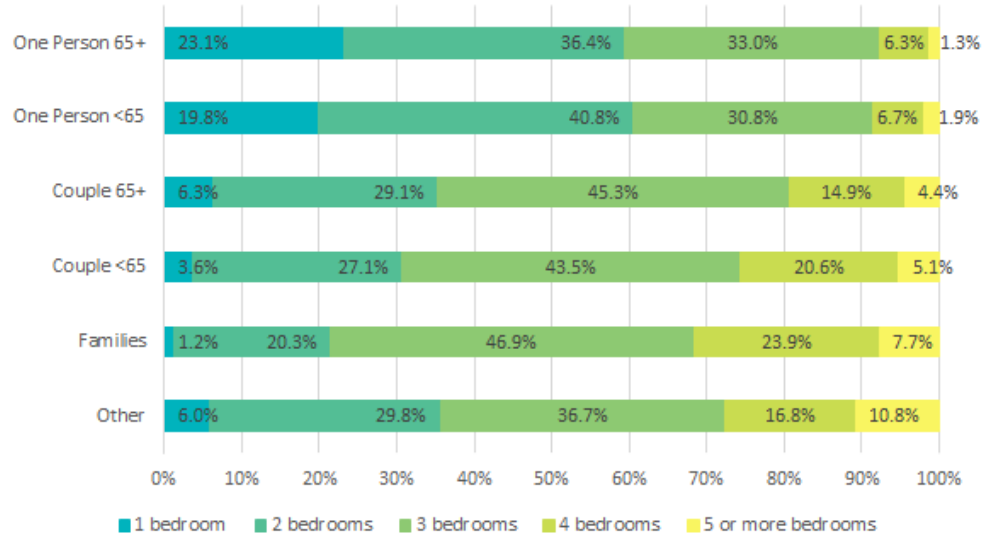
	2001		2011		Change in %
Type	**No.**	**%**	**No.**	**%**	
Single 65+	5,225	14.10%	4,962	12.74%	-9.63%
Single <65	4,836	13.05%	6,400	16.43%	25.93%
Couple 65+	3,243	8.75%	3,356	8.62%	-1.53%
Couple, no children	7,508	20.26%	7,945	20.40%	0.69%
Couple, dependent children	8,850	23.88%	8,003	20.55%	-13.95%
Couple, non-dep. children	2,533	6.84%	2,609	6.70%	-1.99%
Lone parent, dep. children	2,058	5.55%	2,501	6.42%	15.64%
Lone parent, non dep. children	1,212	3.27%	1,337	3.43%	4.97%
Other, no dep. children	984	2.66%	1,219	3.13%	17.88%
Other, dep. children	603	1.63%	539	1.38%	-14.94%
Students	7	0.02%	75	0.19%	919.52%
All Occupied Household Spaces	**37,059**	**100.00%**	**38,946**	**100.00%**	**5.1%**

Source: Census 2001 and 2011

Occupancy Patterns

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

Figure 8.5 Number of Bedrooms by Household type - High Peak Borough (All Households)



Source: Census 2011

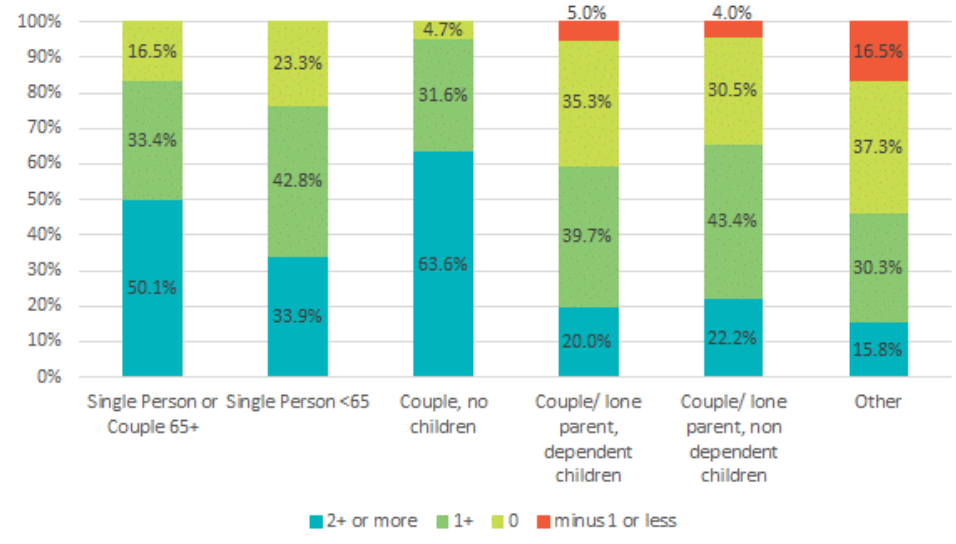
8.16 Figure 8.5 shows how different household types in the Borough occupy housing (as per the 2011 Census). 2, 3 and 4-bedroom properties account for most households across all household types.

8.17 Single person households under 65 are most likely to live in 2-bedroom properties (40.8%) or 3-bedroom properties (30.8%), with around a fifth living in 1-bedroom properties. Single person households aged 65 or over are more likely to live in 1-bedroom properties (23.1%). 45% of couples over 65 and 33% of lone persons over 65 live in 3-bedroom properties, evident of empty-nesting and a product of ageing. Older couples are the most significant under-occupiers in the market, with only 6.3% occupying 1-bedroom properties and around a fifth occupying 4 or 5-bedroom homes. This suggests that older single person households may be more inclined to downsize than couples, perhaps due to the maintenance required for larger homes.

8.18 Couples under 65 are also significant under-occupiers in the market, with 43.5% of this household type occupying 3-bedroom properties; these could either be young families looking to have children or be older couples still living in the family home. As expected, households with dependent children primarily live in in larger homes, with 70% living in 3 or 4-bedroom properties. However, a significant proportion of families occupy smaller 1 or 2-bedroom properties (21.5%), suggesting that there could be some overcrowding in certain sectors of the market. Other types of households include student households and families with non-dependent children, which explains why these types of households occupy a higher proportion of large housing.

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

Figure 8.6 Occupancy Ratings by Household Composition



Source: Census 2011

8.20 Figure 8.6 elaborates on this point by illustrating which household types are experiencing over-occupation most commonly across the Borough. It shows that 5.0% of families with dependent children have an occupancy rating of -1 or less, indicating that they have one or more rooms fewer than the number required for the members of the household based on their ages and relationships to one another.

Population Summary

- The population of the Borough grew by 3.49% between 2001 and 2020. The number of households grew by 3.6% in line with population growth.
- Between 2001 and 2020, the young working age population (aged 18-44 years) declined by 17.42%. This was more than offset by a 41.32% growth of the elderly population (65-84 years) and 27.55% growth of the very old population (aged 85+ years).
- The most prevalent household type across the Borough in 2011 was couples with dependent children (comprising 20.55% of households). Between 2001 and 2011 there was a high rate of growth in the number of households comprising single people aged under 65 (25.93%). Lone parent households also grew significantly.
- There is a pattern of under occupancy of dwellings within the Borough. Comparatively small proportions of single person households (both those aged under 65 and those aged 65) occupy 1-bedroom properties. Couples aged up to 65 without dependent children are the most frequent under-occupiers of housing, with over a fifth occupying 4 or 5-bedroom properties.
- Over occupation typically affects families with dependent children, with 5.0% living in dwellings with at least 1 room fewer than required.

Housing Stock

Existing Stock, by Type

8.21 The 2011 Census identifies that the Borough had 40,771 household spaces. The types of housing stock currently available in the Borough are summarised in Table 8.3. They show that houses and bungalows make up most household spaces within High Peak (a total of 87.2%), whilst flats comprise only 12.6%. This is comparable to the dwelling profile of Derbyshire County, where houses and bungalows comprise 91.2% of all household spaces. This is higher than the average for the East Midlands (88.0%) and England (77.7%).

8.22 In terms of house types, terraced properties are the most common, accommodating 34.4% of all households in High Peak, which is higher than the Derbyshire (20.6%), East Midlands (20.6%) or England average (24.6%). The second most prevalent house-type in High Peak is semi-detached (at 29.2% of all dwelling types), which is lower than the average for Derbyshire (38.7%), the East Midlands (35.1%) and slightly below the national average (30.8%).

8.23 Flats, maisonettes, and apartments account for a small proportion of house types in High Peak (12.6%). This is above the average for Derbyshire (8.6%) and the East Midlands (11.8%), but substantially lower than for England (22.2%).

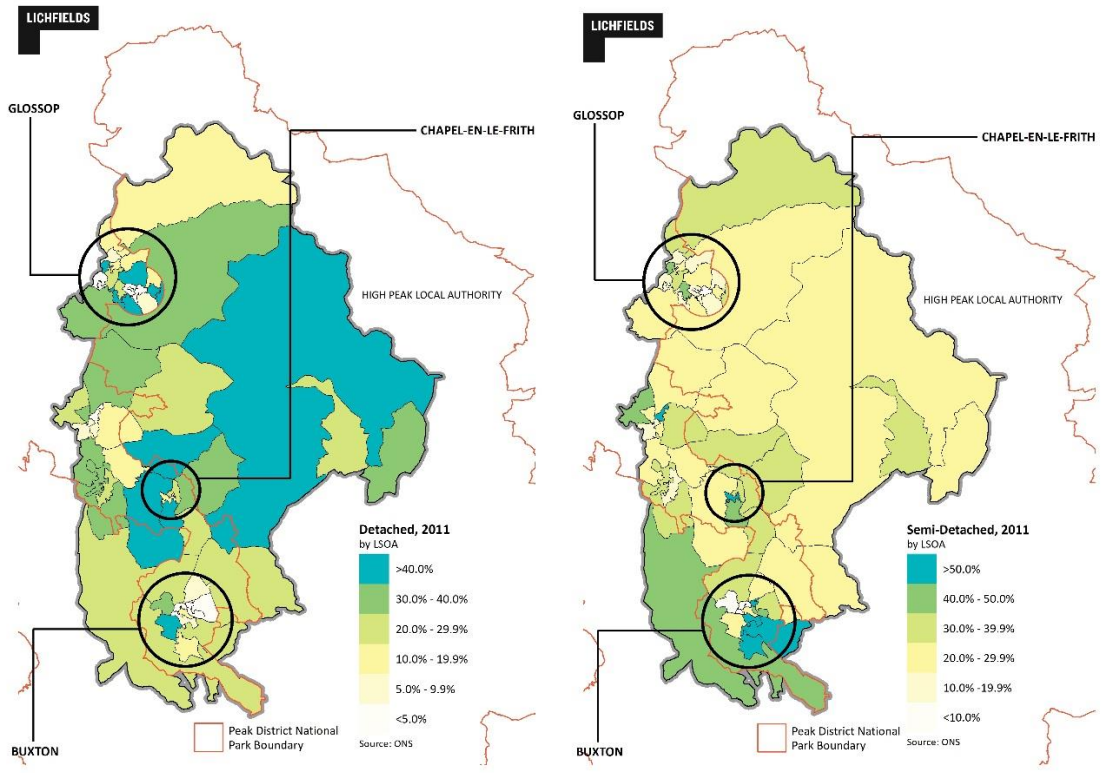
Table 8.3 Type of Housing

Type		High Peak		Derbyshire	East Midlands	England
		No.	%	%	%	%
House or Bungalow	Detached	9,613	23.6%	31.8%	32.2%	22.3%
	Semi-detached	11,915	29.2%	38.7%	35.1%	30.8%
	Terraced	14,040	34.4%	20.6%	20.6%	24.6%
Flat, maisonette or apartment	Purpose-built block of flats	3,414	8.4%	6.5%	9.3%	16.8%
	Part of a converted or shared house	1,227	3.0%	1.2%	1.6%	4.3%
	In a commercial building	511	1.3%	0.9%	0.9%	1.1%
Other	Caravan or other mobile/temp. structure	101	0.2%	0.3%	0.4%	0.4%
Total	**All Occupied Household Spaces**	**40,771**	**100.0%**	**100.0%**	**100.0%**	**100%**

Source: Census 2011

8.24 Figure 8.7 illustrates the distribution of detached and semi-detached properties across the Borough. Detached houses are particularly prevalent (comprising over 40% of stock) in the National Park and in the urban areas of Glossop and Buxton compared to the rest of the Borough, particularly the west, where between 20-40% of stock are detached. Lower levels of detached housing are present in the urban area of Chapel-en-le-Frith.

Figure 8.7 Stock Profile in High Peak Borough: Detached and Semi-Detached as a % of Total Stock (2011)

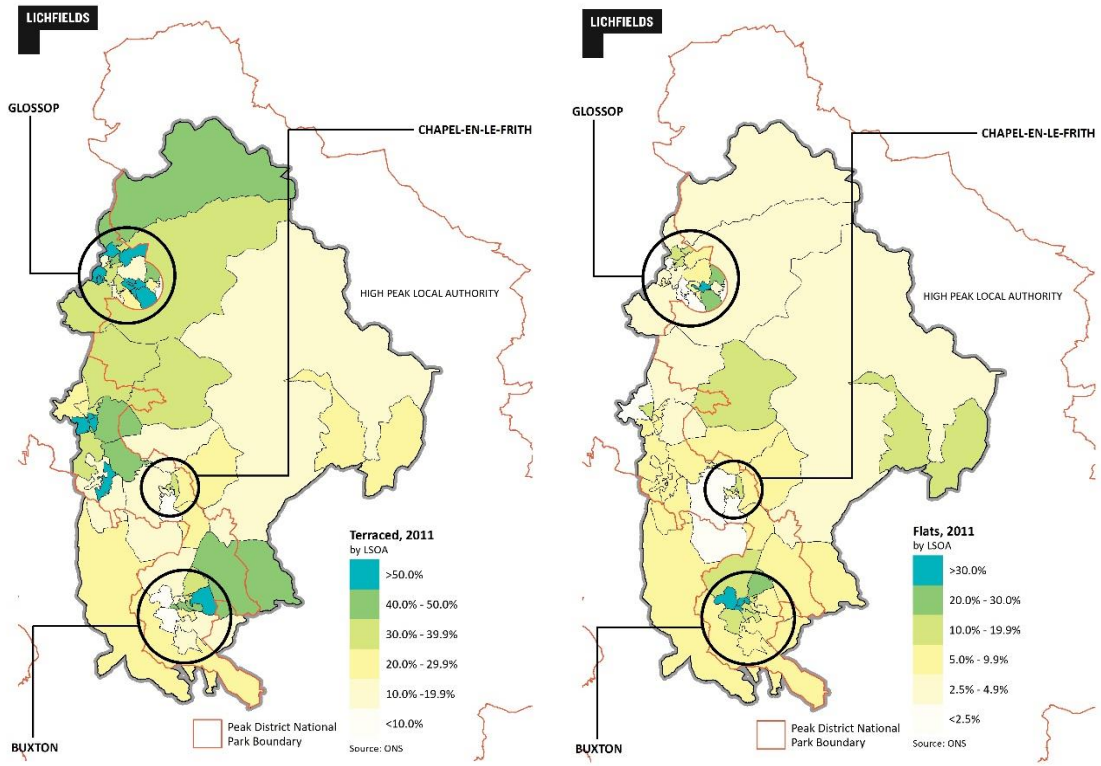


Source: Census 2011/ Lichfields Analysis

8.25 Figure 8.7 shows that semi-detached houses are most common in Buxton's immediate suburbs (comprising more than 40% of stock) but make up a much smaller percentage of houses in the

urban core itself (10% or less). Semi-detached houses make up a high proportion of households in the smaller settlements of Chapel-en-le-Frith and New Mills (more than 50% of households). Across the rural areas of the Borough, semi-detached houses typically comprise between 20% and 30% of the total dwelling stock.

Figure 8.8 Stock profile in High Peak Borough: Terraced and Flats as a % of Total Stock (2011)



Source: Census 2011/ Lichfields Analysis

8.26 The highest proportions of terraced houses are located in the urban areas of Glossop, New Mills, Buxton and Whaley Bridge (more than 50%) (Figure 8.8). Across much of the rural east, terraced households comprise less than 20% of the total households, with slightly lower concentrations found in Buxton and Chapel-en-le-Frith.

8.27 Flats comprise a small proportion of houses in the Borough (Figure 8.8). Their distribution is similar to that of terraced properties, with the highest percentages of flats located in Glossop and Buxton town centres (more than 30%). There are pockets of flats found around Hayfield, Hope and Bamford (10-19%) and low levels (less than 9%) being present throughout the more rural areas of the Borough.

Size of Accommodation

8.28 In respect of the size of accommodation, the most up-to-date and robust indication of the size distribution of stock remains the 2011 Census. Table 8.4 illustrates that in 2011, properties with 5 rooms (in total) were most common in the Borough (24.4%), lower than the regional (27.1%) but in line with the national average (24.7%).

Table 8.4 Size of Accommodation

	High Peak (%)	East Midlands (%)	England (%)
1 room (household space)	0.3%	0.4%	0.8%
2 rooms	1.8%	1.8%	2.9%
3 rooms	7.7%	7.3%	10.3%
4 rooms	19.6%	16.7%	19.2%
5 rooms	24.4%	27.1%	24.7%
6 rooms	19.6%	21.4%	19.4%
7 rooms	11.6%	11.0%	10.1%
8 or more rooms	15.0%	14.3%	12.7%

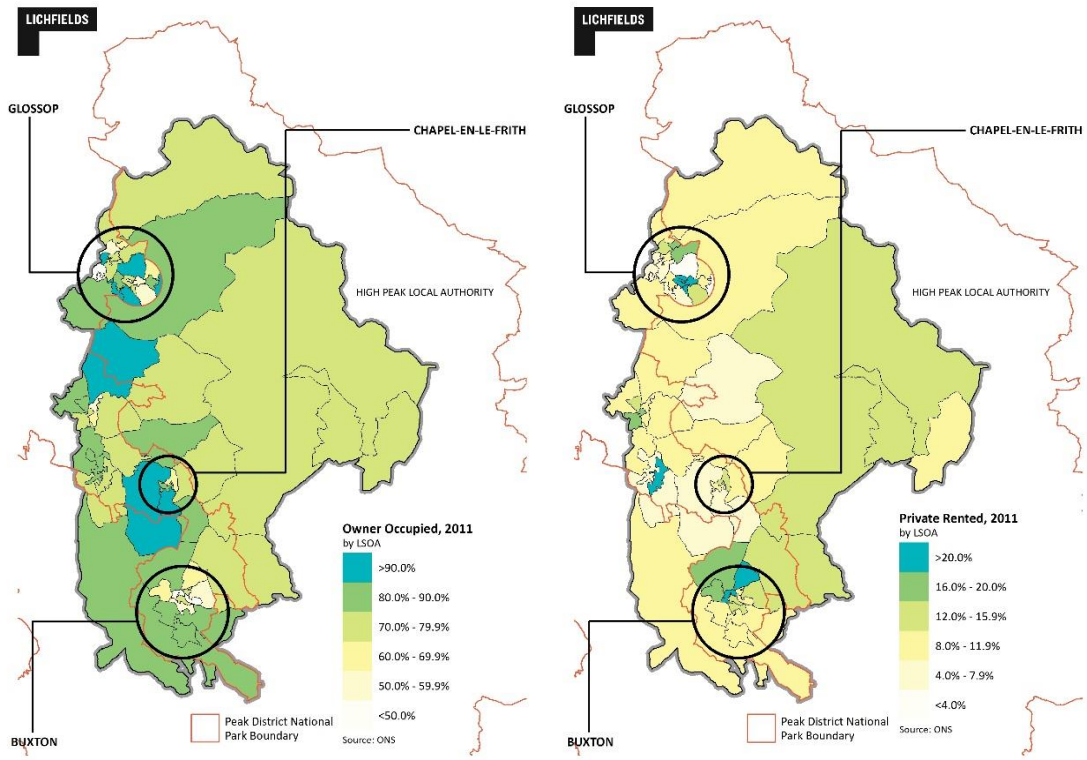
Source: Census 2011

8.29 Over a quarter (26.6%) of all households have seven or more rooms. This is in line with what is found across the region (25.3%) or nationally (22.8%). Conversely, properties with three or fewer rooms make up 9.7% of houses in High Peak, which is in line with the regional average (9.6%) but below the national average (14.0%). This indicates that the proportion of properties within the Borough are broadly in line with the average found both regionally and nationally.

Tenure Profile

8.30 The tenure profile of the Borough is shown in Figure 8.9, Figure 8.10 and Table 8.5. The proportion of owner-occupied properties in High Peak is 72.0%, which is slightly higher than Derbyshire County (71.0%) and higher than across the East Midlands (67.2%). Private rented accommodation comprised 13.4% of all stock in 2011, which is slightly higher than the Derbyshire average (12.0%) but lower than the regional average (14.9%). 12.7% of the housing stock in the Borough are social rented properties, lower than the averages for Derbyshire (15.3%) and the East Midlands (15.8%).

Figure 8.9 Household Tenure Profile in High Peak Borough Owner Occupied and Private Rented (2011)



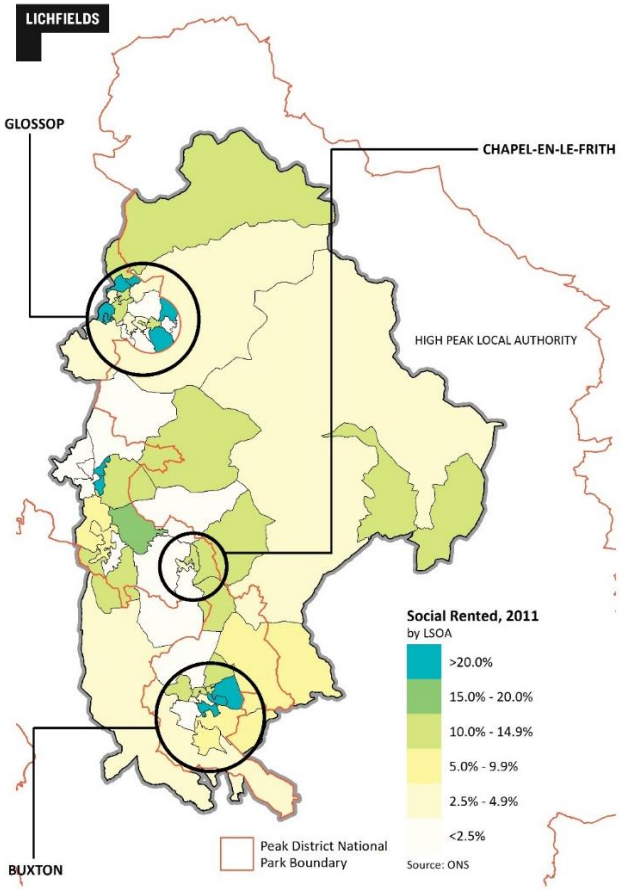
Source: Census 2011/ Lichfields Analysis

8.31 Owner occupied properties dominate the housing tenure across much of the Borough (Figure 8.9), and account for more than 70% across the rural sub-area. Many areas around Glossop, Chapel-en-le-Frith and areas to the north of New Mills account for over 90% of housing being owner-occupied. Lower levels of owner occupation are experienced around the centre of Buxton and to the west of Glossop.

8.32 The greatest concentrations of private rented households are located in Glossop, Buxton and Whaley Bridge, where private rented households account for more than 20% of all stock (Figure 8.9). Across most of the rural sub-market, private rented households account for between 8% and 15.9% of all stock, although slightly lower proportions (between 4% and 7.9%) are found in the areas between Buxton, Chapel-en-le-Frith and Glossop.

8.33 Social rented households within the Borough are concentrated around Glossop, New Mills and Buxton, comprising over 20% of stock in several LSOAs (Figure 8.10). There are very low levels across the rural west (below 2.5%) and into the National Park (less than 5%).

Figure 8.10 Household Tenure Profile in High Peak Borough Social Rented (2011)



Source: Census 2011/ Lichfields Analysis

Table 8.5 Tenure Profile of Households in High Peak, Derbyshire and the East Midlands, 2011

Tenure	High Peak		Derbyshire	East Midlands
	No.	%	%	%
Owned: Outright	13,693	35.2%	35.9%	32.8%
Owned: With a mortgage or loan	14,366	36.9%	35.1%	34.5%
Shared ownership (part owned/part rented)	229	0.6%	0.4%	0.7%
Social rented	4,945	12.7%	15.3%	15.8%
Private rented: landlord or letting agency	4,706	12.1%	10.8%	13.6%
Private rented: Other	525	1.3%	1.2%	1.3%
Living rent free	482	1.2%	1.3%	1.3%
Total	**38,946**	**100.0%**	**100.0%**	**100.0%**

Source: 2011 Census

Stock Condition

8.34 The High Peak Housing Stock Condition [HPHSC] (2018) report explored the link between housing conditions and health. The study found that the most common health hazards were as a result of exposed wiring or overloaded sockets, damaged boiler, excess cold, leaking roof, damaged stairs, lack of security due to badly fitting external doors and mould on the walls or ceiling. The HPHSC only examined HPBC's own housing stock. During the fieldwork of the HPHSC 69 Category 1 hazards were discovered, which equated to 1.72% of HPBC's total stock.

8.35 The HPHSC report found that **715 (17.9%) of the properties surveyed in the Borough failed to meet the Decent Homes Standard [DHS].**

House Type and Tenure Summary

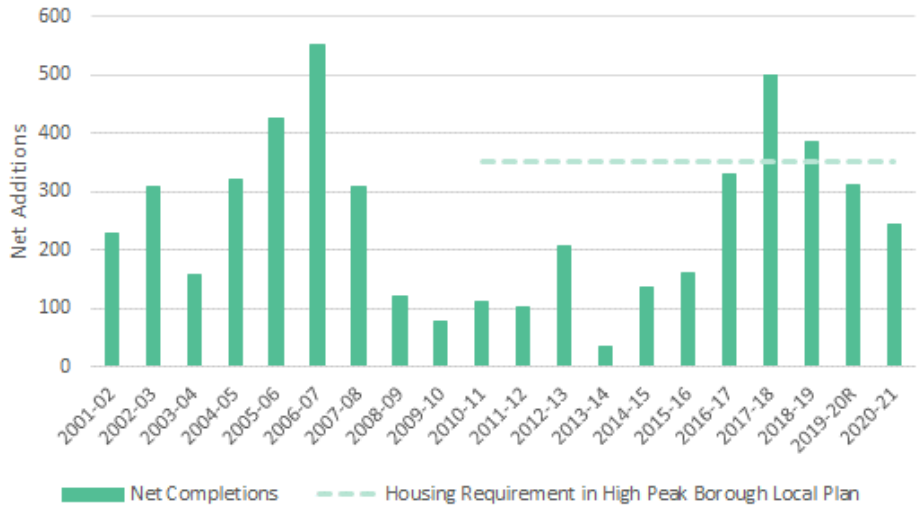
- Most of the Borough's housing stock comprises houses and bungalows (87.2%). Terraced properties are most common (34.4%), followed by semi-detached properties. Terraced properties are most frequently seen in the urban areas of Glossop, Buxton, New Mills and Whaley Bridge of the Borough, with lower levels being found to the west of Buxton, Chapel-en-le-Frith and the rural areas of the Borough.
- Detached properties account for 23.6% of stock and are concentrated in the rural areas of the Borough, Glossop and Buxton. Flats are most commonly found in Buxton and Glossop.
- The Borough has slightly more larger dwellings than the national average, with just over a quarter of properties having 7 rooms or more.
- The majority of properties in the Borough are owner occupied (72.0%). This is greater than the Derbyshire County or regional average. 13.4% are privately rented and 12.7% are social rented. Owner occupied properties account for over 70% in the rural areas of the Borough and lower proportions in Buxton and Glossop. These areas have higher concentrations of social rented properties.

The Active Market

Changes in Stock

8.36 Net housing completions in the Borough fluctuated significantly between 2001/02 and 2020/21. The average number of net completions over this period was 251 dwellings, 99 dwellings below the housing requirement of 350 dpa between 2011 and 2021 set out in the Borough's adopted Local Plan (2016).

Figure 8.11 Net Dwelling Completions in High Peak 2001/02 - 2020/21



Source: DLUHC Live Table 122/ HPBC

8.37 Net housing completions peaked just before the recession at levels above 400 dpa, but sharply decreased subsequently to a low of just 36 dpa in 2013/14. They have gradually increased since then to a peak of 498 dwellings in 2017/18 before falling to 245 dwellings for the most recent reporting year (2020/21).

Table 8.6 Net Dwelling Completions in High Peak, 2001/02 to 2020/21

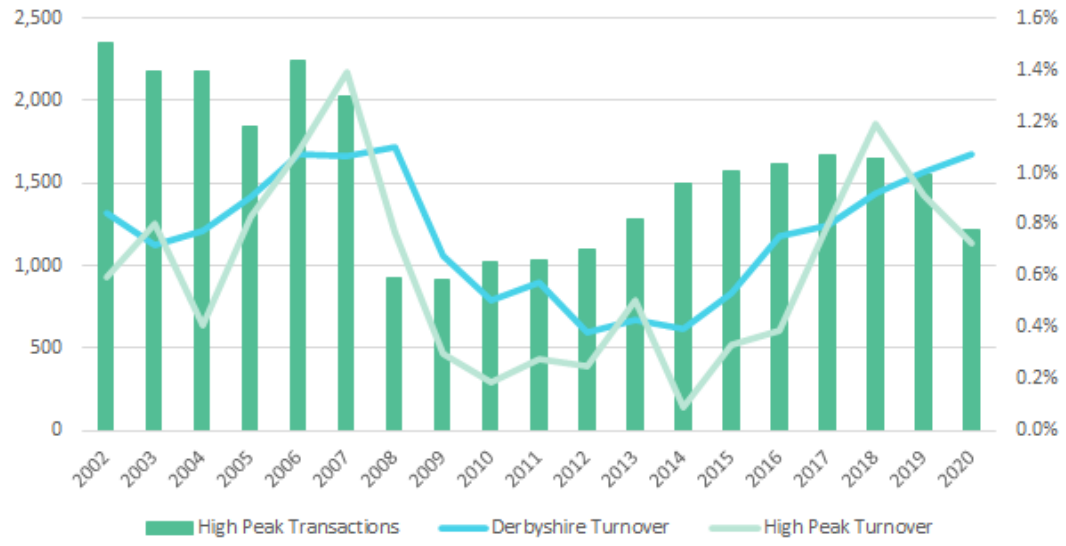
Net Completions	High Peak	Net Completions	High Peak
2001-02	228	2011-12	102
2002-03	309	2012-13	207
2003-04	158	2013-14	36
2004-05	322	2014-15	137
2005-06	425	2015-16	160
2006-07	550	2016-17	330
2007-08	308	2017-18	498
2008-09	122	2018-19	386
2009-10	77	2019-20	311
2010-11	112	2020-21	245
Average (2001-21)	**251**		

Source: DLUHC LT122

Transactions and Prices in the Private Market

8.38 Pre-recession dwelling sales across the Borough were between 1,838 and 2,349 transactions per annum, representing c.4.5% to 5.8% of dwelling stock (Figure 8.12). Turnover rates within the Borough have consistently been lower than the rates for Derbyshire as a whole, except for the two years 2006-07 and 2017-18 where turnover rates were equal to or above the turnover seen elsewhere in Derbyshire County. Transactions declined sharply in 2008 as a result of the recession, reaching a low of 911 transactions in 2009. The number of transactions remained below 1,500 until 2015 but have since remained steady above 1, 500 transactions per annum. The exception was 2020 where transactions fell to 1,213, a level not seen since before 2013, which is likely to have been as a direct result of the COVID-19 pandemic. This level is equivalent to 4.2% of the Borough's total stock. This is higher than the turnover for Derbyshire which was 3.9% in 2017.

Figure 8.12 Property Sales and Stock Turnover 2002-2020



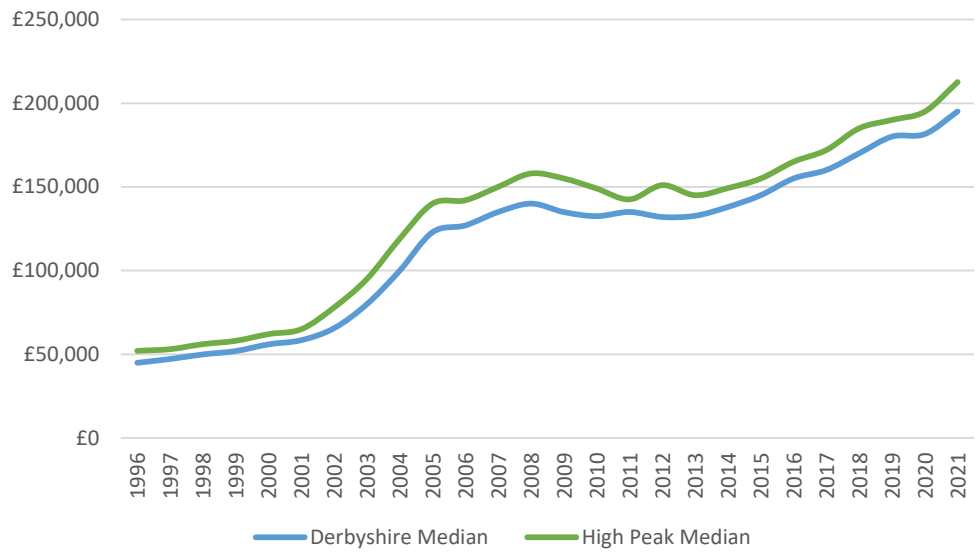
Source: ONS HPSSA Dataset 6 Residential Property sales for administrative geographies and DLUHC Live Table 125: Dwelling Stock Estimates by Local Authority District (2021)

Median, Mean, LQ and Upper Quartile house prices

8.39 House prices increased between 1996 and 2021 in the Borough, with a particularly steep increase between 2001 and 2005. This trend was mirrored across Derbyshire as a whole. Median house prices remained relatively stable between 2005 and 2015 and since this time have started to creep upwards. The median house price in the Borough has been broadly comparable to that of Derbyshire as a whole, albeit at a slightly higher level.

8.40 Analysing the change in median house price for Derbyshire and the Borough it is evident that there have been some clear impacts on the housing market which correlate with the recession. Figure 8.13 demonstrates that housing in the Borough followed the pattern seen across Derbyshire as a whole.

Figure 8.13 Median House Prices in High Peak and Derbyshire 1996 to 2021

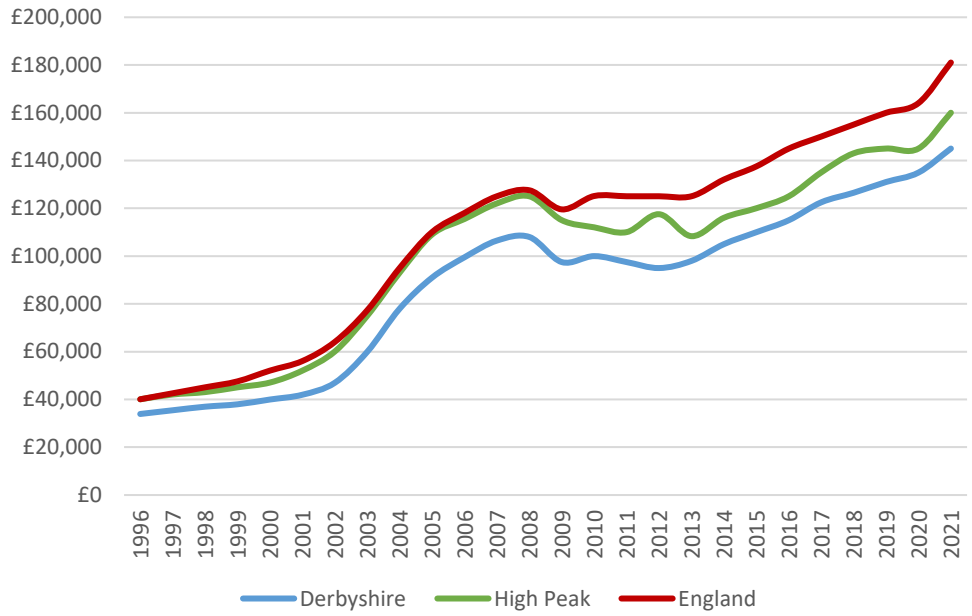


Source: HPSSA Dataset 9. Median house price for national and subnational geographies, quarterly rolling year

8.41 Figure 8.14 illustrates that in the period 1996 to 2009, Lower Quartile [LQ] house price in the Borough were broadly comparable to that of England and higher than in Derbyshire. The gap between the Borough and the County has remained relatively consistent throughout the period 1996 to 2021 although it has contracted slightly since 2012. In June 2021, the LQ house price in the Borough was £160,000. Lower quartile prices in Derbyshire and England at this time were £145,000 and £181,000 respectively.

8.42 There was an increase in lower quartile house prices in the Borough between 2000 and 2007. Between 2008-11 and 2012-13 LQ house prices in the Borough decreased, but have since risen substantially. This trend is not dissimilar to that experienced across the rest of Derbyshire and England as a whole. LQ house prices in High Peak and Derbyshire experienced a greater decline following a peak in prices in 2008 and have taken longer to recover than the national rate of change.

Figure 8.14 Lower Quartile House Prices in High Peak, Derbyshire and England 1996-2021



Source: HPSSA Dataset 15. Lower quartile house price for national and subnational geographies, quarterly rolling year

8.43 Table 8.7 presents median and LQ house prices in the Borough, Derbyshire and England from 2021. For each house type, the median and lower quartile prices for the Borough are higher than the Derbyshire average but lower than the national level with the exception of the LQ detached and semi-detached properties which exceed the national LQ mean by £22,500 and £6,000 respectively. As would be expected, median and LQ prices are highest for detached properties in the Borough at £385,000 and £310,000 respectively. Semi-detached properties cost approximately 40% of the price of detached properties, both for median (£220,000) and LQ (£181,000) prices.

Table 8.7 Median and Lower Quartile House Prices by House Type (2021) - High Peak Borough

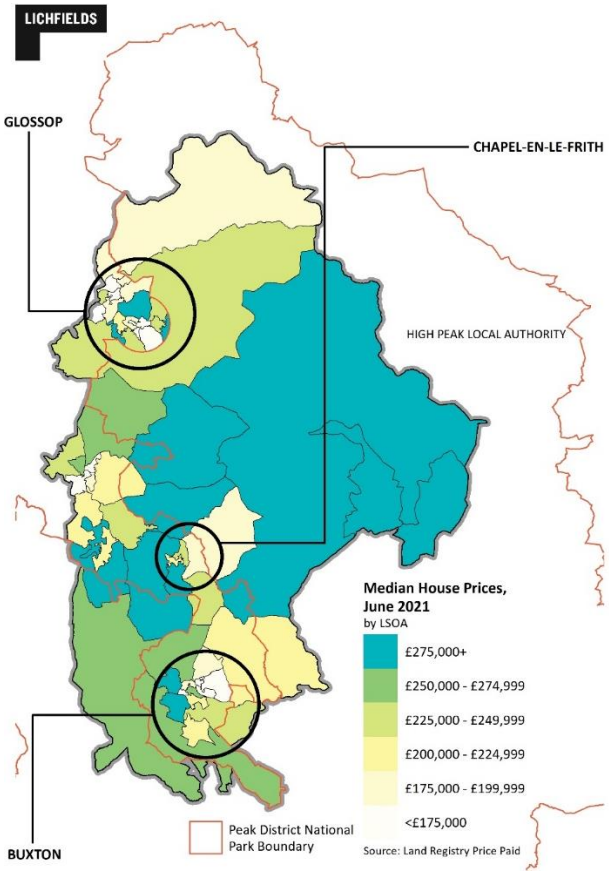
	Median			Lower Quartile		
	High Peak	Derbyshire	England	High Peak	Derbyshire	England
Detached	£385,000	£290,000	£385,000	£310,000	£234,000	£287,500
Semi-detached	£220,000	£171,500	£243,500	£181,000	£142,000	£175,000
Terraced	£165,000	£140,000	£215,000	£139,500	£112,000	£144,000
Flats/Maisonettes	£136,000	£118,500	£230,000	£108,500	£94,000	£146,000

Source: HPSSA Dataset 9 and Dataset 15

8.44 For both High Peak and Derbyshire County, the median and LQ price paid for terraced properties is greater than that for flats or maisonettes, whereas nationally, the median and lower quartile price for flats exceeds that for terraced properties, indicating the high cost of flats in cities.

8.45 Figure 8.15 illustrates the distribution of median house prices by LSOA across the Borough, based on HM Land Registry Price Paid Data for 2021. The highest median house prices (over £275,000) are found in the national park area of the Borough to the east and between the urban areas of Buxton and Chapel-en-le-Frith. The lowest median house prices (<£175,000) are found in the urban areas of Glossop, Buxton, and New Mills.

Figure 8.15 Median House Price Paid High Peak (June 2021)



Source: HPSSA Dataset 46. Median Price Paid for residential properties by LSOA

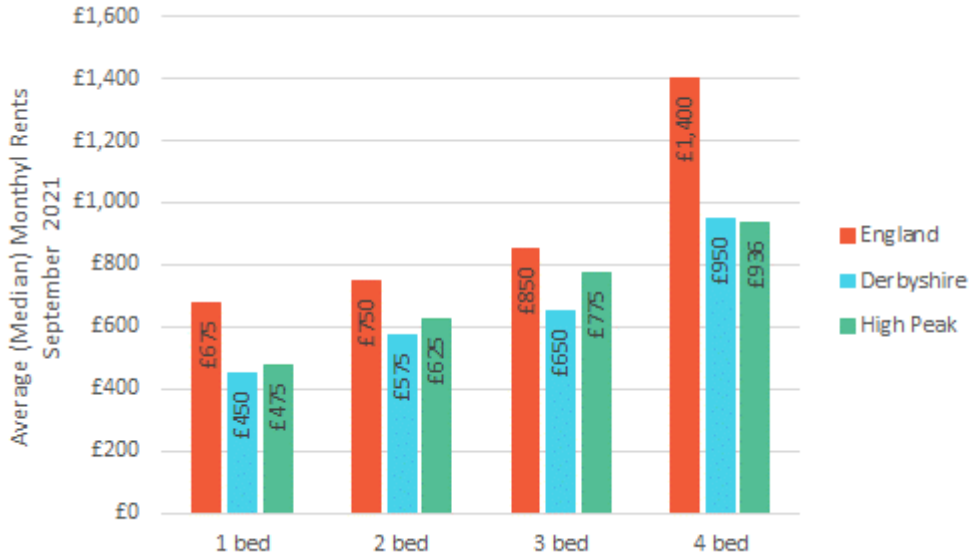
Rental Levels

8.46 High and increasing rents in an area are a further signal of stress in the housing market. Median rents in the Borough in September 2021 were £595 per month, with median rents ranging from £475 per month for a 1 bed property, to £936 per month for a 4+ bed house (Figure 8.16). The median rent paid in Derbyshire was slightly lower on average, at £575 per month. The range is marginally wider at the lower end, from £450 per month for a 1-bedroom dwelling to £950 for a 4+ bed house. Overall, rental values in the Borough are 26.9% below the national average.

8.47 The lower quartile cost across all types of housing for the period 1 April 2020 to 31 March 2021 was **£468 per month** in High Peak (**equivalent to £5,616 per annum**)[48].

[48] ONS Private Rental Market Statistics Summary of monthly rents recorded between 1 April 2020 to 31 March 2021 by administrative area for England. Note that the March 2021 figure of £468 was used as opposed to the £413 per month recorded in the latest September 2021 iteration, which appears anomalous in terms of national growth trends.

Figure 8.16 Median Monthly Rental Prices in High Peak, Derbyshire and England (2021)



Source: ONS (2021) Private Rental Market Statistics

8.48 Data on rents at a sub-district level is not available in any publicly available datasets. A search for 1 to 4-bed homes available to rent in the Borough as of January 2022 showed that 68 properties were available, with average rents summarised in Table 10.2:

Table 8.8 Private Rental Prices in High Peak Borough per calendar month (January 2022)

	Number of properties available for private rent	UQ Rents	Median Rents	**LQ Rents**	**LQ Rents as a % of Borough Total**
Buxton Sub Area	21	£750.00	£550.00	**£499.00**	**87.7%**
Central Area	10	£800.00	£750.00	**£575.00**	**101.1%**
Glossop Sub-Area	34	£850.00	£725.00	**£675.00**	**118.7%**
Peak District National Park (within High Peak)	3	£1,175.00	£850.00	**£800.00**	**140.7%**
High Peak Borough	**68**	**£850.00**	**£725.00**	**£568.75**	**100.0%**

Source: Lichfields search of property websites January 2022

8.49 Median rents across all house types and sizes range from £550 pcm in Buxton to £800 in the National Park. The LQ rent across the Borough, based on the 68 properties on the market in February 2022, was £569 pcm. Buxton sub-area had the lowest LQ rents (£499 pcm) whilst the highest were experienced in the National Park (£800 pcm), although this may in part reflect the small number of properties that were listed for rent at the time of data collection.

Affordability Ratios

8.50 The former SHMA Practice Guidance (2007) defines affordability as a *'measure of whether housing may be afforded by certain groups of households'* (Annex G). A household can be considered able to afford to buy a home if it costs 3.5 times the gross household income for a single earner household or 2.9 times the gross household income for dual-income households. Where possible, allowance should be made for access to capital that could be used towards the cost of home ownership (page 42).

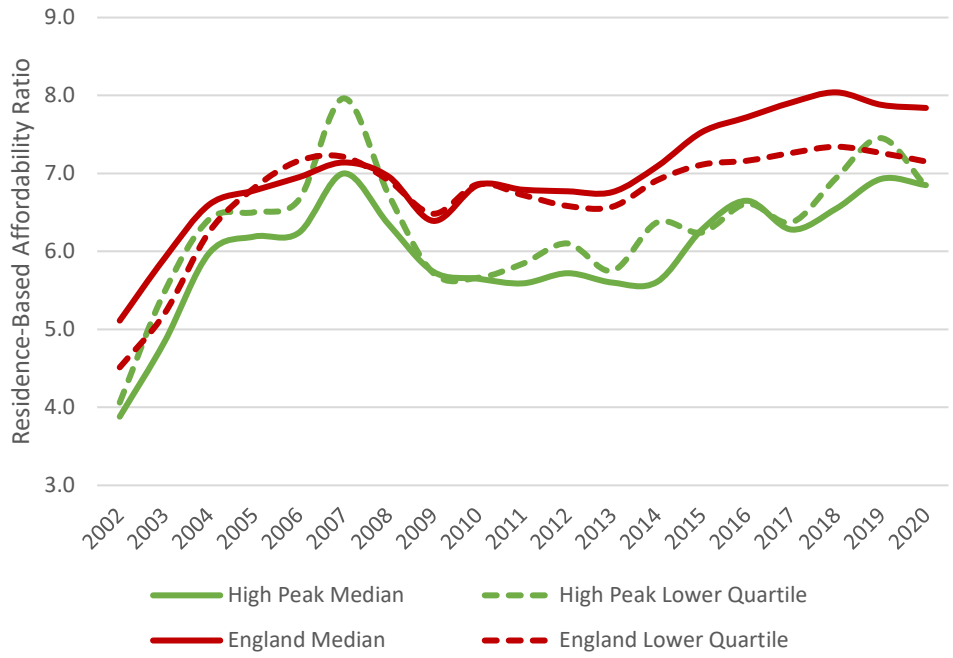
8.51 The PPG's standard methodology for calculating local housing needs incorporates the most recent median workplace-based affordability ratios as an uplift to the average annual household growth. This is a helpful measure of identifying areas where the market is under stress, as affordability involves comparing costs against a households' ability to pay, with the higher the ratio, the more unaffordable a home is in that locality.

8.52 As shown in Figure 8.17, the ratio of median house price to median residence-based earnings in the Borough was 6.85 in 2020. This means that when set against the median gross annual earnings of people living in High Peak Borough were £28,474, median house price of £195,000 in September 2020 - 6.85-times higher. To set this into context, the Bank of England imposes a loan to income flow limit which restricts the number of mortgages that lenders can grant to borrowers at ratios at or greater than 4.5-times the borrower's salary; hence it is unusual for a lender to consider a higher loan-to-income ratio than 4.5, and certainly not 6.85. To be able to afford a median house price in High Peak, residents would therefore need to be earning around £43,330 at the maximum loan-to-income ratio of 4.5. This is well in excess of the average income in High Peak Borough, demonstrating the extent to which home ownership is an unaffordable aim for many.

8.53 Even so, this 6.85 AR for High Peak Borough is lower than the median affordability ratio for England, which was 7.84 in 2020. LQ affordability ratios in High Peak have remained relatively in line, albeit often slightly higher than, the median quartile (6.83 in 2020). The increase in LQ affordability ratios in High Peak indicate that even the lower price houses may be unaffordable to those on lower incomes living in High Peak. So, this means that the lowest 25% of earners living in High Peak Borough had an average wage of £21,965 in September 2020. When set against the lower quartile house prices of £149,950, this equates to a ratio of 6.83. Again, to be able to borrow (assuming no deposit) the £149,950 at a loan-to-income ratio of 4.5, borrowers would have to earn £33,320 annually – itself above the Borough's average wage in 2020, and house prices continue to rise rapidly.

8.54 In general, affordability ratios have increased over time, highlighting that properties have become less affordable, although the median and LQ affordability ratio for the Borough decreased significantly between 2007 and 2013, coinciding with the recession.

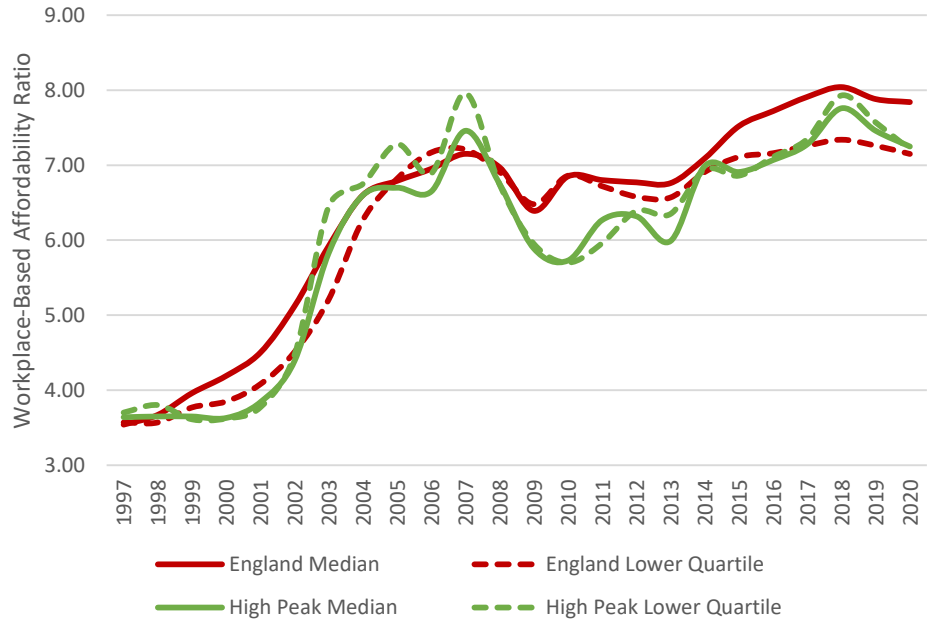
Figure 8.17 Residence-based Median/ Lower Quartile Affordability Ratios for High Peak and England



Source: ONS Ratio of House Price to Residence-based Earnings (Lower Quartile and Median)

8.55 Workplace-based affordability ratios are similar in the Borough to residence-based ratios. In 2020, the ratio of median house price to median workplace-based earnings was 7.25 and the LQ ratio was 7.21 (Figure 8.18). This presents a similar picture to that of residence-based affordability ratios where median and LQ ratios are largely in line with one another, within the Borough. This compares to a median affordability ratio for England of 7.84 and an LQ ratio of 7.15. This again indicates that even lower-priced houses may be unaffordable to those on lower incomes working in High Peak. This is the same for both people living and working in the Borough.

Figure 8.18 Workplace-Based Median/ Lower Quartile Affordability Ratios for High Peak and England



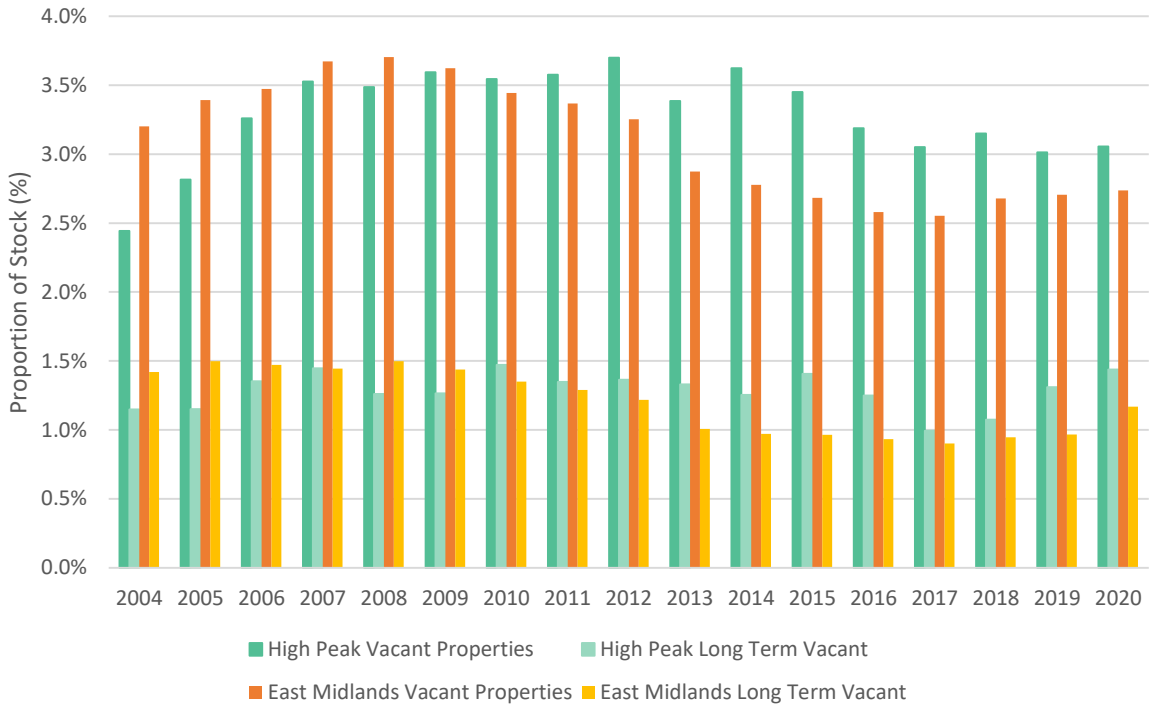
Source: ONS Ratio of House Price to Workplace-Based Earnings (Lower Quartile and Median)

Vacancy Rates

8.56 As of 5th October 2020, the Government[49] recorded a total of 1,312 vacant dwellings in the Borough. Of these dwellings, 617 were classified as 'long term' vacant properties (i.e. they had been vacant for longer than 6 months). Homes become vacant for many reasons, including natural churn in the market (e.g. a void between tenancies or short-term vacancies as people move home). However, long term vacancies may indicate either structural weaknesses in the housing market (e.g. low demand) or may be reflective of problems with the stock of housing (e.g. condition or type). Of the 1,312 vacant dwellings, 321 are categorised as second homes (24.5%).

8.57 Across the Borough, overall vacancy rates remained between 2.4% and 3.7% over the period 2004 to 2020. The overall vacancy rate has been relatively stable over the period as shown in Figure 8.19. The vacancy rate peaked in 2012 at 3.7% and has since remained broadly around 3%.

Figure 8.19 Total and Long-Term Vacancy Rates in High Peak Borough and the East Midlands



Source: DLUHC Live Table 615 Vacant dwellings by local authority district and DLUHC Live Table 125: Dwelling Stock estimates by local authority district

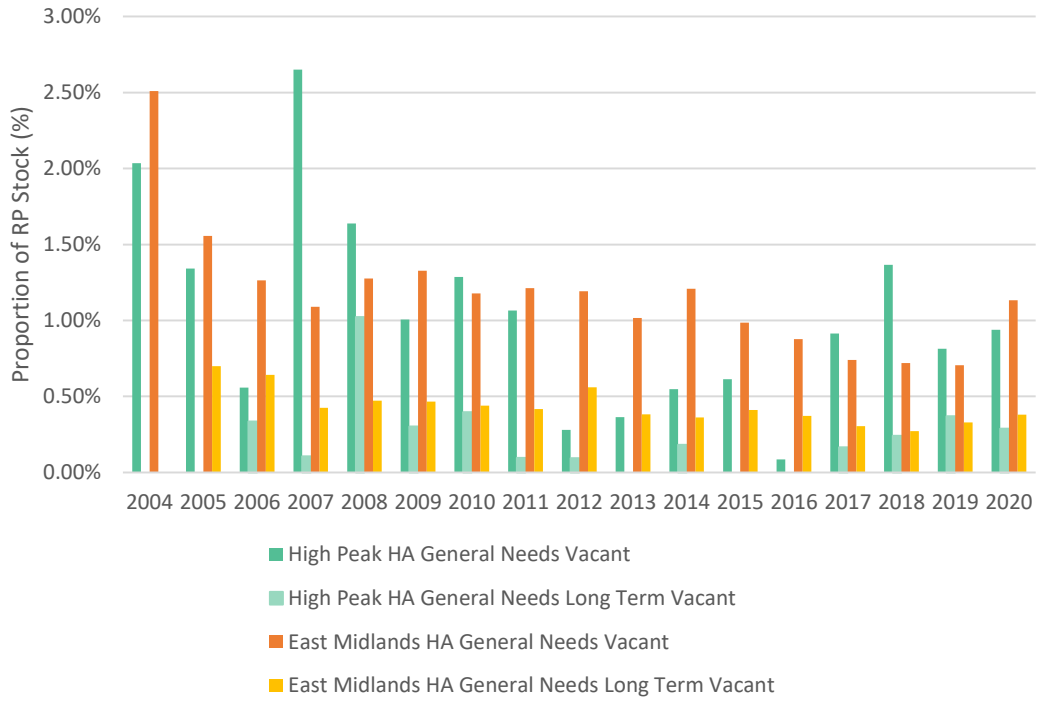
8.58 Long term vacancy rates in the Borough have also remained relatively constant, between 1% and 1.5% between 2006 and 2011. There was a period from 2015 to 2017 where long term vacant properties saw a decline; however, from 2018 the figure has creeped back up to 1.4% in 2020. The long-term vacancy figure in High Peak has remained higher than the East Midlands rate since 2010.

8.59 Figure 8.20 illustrates the number of vacant social housing in the Borough between 2004 and 2020. In 2020, the amount of vacant Registered Provider dwellings as a proportion of stock was 0.94%, whilst the long-term vacancy rate was just 0.29%. Whilst a certain level of voids is normal and allow for transfers and works to properties, the former SHMA Guidance (page 48) noted that a social housing vacancy rate in excess of 3% (and properties which are vacant for

[49] Calculation of Council Tax Base for Formula Grant Purposes, October 2020

considerable periods of time), should be counted as surplus stock. Therefore, a figure more than two thirds lower than this is very low.

Figure 8.20 Vacant Registered Provider Dwellings in High Peak and the East Midlands 2004 - 2020



Source: DLUHC Live Table 615: Vacant dwellings by Local Authority district and DLUHC Live Table 115: Dwelling Stock: RRP Stock by district

8.60 In terms of the differences in tenure on vacant homes, Government data for the Borough shows that 13 Registered Provider properties were vacant in 2020, with just four of those comprising long term vacancies. This indicates a much lower level of total vacancy within affordable tenures than the private market and very few long-term vacant properties, which could be suggestive of a mismatch between demand and supply in the Borough.

Overcrowding and Homelessness

8.61 Indicators on overcrowding, sharing households and homelessness can demonstrate unmet need for housing within an area. The previous 2014 version of the PPG stated that indicators on:

"...overcrowding, concealed and sharing households, homelessness and the number in temporary accommodation demonstrate unmet need for housing. Longer term increases in the number of such household may be a signal to consider increasing planned housing numbers..."[50].

8.62 Whilst this section has now been removed from the latest iteration of the PPG, overcrowding and homelessness nevertheless represents an important housing market indicator.

8.63 The Census measures overcrowding based on a standard formula; this measures the relationships between members of a household (as well as the number of people in that household) to determine the number of rooms they require. A rating of -1 or less indicates a household has one fewer room than required, +1 or more indicates a household has one or more

[50] §2a-019-20140306

rooms than needed. At the national level, affordability issues in recent years, as well as a shortfall in housing supply, have meant that people are either willing to accept sub-optimal living conditions (e.g. living in a smaller home to manage costs) or are forced into accepting such housing outcomes (e.g. are priced out of the market and have to share with friends/family).

8.64 Table 8.9 illustrates that overcrowding against the occupancy rating in the Borough is not considered to be severe, with just 4.0% of households living in a dwelling that is too small for their household size and composition. This figure is almost double that of Derbyshire where just 2.1% of households are living in a dwelling that is too small and against East Midlands with a figure of 3.1%. However High Peak remains well below the national average of 8.7%. The situation has improved over time in High Peak with the occupancy rating decreasing against the national average.

8.65 It is recognised that Census 2011 data is now quite dated and there have been significant changes to welfare policy since the Census. However, it remains the most comprehensive data set which is available to assess these issues.

Table 8.9 Overcrowding: Household Room Occupancy Rating

	2001			2011		
	Total Households	-1 room occupancy or less	-1 room occupancy or less (%)	Total Households	-1 room occupancy or less	-1 room occupancy or less (%)
High Peak	**37,067**	**1,583**	**4.3%**	**38,946**	**1,546**	**4.0%**
Derbyshire	308,871	9,666	3.1%	332,637	7,141	2.1%
East Midlands	1,732,482	77,146	4.5%	1,895,604	59,298	3.1%
England	20,451,427	1,457,512	7.1%	22,063,368	1,928,596	8.7%

Source: Census 2001/ Census 2011

Note: the definition of the Census 'bedroom standard' is slightly different from the 'occupancy rating' that informs the Government's Under-Occupancy Charges, i.e. the Census states that 'two persons of the same sex aged between 10 and 20' can occupy one bedroom, whilst the Under-Occupancy Charge changes this to 'any two children of the same sex aged under 16'. It is possible that if the Government's policy continues into the long term, then changes will be made to the categorisation of the Census's Occupancy Rating to bring the two datasets into line.

8.66 The Census also recorded the number of concealed families, i.e. where there is more than one family present in a household. Nationally, this rose significantly between 2001 and 2011, at least in part due to the impact of recession on younger households' ability to afford their own home. This meant that many younger people, including families, remained in the family home for longer than might have been expected in the past, either through choice (to save money) or through necessity.

8.67 At the time of the 2011 Census, 1.9% of all families in England were concealed; this represented 275,954 families. This is a rise compared to 2001, when 1.2% of families were concealed. In the Borough, there were 253 concealed families at the time of the 2011 Census, representing 1.2% of all families. The Borough has a smaller proportion of concealed families (1.2%) than the East Midlands (1.6%) and the national average (1.9%). This is shown in Table 8.10.

Table 8.10 Concealed Families in High Peak, Derbyshire, East Midlands and England 2001 - 2011

	2001		2011		Change in number of concealed families	% change in number of concealed families
	No.	%	No.	%		
High Peak	212	0.8%	253	1.2%	+41	19.3%
East Midlands	11,708	1.0%	20,403	1.6%	+8,695	74.3%
England	161,254	1.2%	275,954	1.9%	+114,700	71.1%

Source: Census 2001/2011

8.68 The levels of overcrowding and concealed households in the Borough are therefore relatively modest when compared with the national level. The growth in the number of concealed families in the Borough (+19.3%) has remained well below the growth of the East Midlands (+74.3%) and the national average (+71.1%).

8.69 The level of overcrowded households may also reflect cultural preferences of some households who chose to live with multiple generations and extended family members through choice rather than necessity. The level of overcrowding and number of concealed households is not so significant so that we can conclude that there is severe market pressure, but it nevertheless highlights a degree of inadequacy in the housing market.

8.70 Levels of overcrowding are therefore stable in the Borough, whilst the rate at which national and in other areas within the region is increasing. In this regard, the level of overcrowding in the Borough has improved between 2001 and 2011, from 4.3% to 4.0% (by way of comparison, the lowest rate nationally was 1.96%, in Broadland, whilst the highest in 2011 was 34.90% in Newham). The national rate was 8.7%, substantially higher than that of the Borough.

Summary

8.71 From this analysis the following points are of note:

- Sales had recovered from their 2008-09 low, reaching 1,672 in 2017. However, property sales have been on the decline again after their 2017 high, dropping to 1,213 in 2020, which represents 4.1% stock turnover. Property sales declined since their 2017 high, dropping to 1,213 in 2020, which represents a 3.0% stock turnover.
- The median house price in the Borough was £212,625 in 2021, slightly above the Derbyshire average (£195,000). Median house prices have increased since 1995, stabilising between 2007 and 2015 as a result of the recession. LQ house prices followed the same pattern over time. In 2021, the lower quartile house price in the Borough was £160,000, which is below the national average but higher than that for Derbyshire.
- Private rents in the Borough range from £475 pcm for a 1-bedroom property to £936 pcm for a 4+ bedroom property. These values are comparable to the Derbyshire average but are lower than the national average, particularly for larger property sizes.
- Median affordability ratios (both residence and workplace-based) have generally increased over time, indicating worsening affordability. So for example, to afford a median house price, residents would need to earn £43,330 at the maximum loan-to-income ratio of 4.5, a figure over 50% higher than the actual median earnings. Indeed, the median house price has been above the 4.5 loan to income ratio ever since 2003. LQ ratios in High Peak are roughly in line with median ratios, indicating that market pressures are being felt comparable across all sections.

- Total and long-term vacancy rates are generally stable but have decreased slightly in recent years and are above the Derbyshire average. There is a much lower level of total vacancy within affordable tenures than the private market and very few long-term vacant properties.
- Overcrowding is not considered severe in High Peak, with only 4.0% occupying a property too small for their requirements. This is however almost double the figure for Derbyshire (2.1%) and higher than East Midlands (3.1%), but lower than the national average. The proportion of concealed families is lower than the regional and national averages.

Affordable Housing

8.72 The supply of new affordable dwellings provided in the Borough has fluctuated in line with market factors in recent years. Table 8.11 demonstrates that affordable housing completions in the Borough peaked in 2018/19, at 115 affordable dwellings (all of which were for affordable rent). This figure appears to be a blip, however; the average affordable housing completion rate over the past 10 years has been 33 dpa, and 7 of the 10 years actually delivered less than this.

Table 8.11 Affordable Housing Delivery in High Peak Borough

Type of affordable housing delivered	Social Rent	Affordable Rent	Intermediate	**Total**
2011/12	32	0	0	**32**
2012/13	25	0	2	**27**
2013/14	0	0	0	**0**
2014/15	18	22	0	**40**
2015/16	13	0	0	**13**
2016/17	23	23	0	**46**
2017/18	0	15	0	**15**
2018/19	0	115	0	**115**
2019/20	0	24	0	**24**
2020/21	0	16	0	**16**

Source: DLUHC Live Tables 1006 to 1009: Affordable Housing Supply Statistics 2020-21. Note: according to HPBC Officers, it appears that there are discrepancies between DLUHC figures and HBPC's own, which are derived from liaison with RPs

8.73 As set out in further detail in section 11.0 of this report, there were 1,173 households on the Housing Register as of December 2021. According to HPBC Housing Officers, of this total, 365 are identified as being 'non-priority' for housing, leaving the remaining 808 as being classified as being in priority need of social housing. This equates to a total of 309 households in need of social housing in Glossop, followed by 233 in Buxton, 219 in the Central Area and just 28 in that part of the National Park that lies within High Peak Borough's administrative boundaries.

9.0 Local Housing Need

Introduction

9.1 The NPPF supports the Government's objective of significantly boosting the supply of homes by ensuring that a sufficient amount and variety of land can come forward where it is needed; meeting the needs of groups with specific housing requirements; and ensuring that land with planning permission is developed without unnecessary delay [§60]. It states that to determine the minimum number of homes needed in an area, strategic policies should be informed by a LHN assessment, conducted using the standard method as set out in the PPG, unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals.

9.2 This section reports the findings of this analysis for the Borough.

Starting Point – Standard Methodology

9.3 In August 2020 the Government undertook consultation on changes to the standard method which looked to incorporate more recent household projections (2018-based SNHP) and remove the cap that limits the level of local housing needs. The Government's "*Response to the local housing need proposals in 'changes to the current planning system"*[51]*, published* in December 2020, confirmed that the Government would not be proceeding with the proposed changes to the standard method; instead proceeding with a reformed standard method which reflects their commitment to levelling up and enables regeneration and renewal of urban areas.

9.4 Regarding the calculation of housing need, the NPPF states that:

"To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for." [§61]

9.5 With regards to the National Park, it is acknowledged that special circumstances apply regarding the calculation of housing need, with greater weight being given to conserving and enhancing landscape and scenic beauty. The PPG states that National Parks may continue to identify a housing need figure using a method determined locally, but in doing so will need to consider the best available information on anticipated changes in households as well as local affordability levels[52]. As a result, the scale and extent of development within the National Park should be limited, while development within its setting should be sensitively located and designed to avoid or minimise adverse impacts on the designated areas. [NPPF §176]

9.6 At present, the standard methodology would result in a local housing need figure of 260 dpa for High Peak Borough. This has been generated as follows.

9.7 As HPBC's Local Plan is more than 5-years old, the LHN is based on the 2014-based household projections for 2022-2032. This equates to household growth of 205 per annum (43,599 households in 2032, minus 41,547 households in 2022 equates to 2,052 households, or 205.2 per year over ten years).

[51] https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-local-housing-need-proposals-in-changes-to-the-current-planning-system
[52] 2a-01-20190220

9.8 The affordability uplift equates to 26.5%, based on a high workplace-based affordability ratio of 8.24 in 2021, calculated as follows:

- Median local workplace-based affordability ratio[53] (2021) = 8.24
- deduct 4 = 4.24
- divide by 4 = 1.06
- multiply by 0.25 = 0.265 (or 26.5%).

9.9 Applying the 26.5% uplift to household growth of 205 per annum equates to 260 dpa.

9.10 In terms of whether a cap should be applied, HPBC's adopted Local Plan figure is 350 dpa which equates to 7,000 dwellings over the period 2011 – 2031 (Policy S3). The Plan was adopted in April 2016 and therefore at the time of writing (summer 2022) it is more than 5 years old. The PPG states that where relevant strategic policies were adopted more than 5 years previous (as in the case of HPBC), the LHN figure is capped at 40% above whichever is the higher of:

- the projected household growth for the area over the 10-year period identified in step 1 (i.e. 205 x 140% = 287 dpa); or,
- the average annual housing requirement figure set out in the most recently adopted strategic policies (i.e. 350 x 140% = 490 dpa).

9.11 As the capped figures in the examples above are greater than the minimum annual LHN figure, this does not limit the increase to the Borough's minimum annual housing need figure which should remain 260 dpa.

9.12 **The starting point for assessing local housing need in High Peak is therefore 260 dpa and is used as the minimum LHN starting point for the remainder of this report.**

Consideration of a different figure to the LHN generated by the standard method

9.13 The NPPF is clear that the standard methodology is the default approach for calculating local housing need unless there are "*exceptional circumstances*" which could justify an alternative approach which also reflects current and future demographic trends and market signals [paragraph 61].

9.14 The Government is clear that the figure derived by the LHN target is intended to be a minimum figure, with justifications to go below this relating to environmental or policy constraints rather than issues over the reliability of the SNHP:

"Local housing need does not represent a mandatory target – it is simply a starting point for planning, and local authorities may either choose to plan in excess of this or to conclude that they are not able to meet all housing need within their boundaries, for example due to constraints such as protected designations and Green Belt, or whether that need is better met elsewhere. This means there is flexibility for local authorities to manage movements in local housing need locally."[54]

9.15 The PPG states that once a strategic policy-making authority has established a housing need figure, it will need to consider the extent to which it can be met, which presumably factors in the

[53] ONS (2022): Ratio of median house price to median gross annual workplace-based earnings by local authority district, England and Wales, 1997 to 2021

[54] DLUHC (October 2018): *Technical consultation on updates to national planning policy and guidance*, page 13

aforementioned policy considerations. These are therefore outside the scope of a HELNA and are for HPBC and PDNPA to consider as part of its plan-making process.

9.16 However, the PPG also sets out that there will be circumstances when a higher figure than that generated by the standard method might be considered. This is because the standard method does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour.

9.17 Circumstances which might justify an uplift include where[55]:

- "*growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
- *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground.*

There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities are encouraged to make as much use as possible of previously-developed or brownfield land, and therefore cities and urban centres, not only those subject to the cities and urban centres uplift may strive to plan for more home. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests."

9.18 In particular, the latest version of the NPPF is quite clear that when planning for housing and employment land, the approach should be an integrated one:

"*Planning policies should* (inter alia):

c) seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment" [paragraph 82 c]

9.19 This is re-iterated later in the document:

"To provide the social, recreational and cultural facilities and services the community needs, planning policies and decisions should (inter alia)*:*

e) ensure an integrated approach to considering the location of housing, economic uses and community facilities and services." [paragraph 93 e]

9.20 The PPG also provides guidance on how the housing needs of particular groups relate to the overall housing need calculated using the standard method:

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

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

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

[55] PPG Reference ID: 2a-010-20201216

- *the extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and the anticipated deliverability of different forms of provision, having regard to viability. The household projections that form the baseline of the standard method are inclusive of all households including travellers as defined with Planning Policy for Traveller Sites.*[56]*"*

9.21 The PPG goes on to give additional guidance as to how the needs should be met in the future for older people, disabled people and planning policy for traveller sites. The PPG[57] states that for rural areas:

"The nature of rural housing needs can be reflected in the spatial strategy set out in relevant policies, including in the requirement figures for any designated rural areas. A wide range of settlements can play a role in delivering sustainable development in rural areas, so blanket policies restricting housing development in some types of settlement will need to be supported by robust evidence of their appropriateness."

9.22 For the purposes of this study however, the needs of individuals living in communal C2 accommodation, such as elderly residents living in Care Homes and students living in halls of residence, have been assessed separately.

9.23 Finally, the PPG also requires a calculation to be made of the total annual need for affordable housing, as detailed above.

9.24 The remainder of this chapter addresses each of the aforementioned elements in order to assess whether exceptional circumstances exist to justify uplifting the 260 dpa LHN figure generated by the standard method.

Demographic Analysis

Population Projections

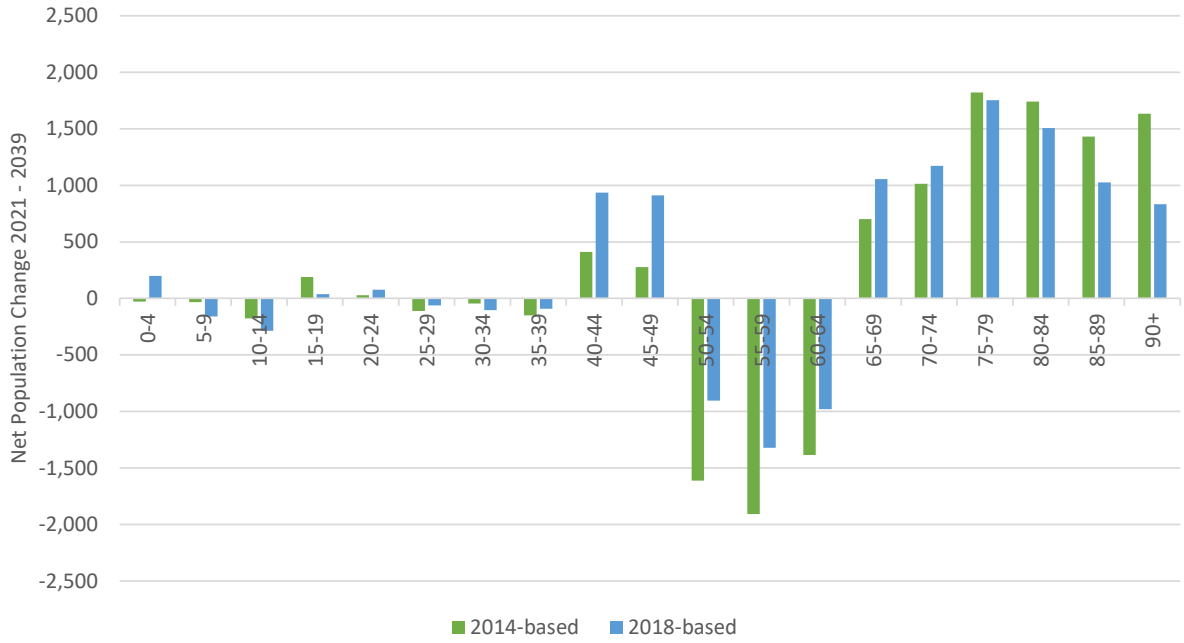
9.25 The SNPP estimate the population of all local authorities in England over the period for a 25-year period and are based on the assumption that demographic trends (births, deaths and in/out migration) that were experienced during the preceding 5/6-year period will continue into the future.

9.26 The 2018-based SNPP are the most up-to-date population projections published in March 2020, these update the 2016-based projections. However, as mentioned previously, the 2014-based SNPP are used to inform the demographic starting point for the assessment of local housing needs in this study, in alignment with the NPPF's aim to 'significantly boosting the supply of homes[58] and the aim of delivering 300,000 new homes by the mid-2020s.

9.27 The 2014-based SNPP suggests that the population of High Peak will increase by 3,795 people over the period 2021 and 2039 (+4.1%) the end date of these projections, equivalent to 211 persons per annum. Unusually, this is weaker growth than is projected by the 2018-based SNPP which projects a growth of 5,594 over the same time period 2021 – 2039 (6.0%); equal to 311 persons per annum. This contrasts with the national picture, which generally sees much more significant growth projected in the 2014-based SNPP than for the more recent 2018-based equivalents.

[56] PPG: ID: 67-001-20190722
[57] PPG: ID: 67-009-20190722
[58] NPPF (2021) paragraph 60

Figure 9.1 Components of population change in High Peak Borough 2021 – 2039



Source: 2014-based SNPP vs 2018-based SNPP

9.28 Figure 9.1 indicates that across the individual age cohorts there is:

- A positive growth in 0-4-year olds in the 2018-based SNPP, compared to a very slight negative growth projected by the 2014-based SNPP;
- Greater positive growth in those aged 40-49 in the 2018-based SNPP compared to the 2014-based projections;
- Reduced negative growth in those aged 50 – 64 in the 2018-based SNPP compared to the 2014-based SNPP; and,
- Significant growth of older age groups in both the 2014 and 2018-based SNPP projections with the strongest growth amongst those aged 75 - 79 years.

9.29 The general message emerging from both sets of projections is that future population growth in High Peak will be driven by retirees, and particularly those aged 75 and above. In stark contrast, the number of residents in their 50s and early 60s is projected to decline significantly over the next 20 years or so; for example, in the 2014-based SNPP, the number of residents aged between 50 and 64 is projected to decline by 4,903. This could have a negative impact on the local economy due to a declining labour force unless there are measures implemented to increase the employment rate. In contrast, the number of older residents over 65 is projected to increase by 8,343 over the next 18 years (2021 – 2039).

9.30 According to the 2014-based SNPP, the population change in the Borough over the Local Plan period is expected will be driven by net (internal) migration from elsewhere in England, in the order of c.4,400 people over the period 2021-2039. Net international migration is expected to contribute c.80 immigrants over the projection period. Natural change is expected to be negative over the period as a result of a greater number of deaths compared to births across the Borough.

Household Projections

9.31 As a consequence of the upward revisions to the population projections highlighted above, there have also been considerable revisions to the 2018-based Sub-National Household Projections [SNHP] compared to the growth forecast in the 2014-based equivalents. This was a consequence of two main factors:

1 The revised 2018-based population projections upon which the SNHP are based; and,

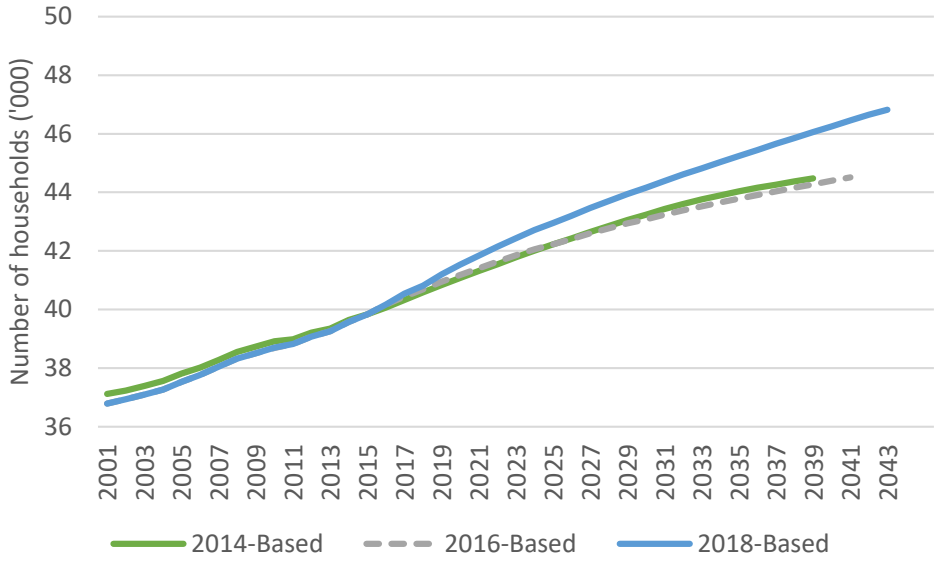
2 The changes to the methodology underpinning the 2018-based SNHP.

9.32 The 2018-based SNHP are the second set to be produced by the ONS. The methodology underpinning the projections continues (in line with the 2016-based projections) to assess household trends on a shorter time period, back to 2001 compared to previous projections which utilised a longer trend back to 1971. This change in methodology implied a much sharper decline in formation rates in the shorter term.

9.33 Over the 25-year period the 2014-based projections project an average household growth of **170 households per annum [hpa]** compared to the **231 hpa** for the 2018-based SNHP. The rate of growth projected by the 2014-based projections is therefore considerably weaker than the 2018-based SNHP for the Borough, although it is virtually identical to the level forecast under the 2016-based SNHP.

9.34 The 2014-based projections suggest that by 2039 there will be around 44,700 households in the Borough, c. 1,700 fewer than is projected in the 2018-based SNHP.

Figure 9.2 Household Growth Projections for High Peak Borough

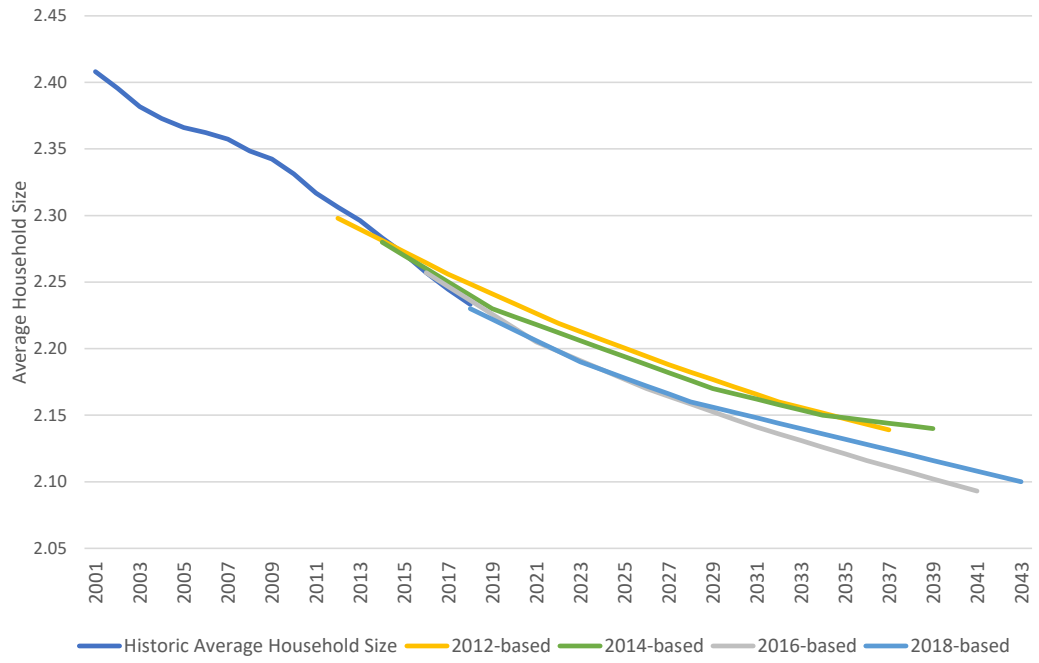


Source: DLUHC 2014 and ONS 2016 / 2018 Household Projections

Household Formation Rates

9.35 Figure 9.3 illustrates how the average household size in High Peak has declined historically and how the rate of change has subtly shifted for each of the most recent SNHP. Whilst all four projections agree that there will be a steady decline in average household size, the 2016-based projections suggest that the average household size will decline at the fastest rate to just 2.09 by 2041, whilst the 2018-based SNHP suggest that it will equate to 2.11 residents per household at this point. The 2014-based projections suggest that by 2039 (the end year for the forecasts), average household size in the Borough will be 2.14.

Figure 9.3 Historic and Projected Average Household Size in High Peak Borough

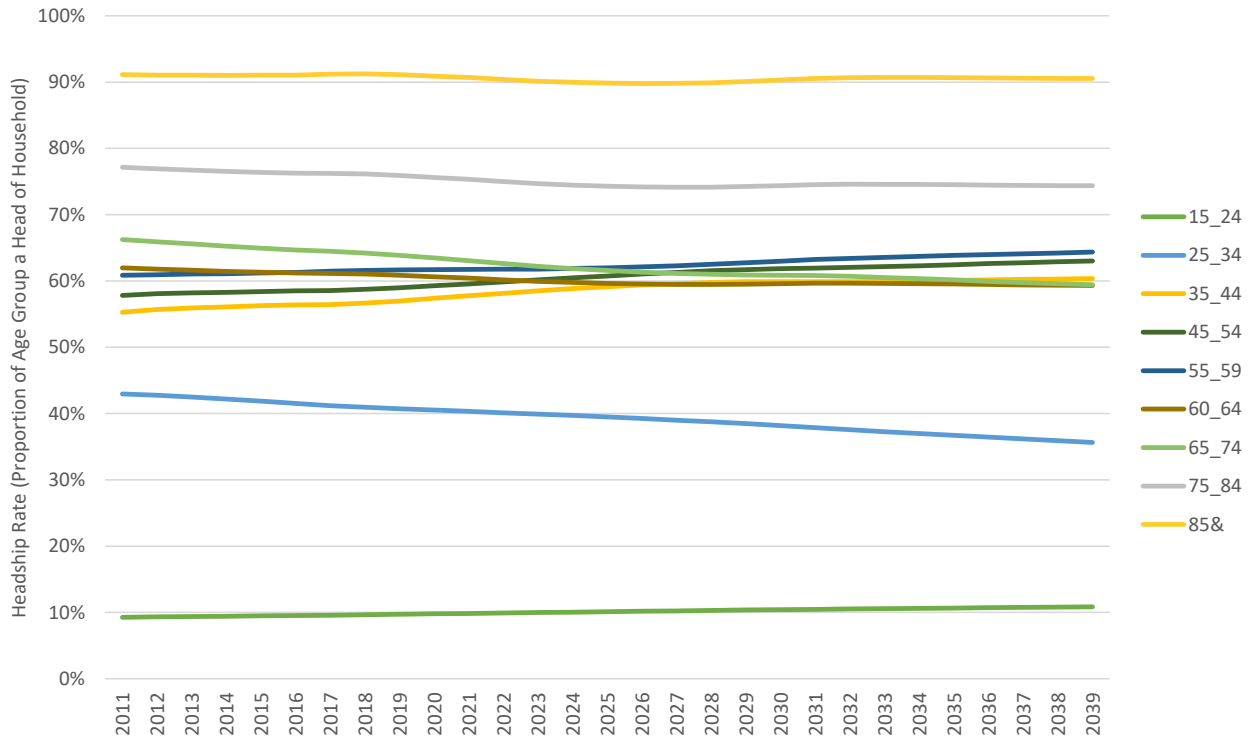


Source: DLUHC 2012 / 2014 and ONS 2016 / 2018 Household Projections

9.36 In order to assess how many homes will actually be required in the Borough over the Local Plan period (2021 to 2041), it is important to consider the extent to which household formation rates might be expected to increase in the future. For example, the SNHP also 'bake in' current constrained levels of household formation due to the current affordability crisis (which particularly impacts on the ability of younger residents to move onto the property ladder).

9.37 The 2014-based SNHP anticipate significantly different levels of change in headship rates across the various age cohorts, as set out in Figure 9.4.

Figure 9.4 Change in headship range by age cohort – 2014-based SNHP

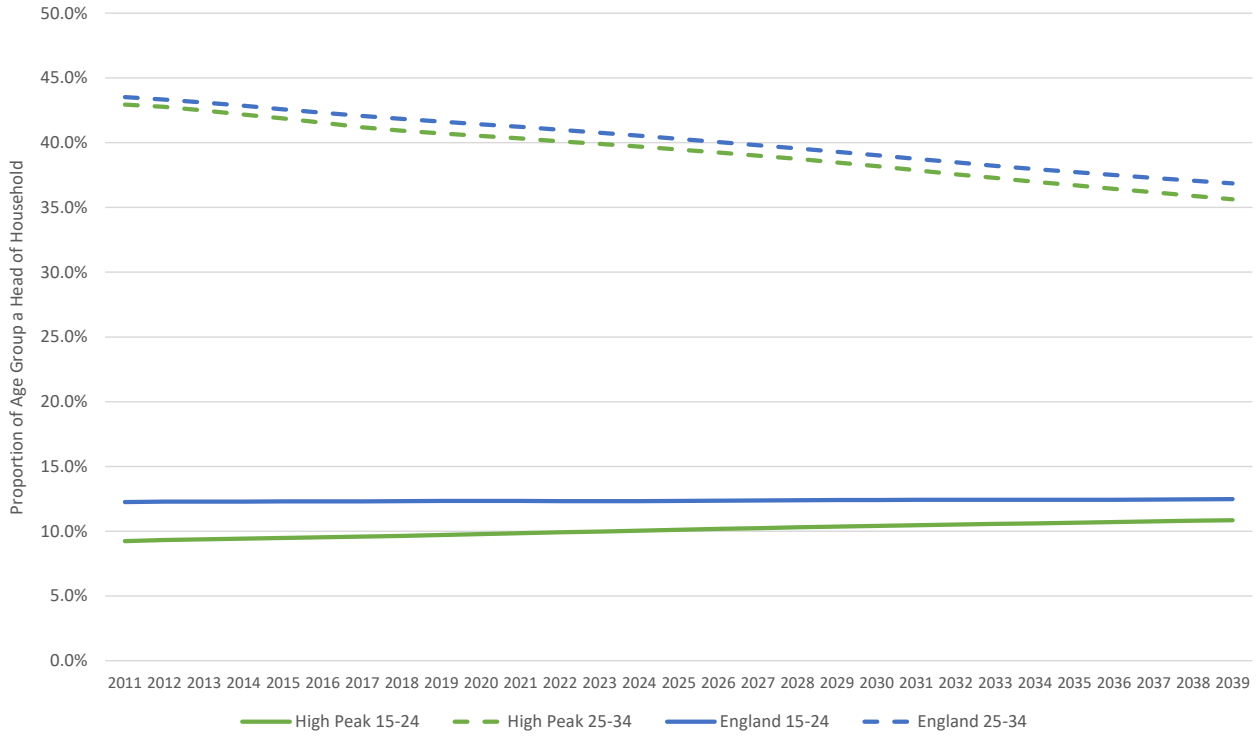


Source: DLUHC 2014-based SNHP for High Peak Borough

9.38 The various household formation rates by age cohort reflect the fact that few people aged between 15 and 24 are likely to be able to establish their own households, whilst the 25 to 34 age cohort is similarly (and increasingly) likely to face pressures in establishing households. The projection suggests that headship rates amongst 25-34 year olds are likely to decrease significantly over the plan period. By contrast, the headship rate is likely to remain very high amongst older people (noting that these figures do not include those that live within institutions such as nursing homes).

9.39 Figure 9.5 shows the headship rates for the age groups 15 to 24 years and 25 to 34 years for both High Peak Borough and England. It is apparent that the headship rates are lower in the Borough than the national average for both 15 to 24 year olds and 25 to 34 year olds.

Figure 9.5 Headship Rates for 15 to 34 year olds for High Peak and England



Source: 2014-based SNHP/Lichfields Analysis

Table 9.1 Headship Rates for 15 to 34 year olds (2021 to 2039)

	2021	2039	Difference
High Peak 15-24	9.8%	10.9%	+1.1%
England 15-24	12.3%	12.5%	+0.2%
High Peak 25-34	40.3%	35.6%	-4.7%
England 25-34	41.2%	36.9%	-4.3%

Source: 2014-based SNHP/ Lichfields Analysis. Note – headship rates unavailable up to 2041 as the 2014-based SNHP only provides data up to 2039, 25 from the base year of 2014.

9.40 The analysis in Table 9.1 indicates that the propensity for younger people in the Borough to form a head of a household is lower than the national average. As a result, in the subsequent sections of this report a partial catch-up rate [PCU] for households aged 15 to 34 has been considered appropriate when assessing future housing need in High Peak.

Future Housing Scenarios

9.41 Based on the trends identified through the demographic and economic assessment of the Borough, a number of scenarios have been considered to sensitivity test whether any adjustment is required which deviates from the locally assessed need identified by the standard method.

9.42 The scenarios demonstrate the extent to which the population of the Borough could change over the Plan period and how this change would be translated into households, dwellings, numbers of economically active residents and the number of jobs that might be supported by the local population.

9.43 The number of households is translated into dwelling needs through the application of an assumption about the proportion of vacant properties/second homes that are currently recorded in the Borough.

9.44 Lichfields has modelled each of these scenarios using industry standard PopGroup demographic modelling software. The detailed assumptions utilised in the modelling can be found in Appendix 2.

Sensitivities – assumptions and approach

9.45 The following sensitivities have been considered. The starting point remains the baseline standard methodology scenario (A), with various data variables and assumptions applied for each of the subsequent scenarios for the Plan period 2021 to 2041 as follows:

- **Scenario A: Standard Method** – based on the Government's LHN methodology (260 dpa);
- **Scenario B: 2014-based SNPP** – a scenario utilising the 2014-based SNPP and headship rates from the Department for Levelling Up, Housing and Communities [DLUHC] 2014-based SNHP, extended to 2041;
- **Scenario C: 2014-based SNPP 2020 MYE adjust** – a scenario applying the same assumptions as Scenario B but utilising the 2020 MYEs for the Borough to adjust the starting point to the latest population position;
- **Scenario D: 2018-based SNPP** – a scenario utilising the 2018-based SNPP and headship rates from the 2018-based SNHP;
- **Scenario E: Experian Baseline March 2020**– this considers the implications of achieving the net job growth set out in the Experian baseline forecasts (c. 630 jobs over the period 2021 to 2041);
- **Scenario F: Experian Baseline September 2021**– this considers the implications of achieving the net job growth set out in the Experian baseline forecasts (c. 1,800 jobs over the period 2021 to 2041);
- **Scenario G: CE/Experian Baseline Midpoint** – This considers the implications of achieving the net job growth set out in the Experian / CE Baseline Midpoint projections (c. 1,447 jobs over the period 2021 to 2041);
- **Scenario H: Past Trends Job Growth** – projecting forward the CAGR job growth of 0.31 % achieved between 2000 and 2021 over the plan period; and,
- **Scenario I: Policy on Jobs** – this considers the implications of achieving the net job growth set out in the Experian Policy On forecasts (c. 3,320 jobs over the period 2021 to 2041.

9.46 Scenarios B-I have also been run using accelerated headship rates (PCU). Starting post-2021, headship rates amongst 15-34 year olds are projected to make up 50% of the difference of long term trends. These age groups were most significantly impacted during the recession as a result of tougher deposit requirements and falling relative incomes. As the SNHP draw on past trends, this results in household formation rates continuing to be supressed going forward, locking in patterns of low household formation rates for particular age cohorts. Applying PCU rates to the modelling rebalances the household formation rates to reflect the accelerated rates young people are able to form households since the end of the recession.

9.47 It should be noted that the 2014-based projections project forward over a 25-year period to 2039, therefore for the purposes of modelling it is assumed a pro rata change for two years to 2041.

Modelling Results

9.48 The scenarios use components of population change (births, deaths and migration) to project how the future population, household composition and consequent need for housing will support future employment growth. The headline results for each scenario are outlined below.

Scenario A: SM2 260 dpa

9.49 As of April 2022, the Standard Methodology figure for High Peak Borough equates to 260 dpa. According to the 2014-based SNPP, this would equate to a net change of 8,841 residents, 5,007 households and 2,315 jobs over the 20 years 2021-2041.

Table 9.2 Summary of the demographic outcomes - Scenario A

2021-2041	**Scenario A: SM2 260 dpa**
Job growth	1,809
Labour force growth	2,485
Population change	8,844
Of which natural change	-514
Of which net migration	9,358
Households	5,007
Dwellings	5,200
Dwellings per annum	**260**

Source: Lichfields using PopGroup

Scenario B: 2014 SNPP Baseline

9.50 The standard method is based on the 2014-based SNPP, extended to 2041. This results in a household growth of 170 hpa over the next 20 years to 2041. Taking in a suitable allowance for vacant and second homes (based on Council Tax data), this translates into a need for 176 dpa. When PCU rates are applied, this results in a need for an additional 23 dpa over the baseline need, totalling 199 dpa.

9.51 The summary of the demographic outputs for Scenario B are shown in Table 9.3.

Table 9.3 Summary of the demographic outcomes - Scenario B

2021-2041	**Scenario B: 2014 SNPP Baseline**	
Job growth	5	
Labour force growth	64	
Population change	4,145	
Of which natural change	-940	
Of which net migration	5,086	
		PCU
Households	3,398	3,835
Dwellings	3,529	3,983
Dwellings per annum	**176**	**199**

Source: Lichfields using PopGroup

Scenario C: 2014-based SNPP 2020 MYE adjust

9.52 As set out above, the latest 2020 MYE suggests that the population of High Peak is progressing largely along the lines that he 2014-based SNPP anticipated, with the MYE indicating a population of 92,633 residents in High Peak Borough, compared to 92,558 anticipated for 2020 in the 2014-based SNPP, a difference of only 0.08%. However, the change in the various age cohort is a little more pronounced, with the 2020 MYE indicating that there are slightly fewer very young residents living in the Borough, slightly more residents of working age, and fewer older adults over the age of 65 than the 2014-based SNPP projected.

9.53 This results in a modest change in the overall household growth and dwelling requirement under this scenario, reducing to 165 dpa. When PCU rates are applied, the housing need is 189 dpa. A summary of the demographic outcomes under Scenario C are shown in Table 9.4.

Table 9.4 Summary of demographics outcomes - Scenario C

2021-2041	**Scenario C: 2014-based SNPP 2020 MYE adjust**	
Job growth	-277	
Labour force growth	-314	
Population change	3,975	
Of which natural change	-1,082	
Of which net migration	5,057	
		PCU
Households	3,179	3,632
Dwellings	3,302	3,772
Dwellings per annum	**165**	**189**

Source: Lichfields using PopGroup

Scenario D: 2018-based SNPP

9.54 The 2018-based SNPP are the most up-to-date population projections published in March 2020. When using the 2018-based SNPP, the projected housing need over the period 2021 – 2041 is much higher, at 240 dpa, due to very strong population growth projected over this period when compared to the 2014-based SNPP. When PCU rates are applied, the projected housing need is 256 dpa. A summary of the 2018-based SNPP is set out in Table 9.5.

Table 9.5 Summary of outcomes - Scenario D

2021-2041	**Scenario D: 2018-based SNPP**	
Job growth	1,907	
Labour force growth	2,617	
Population change	6,175	
Of which natural change	-1,970	
Of which net migration	8,145	
		PCU
Households	4,620	4,934
Dwellings	4,798	5,125
Dwellings per annum	**240**	**256**

Source: Lichfields using PopGroup

Future Jobs-led Change

9.55 Chapter 6 of the NPPF focuses on the need for planning policies and decisions to create conditions to help support economic growth.

9.56 Paragraph 82(c) states that planning policies should:

*"seek to address potential barriers to investment, such as inadequate infrastructure, services **or housing**, or a poor environment"* [Lichfields' emphasis]

9.57 Ensuring a sufficient supply of homes within easy access employment opportunities represents a central facet of an efficiently functioning economy and can help to minimise housing market pressures. Achieving employment growth needs to be supported by an adequate supply of suitable housing.

Assumptions used in the modelling

9.58 To determine the scale of housing required to support a given level of jobs growth, some assumptions must be made about future economic activity, unemployment and commuting. These assumptions have been modelled as follows:

Assumptions used in the modelling

9.59 To determine the scale of housing required to support a given level of jobs growth, some assumptions must be made about future economic activity, unemployment and commuting. These assumptions have been modelled as follows:

- **Unemployment** – model-based estimates for unemployment for High Peak have been obtained from NOMIS. This shows that the Borough's unemployment rate averaged 4.4% in 2021, which is significantly higher than levels seen since 2014. Given the uncertainties facing the economy at the time of writing, this has been gradually changed to the long-term 10-year average of 4.52% seen between 2012 and 2021 and held constant thereafter.
- **Economic Activity Rates** – these rates are applied to the overall population (by sex and each five-year age cohort) to determine how many people are active in the labour market ('active' being either in employment or unemployed and available for work). To project economic activity rates, the modelling uses labour market participation rates published by the Office for Budget Responsibility [OBR] in July 2018. These provide long-term projections at the national level by sex and age, by the trends can be applied to local authority areas to provide local projections.
- **Labour Force Ratio** – this comprises the ratio of the number of residents who are economically active in an area to the number of jobs in that area. It therefore implicitly captures both commuting patterns and 'double-jobbing' (where one person may occupy more than one job). Applying the economic activity rates to the base population in 2020 (i.e. the MYE) gives an estimate of the total labour force as at 2020. This is then compared with the total number of jobs (as given by Experian in its December 2021 projection) to create the labour force ratio which is held constant across the period.
- For High Peak the 10-year average labour force ratio of 1.28 has been held constant in the modelling from 2021 onwards, which demonstrates a net out-commute. This means that the Borough is a net exporter of labour.
- **Other assumptions** – inputs related to births, deaths, migration and household formation are the same as those applied in the demographic scenarios i.e. are taken from the 2014-based SNPP/SNHP. The modelling constrains/inflates migration to a level, which taking account of the profile of migrants moving in and out (plus natural change), produces

a labour force sufficient to support forecast job growth, taking account of the ratio of labour to jobs.

Scenario E: 2014-based SNPP Experian Baseline March 2020

9.60 This scenario considers the jobs growth of c. 630 over the plan period in line with the Experian baseline March 2020 projections. In order to support this level of jobs growth between 2021 and 2041, 209 dpa (234 dpa PCU) are required.

9.61 A summary of the Experian baseline March 2020 economic scenario is set out in Table 9.6.

Table 9.6 Summary of outcomes - Scenario E

2021-2041	**Scenario F: Experian Baseline March 2020**	
Job growth	630	
Labour force growth	903	
Population change	6,220	
Of which natural change	-685	
Of which net migration	6,905	
		PCU
Households	4,025	4,497
Dwellings	4,181	4,671
Dwellings per annum	**209**	**234**

Source: Lichfields using PopGroup

Scenario F: 2014-based SNPP Experian Baseline December 2021

9.62 This scenario considers the jobs growth of c. 1,800 over the plan period in line with the Experian baseline December 2021 projections. In order to support this higher level of jobs growth between 2021 and 2041, 263 dpa (288dpa PCU) are required.

9.63 A summary of the 2014-based SNPP Experian baseline December 2021 economic scenario is set out in Table 9.7.

Table 9.7 Summary of outcomes - Scenario F

2021-2041	**Scenario G: Experian Baseline December 2021**	
Job growth	1,800	
Labour force growth	2,474	
Population change	8,979	
Of which natural change	-302	
Of which net migration	9,281	
		PCU
Households	5,060	5,552
Dwellings	5,255	5,767
Dwellings per annum	**263**	**288**

Source: Lichfields using PopGroup

Scenario G: CE/Experian Baseline Midpoint

9.64 The December 2021 Experian projections indicate a net jobs growth in the order of 1,800 over the 20-year plan period, significantly higher than the more pessimistic CE (March 2021 based) forecast over the same time period, which indicates net jobs growth of just 1,094. This scenario

considers the jobs growth of 1,447 over the plan period which equates to the midpoint of the Experian and CE forecasts. To support this level of jobs growth between 2021 and 2041, 248 dpa (274 dpa PCU) are required.

9.65 A summary of the CE/Experian Baseline Midpoint economic scenario is set out in Table 9.8.

Table 9.8 Summary of outcomes - Scenario G

2021-2041	**Scenario G: CE/ Experian Baseline Midpoint**	
Job growth	1,447	
Labour force growth	2,000	
Population change	8,211	
Of which natural change	-351	
Of which net migration	8,562	
		PCU
Households	4,781	5,270
Dwellings	4,965	5,474
Dwellings per annum	**248**	**274**

Source: Lichfields using PopGroup

Scenario H: Past Trends

9.66 The scenario considers the level of housing required across the Borough over the plan period to support a level of growth commensurate with that achieved between 2000 and 2020 (-493 jobs, @ -0.07% CAGR). The level of economic growth would require 157 dpa (180 dpa PCU) to ensure there is a sufficient population to support the declining number of jobs based in the Borough.

9.67 A summary of the Past Trends economic scenario is set out in Table 9.9.

Table 9.9 Summary of outcomes - Scenario H

2021-2041	**Scenario H: Past Trends**	
Job growth	-493	
Labour force growth	-604	
Population change	3,547	
Of which natural change	-1,048	
Of which net migration	4,595	
		PCU
Households	3,025	3,472
Dwellings	3,142	3,606
Dwellings per annum	**157**	**180**

Source: Lichfields using PopGroup

Scenario I: Experian Policy On

9.68 This scenario considers an increase of 3,320 jobs in High Peak between 2021 and 2041, based on the Experian Policy-On forecasts. To support this more positive level of jobs growth, 3336 dpa (364 dpa PCU) are required.

9.69 A summary of the Experian Policy-On economic scenario is set out in Table 9.10.

Table 9.10 Summary of outcomes - Scenario I

2021-2041	**Scenario I: Experian Policy On**	
Job growth	3,320	
Labour force growth	4,514	
Population change	12,714	
Of which natural change	323	
Of which net migration	12,392	
		PCU
Households	6,476	7,007
Dwellings	6,726	7,278
Dwellings per annum	**336**	**364**

Source: Lichfields using PopGroup

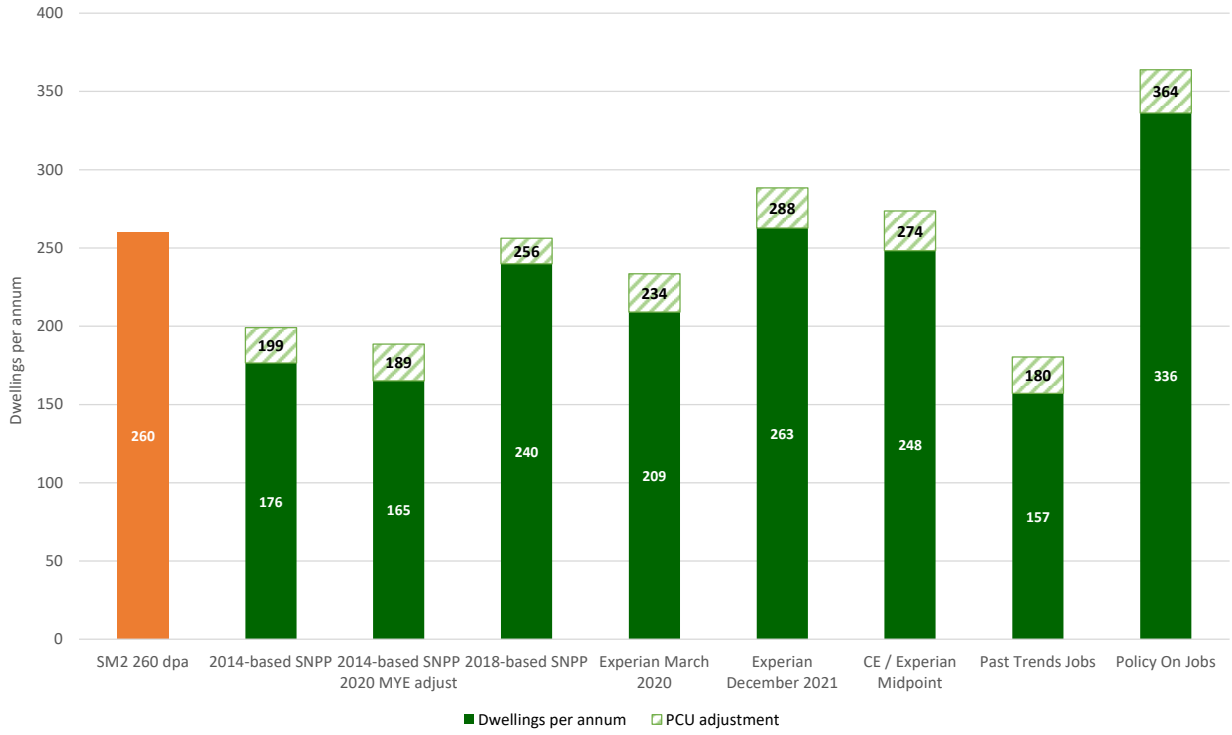
Modelling Summary

9.70 A summary of the scenarios assessed are presented in Figure 9.6. Compared to the SM2 minimum starting point of 260 dpa, extending the 2014-based SNPP for the Borough to 2041 (and including a very modest allowance for vacant/second homes) reduces housing need significantly to 176 dpa (199 dpa PCU). Factoring in the latest MYE would result in a housing need of 165 dpa (189 dpa PCU). When considering the 2018-based SNPP for the Borough to 2041 the housing need is 240 dpa (256 dpa PCU). This is because the 2018-based SNPP projects a higher level of population growth than the 2014-based equivalents.

9.71 An assessment of the likely future scale of job growth in the Borough has been made using Experian baseline jobs forecasts together with various policy-on scenarios and considers different levels of future growth. The Experian March 2020 Scenario (E) forecasts an increase in jobs of 630 over the plan period, which would result in need for 209 dpa (234 dpa PCU). Factoring in the stronger job growth projected in the Experian December 2021 Scenario (F) results in a need for 263 dpa (288 dpa PCU), which slightly above the figure set out within SM2.

9.72 However, the Policy-On Scenario (I) projects a much greater level of job growth equal to 3,320 jobs over the 20-year plan period. This would require around 336 dpa to sustain this level of employment growth, rising to 364 dpa if the PCU headship rates are factored in.

Figure 9.6 Summary of Housing Need Scenarios



Source: Lichfields

Emerging Housing Need

9.73 As set out in the PPG, a local assessment of housing need should be based on the standard method formula to identify the minimum number of homes. However, DLUHC recognises that there will be circumstances where it will be appropriate to consider whether actual housing need is higher than the standard method indicates.

9.74 As summarised in detail above, the standard method figure of 260 dpa is only the minimum starting point and should not be taken forward without question. The LHN may require adjusting due to:

1 Growth strategies for the area that are likely to be deliverable;

2 Strategic infrastructure improvements that are likely to drive an increase in the homes needed locally;

3 Where previous housing delivery in an area is significantly greater than the outcome from the standard method; and,

4 Where recently produced SHMAs (or other evidence such as this HELNA) which suggests a significantly higher levels of need.

Demographic-led Needs

9.75 The NPPF and PPG sets an expectation that the standard method, underpinned by the 2014-based SNHP, should be used and that any other method will be used only in exceptional circumstances.

9.76 The 2020 MYEs suggest that population growth in the Borough has increased at a slightly higher rate than was originally anticipated in the 2014-based SNPP. However, due to the

ages/mix of people moving into High Peak, the impact is a slight reduction in future housing need from 176 dpa (199 dpa PCU) to 165 dpa (189 dpa PCU).

9.77 The 2018-based SNPP indicates a much stronger level of population growth than is projected under the 2014-based equivalents that underpin the SM2. However, even factoring in the PCU headship rate adjustment, the resultant dwelling requirement of 256 dpa still remains below the SM2 figure of 260 dpa.

9.78 Given the demographic behaviour patterns observed in the Borough identified in the MYEs, and the alignment between these and the 2014-based SNPP, there are no significant exceptional circumstances to justify departing from standard methodology approach. Therefore, the 260 dpa generated using the standard methodology should remain the minimum starting point for assessing the Borough's housing need.

Economic Growth Strategies

9.79 The NPPF at paragraph 82(c) states that planning policies should "*seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment*". This retains the link between integrating economic growth and housing need. There is a clear risk that where the labour force supply is less than the projected job growth, this could result in unsustainable commuting patterns and reduce the resilience of local businesses, resulting in a barrier to investment. This sub-section explores whether, in light of likely future job growth, there is likely to be a knock-on increase in the housing need for the Borough (above that indicated by the demographic-led generated by the standard methodology).

9.80 The challenge of meeting employment needs is clearly given great importance, and the NPPF highlights this by stating that "*significant weight should be placed on the need to support economic growth and productivity*" [para 81]. Ensuring a sufficient supply of homes within easy access of employment opportunities represents a central facet of an efficiently functioning economy and can help to minimise housing market pressures and unsustainable levels of commuting (and therefore congestion and carbon emissions). If the objective of employment growth is to be realised, then it will generally need to be supported by an adequate supply of suitable housing.

9.81 It is however important to note that in the case of that part of High Peak that is located within the National Park, this is balanced against the significant weight which must be afforded to conserving and enhancing the wildlife, landscape and cultural heritage of the National Park as set out in the NPPF [§176]. Furthermore, as set out in Section 2, the Government recognises that National Parks are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them. The expectation is that new housing will be focused on meeting affordable housing requirements, supporting local employment opportunities and key services[59].

[59] *English National Parks and the Broads: UK Government Vision and Circular 2010*, paragraphs 78 and 79

9.82 HPBC's Local Plan (adopted 2016) seeks to achieve sustainable growth and diversification of the Borough's local economy. The vision within the adopted Local Plan sets out the aspiration for the borough, identifying that:

"Prosperity will be enhanced through the growth of job opportunities across the borough. New higher-skill jobs will be created to complement the existing mix of job opportunities, securing a stronger economic base for the future. This will be facilitated through the planned development of new employment opportunities by providing high quality sites suitable for advanced manufacturing, environmental technologies, ICT and creative industries. Improved rail and other transport measures will enhance access to Manchester airport, universities and research facilities that will help High Peak businesses grow and increase the area's attractiveness to new investment."

9.83 This is reinforced by Strategic Objective 6 which seeks to welcome development that supports the sustainable growth and diversification of the local economy, including the mixed-use development of industrial legacy sites.

9.84 In this context, it is an important part of responding to both the NPPF and the PPG that the Local Plan should consider the extent to which the standard method estimate of LHN is consistent with the economic success of the Borough and the wider area. In particular, this will need to consider whether 'actual housing need' should be higher in response to the economic opportunities of the area.

9.85 As set out above, the modelling indicates that an LHN in line with the Standard Method figure of 260 dpa for High Peak could support a net growth of 1,804 jobs over the next 20 years, which is higher than the level of growth projected by the Experian March 2020 (+630 jobs), mid-point CE/Experian (+1,447) and past trends (-493) job growth forecasts. It is, however, very similar to the Experian December 2021 job growth projection (+1,800). On the basis that HPBC decides not to pursue a higher level of job growth and the additional employment land that this could require, then the SM2 figure of 260 dpa would be sufficient to support economic growth in line with the current objectives of the adopted Local Plan.

9.86 However, should HPBC seek to pursue a higher level of jobs growth more in line with the Policy On forecast of +3,320 and the employment land allocations this could sustain, then an uplift beyond the minimum LHN as assessed through the standard methodology would be required, **potentially up to 336 dpa (or even higher, to 364 dpa if the PCU headship rates are applied)**. This could involve a strategy to support economic growth which seeks to ensure the labour force does not act on a drag on future economic potential.

9.87 However, given the current economic climate, a higher rate of jobs growth may not be sustained over the plan period. It is however recognised that the current period is one of considerable economic uncertainty, in part due to Brexit, the recovery following the Covid-19 pandemic and the current cost of living crisis which may suppress economic growth at least in the short term. This should be monitored by HPBC and the strategy adjusted accordingly.

Unmet Housing Needs

9.88 The previous High Peak SHMA (2014) concluded that the HMA situation was complex and did not necessarily allow for a straightforward demarcation of the boundary as there were considerable overlaps with the Manchester/Sheffield Strategic HMAs. As the Borough is a predominantly rural district with overlapping HMAs with a number of other authorities nearby, it was considered both reasonable and pragmatic to take the administrative boundaries of the Borough as being a 'best fit' HMA for planning purposes.

9.89 However, there are clearly strong linkages between High Peak and adjoining districts, particularly with regards residents of towns such as Glossop and Buxton commuting into nearby towns and cities for work on a daily basis.

9.90 Section 6.0 of this HELNA summarises the feedback received from adjoining districts when asked to comment on whether High Peak could have a role to play in assisting those districts in meeting their own housing land requirements (and vice versa).

9.91 Whilst several districts, such as Oldham and Stockport, stated that they were struggling to identify sufficient housing land to meet their needs over the longer term, none specifically requested that High Peak make provision for their unmet need. This may be a point that arises during future DtC discussions between HPBC and those of adjoining districts and it will be for HPBC to consider whether it would be appropriate to uplift their own housing provision accordingly to meet any of these unmet needs from elsewhere.

Previous delivery levels

9.92 Reviewing the Borough's past rate of net housing delivery against the Local Plan's housing requirement of 350 dpa highlights that since 2011, High Peak has only delivered 2,412 at an average of 241 dpa, significantly below the requirement set by the adopted Local Plan of 3,500 units.

Table 9.11 Net Housing Delivery for High Peak against Local Plan Targets

	Minimum LHN	Net Housing Delivery	Difference
2011/12	350	102	-248
2012/13	350	207	-143
2013/14	350	36	-314
2014/15	350	137	-213
2015/16	350	160	-190
2016/17	350	330	-20
2017/18	350	498	148
2018/19	350	386	36
2019/20	350	311	-39
2020/21	350	245	-105
Total	**3,500**	**2,412**	**-1,088**

Source: ONS LT122 additional dwellings by local authority district, England 2001-02 to 2020/21 / High Peak Local Plan, Adopted 2016: Policy S3

9.93 In the years 2011/12 – 2016/17 housing delivery consistently failed to meet the minimum LHN. However, since the Plan has been adopted, between 2017/18 – 2019/20 the level of delivery was above the standard minimum which suggests that there could be a greater level of housing need in the Borough compared to the identified by the standard methodology. It is acknowledged that the delivery levels in 2020/21 were lower than the suggested standard minimum; however, housing delivery nationally was lower due in large part to the Covid-19 crisis. Net average housing delivery in the last four years has been 360 dpa, well above the longer-term average of 241 dpa and above the SM2 figure of 260 dpa suggesting that the market can deliver higher levels of housing if good quality sustainable sites in areas of strong market demand are provided in the Borough.

9.94 The Housing Delivery Test results, published in February 2021, shows a similarly bright picture as presented in Table 9.12. It highlights that HPBC (and by proxy, the PDNPA) has delivered a

greater number of homes than required by the projections, over delivering by 244 homes over the identified target, equal to 134%, with no punitive measures required as a result in their respective Local Plans.

Table 9.12 High Peak Borough Housing Delivery Test 2021 Results

	2018-19	2019-20	2020-21	**Total**
Number of homes required	271	251	175	**697**
Number of homes delivered	386	311	244	**941**
Housing Delivery Test Measurements	+115	+60	+69	**+244**

Source: DLUHC (February 2021): Housing Delivery Test 2021 Measurement

Conclusions on High Peak Borough's locally-assessed housing need

9.95 The LHN for the Borough, as calculated using the Government's standard method, is 260 dpa. The PPG sets out that there is an expectation that the standard method will be used and that any other method will be accepted in exceptional circumstances.

9.96 However, the standard method generates a minimum annual housing need figure. It does not produce a housing target, which is for HPBC and PDNPA to identify and robustly justify in its Local Plan.

9.97 This HELNA has provided an overview of the evidence needed for HPBC and PDNPA to determine whether it would be appropriate for it to deviate from the 260 dpa LHN figure.

9.98 This deviation can generate a higher figure, but in exceptional circumstances, it may be appropriate to target a lower housing requirement. The PPG states where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination.

9.99 This HELNA has considered whether the 2014-based SNPP, and more recent MYE, are robust for the Borough. The 2014-based projections represent the most reasonable assessment of likely future growth in the context of past trends and likely future change. Headship rates are lower for the Borough than the national average between 2021 and 2039 and therefore the usage of PCU rates to account for suppressed household formation amongst young households during the recession are important to consider when undertaking an assessment of future housing need.

9.100 Even under the most optimistic demographic scenarios, notably the 2018-based SNPP, the level of housing growth generated by the PopGroup modelling does not exceed the SM2 figure of 260 dpa.

9.101 In terms of alignment with the economic growth scenarios, several projections were modelled with job growth ranging from the negative (-493 jobs 2021-2041 based on past trends) to the strongly positive (+3,320 based on the Policy-On Scenario). All of the baseline jobs growth forecasts are either comfortably exceeded by, or in the case of the December 2021 Experian baseline, in line with, the levels of job growth that could theoretically be sustained by the 260 dpa. **This would suggest that the LHN generated by the Government's standard methodology remains appropriate for HPBC and PDNPA to adopt moving forward**.

9.102 If, however, HPBC and PDNPA decides to pursue a higher level of economic growth and allocates sufficient employment land to support this, in line with the Policy On Scenario for example, then it should also consider increasing the housing target accordingly. The 336 dpa (364 dpa PCU) required to sustain a net job growth of 3,320 based on Scenario I (Policy On) is above the LHN SM2 figure of 260 dpa but the former is still below the current Local Plan target of 350 dpa and is a figure that has been comfortably exceeded in recent years (with net average housing delivery reaching 354 dpa over the past 5 years even allowing for the pandemic). This could suggest that a higher target pf 336 dpa could be appropriate for HPBC to consider.

9.103 Furthermore, the PPG suggests an increase in the total housing figures included in a Local Plan may need to be considered by HPBC[60] where it could help deliver the required number of affordable homes. It is for HPBC to consider the evidence contained in this HELNA when identifying a housing requirement which would support the strategy underpinning the emerging plan and whether an uplift beyond the standard method is appropriate. An analysis of the Borough's affordable housing need is set out in detail in Section 11.0 below, and its implications for the LHN considered in Section 10.0.

[60] Whilst the PDNPA can deliver affordable housing on brownfield market housing sites, the Authority's main aim on these sites is to conserve and enhance the landscape and environment. The Authority does not allocate market housing sites with the specific intention of helping to deliver affordable housing.

10.0 Affordable Housing Needs

Number of Current and Future Households in Need

10.1 In the 2021 Budget, the Government committed to investing a further £11.5 billion in the Affordable Homes Programme to build up to 180,000 new affordable homes across England over the five years from 2021 to 2026. The new five-year programme will also help more people into homeownership and help those most at risk of homelessness. The programme is intended to unlock a further £38 billion in public and private investment in affordable housing. Nearly £7.5 billion will be delivered outside London by Homes England. This is over £2 billion more than the amount given under the previous Affordable Homes Programme. It is clear the Government is taking the issue of affordability seriously and is seeking to boost delivery of affordable homes.

10.2 Against this context, in the 2020/21 HPBC AMR (December 2021), reported that 45 affordable dwellings had been completed which included 27 for rent, 11 shared ownership and 7 discount market sales. This is in line with the number of completions from previous years. Since the adoption of the Local Plan affordable house completions have been typically between 44-49 per year, with higher than average completions (118) in 2018-19 partly due to the completion of the Ferro Alloys site in Glossop which was 100% affordable and lower than average on 2019-20 (when just 23 were delivered).

10.3 Within this section, a calculation of affordable housing need, in line with the revised PPG on affordable housing needs assessments (PPG ID 2a-018-20190220 to 2a-014-20190220), has been undertaken for the Borough to inform the assessment of the scale of housing need as well as arriving at an estimate of future housing need.

10.4 The first stage analyses affordable housing needs based on households unable to afford private market rents as per the PPG. We also set out an assessment of the further potential demand for intermediate housing[61], based on households which can afford to rent in the local market but are unable to access home ownership in the market, and where ownership is their aspiration. This adopts a simplified version of the methodology set out above based on net change/need.

10.5 This is a relatively new requirement in the PPG, which states that as part of the calculation needed to understand the current unmet gross need for affordable housing, this should include:

"the number of households from other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration."[62]

10.6 Therefore, households who, in theory, can afford to rent privately but have an aspiration to own their property, can be assumed to be in need. This element has been calculated separately in the analysis below.

[61] PDNPA Officers noted that shared ownership intermediate affordable housing is not working in the national park as households are unable to get mortgages to cover the high house prices in the area.
[62] Reference ID: 2a-020-20190220

10.7 The over-arching approach is as follows:

Total Current Housing Need (gross) to be addressed

Plus

Total Newly Arising Housing Need (gross per annum)

Less

Annual Supply of Affordable Housing

Equals

Net Housing Need

Background

10.8 Affordable housing is defined within Annex 2 to the NPPF as:

"*housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:*

i *Affordable housing for rent;*

ii *Starter homes;*

iii *Discounted market sales housing; and*

iv *Other affordable routes to home ownership, which*

v *is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent)".*

10.9 With regards to the incorporation of affordable housing needs into the total housing figures included in Local Plans, the PPG[63] sets out the following:

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

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

10.10 The PPG therefore sets out that LPAs should consider how and whether affordable housing needs can be met. This is in the context that the NPPF at paragraph 63 requires LPAs to specify the type of affordable housing required where a need is identified.

10.11 We have therefore included a consideration of addressing affordable housing needs within the LHN, but equally that does not cut across or negate the need for HPBC and PDNPA to further consider it as a factor in determining the Local Plan housing requirement.

[63] ID 2a-024-20190220

Affordable Housing Needs Calculation

Lower Quartile House Prices

10.12 HM Land Registry 'Price Paid' data indicates that LQ house prices in 2021 averaged **£159,950** in High Peak. As can be seen in Table 10.1, perhaps unsurprisingly the highest LQ house prices are experienced in that part of the Borough that is located within the National Park , at £295,000 in 2021, with a substantial drop to £177,960 across the Central Area of the Borough (which includes New Mills and Chapel-le-Firth) followed by the Glossop Sub-Area at £150,000 and Buxton at £148,563. These trends generally hold true for the Upper Quartile house prices and the mean house prices, with Glossop and Buxton generally seeing prices below the Borough-wide rate, and the Central Area and particularly the National Park significantly higher.

10.13 By way of comparison, the average LQ house price for England was £177,500[64], indicating that in general, the Borough's overall house prices are lower than the national level (although the National Park was substantially higher, and the Central Area generally in line with national trends). The comparable figure for the East Midlands was £156,000, slightly below the Borough-wide level.

Table 10.1 House Prices in High Peak Borough (January-December 2021)

	LQ House Prices	UQ House Prices	Mean House Prices
Buxton Sub Area	£148,563	£298,124	£240,693
Central Area	£177,960	£335,000	£285,705
Glossop Sub-Area	£150,000	£291,875	£240,157
Peak District National Park (within High Peak)	£295,000	£495,000	£411,162
High Peak Borough	**£159,950**	**£322,000**	**£261,341**

Source: HM Land Registry 'Price Paid' data for 2021

Lower Quartile Rents

10.14 The ONS publishes private rental market statistics by local authority. This shows that the lower quartile cost across all types of housing for the period 1 April 2020 to 31 March 2021 was **£468 per month** in High Peak Borough (**equivalent to £5,616 per annum**)[65].

10.15 Data on rents at a sub-district level is not available in any publicly available datasets. A search for 1 to 4-bed homes available to rent in the Borough as of January 2022 showed that 68 properties were available, with average rents summarised in Table 10.2:

[64] ONS (2021): HPSSA Dataset 15. Lower quartile price paid for administrative geographies, data for the year to March 2021. Note that for the year to March 2021, the LQ Borough-wide data for High Peak Borough was £157,000.

[65] ONS Private Rental Market Statistics Summary of monthly rents recorded between 1 April 2020 to 31 March 2021 by administrative area for England. Note that the March 2021 figure of £468 was used as opposed to the £413 per month recorded in the latest September 2021 iteration, which appears anomalous in terms of national growth trends.

Table 10.2 Private Rental Prices in High Peak Borough per calendar month (January 2022)

	Number of properties available for private rent	UQ Rents	Median Rents	**LQ Rents**	**LQ Rents as a % of Borough Total**
Buxton Sub Area	21	£750.00	£550.00	**£499.00**	**87.7%**
Central Area	10	£800.00	£750.00	**£575.00**	**101.1%**
Glossop Sub-Area	34	£850.00	£725.00	**£675.00**	**118.7%**
Peak District National Park (within High Peak)	3	£1,175.00	£850.00	**£800.00**	**140.7%**
High Peak Borough	**68**	**£850.00**	**£725.00**	**£568.75**	**100.0%**

Source: Lichfields search of property websites January 2022

10.16 It indicates that LQ private sector rents were particularly high in that part of the National Park, at £800, with Glossop the Central Area also experiencing higher rental levels than the Borough-wide rate whilst Buxton's rental levels were lower. The very low level of properties on the open rental market in the National Park, whilst unsurprising, also points towards the acute shortage of this form of accommodation in this part of the Borough and also suggests that these figures should be treated with caution for this sub-area in particular. Discussions with residential lettings agents active in the National Park confirmed that there are indeed significantly fewer rental properties available in the National Park compared with the rest of Borough of High Peak. Rental properties that are available within the National Park achieve a higher market value (per calendar month) than equivalent rental properties elsewhere in High Peak Borough.

10.17 For the purposes of this sub-area assessment, we have applied the sub-area LQ rents pegged to the ONS LQ Borough-wide rental level of £468 per month.

Income Profiles

10.18 To understand how affordable (or unaffordable) local housing is to local residents, we need to understand local household incomes. The average (median) household income in the Borough of High Peak is £33,866 which is slightly higher than the national average of £32,549[66]. The lower quartile income in the local area is just £18,837, as shown below. Incomes are generally below the Borough-wide average in Buxton and Glossop, and above average across the Central Area and particularly the National Park. The distribution of household incomes for High Peak Borough and its component sub-areas are shown in Figure 10.1.

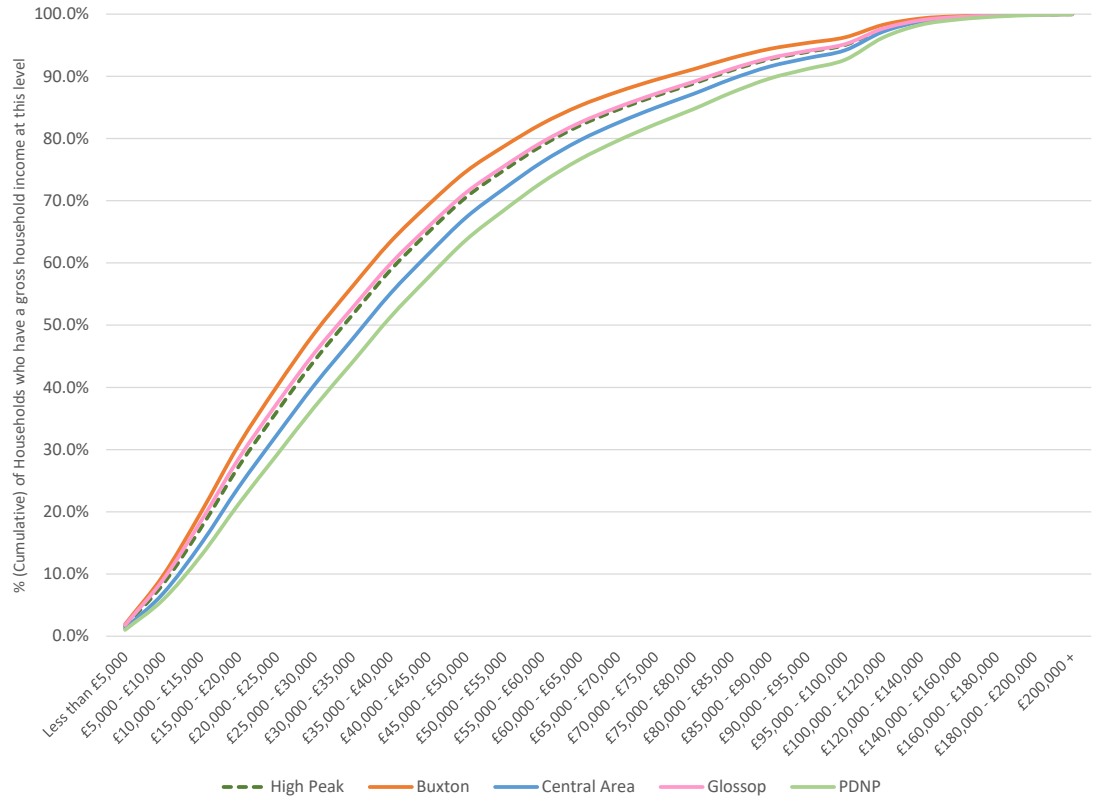
Table 10.3 Comparison of average incomes – High Peak (2021)

	High Peak Borough	Buxton	Central Area	Glossop	National Park
UQ incomes	£55,114	£50,362	£58,580	£54,345	£62,772
Mean incomes	£41,207	£37,949	£43,826	£40,526	£46,964
Median incomes	£33,866	£30,849	£36,528	£33,075	£39,109
LQ incomes	**£18,837**	**£17,367**	**£20,617**	**£18,236**	**£22,380**

Source: CACI (2022)

[66] Data from CACI 2021

Figure 10.1 Household income profile – High Peak Borough and Sub-Areas (2021)



Source: CACI (2022)

Affordability

10.19 A key stage of the assessment involves an affordability test. Information in respect of local house prices, market rents and household income levels has informed the test which estimates the ability of households to afford LQ market housing. The affordability test has been calculated by identifying the costs of entry level (lower quartile) market housing, the costs of which have been obtained from the Land Registry and private rental costs obtained from the ONS as discussed above.

10.20 Drawing upon the review of current house prices and private rental values, lower quartile prices for a house (£159,950 price paid for a Lower Quartile dwelling – all property types – in High Peak (2021)) and a rental property (£5,616 per annum) have been used as an indicator of the entry price to market housing. Such houses are available within the Borough and these values are relatively typical of smaller properties on the market, ideal for newly forming households seeking to move into a first property.

10.21 To understand what income would be required to sustain ownership or occupation of such properties, it is necessary to consider how much households can afford to spend on their housing. The former SHMA Guidance from 2007 (superseded by the NPPF and PPG but still containing useful context where the PPG is silent) sets out that a household can be considered able to afford to buy a home if it costs 3.5 times the gross household income for a single earner or 2.9 times the gross household income for a dual-income household. However, the PPG does not prescribe exactly how affordability calculations should be undertaken other than to say that access to lower quartile (entry level) market housing is the relevant barometer.

10.22 The household income data utilised for High Peak does not differentiate between single earners and dual earners, whilst the former SHMA Guidance is now some ten years old and the loan to income mortgage ratios do not reflect current lending practices.

10.23 In 2014 the Bank of England's Financial Policy Committee said that it would only allow 15 percent of new mortgages to be at multiples higher than 4.5 times a borrower's income, in effect 4.5 times as a maximum. There are even cases where this is exceeded; for example, Halifax will allow couples with a combined income of £50,000 to £75,000 to borrow five times their income at up to 75% LTV[67].

10.24 Lichfields has complemented this with evidence from the Council of Mortgage Lenders[68], which identified that in Q3 2018, average loan-to-value ratio for first time buyers in England was 85%, whilst according to the English Housing Survey [EHS], the median deposit for first time buyers was also around 15.1% in 2020/21[69]. Although there may be difficulties in newly forming households in being able to secure a 15% deposit, there are options available including Government initiatives such as Help to Buy as well as traditional sources of deposits such as parents.

10.25 **For the purposes of this assessment, we have assumed that single-earner households can borrow up to 4x their annual income and dual-earner households can borrow up to 4.5x their annual income when buying housing, both with a 15.1% deposit secured[70].**

10.26 In respect of renting, there is no official, or definitive, threshold for how much a household can spend on rent before it is unaffordable. The former SHMA Guidance (2007) set out that a household can be considered able to afford renting on the private market in cases where the rent payable was up to 25% of their gross household income.

10.27 However, there is more up to date evidence which suggests that the proportion of gross household income spend on rent may be higher than 25%.

10.28 For example, data released more recently estimates that the national average is 32% of gross household income (excluding services but including Housing Benefit), although there is a wide range across the country, from a low of 24.4% in Yorkshire and the Humber, to a high of 42.2% in Greater London. The equivalent figure for the East Midlands is 24.8%[71].

10.29 For the purposes of this assessment, we have assumed that households in the private rented sector in High Peak can reasonably be expected to spend **between 25% and 32% of their annual income on rent**.

10.30 These affordability criteria have been applied to the identified rental costs to arrive at an income threshold to support ownership/occupation of entry level market housing. Under both scenarios, households require considerably lower incomes to rent privately in High Peak (in every sub-area) than it is for them to buy a property on the open market.

[67] https://www.which.co.uk/news/2021/11/how-much-can-you-borrow-when-taking-out-a-mortgage/
[68] Median loan to value ratio for first time buyers - data.gov.uk
[69] EHS (2020/21): Annex Table 1.9: Deposit and type of mortgage, recent first time buyers, 2020-21
[70] It is acknowledged that the methods by which lenders now determine borrowing limits is more complex than simply using mortgage multipliers – lenders take into account a wide range of factors including length of mortgage (which can now be up to 35-40 years), committed expenditure and loan-to-value ratio which can affect the amount borrowed relative to income. However for the purposes of this assessment it is necessary to make some assumptions, and the use of a 4-4.5 income multiplier is considered reasonable for first-time buyers with around a 15% deposit. The lower multiplier used for single person households reflect the higher risk associate with single earner households.
[71] DLUHC English Housing Survey 2019/20 – Private Rented Sector, Annex Table 2.7: Proportion of income spent on rent

Table 10.4 Income Thresholds for Entry Level Market Housing in High Peak Borough

	Market	Product	Cost	Basis	Income Threshold
High Beak Borough	**Private Buy**	**Lower Quartile House Prices**	**£159,950**	**4 x income and 15% deposit**	**£33,949**
				4.5 x income and 15% deposit	**£30,177**
	Private Rent	**Lower Quartile Rental Prices**	**£5,616 per annum**	**25% income**	**£22,464**
				32% income	**£17,550**
Buxton	Private Buy	Lower Quartile House Prices	£148,563	4 x income and 15% deposit	£31,532
				4.5 x income and 15% deposit	£28,029
	Private Rent	Lower Quartile Rental Prices	£4,925 per annum	25% income	£19,701
				32% income	£15,391
Central Area	Private Buy	Lower Quartile House Prices	£177,960	4 x income and 15% deposit	£37,772
				4.5 x income and 15% deposit	£33,575
	Private Rent	Lower Quartile Rental Prices	£5,869 per annum	25% income	£23,475
				32% income	£18,340
Glossop	Private Buy	Lower Quartile House Prices	£150,000	4 x income and 15% deposit	£31,838
				4.5 x income and 15% deposit	£28,300
	Private Rent	Lower Quartile Rental Prices	£6,891 per annum	25% income	£27,563
				32% income	£21,534
National Park	Private Buy	Lower Quartile House Prices	£295,000	4 x income and 15% deposit	£62,614
				4.5 x income and 15% deposit	£55,657
	Private Rent	Lower Quartile Rental Prices	£8,171 per annum	25% income	£32,685
				32% income	£25,535

Source: SHMA Guidance, CML, English Housing Survey, HM Land Registry, ONS and Lichfields analysis

10.31 The income distribution of newly forming households is different from total households, reflecting their lesser incomes compared to the average[72]. This means that a greater proportion of newly-forming households are unable to access market housing than households overall. The PPG, however, sets out clearly that the affordability of housing for newly-forming households must be considered foremost, as it is these households that will most likely fall into housing need if their housing requirements are not met in the market.

Stage 1: Current Housing Need Steps 1.1 to 1.4

10.32 The first stage of the assessment considers current affordable housing need, also referred to as the 'backlog' (those needs which exist, and are unmet, now). The PPG is clear that an estimate

[72] English Housing Survey 2015 to 2016: housing costs and affordability - Annex Table 2.1: Mean and median income, 2015-16. HRP aged 16-34 have an average weekly income of £718 per week compared to £780 per week for all households, meaning younger newly forming households earn **92%** of the 'all households' amount.

should be made of the number of households who lack their own housing or who cannot afford to meet their housing needs, in the open market. The PPG[73] provides an indication of the types of housing that should be considered unsuitable which are set out below:

- the number of homeless households;
- the number of those in priority need who are currently housed in temporary accommodation;
- the number of households in over-crowded housing;
- the number of concealed households;
- the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings); and,
- the number of households from other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration.

10.33 Although potentially not including all households in need of housing, the housing waiting list is the starting point for estimating what the need and demand for affordable housing is. If all households on the waiting list and in priority need were accommodated, it would be reasonable to assume that all demand for affordable housing would be met, even if there remain households in need which are not reflected in the housing waiting list.

10.34 Therefore, it has been considered that the components of affordable housing need including those in need and within a reasonable preference group for affordable housing (e.g. homeless households and overcrowded households), currently concealed households and other groups in need, are best represented by those identified on the waiting list as a best-case proxy.

10.35 According to HPBC there are 1,173 households on the Housing Register as of December 2021. Of this total, 365 are identified as being 'non-priority' for housing, leaving the remaining 808 as being classified as being in priority need of social housing. This is summarised in Table 10.5 below, with a total of 309 households in need of social housing in Glossop, followed by 233 in Buxton, 219 in the Central Area and just 28 in the National Park.

Table 10.5 Number of Households on the Housing Register in Bands A-C in High Peak (December 2021)

	Unspecified in High Peak Borough	Buxton	Central Area	Glossop	National Park	TOTAL
Band A (Emergency/Top Priority)	2	14	16	21	2	55
Band B (Urgent Need to Move)	1	59	48	73	1	182
Band C (Identified Housing Need)	16	160	155	215	25	571
TOTAL	**19**	**233**	**219**	**309**	**28**	**808**

Source: HPBC (2022)

10.36 According to Council Housing Officers, of these 808 households, 228 were already living in social housing in the Borough and would represent transfers seeking to move to alternative social housing. This leaves **580** households in priority need who are not already living in social housing, of whom 225 are in Glossop and just 13 in the National Park.

Table 10.6 Step 1.4: Current Backlog of Housing Need in High Peak Borough

Component	Buxton	Central Area	Glossop	National Park	**TOTAL**
Net Estimate of Current Housing Need (Backlog)	174	168	225	13	**580**

Source: Households in priority bandings not already living in social housing – HPBC Housing Officers

[73] ID 2a-020-20190220

10.37 The figures only include those people who have applied for and are eligible for social or affordable rent housing in accordance with HPBC's Housing Allocation Policy. The figures do not include households in housing need and who are seeking and eligible for intermediate affordable housing tenures (e.g. shared ownership). HPBC and PDNPA do not hold data on intermediate housing need as sales are normally done through the national Homebuy agent.

10.38 Households in unsuitable housing already living in affordable housing have therefore been excluded from the calculation at Step 1.4. Although these households do have a housing need, this could be addressed via a transfer within affordable housing (e.g. by transferring an overcrowded household living in social rented to a larger social rented house). This transfer would result in their existing home becoming available for someone else in need. Thus, these households do not contribute to the net requirement for affordable housing and in turn when these households move, this does not contribute to net supply.

10.39 Although existing households in need already occupying affordable housing are excluded from the affordable housing calculation, it is noted that they do still have a requirement for the right type of affordable housing to become available to meet their needs. If an appropriate unit does not become available (e.g. due to shortage of supply of a specific type or size of unit) then these households will remain in need, despite not contributing to a net need requirement. New affordable housing provision provides the opportunity to focus on the size/type of provision to balance affordable housing mix, as explained at Section 13.0.

10.40 As a sensitivity test, we have also modelled the number of homeless, overcrowded, and concealed households in High Peak. The results are summarised in Table 10.7 and suggest that the current backlog could be higher than the Housing Waiting List suggests, at around 712 households. However, there is considerable potential for double counting, whilst much of the Census data upon which this approach relies is becoming rather dated. For these reasons it is considered that it is reasonable to work on the basis of a backlog need of 580 households, based on the latest Housing Waiting List.

Table 10.7 Step 1.4: Current Backlog of Housing Need in High Peak Borough

	Number		Source/Notes
Homeless Households	139		DLUHC Statutory Homeless Live Tables – Local Authority data July to September 2021
Households in temporary accommodation	22		
Overcrowded households	*Owned*	404 (*128*)	Census 2011 (LC4108EW) – households with an occupancy rating of -1 or less by tenure in the local area. For overcrowded owner-occupiers, 68% are assumed to be able to meet their needs once equity taken into account, based on Lichfields' affordability modelling above, equal to 276 of households.
	Private	240	
	Social	343 (*0*)	
Existing affordable housing tenants in affordable need	228 (*0*)		HPBC Housing Register – Households in Priority Need who are already living in social housing (December 2022)
Concealed Households	183		Census 2011 (LC1110EW) – concealed households in the local area (age 50 and under)
Total	**712 (excluding those already living in social housing)**		

Stage 2: Future Need steps 2.1 to 2.3

10.41 Future housing need is split into two components. The PPG[74] sets out that projections of affordable housing need will firstly have to reflect new household formation and the proportion

[74] 2a-021-20190220

of these newly forming households unable to buy or rent in the market area, and secondly an estimate of the number of existing households falling into need:

"This process will need to identify the minimum household income required to access lower quartile (entry level) market housing (strategic policy-making authorities can use current costs in this process, but may wish to factor in anticipated changes in house prices and wages). It can then assess what proportion of newly-forming households will be unable to access market housing".

This could be either through purchasing a dwelling or renting privately, although as we have set out below, households require a considerably higher income to buy, than to rent privately under all scenarios, in all sub-areas of High Peak. For the purposes of this affordable/social rented analysis therefore, we have focused on those newly forming households unable to rent, with the separate calculation on intermediate housing to purchase analysed in a subsequent section.

New Household Formation (Step 2.1)

10.42 The PPG[75] recommends that gross household formation should be used as the measure of newly forming households, as opposed to net household growth which takes into account household dissolution. This is required to ensure that household dissolution is not double-counted in the calculation, once as a net loss of households and potentially again as a re-let of the house they may have occupied. However, gross household formation is typically much higher than net rates and may represent an overestimate of the number of households seeking new housing in each year within the Borough. This is limited to households forming who are under the age of 45, which is consistent with the former 2007 SHMA Guidance (Annex B) which notes that after 45 years of age, household formation rates 'plateau'[76].

10.43 For the purposes of considering future newly forming households, the DLUHC 2014-based SNHP have been used in line with the standard methodology. This demographic data generates a housing requirement of 176 dpa, which is a net figure, and a 633 hpa figure gross[77].

10.44 This output of future housing need should be treated with caution. Such gross estimates may include people that form several different households over the period at different stages of their life, but does not account for their previous household no longer existing (i.e. two single person households becoming a couple and moving in together).

Table 10.8 Gross newly-forming households High Peak Borough over 20 years

	No. newly forming households annually (gross)
High Peak Borough	633

Source: DLUHC 2014 based SNHP and Lichfields analysis

Those unable to rent or buy (Step 2.2)

10.45 This stage of the assessment involves an affordability test. Information in respect of local house prices, market rents and household income levels has informed the test which estimates the

[75] 2a-021-20190220

[76] This is supported by the latest EHS data for 2020/21 *(Annex Table 1.8: Demographic and economic characteristics, recent first time buyers, 2020-21*), which indicates that 92.9% of First Time Buyers are aged between 16 and 44, with 63% aged between 25 and 34.

[77] We note that SHMAs undertaken by certain other housing consultants prefer to apply average gross household formation rates based on applying national rate to total households over the period, using data from the English Housing Survey. If such an approach were to be applied here, then using the 3-year average national gross household formation rate of 1.439% from the EHS 2016/17-2018/19 and applying it to the 20-year 2014-based SNHP for High Peak Borough would generate a gross annual household formation of 619 hpa, which is very similar to the 633 hpa recorded above.

ability of households to afford lower quartile market housing. The affordability test has been calculated by identifying the costs of entry level (lower quartile) market housing, the costs of which have been obtained from the Land Registry, as well as private rental costs obtained from the VOA[78].

10.46 As set out above, drawing upon the review of current house prices and private rental values, lower quartile prices for a house (price paid by local authority year ending December 2020 and equal to £159,950) and a rental property (£468 per month) have been used as an indicator of the entry price to market housing. Such houses are available within the Borough and such values are relatively typical of smaller properties on the market, ideal for newly forming households seeking to move into a first property.

10.47 The income distribution of newly forming households is different from total households, reflecting their lesser incomes compared to the average[79]. This means that a greater proportion of newly forming households are unable to access market housing than households overall. The PPG, however, sets out clearly that the affordability of housing for newly forming households must be considered foremost, as it is these households that will most likely fall into housing need if their housing requirements are not met in the market. The percentage of both existing and newly forming households unable to afford to buy/rent is set out below and equates to 35.0% for newly forming households, falling to 25.5% of all the Borough's households if a 32% gross income threshold is modelled rather than 25%[80].

10.48 In addition, Step 2.3 uses secondary data for the number of households who move house each year (based on past trends) to estimate the number of existing households falling into need annually. Using data for the number of people actually moving (from the Land Registry and CORE data) provides a good indicator of need, as it shows actual moves; whereas the Housing Register only provides an indication of intentions to move.

10.49 Existing households falling into need is therefore based upon an analysis of recent trends of movements from the private sector into the social sector as a proxy for existing households falling into need. These figures were averaged from CORE data over the past 3 years.

10.50 In summary, the components of the future affordable housing need for the Borough are set out in Table 10.9.

[78] VOA (June 2021): Private Rental Market Statistics between 1 April 2020 and 31 March 2021

[79] English Housing Survey 2015 to 2016: housing costs and affordability - Annex Table 2.1: Mean and median income, 2015-16. HRP aged 16-34 have an average weekly income of £718 per week compared to £780 per week for all households, meaning younger newly forming households earn 92% of the 'all households' amount.

[80] Note: Since the report was commissioned the country has entered a 'cost of living' crisis. These figures are a point in time estimate and are reflective of what people can currently afford to borrow, although clearly the adverse economic headwinds and soaring utilities bills projected for the year ahead may make such levels unaffordable. As such, despite the analysis including sensitivity testing to help future-proof the analysis, this should be monitored by the Councils and adjustments made as necessary going forward.

Table 10.9 Future Affordable Housing Needs for High Peak Borough

Component	High Peak Borough		Source/Calculation
	25% Income Threshold	32% Income Threshold	
Newly forming households (Gross per annum)	633		2014-based SNHP
% unable to rent or buy in the private market	35.0%	25.5%	Lichfields' Affordability Modelling
Newly forming households unable to afford market housing (per annum)	222	161	Newly forming households (Gross per annum) xx% unable to rent or buy in the private market
Existing households falling into need (annual average)	59		CORE 2017/18 to 2019/20.
Estimate of Future Housing Need (p.a.)	**281**	**220**	Newly forming households unable to afford market housing (per annum) + Existing households falling into need (annual average)

Source: DLUHC 2014-based Household Projections, CORE Data and Lichfields analysis

10.51 Sub-Area data is provided in Table 10.10. As the number of newly forming households and existing households falling into need is only available at a Borough-wide level, it has been assumed that these will be split proportionately in line with the current population living in each sub-area (as recorded in the 2020 MYE).

Table 10.10 Future Affordable Housing Needs by Sub-Area

Component	**High Peak Borough**		**Buxton**		**Central Area**		**Glossop**		**National Park**	
	25%	**32%**	25%	32%	25%	32%	25%	32%	25%	32%
% of High Peak Borough's Population living in sub-area	**100%**		22.9%		33.9%		34.1%		9.2%	
Newly forming households (Gross per annum)	**633**		145		214		216		58	
% unable to rent or buy in the private market	**35.0%**	**25.5%**	32.5%	22.7%	33.1%	23.9%	45.5%	34.5%	44.8%	33.4%
Newly forming households unable to afford market housing (per annum) *	**222**	**161**	43	30	65	46	90	67	24	18
Existing households falling into need (annual average)	**59**		18		17		23		1	
Estimate of Future Housing Need (p.a.)	**281**	**220**	**61**	**48**	**82**	**63**	**113**	**90**	**25**	**19**

Source: DLUHC 2014-based Household Projections, ONS 2020 MYE, DLUHC Local Authority Live Table, CORE Data and Lichfields analysis
*Balanced to sum

10.52 These outputs of future affordable housing need should be treated with caution. Utilising gross estimates of household formation may include people that form several different households over the period at different stages of their life but does not account for their previous household no longer existing.

Stage 3: Affordable Housing Supply steps 3.1 to 3.8

10.53 This Section estimates the existing and forthcoming stock of affordable housing as per the PPG. This stage examines housing stock that can accommodate households in housing need. The

information is required to calculate net affordable housing requirements. The model considers both current affordable housing stock (including how much of this is available) as well as the level of future annual new supply.

Current Affordable Housing Stock (Steps 3.1 to 3.5)

10.54 The PPG[81] sets out the current components of housing stock used to accommodate current households in affordable housing need as well as future supply:

- the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need;
- Suitable surplus stock (vacant properties);
- the committed supply of new net affordable homes at the point of the assessment (number and size); and,
- Identifying units to be taken out of management (demolition or replacement).

10.55 The PPG states that the first three components are to be added together, and the number of social housing units to be taken out of management deducted, to equate to the total affordable housing stock that is available.

Affordable Dwellings occupied by Households in Need (Step 3.1)

10.56 The purpose of Step 3.1 is to identify the number of affordable dwellings which become available but are occupied by households in housing need. Thus, this step considers transfers within the affordable housing stock. The movement of these households (within affordable housing) will have a nil effect overall in terms of housing need. These households have already been netted off at Stage 1 of the calculation and the figure for this step is therefore zero.

Surplus Stock (Step 3.2)

10.57 A certain level of voids is normal and allow for transfers and works to properties. The former SHMA Guidance (page 48) noted that a social housing vacancy rate in excess of 3% (and properties which are vacant for considerable periods of time), should be counted as surplus stock.

10.58 An analysis has been undertaken utilising vacancy level data. This indicates a social housing vacancy level of 0.8% in 2020.[82] Therefore, as the current vacancy rate is well below the 3% rate recommended by the former SHMA guidance, a surplus stock rate of zero has been included within the model.

Committed Supply of New Affordable Housing (Step 3.3)

10.59 The former SHMA Guidance states that this step of the model should utilise information about new social rented and intermediate affordable dwellings which are committed at the point of assessment. The Local Authority Housing Statistics [LAHS] data no longer shows the number of planned and proposed affordable units. However, data on committed supply of affordable housing has been provided by HPBC (Table 10.11) and suggests that potentially, there is a considerable amount of affordable housing currently in the development pipeline equal to around 240 across the Borough as a whole, the vast majority of which are likely to come forward in Buxton. Having reviewed these permissions, it is understood that around 138 relate to social/affordable rented properties, with the remaining 102 relating to intermediate, or shared ownership, affordable housing.

[81] 2a-022-20190220
[82] DLUHC Data: Table 100 (2020) and Table 615 (2020)

Table 10.11: Total Supply of New Affordable Units to Rent

	High Peak Borough	Buxton	Central Area	Glossop	National Park
Supply of New Affordable Housing to Rent (Committed Supply) 2021/22	**138**	110	25	3	0

Source: Local Authority Information provided by HPBC Officers in 2022

Units to be taken out of Management (Step 3.4)

10.60 The former SHMA Guidance states that this stage should *"estimate the numbers of social rented or intermediate affordable housing units that will be taken out of management."* This includes properties which are planned to be demolished or redeveloped (with a net loss of stock).

10.61 HPBC provided information that confirmed that no units were planned to be taken out of management; hence a figure of zero has been incorporated into the model. Previous discussions with Registered Providers suggested that there were no foreseeable plans to take any units out of management.

Total Affordable Housing Stock Available (Step 3.5)

10.62 Table 10.12 sets out these current components of supply in High Peak as at March 2022.

Table 10.12: Current Supply of Affordable Housing in High Peak Borough

Component	#	Source
Step 3.1 (Affordable Dwellings Occupied by households in need)	**None** – already netted off at Stage 1 (Step 1.4 – 228 units)	Housing Register December 2021
PLUS Step 3.2 (Surplus Stock) – Vacant but available for letting	0	
PLUS Step 3.3 (Committed Supply of New Affordable Housing to Rent)	138	
MINUS Step 3.4 (Units to be taken out of management) – Vacant but not available for letting	0	HPBC as at January 2022
EQUALS Step 3.5 Current Supply of Affordable Housing	**138**	

Source: HPBC 2022

Future Affordable Housing Supply (Steps 3.6 to 3.7)

10.63 The final part of the calculation relates to an analysis of the level of likely future affordable housing supply coming forward, which considers future annual supply of social housing re-lets (net), calculated based on past trends (generally the average number of re-lets over the previous three years should be taken as the predicted annual levels). This only includes those re-lets that would lead to a net gain in the stock, hence it excludes first lets, internal transfers and tenancy renewals.

10.64 Social re-lets data has been obtained from 3 years-worth of CORE data (for 2017/18 to 2019/20). The data obtained for this component is set out in Table 10.13. The four sub-area figures have been calculated on the basis on the size of the existing social housing stock in each sub-area, based on 2011 Census data.

Table 10.13: Future Annual Supply of Social Re-lets

	Social re-lets
2017/18	197
2018/19	103
2019/20	239
Average	**180**

Source: 2017/18 -2019/20 CORE Data

10.65 It should be noted that CORE does not capture any information about the location to which the previous occupant moved, only their tenure. Therefore, "*Relet – tenant moved to other social housing provider*" could mean in the same district (i.e. High Peak) or anywhere else in the country. In the Table above it has been assumed that all relets that have arisen due to the tenant moving to another social housing provider or internal transfers have been internal to High Peak. As a sensitivity test, we have also modelled the number of social re-lets if it is assumed that all of the transfers resulted in the household in question moving to another provider outside of the district. If this was the case (which is very unlikely), then the future annual supply of social re-lets would increase from 180 to **249**. This has been modelled as a sensitivity at the end of this section albeit with the strong caveat that it is highly unlikely that every internal relet will involve a household moving out of the Borough.

Estimate of Net Affordable Housing Needs

10.66 Bringing the above elements together the analysis can calculate net affordable housing need. This is done on an annual basis over the whole plan period, and as such it will be necessary to convert the backlog of need into an annual quota based upon the period which this backlog will be addressed. It is a point for any Local Plan's housing trajectory to set out how and when the backlog of affordable housing need will be delivered in the plan period. However, for the purposes of an LHN calculation, an average figure over HPBC's 20-year plan period will still match the total affordable housing need over the plan period (even if this is addressed fully in the first 5 years).

10.67 Table 10.14 sets out the calculation of net annual affordable housing need.

Table 10.14 High Peak Affordable Housing Need Calculation

		High Peak Borough		Buxton		Central Area		Glossop		National Park	
Stage and step in calculation	**Notes**	**25% income**	**32% income**	**25%**	**32%**	**25%**	**32%**	**25%**	**32%**	**25%**	**32%**
Stage 1: Current Need (Gross)											
1.1-1.3 Current Need (including Backlog)	Housing Register December 2021	**580**		174		168		225		13	
1.4 Annual quota (2021-2041)		**29**		**9**		**8**		**11**		**1**	
Stage 2: Future Need											
2.1 New household formation (gross p.a.)	ONS 2014 SNHP	**633**		145		214		216		58	
2.2 Proportion of new households unable to buy or rent in the market	Unable to afford LQ rents	**35.0%**	**25.5%**	32.5%	22.7%	33.1%	23.9%	45.5%	34.5%	44.8%	33.4%
2.3 Existing households falling into need	3-year average to 2020 CORE data	**59**		18		17		23		1	
2.4 Total newly arising housing need (gross p.a.)	(2.1 x 2.2) +2.3	**281**	**220**	**61**	**48**	**82**	**63**	**113**	**90**	**25**	**19**
Stage 3. Affordable Housing Supply											
Current Supply											
3.1 Affordable dwellings occupied by households in need	Housing Register December 2021	**0 (240 units already deducted)**		0		0		0		0	
3.2 Surplus stock (Vacant but available for letting)	DLUHC Tables 100 and 615	**0**		0		0		0		0	
3.3 Committed supply of affordable housing for rent	(HPBC data return 2022)	**138**		110		25		3		0	
3.4 Units to be taken out of management (Vacant but not available for letting)	(HPBC as at 2022)	**0**		0		0		0		0	
3.5 Total affordable housing stock available	3.1+3.2+3.3-3.4	**138**		110		25		3		0	
Future Supply											
3.6 Annual supply of social re-lets (net)	3-year average from 2017/18 to 2019/20 CORE data	**180**		49		47		69		15	
3.8 Annual supply of affordable housing		**180**		49		47		69		15	
Net Annual Affordable Housing Need	1.3 – 3.5 (annualised over 5 years)+2.4-(3.1+3.2+3.4)-3.8	**189**	**129**	**25**	**12**	**63**	**45**	**88**	**66**	**13**	**7**

Source: HPBC, Local Authority Live Tables, CORE Data and Lichfields analysis

10.68 This illustrates that net annual need based on current data over the period 2021 to 2041 amounts to **between 129 and 189 homes for affordable/social rent** (dependent on the income multiplier used). This reflects gross household formation and therefore does not account for household dissolutions, with the implication that needs are likely to be 'worst case' under this approach as it could include some double counting. It also assumes that the backlog need will be addressed in full in the first 5 years of the Plan. Strongest levels of affordable housing rental need are identified for Glossop, and the lowest in Buxton and the National Park

(although the figure for Buxton is to an extent distorted due to the comparatively high level of affordable housing currently being delivered).

10.69 If the annual supply of social re-lets is increased substantially to take into account the uncertainty regarding internal transfers, then the annual requirement could fall still further, to between 59 and 120 dpa; however, as set out above, this sensitivity test is questionable as it is highly probable that a very significant proportion of the households in question will transfer to another social housing provider based in High Peak Borough, rather than moving further afield (as typically the distance moved is much lower for social housing tenants than in the private sector).

Affordable Homes for Purchase

10.70 The previous SHMA only assessed need for intermediate housing based on households which could not afford to rent in the open market. It effectively assumed that all households which can afford to rent in the market do not represent a need for any form of affordable housing. However, the latest version of the PPG states that the affordable housing need assessment should include an estimate of those that cannot afford their own home to rent or to own their home where that is their aspiration[83]. This therefore introduces a new concept whereby the need figure must include an indication of the number of households who can currently afford to rent privately, but who nevertheless aspire to own their own home (which could include intermediate affordable home ownership products and First Homes). It should be noted that at the present time the PDNPA does not consider that First Homes are a form of affordable housing that will meet identified needs in the National Park. However, according to PDNPA Officers, discounted market homes are an acceptable form of affordable housing, subject to a local connection criteria.

10.71 We therefore need to also consider households which want to move towards ownership tenures, but may be unable to, even if their needs are currently being met in the private rented sector. These households' needs would be met through affordable home ownership products, including shared ownership and other types (e.g. discount market). Being a current tenant of the private rented sector does not exclude a household from being able to apply for shared ownership, as long as they are a first-time buyer or cannot afford to buy a home now (if they used to own a home).

10.72 In the case of assessing needs of affordable homes for purchase, it is therefore necessary to capture households who can afford to rent in the market but are unable to afford to buy. This is because those unable to afford renting are captured in the assessment of affordable rented need, whilst those able to buy in the market without assistance are unlikely to be eligible for forms of affordable housing for purchase (except for First Homes).

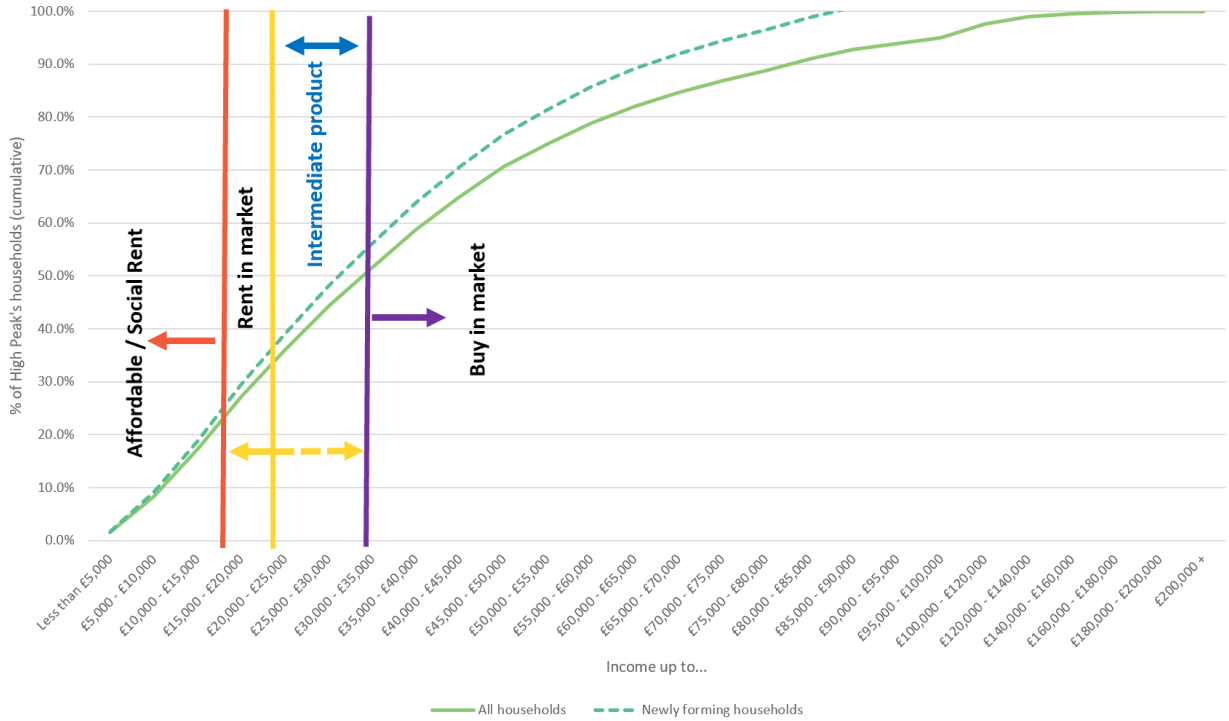
10.73 To calculate this, and as set out above, we have obtained household income data for High Peak from CACI and adjusted this based on data from the English Housing Survey, which shows younger/newly forming households have a slightly lower than average income[84]. We have assumed that households which cannot afford more than 80% of market rents need affordable rented or social rented housing and that households which can afford market rents and private home ownership represent the potential market for intermediate products such as shared ownership.

10.74 This results in a household income distribution for High Peak as shown in Figure 10.2.

[83] PPG ID: 2a-020-20190220

[84] English Housing Survey (2015/16) Housing costs and affordability – Annex Table 2.1: Mean and median income by age of Household Reference Person (HRP). Households with HRP age 16-34 have average weekly income of £718 per week compared to £780 for all households; therefore younger/newly forming households earn 92% of the overall average

Figure 10.2 Income Distribution and Product Affordability in High Peak Borough



Source: CACI (2022). Figures are calculated on the basis of 4x income multiples for home ownership and 25% of gross annual earnings for rentals.

10.75 This indicates that, based on 4x income multiples for home ownership and 25% of gross annual earnings for rentals:

- 26.4% of newly forming High Peak households have income levels below the threshold likely to afford affordable rent (and 24.8% cannot afford social rent);
- 35.0% of newly forming High Peak households cannot afford to rent privately; and,
- 54.4% of newly forming High Peak households cannot afford to buy a property on the open market.

10.76 For the local area, the potential additional demand for intermediate housing is from households with an income of between £22,464 (the income needed to access lower quartile market rents @25%) and £33,949 (the income needed to buy at lower quartile prices @4x income multiplier). Any household earning in this range can afford to rent privately but cannot afford to buy in the open market (assuming a 15% deposit). This range would narrow to between £17,550 and £30,177 if the sensitivity thresholds of 32% income threshold for renting and 4.5x income multiplier for purchase are applied for dual earners.

10.77 The households in this range represent the further potential demand for intermediate housing in High Peak. Based on this income distribution for single earners, an estimated 18.5% of all existing households in the local area can afford market rents but are unable to buy, rising to 19.4% for newly forming households, as shown in Table 10.15. This rises to 22.1% if a higher income multiplier is used for existing households, and 23.0% for newly forming households. This represents a substantial portion of the local population that are unable to purchase their own home. As indicated in the Table, the gap is particularly wide in the National Park (which has very high LQ house prices in particular), and much narrower in Glossop (due to the town having lower house prices, but higher rental prices, than the Borough-wide average). It reflects the relatively constrained housing affordability position of the Borough.

Table 10.15: Percentage of households able to afford private rents but unable to buy

	Income multiples	High Peak Borough	Buxton	Central Area	Glossop	National Park
All households	Single earners 4x / 25%	**18.5%**	20.9%	22.1%	6.7%	34.2%
	Dual earners 4.5x / 32%	**22.1%**	24.6%	24.7%	11.5%	39.1%
Newly Forming Households	4x / 25%	**19.4%**	27.3%	23.3%	6.7%	33.7%
	4.5x / 32%	**23.0%**	29.9%	26.1%	12.1%	39.9%

Source: Lichfields analysis of CACI/VOA/ONS data

10.78 This means that affordable home ownership options are needed for private rented households which cited affordability as a main reason for them not expecting to buy (i.e. those who would expect to buy if they could afford to do so). This assessment should therefore be regarded as a minimum, because if any private renters who do expect to buy need (or expect that) an affordable home ownership option will be available when they plan to buy, the demand for affordable ownership products will be higher.

10.79 Having established the percentage of households falling in this 'gap', we need to understand how many households this is likely to represent over the course of the 20-year Plan period. For the purposes of this assessment, we have projected household growth using the 2014-based SNHP (as these underpin the Borough's LHN based on the Government's standard methodology).

10.80 The assessment of need has been restricted to under 45s on the basis that this the age most newly forming households form[85] (and older households may have equity as well as income, which would affect their eligibility for affordable home ownership products). However, it is entirely possible that households over the age of 44 would be eligible for (and be interested in purchasing) discounted market housing. Whilst occupants of the scheme would be subject to income and local connection criteria, there is no proposal to specifically restrict occupants based solely on age, thus households over the age of 44 could potentially add additional demand on top of that identified in this analysis.

10.81 With the above caveat, and when applied to the household growth in the 2014-based SNHP, this could suggest that there will be an annual pool averaging **2,154 households over the period 2021-2041** who can afford to rent but not buy privately (based on the 4x/25% income multipliers; the figure would rise to 2,554 households per annum if the higher multiples in Table 10.15 are applied).

10.82 The Borough currently has some supply of shared ownership housing which is likely to be catering to the needs of some households which would otherwise be in the private rented sector (and cannot afford to buy in the open market). The 2011 Census indicates that there were **229** shared ownership homes across High Peak, of which 56 were located in the Central Area; 46 in Buxton, 40 in Glossop and 87 in the National Park.

10.83 Considering that 229 households in the local area already live in shared ownership housing, the remaining households which can afford rents but unable to afford open market purchase (and are assumed to be currently living in private rented housing) reduces the annual pool from 2,154 households over 20 years, to **1,925** households.

[85] The English Housing Survey for 2020/21 indicates that 92.9% of First Time Buyers are aged 44 and under. Source: English Housing Survey, full household sample, Annex Table 1.8: Demographic and economic characteristics, recent first time buyers, 2020-21

10.84 Of course, not every household within the private rented sector will need (or will want) to move into home ownership each year. Some households may not want to move into ownership due to not having a secure enough job, not wanting to be in debt, the cost of repairs and maintenance, not wanting the commitment/preferring the flexibility of renting and liking their current accommodation.

10.85 The EHS (2019/20) found that nationally, 59.5% of private renters expect to buy at some point in the future and 40.5% do not. Amongst those who do not expect to buy, 68.2% cited affordability. Based on this, we can estimate the number of households which may be expected to buy if the affordability barrier were removed. This would be:

1 The percentage of households in a group who would be expected to buy anyway (59.5%); plus; and,

2 The percentage of households which currently do not expect to buy, mainly due to affordability reasons (40.5% x 68.2%).

10.86 Having established the percent of households in High Peak which would be expected (at any time) to buy if an affordable home ownership option were made available to them, we then need to determine how many actually buy in a given period. The EHS found that of private renters who did expect to buy, 26.74% expected to do so within two years; this would equate to 13.4% per annum[86]. Applying this to the total number of households (by type) which would expect to buy if an affordable home were available gives an estimate of the potential demand each year for affordable housing for purchase from first time buyers[87]. This is shown in Table 10.16 and equates to **11.6%.**

Table 10.16: Estimate of households who would buy (in the next year) if affordable home available

	Percentage	Source
a. Percentage of households expecting to buy (at any point in the future)	59.5%	English Housing Survey 2019/20 Annex Table 1.20: Buying expectations, social and private renters, 2019-20
b. Percentage of households not expecting to buy	40.5%	(100% - a)
c. Percentage of private renters not expecting to buy citing affordability as main reason	68.2%	English Housing Survey 2019/20 Annex Table 3.17: Perceived barriers to buying a home, by tenure, 2019-20
d. Total percentage expected to buy if affordable home provided	**87.1%**	(a + [b * c])
e. Of those expecting to buy, percent expecting to buy within 2 years	26.74%	English Housing Survey 2019/20 Annex Table 1.20: Buying expectations, social and private renters, 2019-20. Refers to privately renting households
f. Equivalent per annum	13.4%	(e / 2)
g. Total – expected to buy in next year	**11.6%**	(d * f)

Source: Lichfields' analysis based on English Housing Survey data

10.87 As a sensitivity, we have modelled the implications of excluding people who WERE already expecting to buy anyway (59.5% of all households in the Table above) and only including people who were not expecting to buy due to affordability problems. The inherent assumption here being that those people who were expecting to buy may well have assumed that they would be

[86] Source: English Housing Survey 2019/20 Annex Table 1.20: Buying expectations, social and private renters, 2019-20. Refers to privately renting households

[87] Note: in Year 1 of the assessment, all households in a given group which can afford to rent but not to buy are included as potential FTBs. In subsequent years these households are removed, so the 'pool' of potential FTBs gradually decreases to take into account those who have already bought.

able to do so in the market. This would reduce the percent expected to buy in the next year from 11.6% to **3.69%**.

10.88 Conversely, it is noted that the EHS presents national data on expectations in relation to home ownership. It therefore does not reflect the severe affordability pressures in areas such as the National Park. Hence, the use of this national data represents a conservative approach, and it is likely that there may be a higher proportion of people locally that would like to buy but are not expecting to do so due to affordability issues in certain parts of the Borough and therefore a larger pool of potential buyers may exist at a localised level.

10.89 The approach used below to assess the potential demand for intermediate housing from households currently in the private rented sector does not include separate calculations of backlog, future need and supply. All elements are wrapped up in a single calculation by using all households as the basis for need (thus implicitly including backlog) and by using net household change (thus removing the need to separately calculate gross need and future supply).

10.90 This calculation of need is shown in Table 10.17. This analysis suggests an annualised demand for **88 affordable homes for purchase** from existing and future households in High Peak. Split by sub-area (with the 2014-based SNHP split based on the 2020 MYE), this indicates that need is greatest in the Central Area, followed by Buxton with a need for just 12 annually in the National Park.

Table 10.17: Estimate of existing and future demand for intermediate housing: High Peak and Sub-Areas

	High Peak Borough Total	Buxton	Central Area	Glossop	National Park
(a) Annual Average households aged under 45	**11,124**	2,551	3,766	3,788	1,019
(b) Percentage who can afford LQ market rent but are unable to purchase (@ 4x income / 25% annual income)	**19.36%**	27.25%	23.26%	6.74%	33.70%
I Number of households who can afford LQ market rent but are unable to purchase (a * b)	**2,154**	695	876	255	343
(d) Supply (current shared ownership units)	**229**	46	56	40	87
I 'Pool' of potential demand (net) (c-d)	**1,925**	649	821	215	256
(f) Percentage of households living in PRS expecting to buy in the next year if affordable homes are available	**11.65%**				
Potential gross need for affordable housing to purchase, annual average (e * f). After year 1, the assessment reduces the 'pool' of households which are potential buyers to account for the fact that some are assumed to have moved into affordable homes for purchase the previous year.	**88**	**29**	**37**	**10**	**12**

Source: Lichfields' analysis

10.91 If the percentage of households living in PRS expecting to buy in the next year if affordable homes are available is reduced from 11.65% to 3.69% by excluding those households expecting to buy (at any point in the future), then the potential gross need under this sensitivity test falls from 88 to **51** as set out in Table 10.17.

Table 10.18: Estimate of existing and future demand for intermediate housing: High Peak and Sub-Areas – SENSITIVITY

	High Peak Borough Total	Buxton	Central Area	Glossop	National Park
(a) Annual Average households aged under 45	**11,124**	2,551	3,766	3,788	1,019
(b) Percentage who can afford LQ market rent but are unable to purchase (@ 4x income / 25% annual income)	**19.36%**	27.25%	23.26%	6.74%	33.70%
I Number of households who can afford LQ market rent but are unable to purchase (a * b)	**2,154**	695	876	255	343
(d) Supply (current shared ownership units)	**229**	46	56	40	87
I 'Pool' of potential demand (net) (c-d)	**1,925**	649	821	215	256
(f) Percentage of households living in PRS expecting to buy in the next year if affordable homes are available	**3.69%**				
Potential gross need for affordable housing to purchase, annual average (e * f). After year 1, the assessment reduces the 'pool' of households which are potential buyers to account for the fact that some are assumed to have moved into affordable homes for purchase the previous year.	**51**	**17**	**21**	**6**	**7**

Source: Lichfields' analysis

10.92 As with the affordable rent calculation, the PPG notes that there will be a current supply of housing stock that can be used to accommodate households in affordable housing need as well as future supply. Assessing the total affordable housing supply requires identifying:

- the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need;
- suitable surplus stock (vacant properties); and,
- the committed supply of new net affordable homes at the point of the assessment (number and size).

10.93 As noted above, the current number of shared ownership units that could be occupied by households in need has already been netted off the need in the Table above. As regards vacant properties, the overall proportion of vacant dwellings in the overall social housing stock is very small in High Peak, at just 0.8% and therefore given the demand for intermediate housing it is considered highly unlikely that there would be sufficient vacant intermediate housing (over 3% of the overall stock) to warrant a further adjustment to the requirement.

10.94 Regarding the committed supply of new affordable homes, data on committed supply of affordable housing has been provided by HPBC (Table 10.19) and suggests that potentially, there is a considerable amount of affordable housing currently in the development pipeline equal to around 240 across the Borough as a whole, the vast majority of which are likely to come forward in Buxton. Having reviewed these permissions, 102 relate to intermediate, or shared ownership, affordable housing.

Table 10.19: Total Supply of New Affordable Units to Rent

	High Peak Borough	**Buxton**	**Central Area**	**Glossop**	**National Park**
Supply of New Affordable Housing to Rent (Committed Supply) 2021/22	**102**	84	13	5	0

Source: Local Authority Information provided by HPBC Officers in 2022

10.95 Going forward, social re-lets data has been obtained from 4 years-worth of CORE data (for 2015/16 to 2018/19) given the very low level of re-sales. The data obtained for this component is set out in Table 10.13. As can be seen, there has been an average of just 2 intermediate re-sales annually since 2015/16.

Table 10.20: Future re-Sales of Intermediate Housing

	Intermediate Housing
2015/16	4
2016/17	1
2017/18	0
2018/19	3
Average	**2**

Source: 2015/16 -2018/19 CORE Data

10.96 These shared ownership homes are likely to meet some of the need for entry-level homes suitable for newly forming households. Netting off the 102 existing affordable housing to buy supply in the immediate pipeline from the 2021 intermediate need, and assuming that there will be a minimal churn of 2 intermediate dwellings per annum thereafter, the net requirement for intermediate housing equates to **81 dpa**. This breaks down to 25 dpa in Buxton; 36 dpa in the Central Area; 9 dpa in Glossop and 11 dpa in the National Park[88].

10.97 If this supply is netted off in the sensitivity test set out in Table 10.18, then the net requirement for intermediate housing falls to **44 dpa**. This breaks down to 12 dpa in Buxton; 20 dpa in the Central Area; 5 dpa in Glossop and 7 dpa in the National Park.

10.98 An identical exercise has been undertaken using the 4.5 / 32% dual income multipliers as per the sensitivity testing detailed above. This resulted in a slightly higher level of need for intermediate housing to purchase, at **99 dpa** (54 dpa under the sensitivity test), due to the increasing gap between people's ability to afford private rent and market purchase.

10.99 Table 10.21 sets out the overall calculation of High Peak's net annual affordable housing need, combining the need for social/affordable rented properties with affordable home ownership. Overall, it indicates that there is an affordable housing need in the order of **270 dpa** based on single earner income multipliers, falling to **228 dpa** based on (higher) dual earner income multipliers[89]. There is a higher level of need in the Central Area settlements and Glossop, with the latter having a particularly strong need for affordable properties available to rent.

Table 10.21 High Peak Borough Affordable Housing Need Calculation – To Rent and Purchase

	High Peak Borough		**Buxton**		**Central Area**		**Glossop**		**National Park**	
Stage and step in calculation	25% income	32% income	25%	32%	25%	32%	25%	32%	25%	32%
Net Annual Affordable Housing Need for **Rent**	**189**	**129**	25	12	63	45	88	66	13	7
Net Annual Affordable Housing Need for **Sale**	**81**	**99**	25	27	36	40	9	18	11	14
Overall Net Annual Affordable Housing Need	**270**	**228**	50	39	99	85	97	84	24	21

Source: HPBC, Local Authority Live Tables, CORE Data and Lichfields analysis. Sums may not add due to rounding errors.

[88] For the intermediate re-sales, the four sub-area supply figures have been calculated on the basis on the size of the existing social housing stock in each sub-area, based on 2011 Census data.

[89] Applying the sensitivity test to intermediate affordability, the overall net annual affordable housing need decreases to **233 dpa** based on single earner income multipliers, and **183 dpa** based on (higher) dual earner income multipliers

Types of Affordable Housing Needed

10.100 The purpose of this section of the report is to establish the relative need between social rent, affordable rent and forms of affordable home ownership as set out in the NPPF within the overall affordable housing need figure. This exercise has examined the interaction between housing costs and household income. First Homes are also now included in the definition and are considered in further detail below.

10.101 The income required for each of the alternative tenure options, and the assumptions underpinning these figures, is set out in Table 10.22 and discussed in further detail below.

Table 10.22: Annual Rents and Costs

	Cost Assumption	Price Assumptions	Affordability Requirements	Income Required
LQ Private Purchase	£159,950	HM Land Registry Existing LQ Price Paid 15% deposit on sales value	4-times income / 4.5-times income	**£33,949 / £30,177**
Lower Quartile Rental	£5,616 per annum	LQ Market Price 2021	25% / 32% of Income	**£22,464 / £17,550**
Social Rent	£4,312 per annum	CORE data 2019/20	25% / 32% of Income	**£17,247 / £13,475**
Affordable Rent	£4,493 per annum	80% of LQ rent	25% / 32% of Income	**£17,971 / £14,040**
Shared ownership (25% Share)	£150,000	LQ Shared ownership properties currently on the market in High Peak (as of March 2022). Deposit of at least 5% of the share value. Monthly mortgage costs @ 4% over 25 years. Rental Costs per Month @2.75% of retained equity Service Charge @£45 per month.	4-times income / 4.5-times income for equity. 25% / 32% of Income for rent	**£23,441 / £19,272**
Shared ownership (50% Share)	£150,000			**£28,223 / £23,966**
First Homes (30% discount)	£179,998, discounted to £125,999	LQ Newly built Market Price HPSSA dataset 16 yr/e Mar 2021 15.1% deposit on sales value.	4-times income / 4.5-times income	**£26,743 / £23,772**

Source: CORE 2019/20, VOA and Lichfields' analysis

Social and Affordable Rent Housing

10.102 Whilst the need for social and affordable rents have been assessed separately, in reality these needs should be combined for the purposes of considering tenure mix. New housing is currently rarely built to be occupied at traditional social rented levels; homes currently let at social rent levels tend to be legacies of historic local authority housing stock. New housing stock which is rented at below-market rent levels tends to be provided as affordable rented housing (i.e. up to 80% of market rents), provided as part of mixed market-affordable developments, with local housing allowance making up any difference in cost which a household cannot afford.

10.103 The key modelling assumptions were as follows:

1 **Social Rent** – CORE Social Housing lettings (PRP owned) – Rents and charges 2019/20. Average weekly rent by dwelling in High Peak Borough is £82.92, including service charges, or £4,312 per annum.

2 **Affordable Housing for Rent** – This is defined in the NPPF Annex 2 as "rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below market rents". Average LQ market rents in the Borough are £468 per

month, or £5,616 per annum[90], 80% of this means affordable rent can be no more than £4,493 per annum.

10.104 Based on these assumptions, and as summarised in Table 10.23, the need for affordable rented housing can be taken as the need for both affordable and social rented housing and represents around 70% of the overall affordable housing need based on the lower single-earner income multipliers. This declines to 57% with the higher dual earner income multipliers (as this increases the ability of households to purchase a property rather than go down the more affordable route of social rent). The mid-point of these figures is **64%.**

Table 10.23 High Peak Borough Affordable Housing Need Calculation – To Rent and Purchase

	25% / 4x Single Earner Income multiplier		32% / 4.5 Dual Income multiplier	
Stage and step in calculation	N	%	N	%
Net Annual Affordable Housing Need for **Rent**	**189**	**70%**	**129**	**57%**
Net Annual Affordable Housing Need for **Sale**	**81**	**30%**	**99**	**43%**
Overall Net Annual Affordable Housing Need	**270**	**100%**	**228**	**100%**

Source: HPBC, Local Authority Live Tables, CORE Data and Lichfields analysis. Sums may not add due to rounding errors

Rent to Buy

10.105 Rent to Buy is a government-designed scheme that allows working households to rent a home at Intermediate Rent (usually with an 80% discount on market rents) with the intention of providing them with the opportunity to save for a deposit over time to purchase their first home. To be eligible for Rent to Buy tenants must be first time buyers having not previously owned their own home. An exception to this is where an applicant is looking to return to home ownership following a relationship breakdown. There are no local or other prioritisation criteria to be applied to the Rent to Buy product, other than on rural exception site.

10.106 Ordinarily, the homes will be let at an Intermediate Rent for a minimum of five years during which it is expected that tenants will save for the deposit to purchase their home. After the initial five-year letting period, the Registered Provider may continue offering the property as Rent to Buy; sell the home on an outright basis with the tenant being given the right of first refusal; or retain and convert the home as rented housing on either an affordable or market rent basis. A tenant can also purchase their property within the five years rental period but at the discretion of the provider. A purchase under Shared Ownership is permitted as it remains as affordable housing. Tenants must meet all the shared ownership eligibility, affordability and sustainability requirements.[91]

10.107 The initial affordability of the product is therefore akin to affordable rent, although after the 5-year rental period there is clear cross over with the shared ownership product assessed below.

Shared Ownership and Other Intermediate Housing

10.108 Intermediate housing (including shared ownership) is included in the July 2021 version of the NPPF as "*housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market*." It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market

[90] ONS Private Rental Market Statistics Summary of monthly rents recorded between 1 April 2020 to 31 March 2021 by administrative area for England. Note that the March 2021 figure of £468 was used as opposed to the £413 per month recorded in the latest September 2021 iteration, which appears anomalous in terms of national growth trends

[91] 2. Rent to Buy - Capital Funding Guide - Guidance - GOV.UK (www.gov.uk)

value) and rent to buy (which includes a period of intermediate rent). This is less detailed than the previous definition of Intermediate housing in the 2012 version of the NPPF, which defined it as follows:

"Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing."

10.109 On the basis of the earlier definition, this type of housing must be more expensive than social rent (established to be £4,312 per annum) and not include affordable rent. As per the above affordable needs calculation, the average market rent is £5,616 per annum and any household that cannot afford this is in housing need. Although it is plausible that some people in affordable housing need could afford both affordable rent and intermediate housing, there is a clear gap between housing costing more than £4,493 and £5,616 which could be filled by more intermediate properties. This is cross-checked against the cost of share-to-buy properties currently available in High Peak below.

Table 10.24: Properties advertised in High Peak Borough

Address	**Size**	**Description**	**Full Price**	**Share Percentage**	**Deposit**	**Website's Monthly cost calculator**
5 Flint Way, Buxton SK17 9GN	2 Bedroom apartment	Shared ownership (New Build)	£150,000	25%	At least 5% of share value (£1,875 min)	@25%, purchase price = £37,500, £1,875 Min Deposit. Mortgage calculated using a representative rate of 3.94% over 25 years (£187). Rent = 2.75% of remaining equity (£258). Service charge = £85. Total monthly cost = £530
1 Flint Way, Buxton SK17 9GN	2 Bedroom apartment	Shared ownership (New Build)	£150,000	25%	At least 5% of share value (£1,875 min)	
7 Flint Way, Buxton SK17 9GN	2 Bedroom apartment	Shared ownership (New Build)	£150,000	25%	At least 5% of share value (£1,875 min)	
9 Flint Way, Buxton SK17 9GN	2 Bedroom apartment	Shared ownership (New Build)	£150,000	25%	At least 5% of share value (£1,875 min)	
3 Marble Court, Buxton SK17 9GP	2 Bedroom apartment	Shared ownership (New Build)	£150,000	25%	At least 5% of share value (£1,875 min)	
Uplands, Hadfield, SK13 2NX	3 bedroom house	Shared ownership (New Build)	£279,950	50%	At least 5% of share value (£6,999 min)	@50%, purchase price £139,975, £6,999 Min Deposit. Mortgage calculated using a representative rate of 3.94% over 25 years (£698). Rent = 2.75% of remaining equity (£321). Service charge = £45. Total monthly cost = £1,064
Uplands, Hadfield, SK13 2NX	1 bedroom apartment	Shared ownership (New Build)	£164,950	50%	At least 5% of share value (£4,124 min)	@50%, purchase price £82,475, £4,124 Min Deposit. Mortgage calculated using a representative rate of 3.94% over 25 years (£411). Rent = 2.75% of remaining equity (£189). Service charge = £45. Total monthly cost = £645

Source: www.sharetobuy.com/properties (March 2022)

10.110 To understand the current average cost of shared ownership properties in High Peak, the listings from www.sharedtobuy.com has been obtained. At the time of writing (March 2022) there are currently six shared ownership properties on the market, with prices ranging from £279,950 for a 3-bed house in Hadfield, to £150,000 for a 2-bed apartment in Buxton. The £6,360 annual payment for the 1-bed apartment sits above the affordable rent (£4,493) and the

LQ rental prices (£5,616), but below the LQ market purchase, which suggests that it is reasonable that smaller shared ownership properties could meet the needs of some who fall between affordable rent and average LQ market sales, albeit there may be some overlap between those who can afford affordable rent and a cheaper shared ownership property.

10.111 **Table 10.23 identified that between 30% and 43% of the overall affordable housing need was for intermediate housing for sale (averaging 36%).** This was despite the fact that the costs of purchasing a shared ownership property, even with a 25% share rather than 50% share, required an income of at least £23,441, which is in excess of the £22,464 annual household income that it was estimated to be required to rent privately in High Peak.

10.112 However, intermediate housing is not only a way of helping to meet affordable housing needs; it can be an effective way of helping households who are able afford rents but are not able to buy move out of the private rented sector and onto the housing ladder (for example, where shared ownership schemes offer 'staircasing' whereby households can progressively purchase more and more shares in their home, up to 100%). This aligns with the PPG's requirement that affordable housing need assessments should include an estimate of those households that cannot afford their own home to rent or to own their home '*where that is their aspiration'*.

10.113 The gap between the cost of renting and buying in High Peak is relatively modest, but still significant for low earners. To afford entry level market rents using 25% of income, a household income of £22,464 is required (as previously established, and falling to £17,550 if a higher proportion of income – 32% - is allowed for). However, to afford to buy an existing entry level home (lower-quartile), at £159,950 (assuming a 15.1% deposit and that a household can borrow up to 4 x its income) requires a housing income of almost £33,949 (as shown in Table 10.25, falling to £30,177 if a 4.5 x income multiple is used).

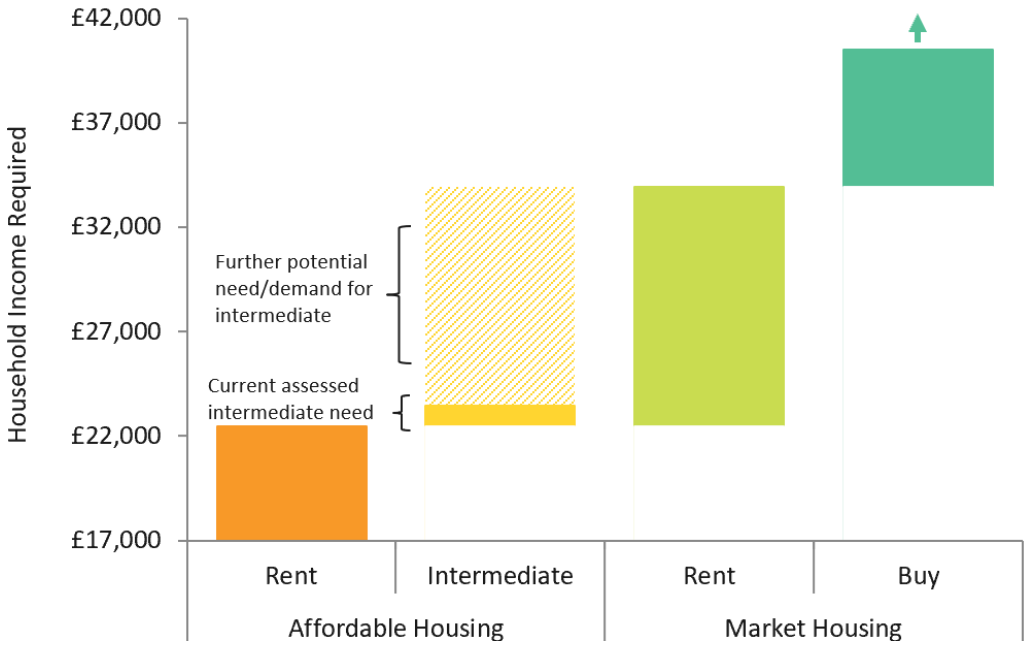
Table 10.25 Gap between cost of renting and buying in the market

Measure	Cost	Income required @ 4 x income / 25%	Income required @ 4.5 x income / 32%
Lower Quartile Market Rent	£5,616 (p.a.)	£22,464	£17,550
Shared ownership (25% Share)	£150,000 (£1,875 deposit, £71,250 mortgage)	£23,441	£19,272
Shared ownership (50% Share)	£150,000 (£3,750 deposit, £35,625 mortgage)	£28,223	£23,966
Lower Quartile House Price	£159,950 (£24,150 deposit, £135,800 mortgage)	£33,949	£30,177

Source: Lichfields based on VOA/ONS

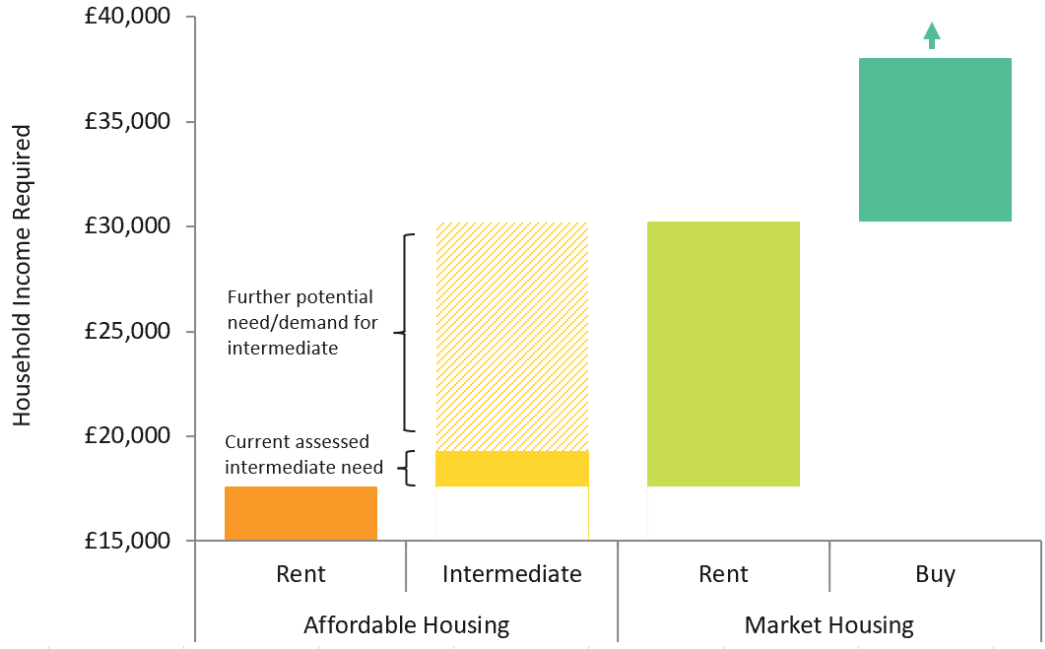
10.114 This means any household with an income between £22,464 and £33,949 is ineligible for affordable housing to rent but is unable to buy, meaning the only options for these households is renting in the market, or some form of intermediate home ownership product. In this context intermediate housing could be a way of addressing demand from renters who do not want to remain in the private rented sector (but are not able to obtain either affordable rented or market housing) or those who cannot appropriately meet their need in the private rented sector (e.g. for family housing) but may be able to do so in intermediate housing. These households are indicated in Figure 10.3 for single earners (using the lower multiples of 25% annual income for rent and 4x annual income to buy); and Figure 10.4 for dual income households (using the higher multiples of 32% annual income for rent and 4.5x annual income to buy).

Figure 10.3: Household income and tenure – potential further need for intermediate housing in High Peak Borough for Single Earners: @25% / 4x



Source: Lichfields based on ONS/VOA

Figure 10.4: Household income and tenure – potential further need for intermediate housing in High Peak Borough for Dual Income Households: @32% / 4.5x



Source: Lichfields based on ONS/VOA

First Homes

10.115 First Homes are the Government's preferred discounted market tenure and are intended to account for **at least 25% of all affordable housing units** delivered by developers through

planning obligations. As defined in the PPG[92], these comprise a specific kind of discounted market sale housing, which should be considered to meet the definition of 'affordable housing' for planning purposes (even though technically speaking, certain high-income first-time buyers who would not normally be in need of affordable housing may be eligible). First Homes must be reduced by a minimum of 30% against the market value; are sold to a person or persons meeting the First Homes eligibility criteria; on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and, after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).

10.116 Eligibility requires purchasers to be first time buyers with a combined annual household income not exceeding £80,000 (or £90,000 in Greater London) in the tax year immediately preceding the year of purchase. A purchaser of a First Home should have a mortgage or home purchase plan to fund a minimum of 50% of the discounted purchase price. LPAs are encouraged to ensure that First Homes work well in their area, which may include requiring a higher minimum discount, lower price or income caps, or local connection/key worker requirements. Local Planning Authorities are also encouraged to make the development requirements for First Homes clear for their area.

10.117 As noted above, the PDNPA does not currently consider that First Homes provide an appropriate form of affordable housing in the National Park. However, they do consider discounted market homes are an acceptable form of affordable housing, subject to local connection criteria. This HELNA does not, therefore, expressly seek to define any matters relating to First Homes, considering them as part of the intermediate tenure. However, aspects of this evidence could be used in the future to consider the applicability of the appropriate discount were First Homes to be provided, including the scale of discount (between 30% and 50%) and the sales price cap, as well as other matters such as local occupancy criteria. This is considered further below.

10.118 Clearly then, whilst First Homes are included in the definition of affordable housing going forward, any first-time buyer with an annual household income of below £80,000 (£90,000 in Greater London) could apply for a First Home even if they could afford to buy a suitable property on the open market. This means that it is not a simple matter to set out what the potential demand is likely to be for First Homes in High Peak. In many respects, there are considerable similarities also with the First Homes product and more traditional discounted market housing for sale.

10.119 In the absence of any data on the likely purchase price of typical First Homes in High Peak, indicative monthly housing costs for First Homes have been identified using lower-quartile market values for LQ new build properties at a cost of £179,998, with a 30% discount and the purchaser paying a 15.1% deposit. On this basis, minimum incomes required to afford a First Home is assumed to be between £26,743 and £23,772 per annum depending on whether a 4 or 4.5-times single earner/dual income multiplier is used.

10.120 Lichfields has undertaken an analysis of the potential pool of households who may be eligible and able to purchase a First Home over the plan period 2021-2041. This process is summarised in Table 10.26, with sensitives applied with a 40% and 50% discount.

[92] ID: 70-001-20210524

Table 10.26 Potential First Home Demand in High Peak (2021-2041)

		Potential Pool of First Time Buyers 2021-41	% Who can afford to purchase a new discounted property		Number able to afford a First Home per annum	
			@4x income	@4.5x income	@4x	@4.5x
With a 30% Discount (reduced purchase price of £125,999)	Existing Households with a HRP* under 45	5,026*	61.1%	66.1%	153	166
	Newly Forming Households with a HRP+ under 45	12,654	57.2%	62.6%	362	396
	TOTAL	**14,842**	-	-	**515**	**562**
With a 40% Discount (reduced purchase price of £107,999)	Existing Households with a HRP* under 45	5,026*	67.6%	72.0%	170	181
	Newly Forming Households with a HRP+ under 45	12,654	64.1%	68.9%	406	436
	TOTAL	**14,842**	-	-	**575**	**617**
With a 50% Discount (reduced purchase price of £89,999)	Existing Households with a HRP* under 45	5,026*	74.5%	78.7%	187	198
	Newly Forming Households with a HRP+ under 45	12,654	71.4%	75.8%	451	479
	TOTAL	**14,842**	-	-	**639**	**677**

Source: 2011 Census Land Registry Data (2015), HPSSA Year ending 2021, CACI Income Data (2021), 2014-based SNHP

+HRP: Household Reference Person

*Note: For existing households with a HRP under the age of 45, it has been assumed that if they are currently living in rented accommodation then they would not previously have owned a home and would therefore be eligible for a First Home. Whilst this is likely to be true for the majority of cases, it will necessarily under-estimate the total number of households who have, for whatever reason, decided to rent having purchased a property in the past.

10.121 Table 10.26 indicates that as a worst-case scenario, with a 30% discount and a 4x income multiple, this would typically price out 39% of existing households with a Household Reference Person [HRP] under 45, and 43% of newly-forming households with an HRP under 45. Applied to the total number of households in this age bracket, this would suggest that there is potentially an annual reservoir of **515 households** (both existing and emerging) over the next 20 years who would be eligible and theoretically able to purchase a First Home, rising to 562 if a more generous dual earner income threshold is applied.

10.122 This assumes that the discount will be in the order of 30%. Of course, if the level of discount is increased, then more first-time buyers will be able to afford a First Home. The analysis above suggests that it could boost the potential supply of first-time buyers who might be eligible and have sufficient income to 639 p.a. with a 50% discount and a 4x income multiplier, and as high as 677 p.a. with a 4.5x income multiplier.

10.123 It is of course noted that these figures are based on a number of assumptions regarding individuals' ability to pay and how the First Homes discount is likely to work in practice. We do not of course know how this will play out in High Peak, and whether given the comparatively low house prices in parts of the Borough (certainly in relation to the national level), there will be substantial interest in this discounted product from either developers or potential occupiers. Conversely, the product may be of less interest in the less affordable parts of the Borough, namely in the National Park sub-area.

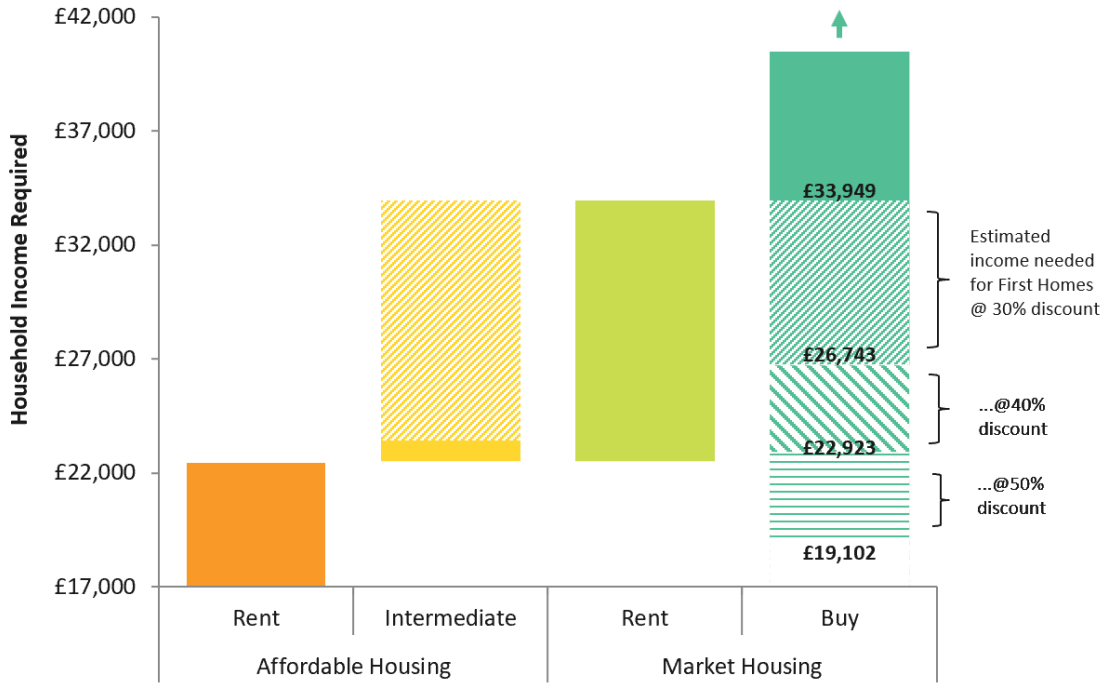
10.124 For example, it is likely that the demand for First Homes will come from households who are either able to afford market or shared ownership properties, rather than affordable rented/social rented housing. It is unlikely therefore to have an impact on social rented housing unless there is a very high level of discount, although it is probable that there will be significant overlap with over intermediate housing products to purchase.

10.125 A key point to note for High Peak Borough is that (with the notable exception of the PDNP area) there is a reasonably low variation in house prices, with new housing not attracting the scale of premium often seen elsewhere. Hence the average price of an LQ existing property in High Peak, of £159,950, is 89% of a new build LQ property (at £179,998). This is a much higher proportion than is typically seen elsewhere – nationally, existing LQ house prices, at £180,000, are just 78.3% of new build LQ property prices (£230,000) which are attracting more of a premium[93].

10.126 This means that whilst new First Homes are likely to be affordable to some first-time buyers in High Peak, the existing housing stock is not meeting much of that need. As shown in Figure 10.5, First Homes with a discount of 30% would be accessible to households with an income of over £26,743, which is well below the £33,949 required to access LQ market housing. The required income level falls to £22,923 if the discount rises to 40%, and as low as £19,102 if the discount increases to half the market price.

10.127 As can be seen in Figure 10.5, and particularly Figure 10.6 which applies a higher income multiplier of 4.5, it is almost certain that there will be a considerable overlap between the demand for intermediate (and particularly shared ownership) properties to buy and First Homes, with the overlap on affordable housing to rent only likely to occur if the discount is very high, at 50%.

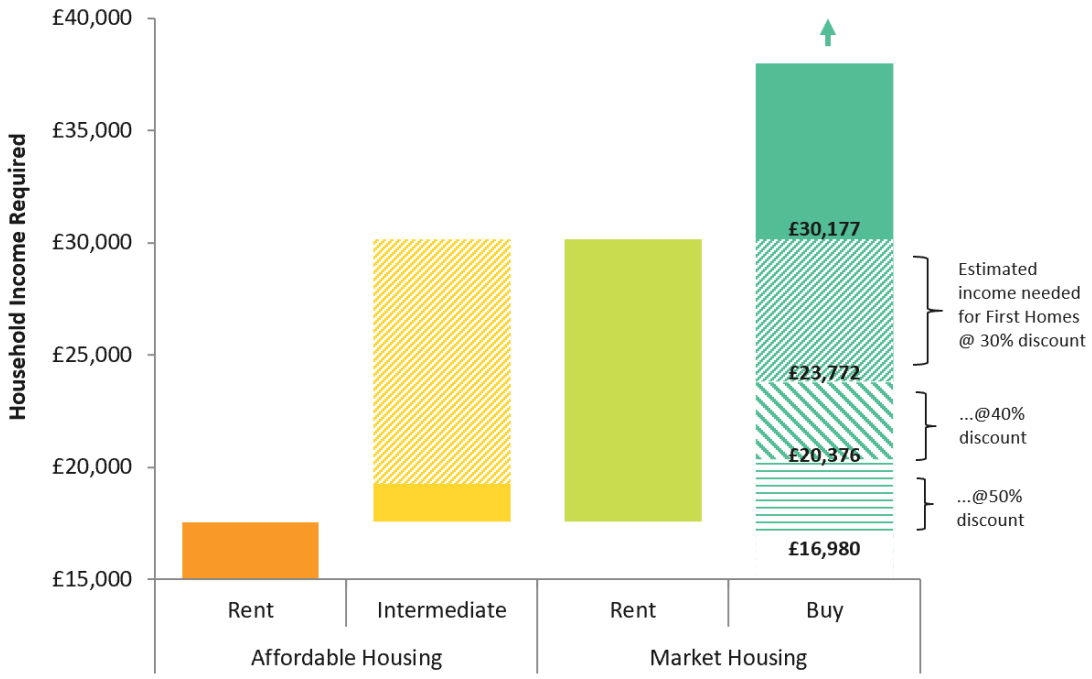
Figure 10.5: Estimated household income needed to afford First Homes in High Peak Borough with a 4x income multiple



Source: Lichfields based on VOA/ONS

[93] ONS (2021): HPSSA dataset 16: Lower quartile price paid for administrative geographies (newly built dwellings) year ending to March 2021 and ONS (2021): HPSSA dataset 17: Lower quartile price paid for administrative geographies (existing dwellings) year ending to March 2021

Figure 10.6: Estimated household income needed to afford First Homes in High Peak Borough with a 4.5x income multiple



Source: Lichfields based on VOA/ONS

10.128 Our analysis shows that First Homes have significant potential to bring new households into home ownership, although there will still be a proportion of low-income households who would still be forced to remain in the private rented sector if the discount were in the order of 30%. Applying a 4x income multiplier, the 40% discount should be sufficient to plug this gap between affordable rent, intermediate properties to buy and market housing.

10.129 However, there is likely to be considerable cross over with shared ownership products, depending on the value of First Homes coming onto the market over the coming years.

10.130 It is expected that First Homes will be funded through a reduced contribution of other types of affordable housing, and that they will need to comprise at least 25% of all affordable housing on a particular site. Given that the affordable housing needs assessment (in Section 11.0) identified a significant level of need for affordable housing to buy (c. 228 – 270 dpa) and that First Homes in High Peak may bring additional households into ownership (due to the narrow range of existing / new build house prices) it would be advisable for HPBC not to significantly reduce its affordable housing requirements in lieu of First Homes.

10.131 In our view, the mandatory minimum 30% discount appears to be appropriate given the affordability of the High Peak housing market; however, an increase to 40% may help plug the modest gap in affordability between intermediate housing to buy and affordable rent. This should be market tested, given that these remain early days for the product and the market has yet to be tested either in High Peak or the East Midlands more generally. As such, HPBC and PDNPA will need to monitor the situation and prepare suitable policy responses, based on viability assessments, to ensure that any demand can be met without harming the wider property market (for either market or social rented properties) and whether a further increase in the discount from 30% to 40% is appropriate and viable in High Peak Borough.

Suggested Affordable Housing Split

10.132 The NPPF states that where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, applying the definitions of affordable housing set out in Annex 2 [paragraph 63]. In this regard, the latest iteration of the NPPF is slightly out of step with the PPG, as the latter makes no reference to 'First Homes', and instead focuses on 'affordable home ownership':

"Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups."

10.133 Furthermore, the PPG states that First Homes are a "*specific kind of discounted market sale housing*" and should be considered to meet the definition of 'affordable housing' for planning purposes. "*First Homes are the government's preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations*."[94]

10.134 There is therefore a clear expectation from Government that First Homes should be identified as part of the overall breakdown of affordable housing requirements, even though there will be plenty of households who are not strictly speaking in housing need (and could afford to rent or buy privately, given that could have a combined annual household income of up to £80,000 (or £90,000 in Greater London) in the tax year immediately preceding the year of purchase), but who nevertheless are eligible to take advantage of the substantial First Home discount of 30% or more on the market price.

10.135 In summary therefore, our recommended split of affordable housing to rent/buy is summarised in Table 10.27. the Table reflects the fact that affordable and social rent are more affordable than intermediate homes in High Peak Borough. However, clearly the situation is considerably more complicated than this; with some social products falling between different income thresholds if they deviate from the average. In practice however, there is very limited difference between affordable rented and social rented properties and in any case recent structural changes at a national level – including the curtailing of capital/grant funding for social housing, with a move to revenue funding of affordable rent products through housing benefit – means there is a move away from social rented towards affordable rented tenure provision. In essence, the Government has introduced measures to facilitate the provision of affordable rented properties at the expense of social rented dwellings and they have been combined in the overall indicative policy split as a consequence.

[94] PPG Reference ID: 70-001-20210524

Table 10.27 Suggested Social/Affordable Rent and Intermediate Split

	Measure	Annual Housing Need (net)		Split of households in need (rounded)	**Indicative Policy Split (%)**
		25% / 4x income	32% / 4.5x income		
Affordable Homes to Rent	Social Rent	189	129	65%	**65%**
	Affordable Rent				
Affordable Homes to Purchase	First Homes	81	99	35%	**25%**
	Intermediate housing including shared ownership				**10%**
ALL		**270**	**228**	**100%**	**100%**

Source: Lichfields' analysis

10.136 As set out above, First Homes are the Government's preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations. If this is taken as a given and in effect ring-fenced from the rest of the requirements, then we need to re-distribute the remaining 75% of affordable housing requirements between affordable rent and intermediate housing. The split of affordable housing need is presented as c.65% social/affordable rent; 25% First Homes; and the remaining 10% intermediate housing.

10.137 Such an approach would also align with the NPPF's requirement that where major development involving the provision of housing is proposed, planning policies and decisions should **expect at least 10% of the <u>total</u> number of homes to be available for affordable home ownership** [paragraph 65]. For example, Policy H4 of the adopted High Peak Local Plan (April 2016) requires 30% of all housing on larger sites of 25 dwellings or more to be affordable.

10.138 Assuming that 35% of this requirement relates to the delivery of intermediate/First Homes (and the remaining 65% for affordable/social rent), then this would mean that 10.5% of the total housing on a typical major development site would be available for affordable home ownership (30% x 35%).

10.139 It is noted that whilst this split is considered generally appropriate across the Borough as a whole, there will clearly be nuances in certain sub-areas, most notably the National Park area, where an alternative approach may be appropriate. Due to the very high house prices in the National Park, the delivery of shared ownership as a form of tenure is not meeting the same level of need as elsewhere in High Peak. Furthermore, the PDNPA does not currently consider that First Homes will meet those needs. It is understood that the PDNPA is likely to favour a policy of discounted market sale homes with some testing on the level of discount to demonstrate it will meet identified local needs, given the unique set of circumstances in the National Park.

Affordable Housing Needs – Influence on Housing Requirement

10.140 Total affordable needs are in the range between 228 and 270 affordable homes per annum 2021 to 2041. This is a significant proportion of the locally assessed need based on the standard method (260 dpa) of between 88% and 104%.

10.141 The PPG is clear that the total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, considering the probable percentage of affordable housing to be delivered by eligible market housing led developments. In High Peak the likely delivery is a notional 30% on major development sites, which is considerably lower than being able to meet affordable needs. Whilst

the full affordable locally assessed need equates to between 760 and 900 dpa (228/270 @ 30%), in practice it is extremely unlikely that this level of housing delivery will ever be achieved in High Peak, which has averaged 398 net dpa over the past three years.

10.142 The PPG[95] suggests an increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.

10.143 In line with the approach envisaged by the NPPF, the affordable housing needs are an important component of the overall need for housing and HPBC should seek to use its planning policy to maximise delivery of affordable housing given the scale of need identified.

10.144 An additional uplift would go some way towards meeting the high level of affordable housing need identified for High Peak.

10.145 It is for HPBC to consider the evidence contained in this HELNA when identifying the housing requirement which would support the strategy underpinning the emerging plan and whether an uplift beyond the standard method is appropriate:

"*Where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point*"[96].

10.146 It is noted that in the case of the PDNPA the situation is somewhat different, as the Government recognises that National Parks are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them. The expectation is that new housing will be focused on meeting affordable housing requirements, supporting local employment opportunities and key services and therefore the PDNPA should not be delivering significant levels of unrestricted housing.

[95] 2a-024-20190220
[96] 2a-015-20190220

11.0 Sub-Area Housing Dynamics

11.1 The NPPF states that within the overall housing requirement for their whole area, strategic policy-making authorities should set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations:

"*Where it is not possible to provide a requirement figure for a neighbourhood area, the LPA should provide an indicative figure, if requested to do so by the neighbourhood planning body. This figure should take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the LPA*." [§65]

11.2 The PPG clarifies that strategic policies should set out a housing requirement figure for designated neighbourhood areas from their overall housing requirement, and that where this is not possible the LPA should provide an indicative figure, if requested to do so by the neighbourhood planning body, which will need to be tested at the neighbourhood plan examination.

11.3 In terms of how this housing requirement figure should be calculated for designated neighbourhood areas, the PPG provides the following broad overview[97]:

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

Within the administrative area of a National Park, the Broads Authority or a Development Corporation (where planning powers are conferred), each local planning authority should set a housing requirement figure for the proportion of the designated neighbourhood area which is covered by their administration." [Lichfields' emphasis]

11.4 Whilst the four sub-areas of High Peak are significantly larger than typical neighbourhood areas, the overarching principle of distributing the overall LHN on the basis of an examination of each area's demographic make-up and how this might change in future, the availability of housing land and the characteristics of each area from a planning policy perspective remain valid considerations.

11.5 This section therefore seeks to provide some indicative recommendations regarding how the LHN derived in Section 10.0 might be distributed across the four sub-areas based on a range of complementary approaches:

1 A 'top-down' assessment, which considers the overall level of need at the district level (or other wider geography) and apportions this to the local area according to what proportion of the overall population it represents.

[97] PPG Reference ID: 41-101-20190509

2 A 'bottom-up' assessment which projects the local population using a starting population (or 'base population' – in this case, the population of the local area as per the 2020 MYE) and applies assumptions around births, deaths and migration (on an annual basis) to project future growth. To this population, assumptions around household formation are applied to estimate household growth and subsequently dwelling need.

3 Non demographic approaches which analyse the roles of each sub-area in terms of services and planning policy alignment, as well as the need for certain types of housing (particularly affordable housing) and the availability of housing land based on information contained within HPBC's 2022 SHELAA.

11.6 The overall distribution of the High Peak LHN is a policy choice for HPBC and PDNPA to make on the basis of the evidence contained within this document, aligned to its planning policy aspirations.

Top-down assessment

Apportionment of Borough Requirement

11.7 This initial approach involves a straightforward apportionment of High Peak's Borough-wide requirements utilising the current size of the population across each of the Borough's sub areas of Buxton, the Central Area, Glossop and the National Park, based on the latest 2020 MYE.

11.8 According to ONS, High Peak recorded a total resident population of 92,633 people in 2020. The population of each sub area has been taken from the 2020 MYE and is recorded in Table 11.1.

Table 11.1 Sub Area Population as a percent of High Peak's Total (2020)

Sub Area	Sub Area Population	Sub area as % of HP	SM2 LHN		Policy On Jobs	
			dpa	Total 2021 -2041	dpa	Total 2021 -2041
Buxton Sub-Area	21,242	22.9%	**60**	1,192	**77**	1,541
Central Sub-Area	31,365	33.9%	**88**	1,761	**114**	2,275
Glossop Sub-area	31,543	34.1%	**89**	1,771	**114**	2,288
National Park	8,483	9.2%	**24**	476	**31**	615
High Peak Borough Total	**92,633**	**100.0%**	**260**	**5,200**	**336**	**6,720**

Source: ONS Mid-Year Estimates (2020) / Lichfields' analysis

11.9 The Glossop sub-area has the largest share of the Borough's population, at 34.1% which would equate to 89 dpa of the LHN target of 260 dpa on a proportional share. This is very slightly higher than the similarly-sized Central Sub-Area (88 dpa), and well above the Buxton share (60 dpa) and particularly the National Park (24 dpa). All of these figures would increase by 29% if HPBC and PDNPA is minded to pursue the higher level of housing growth that would align with the 'Policy On' jobs growth.

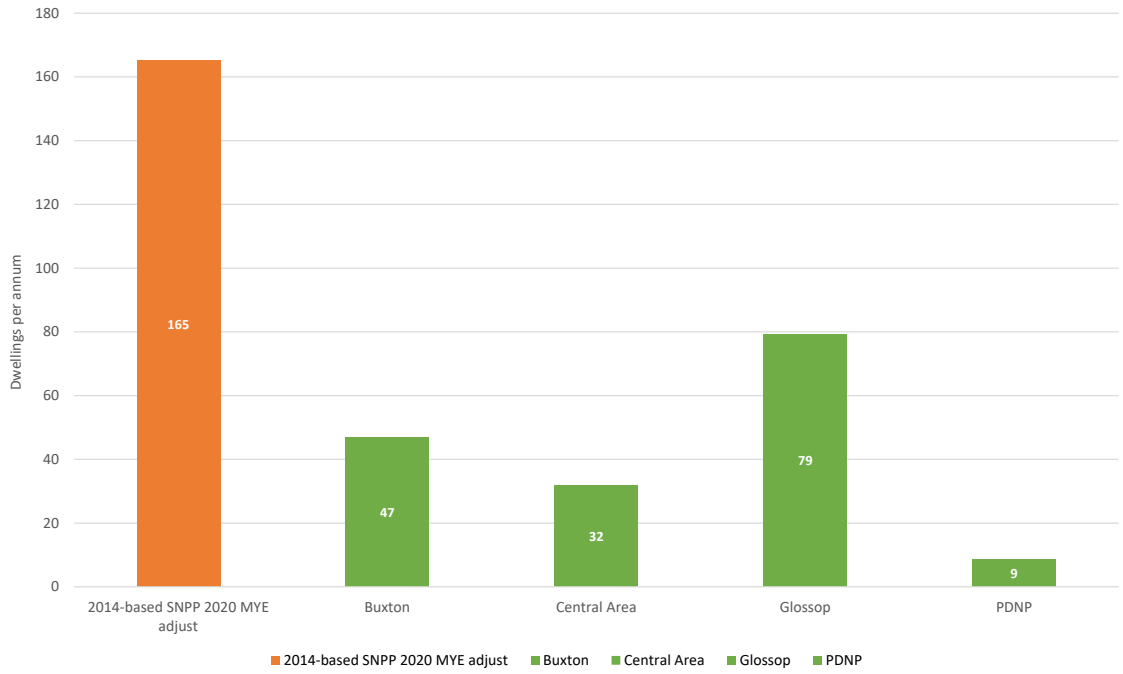
Local housing need assessment – 'bottom-up'

11.10 The 2014-based projections underpin the standard methodology's approach for calculating Local Housing Needs, and therefore we have used these to inform a 'bottom up' assessment of need (adjusted to incorporate the 2020 MYE). Using the base population as the 2020 MYE by sex for each sub-area, the 2014-based SNPP assumptions around fertility rates and death rates have been applied to generate natural change over the plan period 2021-2041. To calculate the likely change in internal/international migration rates for each sub-area, we have assumed that

the projected migration to/from High Peak in the 2014-based SNPP will be maintained for each sub-area in line with the proportion of the Borough's population it currently accommodates. To this population, assumptions around household formation taken from the 2014-based SNHP and changes in the communal population from that dataset have also been applied to estimate household growth and subsequently dwelling need by sub-area.

11.11 The results are set out in Figure 11.1 and indicate that based on running the 2014-based SNPP (adjusted to the 2020 MYE) for each sub-area, growth is likely to be particularly concentrated in Glossop, followed by Buxton and to a lesser extent, the Central Area. Growth is very modest in the National Park.

Figure 11.1: 2014-based SNPP (2020 MYE adjust) scenario, split by sub-area



Source: 2014-based SNPP / MYE / Lichfields Analysis (note – columns do not sum due to rounding errors)

11.12 The 2014-based SNPP 2020 MYE adjust identifies an annual housing need within the Borough of 165 dpa. This is lower than the SM2 figure of 260 dpa as it does not factor in any adjustment for affordability. However, taking the proportionate split of the 165 dpa by sub-area and applying it to the 260 dpa SM2 LHN and also, for comparison, the Policy-On Jobs requirement of 336 dpa, results in the following requirements by sub-area in Table 11.2.

Table 11.2 2014-based SNPP 2020 MYE adjust sub-area breakdown

Sub Area	Sub area as % of 2014-based SNPP growth	SM2 LHN		Policy On Jobs	
		dpa	Total 2021 -2041	dpa	Total 2021 -2041
Buxton Sub-Area	28.1%	**73**	1,462	94	**1,889**
Central Sub-Area	19.1%	**50**	993	64	**1,283**
Glossop Sub-Area	47.7%	**124**	2,479	160	**3,204**
National Park Sub-Area	5.1%	**13**	266	17	**344**
High Peak Borough Total	**100.0%**	**260**	**5,200**	**336**	**6,720**

Source: Lichfields using PopGroup / Lichfields Analysis

11.13 Whilst the Central Area and Glossop have a similar population [c.34% of High Peak's population respectively] the PopGroup modelling suggests that nearly half (48%) of the annual housing need is likely to be required within Glossop and the immediate surrounding area, equal to 124 dpa, whilst only 19% (50 dpa) should be located within Central Area. The main reason for this apparent discrepancy is not due to a significant difference in the scale of population growth across both sub-areas, which is actually forecast to be very similar over the next 20 years, but is due principally to the change in the age structure of the sub-areas. The Central Area has a significantly older age structure at present than Glossop or Buxton, and hence when these age cohorts are taken forward 20 years this has a dramatic effect on the level of natural change likely to be experienced there (which is projected to be strongly negative in the Central Area, and slightly positive in both Buxton and Glossop). Similarly, the National Park's much smaller population is generally older than the Borough average, hence natural change is negative and negates any growth in migration.

Local Housing Dynamics

11.14 There are also a number of alternative approaches to assessing local housing dynamics which require further consideration by HPBC and PDNPA when considering how the housing requirement could best be distributed by sub-area. This includes:

- Local housing market characteristics;
- Neighbourhood Plans; and,
- Availability of land.

11.15 It is not the role of this study to assess the availability of land going forward, which is within the scope of the SHELAA (2022). We have, however, set out some of the local housing dynamics which need to be considered when identifying the future spatial strategy and how future housing needs are met.

Availability of Land

11.16 The High Peak 2020 SHELAA (published 2022) highlights the potential future supply across the Borough. This is shown in Table 11.3, alongside the (admittedly dated) PDNP SHLAA that covers that part of the National Park within High Peak Borough's administrative boundaries.

Table 11.3 Potential Housing Yield by Sub-Market

	Sum of net total	% of net total
Buxton	3,654	29.08%
Central Area	6,228	49.57%
Glossop	2,622	20.87%
PDNP / Rural*	60	0.48%
TOTAL	**12,564**	**100.0%**

Source: High Peak 2020 SHELAA (published 2022) *Ekosgen with Arup (June 2009): Peak Sub-Region SHLAA Table 8.2

11.17 This highlights that almost exactly half of the dwellings identified as part of the Council's forward supply of housing land in its recent SHELAA would be located in the Central Area of the Borough, comprising 6,228 units across 72 sites. This is followed by Buxton, which has a theoretical housing capacity of 3,654 units, or 29% of the total, across 55 sites; and then Glossop, with 2,622 units or 21% of the forward supply across 33 sites. Just 60 units were identified outside the urban area in the National Park, although this is based on a very dated source (2009).

Sub Area Characteristics

11.18 As part of the High Peak Local Plan (adopted April 2016) an assessment of each of the three sub-areas outwith the National Park was undertaken by HPBC. The assessment of the three sub-areas in the Local Plan provides information on the three settlements and the nature and characteristics of the three sub-areas.

Buxton

11.19 The Buxton Area covers a 5,275 ha area of High Peak. The town of Buxton itself is identified in the Local Plan's Retail Hierarchy as one of the two main town centres within High Peak Borough (alongside Glossop). Policy S2 (Settlement Hierarchy) identifies Buxton as a 'Market Town' "*which will be the main focus for housing, employment and service growth, consistent with maintaining and where possible enhancing their role, distinctive character vitality and appearance*". Buxton is relatively well self-contained in comparison with other towns in the High Peak and offers a high-quality retail and leisure offer. Local industries employ a substantial proportion of residents within the town and hence the pattern of out-commuting to surrounding conurbations such as Greater Manchester or Sheffield is less acute.

11.20 Buxton also offers a number of other community services including Buxton Hospital, a number of primary schools, secondary schools and Buxton & Leek College which provides Further Education provision.

11.21 The sub-area profile acknowledges that this sub-area represents a sustainable location for accommodating development given the relative self-containment of Buxton town and the provision of accessible services therein.

11.22 Policy S3 of the adopted Local Plan identifies that between **32-43% or 1,136-1,526 dwellings should be distributed within the Buxton Area** over the current plan period (2011 – 2031).

Central Area

11.23 The Central Area covers an area of 5,275ha in High Peak. Running along the A6 to the east, and the A5004 to the north/south, it includes the three main towns of New Mills, Whaley Bridge and Chapel-en-le-Frith as well as a number of smaller settlements including Hayfield, Chinley and Dove Holes. The functions of the main towns were subtly different during the industrial revolution, and this is reflected in the historic character that defines large parts of these towns today.

11.24 Early growth in Whaley Bridge occurred around the basin of the Peak Forest Canal as the town became an important junction for railways and waterways, transporting coal and cotton for the textile industry. New Mills was developed as an industrial centre for textile production due to the abundance of fast flowing water through the Goyt Valley, which was used to power the mills. Chapel-en-le-Frith developed as a coaching and market town due to its central location in the area and its origins as the 'Capital of the Peak'.

11.25 Access to services and facilities in the Central Area is generally good with most essential services such as GP surgeries, schools and supermarkets within a 20-minutes travel time, as these are predominantly located within the main market towns, around which most of the residential population is focused.

11.26 Policy S2 (Settlement Hierarchy) identifies Chapel-en-le-Frith, New Mills and Whaley Bridge as 'Market Towns' "*which will be the main focus for housing, employment and service growth, consistent with maintaining and where possible enhancing their role, distinctive character vitality and appearance*". The main approach to development in the Local Plan is therefore to

focus growth in the Market Towns and identified larger villages where access to services, facilities and employment opportunities are more readily available. The Central Area contains a number of larger villages which have important roles in terms of serving and supporting their immediate surrounding rural areas.

11.27 Policy S3 of the adopted Local Plan identifies that **between 30-33% or 1,065-1,171 dwellings should be distributed within the Central Area** over the current plan period (2011 – 2031). Within the Central Area however, new development is to a large extent constrained by existing land designations and topography, and the potential for large scale new development in New Mills and Whaley Bridge is restricted. Both New Mills and Whaley Bridge are heavily constrained by the Green Belt, location of flood plains and potential high visual impact of development.

Glossopdale

11.28 Glossop Sub-area (also known as Glossopdale) includes the settlements of Glossop, Hadfield, Tintwistle, Simmondley, Charlesworth and Gamesley. Glossopdale is an area of contrast with historic mill towns, rural villages and large residential areas all contained within the dramatic landscape of the Dark Peak.

11.29 The proximity of Glossopdale to Manchester was a major influence in the expansion of the sub area and it remains just as influential today. Glossop and Hadfield are largely commuter settlements with a large proportion of residents travelling to work outside of the High Peak, primarily to the main urban areas of Stockport, Tameside and Manchester.

11.30 Glossop is identified in the Retail Hierarchy as one of two main town centres within High Peak, having regard to the range of shopping and non-retail service facilities within each centre, the extent of its catchment and its current market share. Policy S2 (Settlement Hierarchy) also identifies Glossop as a 'Market Town'. Glossop Town has a range of services including Glossop Primary Care Centre, a number of primary schools, two secondary schools and the Glossopdale Sixth Form College which provides further education provision.

11.31 Hadfield, Charlesworth and Tintwistle are larger villages, which are identified in the Local Plan as the most sustainable settlements within the rural area and generally have a good level of local social infrastructure, some local employment opportunities and good accessibility to the towns and larger centres.

11.32 Policy S3 of the adopted Local Plan identifies that **between 27 – 35% or 958 – 1,242 dwellings should be distributed within Glossopdale** over the current plan period (2011 – 2031). Housing affordability is a key issue within Glossopdale.

Neighbourhood Plans

11.33 The NPPF at paragraph 66 recognises the need for strategic policies to set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the patter and scale of development. In High Peak there are a number of designated Neighbourhood plan areas including:

- Chapel-en-le-Frith;
- Chinley, Buxworth and Brownside;
- Whaley Bridge and Furness Vale;
- Hayfield; and,
- Buxton.

11.34 The only Neighbourhood Plan which has been 'made' at the time of writing is Chapel-en-le-Frith (August 2015). It recognises the need for sufficient affordable new homes for local housing needs. The Neighbourhood Plan identifies 5 housing site allocations, to provide 454 dwellings over the plan period (2013-2028).

Peak District National Park Apportionment

11.35 The wider National Park sits within the boundaries of nine local authority districts: Barnsley, Cheshire East, Derbyshire Dales, High Peak, Kirklees, North East Derbyshire, Oldham, Sheffield and Staffordshire Moorlands.

11.36 Whilst the National Park's Core Strategy does not include development requirements, housing completions within the parts of High Peak within the National Park are counted towards the development requirements of the High Peak Local Plan. This is because the current objectively assessed need for housing in High Peak relates to the Borough as a whole.

11.37 The purposes of a national park are set out in the 1995 Environment Act, which are to conserve and enhance natural beauty, wildlife and cultural heritage, and to promote opportunities for understanding and enjoyment. Planning policies seek to control and manage development in accordance with these purposes and are set out in the Core Strategy (2011) and Development Management Policies (2019). The 2010 Vision and Circular states that:

"the Government recognises that the Parks are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them. The expectation is that new housing will be focused on meeting affordable housing requirements, supporting local employment opportunities and key services."

11.38 Nevertheless, there is a requirement on the Authority to assess housing need and to plan for appropriate levels of development in line with Guidance and the Authority's duty to foster economic and social well-being of local communities.

11.39 The Core Strategy sets indicative levels of housing delivery for its different landscape character areas. The indicative figures are not a target and the National Park Authority is not tested on delivery. The High Peak part of the National Park spans two landscape character areas so the indicative figures are not applicable to the local authority boundary.

11.40 A report was produced by Edge Analytics[98] on behalf of the National Park Authority in May 2018 that examined a range of potential growth scenarios for the area over the period 2016 to 2026. This used the 2014-based SNPP/SNHP for the National Park, alongside four demographic scenarios based on variant assumptions on migration and population growth. In addition, four dwelling-led scenarios were developed, using dwelling growth targets consistent with the previous analysis undertaken for the National Park in 2006.

11.41 The results are summarised in Table 11.4. All scenarios excluding the dwelling-led (95 dpa) and dwelling-led (150 dpa) result in population decline over the plan period, driven primarily by an ageing population profile. To maintain the current size in the population (as in the Zero Population Growth scenario), an additional 61 homes would be required each year. This reflects the level of net migration needed to sustain the size of the population, countering the impact of natural change.

11.42 According to Edge Analytics, higher annual dwelling growth targets under the Dwelling-led (95 dpa) and Dwelling-led (150 dpa) scenarios result in higher net migration inflows and a dampening of the ageing population profile over the plan period. It stated that:

[98] Edge Analytics (May 2018): *Peak District National Park – Demographic Forecasts*

"As a result, population growth of 2.3% and 6.1% is estimated under the Dwelling-led (95 dpa) and Dwelling-led (150 dpa) scenarios respectively." [paragraph 4.8]

Table 11.4 Peak District National Park scenario outcomes 2016–2026

Scenario	Population Change 2016-39	National Park (dpa)	Lichfields National Park High Peak Sub-Area (dpa) Based on 23% split
Dwelling-led (150 dpa)	2,274	150	**35**
Dwelling-led (95 dpa)	870	95	**22**
Zero Population Growth	0	61	**14**
Dwelling-led (48 dpa)	-332	48	**11**
SNPP-2014	-454	56	**13**
PG Long Term	-1,248	13	**3**
Dwelling-led (0 dpa)	-1,558	0	**0**
Net Nil	-1,885	-24	**-6**
PG Short Term	-2,313	-24	**-6**

Source: Lichfields using PopGroup / Lichfields Analysis

11.43 No view is formed by Edge Analytics as to the appropriate level of housing need that should be accommodated in the National Park, although just to maintain the existing population there would still be a need for 61 dpa. The 2020 MYE indicate that for that year, the population of the National Park area was 36,878, the third highest for any National Park in England and Wales after the South Downs (118,351) and the Lake District (40,284). The National Park crosses several local authority boundaries including the Borough of High Peak. Based on our analysis of LSOAs, we consider that 8,483 National Park residents live within the administrative boundaries of High Peak, which represents around 23% of the National Park's total resident population.

11.44 If this proportion were applied to the Edge Analytics growth forecasts in Table 11.4, we see that the share of need apportioned to HPBC would range from -6 dpa under the most pessimistic scenario, to as much as 35 dpa under the dwelling-led (150 dpa) scenario. By way of comparison, the SNPP 2014 scenario would equate to 13 dpa over the ten years to 2026, which is not dissimilar to the 9 dpa that was modelled by Lichfields in PopGroup above (see Figure 11.1), particularly given that the 9 dpa related to a much longer time period when the population is expected to grow at a much slower rate than in the ten years to 2026.

11.45 The National Park Authority's *Housing Topic Paper* (April 2021) concludes that the National Park's existing policy approach will enable housing delivery in line with the Plan's indicative figures by the end of the plan period (2006-2026). The strategic assessment of potential housing land along with the level of outstanding planning permissions reveals enough potential to meet a similar level of delivery over the next 20-year plan period.

11.46 This analysis would seem to lend weight to the SM2 figure of **13 dpa** (266 over 20 years) for the National Park High Peak area as set out in Table 11.2, which would align with the 2014-based SNPP uplifted for affordability and Edge Analytics' SNPP 2014 / Zero Population Growth scenarios. It would maintain the size of the existing population and prevent further decline, whilst avoiding unsustainable levels of development.

11.47 The latest AMR identifies that between 2011 – 2021 47 dwellings have been completed in the National Park, within High Peak's administrative boundary. This equates to around 5 dpa over this 10-year period which is below the likely level of housing need for this part of the Borough.

Summary

11.48 A range of top-down and bottom-up scenarios have been assessed for the four sub-areas within High Peak to establish the broad range of housing which would be appropriate for each area over the Plan period. The top-down assessments begin with a district-wide figure and apportion this by sub-area based on its 'fair share', or the current proportion of the resident population currently living there as recorded in the 2020 MYE. This was split evenly between the Central Area and Glossop (34% each), followed by Buxton (23%) and the National Park (9%). However, when the 2014-based SNPP was modelled in detail, the weighting shifted towards Glossop and away from the Central Area due to the generally older population in the latter sub-area. The National Park need almost halved, to a level that appears more in line with the Edge Analytics modelling for the National Park as a whole.

11.49 The SHELAA indicated that half of the dwellings identified as part of the Council's forward supply of housing land are located in the Central Area of the Borough, comprising 6,228 units, followed by Buxton (3,654 units, or 29% of the total) and then Glossop (2,622 units or 21% of the forward supply). Just 60 units (0.5%) were identified in the SHLAA outside the urban area in the National Park.

11.50 However, when considering how much weight can be given to the suggested sub-area split in Table 11.5, it is important to consider the sustainability of this split and whether, in seeking to meet this identified need, it will ensure that the right *type, size and tenure* of homes are provided, ensuing that these are appropriate to meeting the needs of local residents.

11.51 It is therefore for HPBC and PDNPA to consider the evidence contained in this HELNA when identifying a housing requirement for each of the sub-areas, which would support the strategy underpinning the emerging plan and whether an uplift beyond the standard method is appropriate. The analysis below does not include any consideration of any environmental, landscape or heritage constraints, which would be for HPBC and PDNPA to consider. HPBC and PDNPA should therefore avoid being overly prescriptive with regards to any sub-area targets set out below.

Table 11.5 Summary of Potential Sub-area Housing Share

	Buxton	Central Area	Glossop	National Park	TOTAL
Top Down (2020 MYE split)	23%	34%	34%	9%	100%
Bottom Up (2014-based SNPP modelling)	28%	19%	48%	5%	100%
Housing Land Supply (SHELAA)	29.1%	49.6%	20.91%	0.5%	100%
Local Plan Policy Support	High 32-43%	Medium 30-33%	Medium 27-35%	Very Low n/a	-
Overall Recommendation	**25%-35%**	**30%-40%**	**30%-40%**	**<5%**	**100%**

Source: Lichfields using PopGroup / Lichfields Analysis *numbers may not sum due to rounding)

12.0 Type, Tenure and Size of Housing Required

12.1 In addition to establishing the overall scale of housing needed, the NPPF requires plan-makers to also consider the need and demand for different types of housing. This section sets out an appropriate mix in terms of size (number of bedrooms) and tenure (affordable rent or intermediate), as well as how this might vary between the four sub-areas within the Borough.

Housing Size and Type

12.2 This section provides further context on how High Peak's housing market operates. It demonstrates that:

1 Locally and nationally, households tend to occupy housing which they can afford, rather than 'need', resulting in a high-level of under-occupation, particularly amongst older households;

2 Older households are likely to remain in larger, family homes and less likely to move as they age, resulting in 'empty-nesting' and significant under-occupation; and,

3 Although the dominant trend is one of under-occupation, a number of households (including families with children) are living in overcrowded conditions in High Peak because they are unable to access the larger properties that they need.

Current occupancy patterns

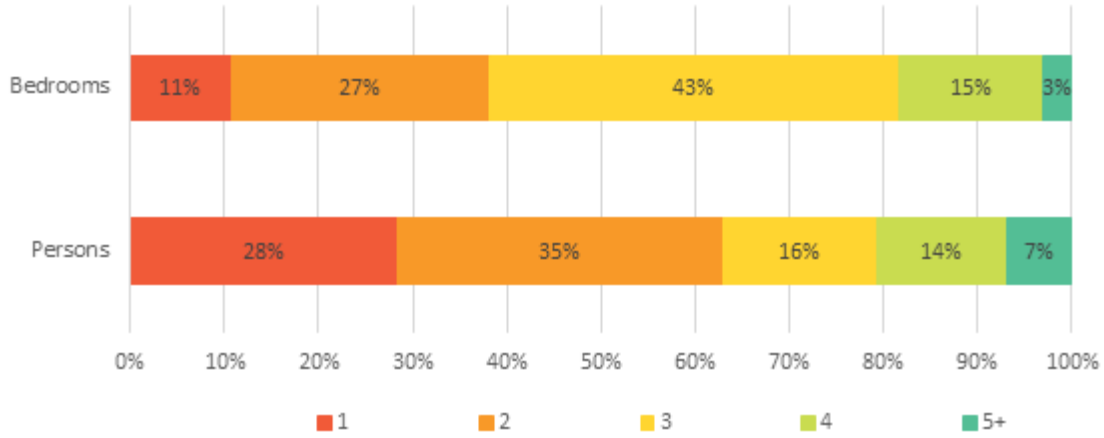
12.3 In the open market, households typically do not strictly occupy housing in line with their 'needs', or their household size. This is because households are free (within their financial means), to buy or rent property in line with what they want, rather than what they might be considered to 'need'. Households may wish to have additional space generally or for a specific purpose, e.g. for working from home. Growing families may also live in housing with a view to having more children, or older couples may live in the family home even once adult children have left (often referred to as 'empty-nesting')[99].

12.4 Using the ONS's Labour Force Survey's assessment of overcrowding and under-occupancy, we can understand the relationship between the size of a household and the number of bedrooms available (albeit that this does not take into account the relationships between household members).

12.5 Figure 12.1 compares the profile of the English dwelling stock and household structure. It demonstrates that whilst 63% of households in England comprise of just 1 or 2 persons, just 38% of dwellings have 1 or 2 bedrooms. By contrast, 43% of dwellings have 3 bedrooms, compared to 30% of households with 3 or 4 people.

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

Figure 12.1 Comparison of dwelling mix (number of bedrooms) and household size (number of persons) in England



Source: 2015/16 English Housing Survey, Annex Table 2.2 / ONS Labour Force Survey

12.6 Table 12.1 shows the occupancy patterns (in terms of household-dwelling type) of all private sector households in England. It shows that 2-person households in 3-bedroom dwellings form the largest group of household-dwelling type, with 16.1% of households falling within this group. This broadly aligns with the findings of the 2011 Census occupancy ratings, which shows that 'couples without children' make up the largest group of under-occupying households.

12.7 Contrary to what might be expected, most single person households actually occupy 2 and 3-bedroom dwellings, with relatively few living in 1-bedroom dwellings. Within larger dwellings, there is no clear trend for larger households being more likely to occupy larger housing, with a similar number of 5-bed dwellings being occupied by 4-person households as 2-person households.

Table 12.1 Household size by number of bedrooms in England

		Number of bedrooms				
		1	2	3	4	5+
Number of people in household	1	5.2%	10.4%	9.5%	1.9%	0.5%
	2	2.2%	10.9%	16.1%	5.5%	1.4%
	3	0.4%	3.4%	8.2%	3.2%	0.9%
	4	0.1%	1.4%	7.0%	4.0%	1.2%
	5	0.0%	0.3%	1.9%	1.6%	0.8%
	6+	0.0%	0.1%	0.7%	0.7%	0.6%

Under-occupied	50.5%
Standard	43.9%
Over-occupied	5.6%

Source: Census 2011. Excluded Social Rented Households

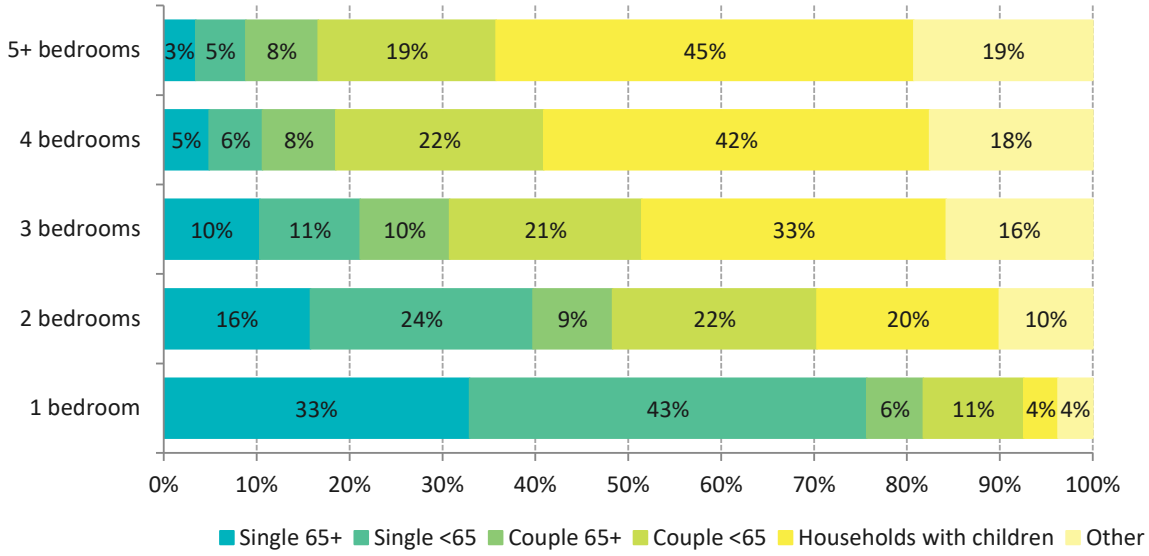
12.8 Figure 12.2 shows how different household types in High Peak occupy housing (as per the 2011 Census). It shows that 1-bedroom properties are most likely to be occupied by single people, with single people aged 65 and above occupying 33% of these properties, whilst single people aged under 65 occupy a further 43%. 2-bedroom properties are most likely to be occupied by single people aged under 65 (24% of such properties), although a fifth (20%) are occupied by households with children, which may indicate a degree of market pressure.

12.9 Larger properties are generally occupied by households with children, who occupy 33% of 3-bedroom homes, 42% of 4-bedroom homes and 45% of 5+ bedroom homes. However, a significant proportion of these larger properties are occupied by single people households, at 21% of 3-bedroom homes, 11% of 4-bedroom homes and 8% of 5+ bedroom homes. Couples commonly under occupy properties in High Peak, occupying 30% of 3- and 4-bedroom

properties and 27% of 5+ bedroom properties. However, over half (51%) of all 3-bedroom properties are occupied by couples or single people. Under occupation of dwellings by older individuals and couples may be an indication of empty-nesting.

12.10 Other types of households include student households and families with non-dependent children, which may explain why these households occupy a relatively high proportion of larger house types.

Figure 12.2: Household Type by Number of Bedrooms in High Peak (All Households)



Source: Census 2011/ Lichfields Analysis

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

House Moves

12.12 Having assessed how households occupy housing in the open market, it is useful to benchmark these findings against the characteristics of moving households to assess the role that different households' play in 'freeing up' dwelling stock. In an arguably 'perfect' market, older households which under-occupy housing would downsize once they no longer require their family homes (meaning growth in the number of small, older households generates a need for smaller dwellings). This would subsequently allow larger families to optimally utilise the larger housing stock available.

12.13 However, as shown in Figure 12.3, the Census indicates that this is often not the case, with 2.4 million households (52.4%) aged over 65 nationally having at least two spare bedrooms, and just 718,000 (15.9%) occupying housing in line with their 'needs'. This might relate to a lack of sufficient supply of housing products perceived to be attractive to those downsizing, but equally research suggests there is simply a strong preference from many people to remain in their existing homes.

Figure 12.3 Occupational patterns in England by household type

Source: Census 2011. Excludes social rented.

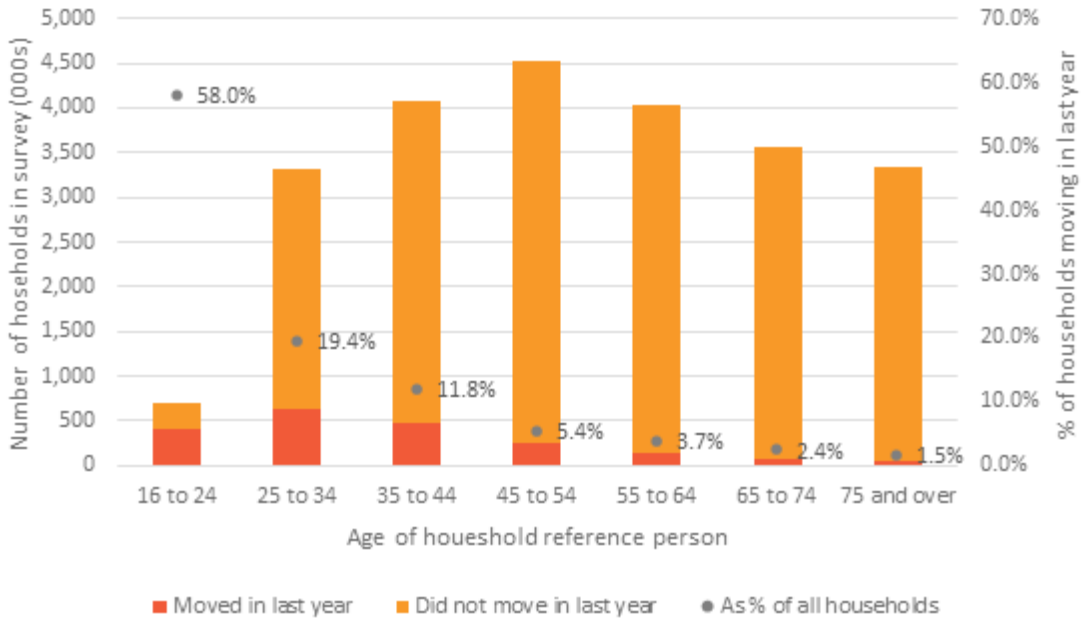
12.14 Research[100] by the University of York (on behalf of the Government) found that the majority of older households were happy with their home, regardless of the type of property, having invested time and resources into their home, and that any potential issues arising with size or accessibility were not too great to be overcome through adaptation. Some also felt that moving would be stressful and overwhelming, and potentially result in the (unwanted) disposal of possessions. Even so, when older households considered the type of housing which would be seen as 'ideal', a minimum of two-bedrooms was seen as essential, as well as sufficient living space e.g. for eating and recreation. Depending on the layout of individual properties, this might therefore necessitate a minimum of three-bedrooms. In addition, research by the Joseph Rowntree Foundation [JRF][101] showed that 85% of larger housing released by older people is released due to death, as opposed to choosing to downsize.

12.15 The 2018/19 EHS further supports these findings by showing that older households are the least likely to move, with just 2.4% of households aged between 65 and 74 and 1.5% of households over the age of 75 moving in the previous 12 months. This pattern has been stable at c.2% over recent years, with no indication of changes in the tendency for older people to choose to remain in their homes. By comparison, younger households have a much higher propensity to migrate, with over half of households aged 16-24 and almost 20% of households age 25-34 moving each year.

[100]Communities and Local Government (February 2008): Housing Choices and Aspirations of Older People, Research from the New Horizons Programme

[101] Supported housing for older people in the UK: An Evidence Review (December 2012)

Figure 12.4 Demographic characteristics of moving households



Source: 2018/19 English Housing Survey, Table FA4121

12.16 These patterns are reflected in the EHS data on household moves by employment status: only 2.1% of retired households moved in the 12 months prior to the 2018/19 Survey, compared to 10% of households where the household reference person was employed in full or part time work. This evidence is also consistent with findings of the Census, which found that only 3.6% of households over 50 moved in the year prior to 2011.

12.17 In addition to the factors identified above, these patterns of households moving are also likely to reflect different households' satisfaction with their housing. The 2018/19 EHS[102] also shows that households which are most satisfied with their housing are those which are:

1 Aged 75 and over (95.7% are satisfied or very satisfied with their housing);

2 Own outright or are buying with a mortgage (94.9%)

3 Retired (94.6%);

4 Have no dependent children (94.4%); and,

5 Under-occupy housing (93.7%).

12.18 It is evident from this analysis that older households are the most likely to:

1 Under-occupy housing;

2 Be the most satisfied with their housing; and as a result; and,

3 Be relatively inactive within the housing market.

12.19 This further highlights that older households cannot necessarily be relied upon to free up larger dwellings to the degree needed to meet the needs of future families.

12.20 As set out above, however, personal preference may not be the only reason why older households do not seek to downsize or rightsize. Separate research by JRF[103] also highlighted the potentially misleading nature of any discussion which assumes that older people are holding onto housing and stated that this narrative *"ignores both the lack of housing choice, as well as*

[102] Table FA5401

[103] Older People's Housing: Choice, Quality of Life and Under-occupation (May 2012)

older people's psychological and social reasons for staying put" (page 4). Indeed, the 2016 '*Future of an Ageing Population Report',* which was prepared by the Government Office for Science, noted that that 58% of people over 60 were interested in moving but could not find suitable properties. This conclusion is supported by the Right-Size Report[104] which undertook analysis of the delivery of older person's accommodation nationally. It found that since 2000, on average, as few as 5,500 retirement housing units have been built each year, despite the prominence of the ageing population.

12.21 There is, generally, a distinct lack of data, evidence and research on the preferences and needs of elderly households; this makes it difficult to determine how best to meet the needs of an ageing population. However, though some older households may choose to downsize, evidence and research overwhelmingly indicates that most older households are unlikely to move and (for a multitude of reasons) intend to remain in the family home. Even those that do look to move to a new house would not necessarily seek a very small property, they move to properties that are more accessible or with care facilities. Small, high rise apartment schemes generally do not align with these aspirations. Ultimately, the research suggests that the lack of choice for older households is a product of supply and demand.

The Shift Towards Homeworking

12.22 Another factor that will influence the current and future demand for larger homes is the trend towards home working. The Covid-19 pandemic has had a profound impact on working practices and particularly the shift to homeworking. Even before the pandemic, the ONS Labour Force Survey showed that there had been a steady rise in the proportion of people in employment of those working from home, either working directly from the home or using home as a base. In 2017 this stood at 13.6% of people in employment. Homeworking typically increases with age (increasing from 5.1% of those age 16-24 to 38.3% of people age 65+ using their home for work) and so the ageing in the population is likely to lead to further increases in home working.

12.23 Increases in the number of people working from home may translate into a demand for larger housing as people seek additional space, e.g. spare room or garage for use as an office. Research by London School of Economics/Acas found that most homeworkers surveyed used a separate room/office that is only used for work, with this being a key aspect of separating work and home life. Of those who did not have the space for a separate working area, this was described as being "far from ideal", highlighting the importance of sufficient space for homeworkers. Although limited data availability means the relationship between home-working and housing size/demand cannot be interrogated in detail, the aspect of home working nonetheless remains implicit within the demand for housing.

12.24 The impact of the Covid-19 pandemic has radically changed the profile of homeworking. Research undertaken by the Chartered Institute of Personnel and Development [CIPD] in July 2020 found that:

1 37% of employees expect to work from home on a regular basis once the crisis is over, compared to 18% before lockdown; and,

2 Businesses expect that the proportion of staff working from home all the time will increase from 9% before the pandemic to 22% in the future.

12.25 As we move out of the pandemic, this shift in working patterns, though lessened, appears permanent. Many companies have switched to a 'hybrid' work pattern, allowing employees work from home part of the time. This is expected to have a direct impact on the demand for

[104] Mapping the supply and demand of Britain's retirement housing in 2017 and beyond

housing as people need appropriate space and facilities to work effectively from home. The increased prevalence of homeworking means that, in many cases, such people would be able to relocate without changing jobs.

Future Needs

12.26 In assessing future household growth by type, the 2014-based SNHP for High Peak have been used as this aligns with the SM2 figure. The Stage 2 projections provide a breakdown of the projected change by age and type of household. This can be compared with the Census information to show, if current occupancy patterns were to continue, what the need for different sized housing would be.

12.27 Figure 12.5 shows the change in projected household type between 2021 and 2041 in High Peak Borough incorporating the 2014-based SNHP as modelled in PopGroup. These figures do not include an allowance for dwelling vacancies and refer only to households. For the purposes of this assessment, we have assumed that the profile of need will remain the same (i.e. pro-rata) even if the overall housing provision is different to that shown in the projections.

12.28 The numbers of all household types except single and other households aged under 65 are expected to increase in High Peak up to 2041. The greatest increase is likely to be seen in couple /other households over the age of 65, which will increase by 3,959. The number of older single-person households will increase by 1,531. There is projected to be a modest increase of 254 in the number of families with children, which will comprise the second largest group in High Peak Borough after couple/other, representing 24% of all households by 2041.

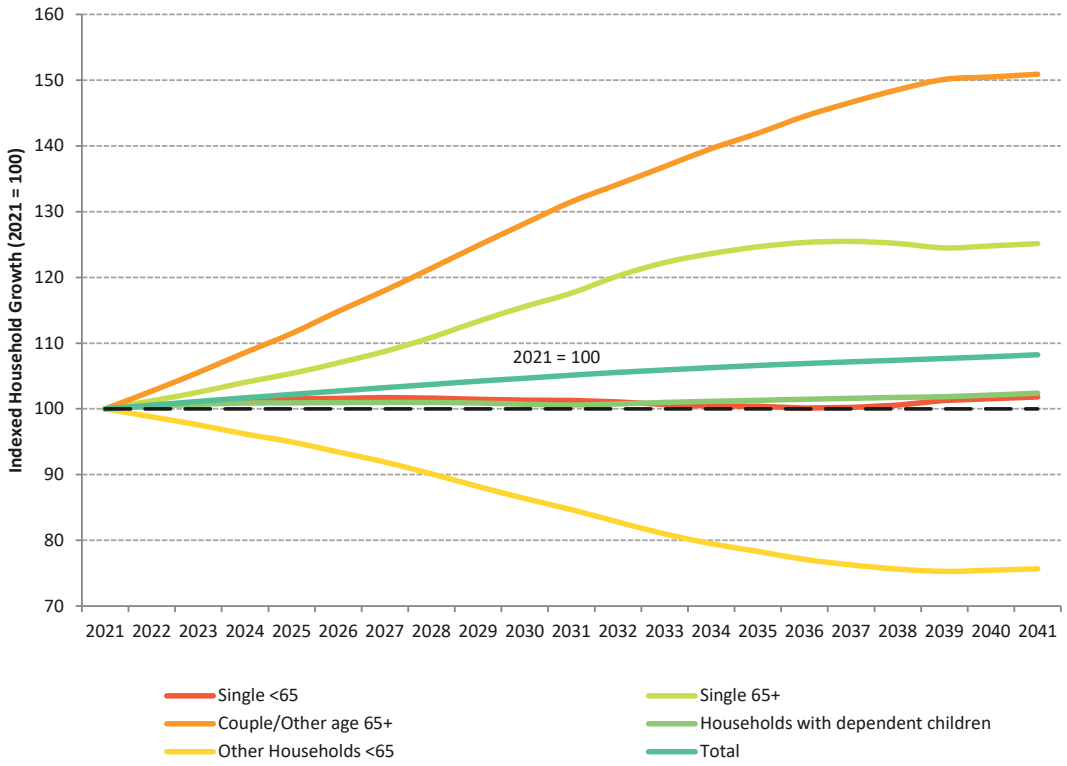
Table 12.2 2014-based Household Projections by Type for High Peak Borough

	2021	2041	Net Change
Single <65	6,740	6,863	123
Single 65+	6,085	7,616	1,531
Couple/Other age 65+	7,778	11,737	3,959
Households with dependent children	10,567	10,821	254
Other Households <65	10,141	7,672	-2,469
Total	**41,311**	**44,709**	**3,398**

Source: DLUHC Stage 2 2014-based SNHP, data extended to 2041 from 2039 using PopGroup

12.29 In line with wider trends, older couple household groups will see the fastest growth in High Peak Borough, increasing in number by 51% by 2041, as shown in Figure 4.7. Older single household types are also expected to see a significant increase of 25% although interestingly this growth will start to tail off by 2033 and level out. Growth of households with younger single people, or families with children is projected to be modest, at 2%. Overall household growth is projected to be 8% over the period 2021-2041.

Figure 12.5: Indexed Household Growth by Type – High Peak Borough



Source: Lichfields based on 2014-based SNHP

12.30 The current occupancy pattern in housing by household type in High Peak is shown below in Table 12.3.

Table 12.3 Occupancy by Household Composition in High Peak

	No bedrooms				
	1	2	3	4	5+
Single, <65	23.1%	36.4%	33.0%	6.3%	1.3%
Single 65+	23.3%	42.8%	26.6%	5.7%	1.6%
Couple/Other age 65+	6.4%	29.2%	45.3%	14.8%	4.3%
Households with dependent children	1.2%	20.3%	46.9%	23.9%	7.7%
Other households	3.8%	27.7%	43.6%	19.3%	5.5%

Source: Census 2011 – DC1402EW

12.31 The household occupancy patterns (Table 12.3) in High Peak are applied to the projected household growth by type (Table 10.26) to establish the required housing by number of bedrooms.

Table 12.4 High Peak Projected Household Growth by bedroom size – net change 2021-2041

	No Bedrooms				
	1	**2**	**3**	**4**	**5+**
Single <65	28	45	40	8	2
Single 65+	356	655	407	88	24
Couple/Other Households	252	1,156	1,792	587	172
Households with dependent children	3	51	119	61	20
Other Households	-94	-684	-1,077	-477	-137
Total	**546**	**1,223**	**1,282**	**266**	**81**
%	**16.1%**	**36.0%**	**37.7%**	**7.8%**	**2.4%**

Source: Lichfields using DLUHC/Census 2011

12.32 The results indicate that the projected household growth in High Peak is likely to predominantly be in 2 and 3 bed properties. However, this figure includes social and market housing. The former generally has a much higher incidence of smaller properties due in part to the under-occupancy penalty. The 2011 Census indicates that although just 13% of High Peak households live in social housing, half of all 1-bedroom properties comprise social accommodation, compared to just 1.4% of all 5-bed properties in the Borough (with the remaining 98.6% in private ownership / rented privately).

Table 12.5 High Peak Tenure by household size by number of bedrooms (2011)

	High Peak Borough					
	ALL	**1 bedroom**	**2 bedrooms**	**3 bedrooms**	**4 bedrooms**	**5 or more bedrooms**
All Tenures	**38,946**	**3,484**	**11,421**	**15,786**	**6,363**	**1,892**
Owned or shared ownership: Total	**28,288**	**693**	**7,279**	**12,712**	**5,890**	**1,714**
Owned outright	13,693	405	3,903	6,186	2,471	728
Owned with a mortgage or loan or shared ownership	14,595	288	3,376	6,526	3,419	986
Social rented: Total	**4,945**	**1,728**	**1,547**	**1,541**	**102**	**27**
Rented from council (Local Authority)	3,836	1,293	1,209	1,227	84	23
Other social rented	1,109	435	338	314	18	4
Private rented or living rent free: Total	**5,713**	**1,063**	**2,595**	**1,533**	**371**	**151**
Private landlord or letting agency	4,706	920	2,203	1,202	272	109
Other private rented or living rent free	1,007	143	392	331	99	42
% Living in Market Housing	**87.3%**	**50.4%**	**86.5%**	**90.2%**	**98.4%**	**98.6%**
% Living in Social Housing	**12.7%**	**49.6%**	**13.5%**	**9.8%**	**1.6%**	**1.4%**

Source: Lichfields using Census 2011

12.33 These ratios are applied to the projected household growth by bedroom size as set out in Table 12.4. The results are set out in the mix Table below (Table 12.6).

12.34 However, based on the factors and the qualitative analysis set out above, there is a strong argument to justify a further shift in the housing mix to consider the very pronounced socio-economic shock precipitated by the pandemic and the strong (and what appears to be a permanent) shift towards homeworking and the need for larger properties to accommodate this. Taking account of the overall profile and dynamics of High Peak's market, and recognising the importance of ensuring that the needs of all households are met (particularly growing families), a further adjustment has been applied to take account of household change that factors in a 15% reduction in the number of smaller (1-2 bed) dwellings and a commensurate increase in the number of 3 and 4 bedroom properties. This is applied in Table 12.6.

12.35 The results indicate that once the market profile adjustment for recent homeworking trends is applied to the housing mix above, the projected household growth in High Peak will be predominantly larger properties (3+ bedrooms) on the open market. Table 12.6 shows that three-fifths of the demand for market housing is projected to be for properties with at least three bedrooms, whilst for social housing the need is likely to be reversed, with a much higher need for smaller 1 and 2-bedroom properties (65%) than larger 3 and 4-bed properties (35%).

Table 12.6 Sizemix for High Peak Borough

		1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5+ bedrooms
Market Housing	Mix prior to market adjustment	10%	37%	41%	9%	3%
	Mix following 15% market profile adjustment	8%	32%	44%	13%	3%
	OVERALL MIX	**40%**		**60%**		
Social Housing	Mix prior to market adjustment	48%	29%	22%	1%	0%
	Mix following 15% market profile adjustment	41%	25%	28%	7%	0%
	OVERALL MIX	**65%**		**35%**		

Source: Lichfields Analysis using DLUHC/Census Data

Sub-Area Housing Mix

12.36 To assess future need in the local area, we have used a combination of 2011 Census data and the ONS 2014-based SNHP by type (Stage 2) to create a local projection. The approach to the calculation of a local projection applies a proportional share for each of the four sub-areas together with an adjustment to take account of the current local profile as per the 2011 Census. Patterns of occupancy by household type were then applied using local data for the collated LSOAs/MSOAs for Buxton, the Central Area, Glossop and the National Park. By adopting this approach, it is possible to provide localised housing mix evidence.

12.37 The current occupancy patterns in market housing in each local area were applied to the projected household growth by type to establish the sub-area mix shown in Table 12.7 below.

Table 12.7 Sizemix for High Peak Borough's Four Sub-Areas

			1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5+ bedrooms
Buxton	**Market Housing**	Mix prior to adjustment	22%	32%	40%	5%	1%
		Mix with 15% adjustment	18%	27%	44%	9%	1%
		OVERALL MIX	**46%**		**54%**		
	Social Housing	Mix prior to adjustment	49%	26%	25%	0%	0%
		Mix with 15% adjustment	42%	22%	30%	6%	0%
		OVERALL MIX	**64%**		**36%**		
Central Area	**Market Housing**	Mix prior to adjustment	8%	45%	32%	11%	4%
		Mix with 15% adjustment	7%	39%	36%	15%	4%
		OVERALL MIX	**45%**		**55%**		
	Social Housing	Mix prior to adjustment	53%	26%	20%	1%	0%
		Mix with 15% adjustment	45%	22%	26%	7%	0%
		OVERALL MIX	**67%**		**33%**		
Glossop	**Market Housing**	Mix prior to adjustment	7%	37%	46%	9%	1%
		Mix with 15% adjustment	6%	31%	49%	12%	1%
		OVERALL MIX	**37%**		**63%**		
	Social Housing	Mix prior to adjustment	41%	36%	22%	1%	0%
		Mix with 15% adjustment	35%	31%	28%	7%	0%
		OVERALL MIX	**65%**		**35%**		
National Park	**Market Housing**	Mix prior to adjustment	7%	35%	44%	10%	4%
		Mix with 15% adjustment	6%	29%	47%	13%	4%
		OVERALL MIX	**35%**		**65%**		
	Social Housing	Mix prior to adjustment	52%	24%	23%	1%	0%
		Mix with 15% adjustment	44%	21%	28%	6%	0%
		OVERALL MIX	**65%**		**35%**		

Source: Lichfields Analysis using DLUHC/Census Data

12.38 This evidence maintains the clear Borough-wide orientation towards larger households requiring bigger properties in the private sector, most particularly in Glossop and the National Park, with the latter indicating a need for 65% of all properties to have 3, 4 or 5-bedrooms compared to 54% in Buxton (the Borough-wide average being 60%).

12.39 Taking the change in different types of households and applying current occupancy patterns as set out above results in an estimating mix of market housing as shown in Table 12.8. This refers to the broad overall need and does not relate to any specific tenure, area, or site typology. It also does not attempt to take into account how future policy changes (for example, to encourage downsizing), social changes or economic changes might affect how households occupy housing. In this context, a narrow recommended range has been set around these percentages.

12.40 HPBC and PDNPA should consider the extent to which they may wish to rebalance the stock away from the small-terraced properties which are prevalent in certain towns across the Borough.

Table 12.8 Estimated overall need/demand by size and suggested mix for market housing in High Peak Borough

Market Housing	1-bed	2-bed	3-bed	4+-bed
Estimated need/demand*	8%	32%	44%	16%
Suggested range	**5-10%**	**30-35%**	**40-45%**	**15-20%**

Source: Lichfields based on DLUHC/ONS
*Rounding errors means that sums do not add

Social Housing Property Type and Size Preferences

12.41 Data on affordable housing from High Peak's Housing Register as of December 2021 shows that of the 1,173 households on the waiting list, 54% had a requirement for a 1-bedroom property; 28% for 2-bedrooms; 13% for 3 bedrooms and just 5% for 4+ bedrooms, as shown in Table 12.9. The pattern is broadly similar when the analysis is narrowed down just to those in priority need (i.e. in Bands A-C), albeit with a need for slightly more 1-bedroom properties and slightly fewer 2-bedroomed dwellings. This suggests that need in the affordable sector is overwhelmingly for smaller dwellings. However, there are still 154 households in need of homes with 3 or more bedrooms.

12.42 The picture is similar when broken down across the four main sub-areas, albeit the National Park area has a particularly pronounced need for 1-bed properties, whilst Glossop and the Central Area settlements have a stronger need for larger 3 and 4-bed dwellings.

Table 12.9 Mix requirement for affordable housing – Housing Waiting List data December 2021

	High Peak Borough Total	Buxton	Central Area	Glossop	National Park	Non-area Specific
Total number of households on waiting list	**1,173**	**362**	**317**	**427**	**38**	**29**
of whom require…						
1 bedroom	**53.5%**	55.5%	51.1%	51.5%	68.4%	65.5%
2 bedrooms	**28.4%**	28.5%	29.3%	28.1%	28.9%	20.7%
3 bedrooms	**13.0%**	11.6%	13.6%	15.2%	2.6%	6.9%
4 bedrooms	**4.5%**	3.9%	5.7%	4.4%	0.0%	6.9%
5+ bedrooms	**0.5%**	0.6%	0.3%	1.0%	0.0%	0.0%
Total number of households on waiting list Bands A-C	**808**	**233**	**219**	**309**	**28**	**19**
of whom require…						
1 bedroom	**56.7%**	60.1%	52.1%	54.7%	78.6%	68.4%
2 bedrooms	**24.3%**	23.2%	25.6%	24.6%	17.9%	26.3%
3 bedrooms	**13.4%**	11.6%	14.6%	15.2%	3.6%	5.3%
4 bedrooms	**5.2%**	4.7%	7.3%	4.9%	0.0%	0.0%
5+ bedrooms	**0.5%**	0.4%	0.5%	0.6%	0.0%	0.0%

Source: HPBC Housing Officers: High Peak Borough Housing Register December 2021

12.43 It is also relevant to note that of the 1,173 applicants, 100 (9%) are aged 70 and over, of whom 89 (89%) require a 1-bedroom property. It is likely that many (if not the majority) will be seeking specific older person's accommodation rather than general needs.

12.44 When compared with the SizeMix analysis set out in Table 12.6, it is apparent that the requirements of households on the Borough's Housing Register are even more focussed towards the smaller end of the scale than the modelling might have suggested. Whilst the Waiting List indicates that around 81% of households requiring social housing need either 1 or 2 bedrooms,

this falls to 65% based on SizeMix. Conversely, the need for larger 3, 4 and 5 bed properties is around 18-19% of all households based on the Housing Register, compared to 35% based on the modelling work alone. The analysis is not directly comparable as the SizeMix looks at future needs, whilst the Waiting List data reflects backlog, or existing requirements. Nevertheless, these are important considerations to take into account when specifying a target range.

Table 12.10 Comparable Mix Requirements for Social Housing

	Waiting List All Bands	Waiting List Bands A-C	Sizemix
1 bedroom	53.5%	56.7%	40.6%
2 bedrooms	28.4%	24.3%	24.8%
3 bedrooms	13.0%	13.4%	27.8%
4 bedrooms	4.5%	5.2%	6.5%
5+ bedrooms	0.5%	0.5%	0.2%
½ bedrooms	**81.9%**	**80.9%**	**65.4%**
3 bedrooms +	**18.1%**	**19.1%**	**34.6%**

Source: HPBC Housing Officers: High Peak Borough Housing Register December 2021 / Lichfields' modelling

12.45 Taking the change in different types of households and applying current occupancy patterns as set out above results in an estimating mix of social housing as shown in Table 12.11. This refers to the broad overall need and does not relate to any specific tenure, area, or site typology. It also does not attempt to take into account how future policy changes (for example, to encourage downsizing), social changes or economic changes might affect how households occupy housing. In this context, a wide recommended range has been set around these percentages that balances the housing waiting list evidence (backlog need) against the SizeMix (future need) analysis. Between 65%-80% of the social housing provision should be for smaller 1 and 2-bed properties, with the majority of the remainder comprising 3-bed properties.

Table 12.11 Estimated overall need/demand by size and suggested social housing mix for High Peak Borough

	1-bed	2-bed	3-bed	4+-bed
Waiting List Bands A-C	56.7%	24.3%	13.4%	5.7%
Sizemix	40.6%	24.8%	27.8%	6.5%
Suggested range	**45-50%**	**25%**	**15-25%**	**5-10%**

Source: Lichfields based on DLUHC/ONS
*Rounding errors means that sums do not add

Summary

12.46 This section has explored the different types of housing which are likely to be required in High Peak Borough up to 2041. Our findings can be summarised as follows:

- In line with ageing trends nationally, the number of older households is expected to grow fastest in High Peak Borough, although by 2041 couples/other aged 65+ will become the largest group of households. All household types (older, family and other) are expected to increase by 2041, with the exception of other households under the age of 65 which is projected to decline substantially by -2,469.
- Based on overall household growth and existing occupancy patterns, the assessment shows that housing need in High Peak Borough is predominantly made up of 2-3 bedroom dwellings. This takes into account the fact that although older households will make up the majority of future household growth, these typically remain in their family home (i.e. they

are already housed), are the least active in the housing market and tend to occupy housing larger than they 'need'.

- Housing waiting list information shows that most households in need of affordable housing required 1 or 2-bed dwellings; however, the waiting list and Census both show that overcrowding remains a problem. Within the social rented sector, there is likely to be some scope for more efficient use of the existing stock.

13.0 Needs of Specific Groups

13.1 Paragraph 62 of the NPPF states that local authorities should assess the size, type and tenure of housing needed for different groups in the community, including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.

13.2 The PPG provides further advice on how plan-making authorities should identify and plan for the housing needs of these particular groups of people. This need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method.

13.3 The needs of these particular groups in High Peak Borough are set out in detail below.

Private Rented Sector

13.4 The PPG states that to assess the needs of households wishing to live in the Private Rented Sector [PRS], tenure data from the ONS can be used to understand the future need for PRS housing. However, this will be based on past trends. The level of changes in rents, ("market signals"), may reflect the demand in the area for private rented sector housing[105].

13.5 At a national level the PRS has been growing consistently since the mid-2000s, whilst the owner-occupied and social rented sectors have seen declines (as a share of all households). However, this long-term trend has shifted slightly of late; the proportion of households in the PRS has actually decreased since 2015-16, although it has remained stable between 2019-20 and 2020-21. In 2020-21, PRS accounted for 4.4 million (19%) of all households in England, unchanged from 2019-20, but lower than in 2015-16 (20%). Unsurprisingly, renting is more prevalent in London where 27% of households lived in PRS in 2020-21 (compared to 17% of households in the rest of England)[106].

13.6 Typically, the PRS comprises those renting their home from buy-to-let landlords, however as set out below in the 'Build to Rent' [BtR] sector (in which institutional investors build, let and manage) private rented homes are becoming increasingly common.

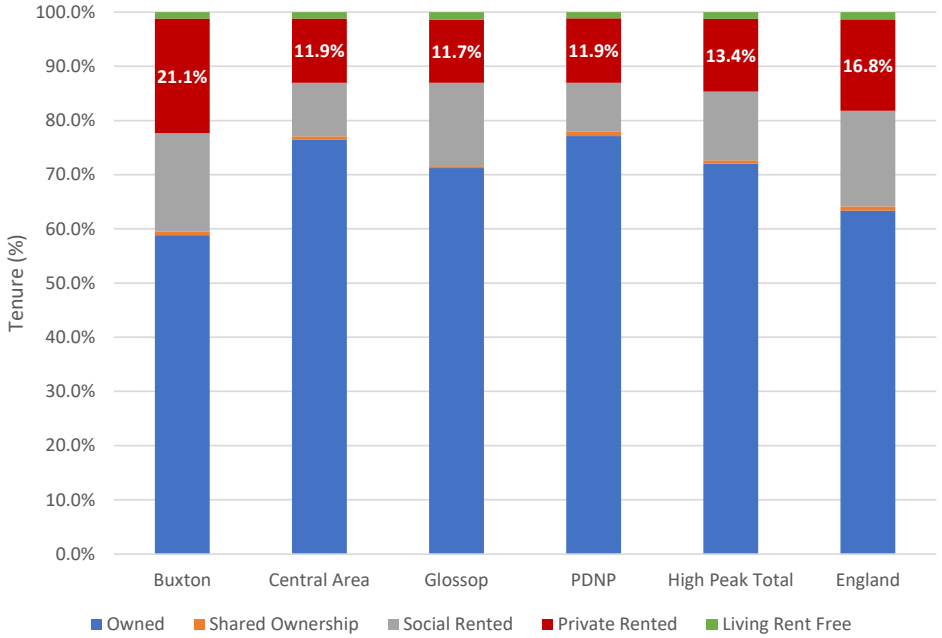
13.7 As shown above, in High Peak, those households that are not eligible for affordable or intermediate needs but without sufficient income to buy are those who must rent (unless other intermediate options, such as discounted First Homes, become more widely available). In High Peak, this covers most households with an income of between around £22,464 and £33,949 (based on 25% income) and represents around 19.4% (8,012) of all households in the Borough.

13.8 As at 2011[107], there were 5,231 households in High Peak in the PRS, representing 14% of all households in the Borough (there are currently no BtR schemes in the Borough, hence these households are assumed to be renting from buy-to-let landlords). This represents a very substantial increase of 120% above the 2,382 households living in PRS in 2001 (when PRS comprised just 6.4% of all household tenures). Whilst this may appear extremely high, it reflects (to an extent) the very strong growth in the sector seen nationally, with the number of households in PRS accommodation increasing by 107% over the same time period, and it is currently slightly under-represented as a tenure (the tenure for 13.4% of all households in 2011,

[105] PPG: ID: 67-002-20190722
[106] Source: English Housing Survey 2020-21
[107] 2011 Census Table DC4101EW - Tenure by household composition

compared to 16.8% across England as a whole). This is to be expected of course, given the general lack of urbanised areas and the predominance of lower density rural areas and market towns. However, Figure 13.1 demonstrates that this pattern is not uniform across the Borough, with Buxton having a particularly high proportion of households renting privately at 21.1%, with the rest of the Borough averaging around 12%.

Figure 13.1: Household Tenure, by Sub-Area

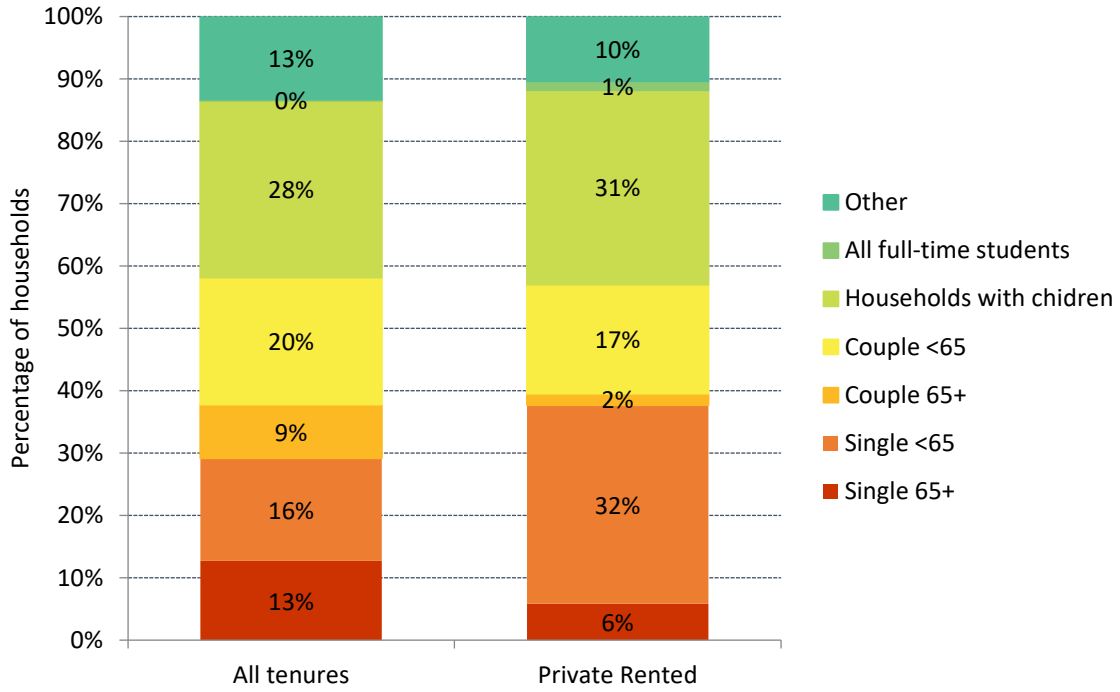


Source: Census 2011: DC4101EW – Tenure by household composition

13.9 The composition of households in PRS is different to the Borough's overall tenure composition, as shown in Figure 13.2. As might be expected, PRS accommodates most student households (which are still below 1% of all households in the PRS), the needs of which are referenced elsewhere in this Section. The sector has a particularly high proportion of single person households under 65, and there is a slightly higher proportion of households with children. PRS has a lower proportion of older households and younger couples than the Borough overall, with very few single residents aged over 65 in PRS accommodation.

13.10 The data suggests that typical occupants in PRS are either young single person households (i.e. in need of smaller homes) or larger households including students and families.

Figure 13.2: Household Composition – High Peak Borough- All households and Private Rented Households



Source: Census 2011

13.11 Whilst it is not appropriate to simply 'net off' households in need living in private rented housing from the overall affordable housing requirement figure (due to a variety of reasons including the associated greater insecurity of tenure), in practice it makes an important contribution to filling the often sizeable gap between affordable housing supply and demand.

13.12 As noted above, PRS in High Peak has increased in size significantly in recent years and it is therefore necessary to review its future role.

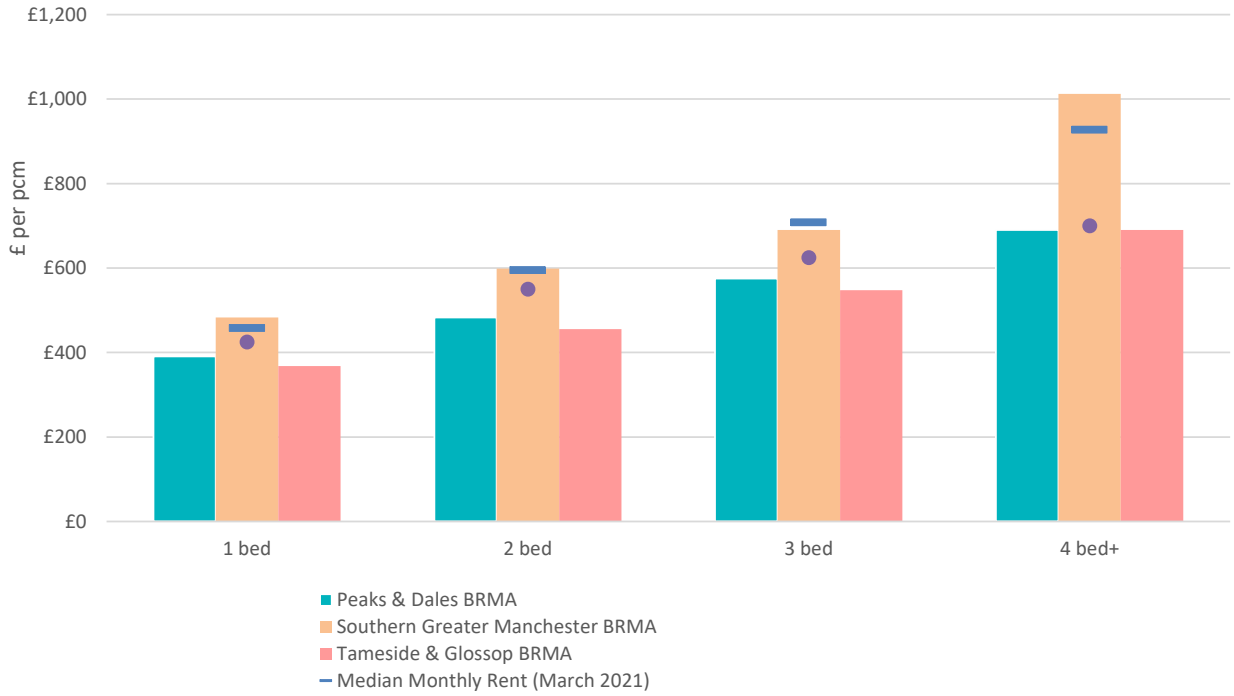
13.13 According to the 2020/21 EHS, 21.7% of all households living in PRS have been resident in their current accommodation for less than a year, by far the highest of any form of tenure. Applying this figure to the number of households in PRS accommodation (5,231, as reported in the 2011 Census) implies an annual turnover of 1,135 private rented dwellings in the Borough. This figure does not separate out the proportion of private rented properties that are likely to become available to households in receipt of housing benefit.

13.14 Data from the Department for Work and Pensions [DWP] in respect of the number of households eligible for Housing Entitlement under the new Universal Credit indicates that as of November 2021, there were 2,911 housing benefits claimants in High Peak, of whom 1,482 are currently meeting their needs in the private rental market in the Borough. This equates to 51% of all claimants and clearly indicates that in High Peak (as elsewhere), there are a significant number of households living in private rented accommodation who are reliant to a greater or lesser extent on housing benefit.

13.15 We are not suggesting that these figures should be 'netted off' the affordable housing requirements. It is not a designated form of affordable housing and it is not appropriate to subject many families to the increased uncertainty of tenure associated with private rented accommodation. Nevertheless, it is important to recognise that PRS plays a significant role in helping households in constrained circumstances to meet their housing needs independently, and for addressing the slack between affordable housing need and provision.

13.16 There is also a disparity between the level of Local Housing Allowance [LHAl and private sector rents in many parts of the Borough. Figure 13.3 highlights the gap and issues in respect of meeting needs in the private rented sector. For 2 and 3-bedroom properties, LQ private sector rents in High Peak are £550 and £625 respectively, which compares to LHA rates of £483/£575 for 2/3-bed properties in the Peaks & Dales Broad Rental Market Area [BRMA], and LHA rates of £456/£548 for 2/3-bed properties in the Tameside & Glossop BRMA.

Figure 13.3 Comparison of Median / Lower Private Rents and Local Housing Allowance across High Peak Borough (March 2021)



Source: VOA Private Rental Market Data/LHA data Direct Gov. BRMA = Broad Rental Market Area.

Note: Peak & Dales BRMA covers the town of Buxton, Ashbourne, Bakewell, Matlock and the bulk of the Peak District National Park Area. The Southern Greater Manchester BRMA covers the towns of Chapel-en-le-Frith, Whaley Bridge, New Mills, Stockport, and Altrincham. The Tameside & Glossop BRMA covers Glossop and Tameside itself.

Build to Rent

13.17 BtR is a distinct asset class within PRS and has been defined in the NPPF glossary, to simplify its treatment within the planning system. The PPG states that as part of their plan making process, LPAs should use a local housing need assessment to consider the need for a range of housing types and tenures in their area including provisions for those who wish to rent[108].

13.18 BtR was launched by the Government in December 2012 in response to the Montague Report on barriers to institutional investment in private rented homes, and more specifically as part of the legacy of the Olympic Games in London with the conversion of the East Village into rental properties. Its purpose is to stimulate investment in large-scale development of homes built specifically for private rent by professional organisations. The Government maintains that BtR has a key role in helping to boost housing supply, and defines it as follows in the NPPF's glossary (Annex 2):

"Build to Rent: *Purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses, but should be on the same site and/or contiguous with the main development. Schemes will usually offer longer tenancy*

[108] ID: 60-001-20180913

agreements of three years or more, and will typically be professionally managed stock in single ownership and management control."

13.19 Recent research by Savills indicated that a nationwide shortage of rental stock nationwide presents a huge opportunity for BtR investment. Their *UK Build to Rent Market Update (Q4 2021)*[109] suggests that the Buy-to-Let sector is likely to be responsible for falling rental supply, with a growing number of mortgaged landlords selling up and exiting the market. As a result, new rental supply is not plugging the current supply gap and there is considerable scope for investors to deliver BtR across all locations and price points:

"Against the backdrop of falling rental supply, Build to Rent is fast becoming an important part of UK housing delivery. There were 14,660 BtR completions in 2021, 15% higher than the 2019-21 average. Rising BtR completions is nothing new and we estimate there will be 30,000 annual completions by 2026, 13.5% of annual supply. What has shifted recently however is distribution. Since the first Covid-19 lockdown, investors have realised the opportunity to become early investors in new markets. Build to Rent has been earmarked for an additional 29 local authorities since March 2020 meaning 38% of local authorities now have BtR in their pipeline, up from 20% in Q1 2017."

13.20 Savills research indicates that the fall in available homes to rent nationwide on Rightmove (97,000 fewer in Q4 2021 vs Q4 2019) far outweighs new BtR supply of c. 15,000 per annum in 2021. There remains considerable scope for new rental supply to enter the rental market up and down the country.

"The UK's BtR stock now stands at 70,785 completed homes with a further 42,100 homes under construction. The future pipeline currently stands at 99,300 homes, including those in the pre-application stage. This brings the total size of the sector to 212,200 homes completed or in development. Regional new home starts have continued to drive the construction pipeline. In 2021 nearly 13,500 homes started construction outside London. This is 47% higher than the three-year average (2019-21)."

13.21 The Savills research concludes that the sector continues to rebalance and shift towards regional towns and cities with strong fundamentals. 39% of local authorities are now planning BtR, more than double the number in Q1 2017 (18%).

13.22 Research by the British Property Federation earlier this year found that the BtR sector pipeline grew by 8% in 2021 and showed construction in regional cities in the UK outpacing London. There has been notable investment activity driving investment levels in BtR upwards in the last two years, with various acquisitions and deals and many pension funds diversifying into the BtR market.

13.23 According to BPF/Savills' data on BtR schemes[110], as of Q1 2022 there are now 212,177 BtR homes in the UK, of which 70,785 are complete, 42,119 under construction and 99,273 in planning. Outside London, there are 122,499 units, the vast majority of which are located in existing towns and cities. Consequently, it is unsurprising perhaps that High Peak has missed out on BtR to date. The BPF/Savills mapping suggests that the Borough has yet to see any BtR schemes completed to date, and none have progressed through to the planning stage as of Q1 2022. The nearest schemes are in Stockport and Oldham.

13.24 Given the country's urgent need for extra homes, a key benefit of BTR is its ability to bring housing units to the market quickly and at scale. Unlike the build-to-sale model where the controlled release of housing to the market is commercially beneficial, there is a real incentive for BTR developers to construct their buildings and let units as soon as possible. By way of

[109] Savills UK | UK Build to Rent Market Update – Q4 2021
[110] https://bpf.org.uk/about-real-estate/build-to-rent/

example, the rate at which homes can be sold is 1 a week in the regions and between 1.5 and 2 in London, whereas lettings' rates can be around 10 to 15 units per week[111].

13.25 It is important to note therefore, that the Government sees BtR having an important and long-term role in meeting the housing need of the nation, and the demand for BtR is likely to remain. As such, HPBC must continue to recognise the contribution that BtR provides to local housing options for households unable to afford housing in the future, and should consider the provision of 'BtR' elements in future housing mix, to ensure diversity in the types of housing. Such managed schemes, often on more secure tenancies, can provide an alternative rental option for buy-to-let landlords.

13.26 In High Peak, it is likely that BtR schemes could cater for needs in the private rented sector, particularly for those on low to middle incomes who may desire and alternative to traditional rental options (i.e. buy-to-let landlords). However, as shown above in Figure 12.5, there is expected to be a very modest growth in the number of young single person households under 45 years of age (+409) and actually a decline in the number of younger households with children (-231); this suggests that any BtR schemes in the Borough should be modest in scale, and should be broadly weighted more towards meeting the needs of smaller households suited to single person households (although the needs of smaller households with one or more children should not be overlooked).

13.27 20% is generally a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity) in any build to rent scheme. If HPBC wishes to set a different proportion, it should justify this using the evidence emerging from their local housing need assessment and set the policy out in their local plan. Similarly, the guidance on viability permits developers, in exception, the opportunity to make a case seeking to differ from this benchmark.

13.28 National affordable housing policy[112] also requires a minimum rent discount of 20% for affordable private rent homes relative to local market rents. The discount should be calculated when a discounted home is rented out, or when the tenancy is renewed. The rent on the discounted homes should increase on the same basis as rent increases for longer-term (market) tenancies within the development.

Students and Purpose-Built Student Accommodation (PBSA)

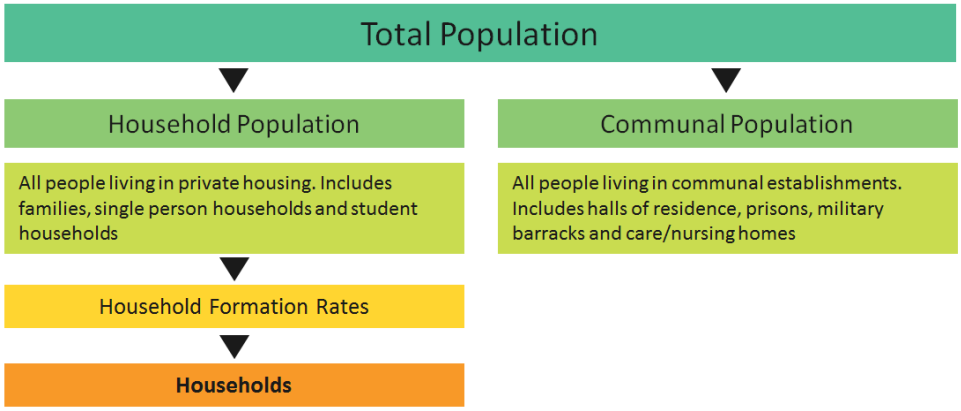
Students in the SNPP

13.29 Students living in halls of residence (and other non-household populations) are projected by DLUHC as part of the 'not in household' population. This means that they are removed from the total population projection before any assumptions around household formation are applied (as shown in Figure 13.4). Any students who live in private housing (either as a wholly student household, living alone or within another household) are, however, included in the SNHP.

[111] Investment Property Forum, 'Mind the viability gap: Achieving more large-scale, built-to-rent housing. A briefing paper, September 2015

[112] Paragraph: 002 Reference ID: 60-002-20180913

Figure 13.4 Household and communal populations in the projections



Source: Lichfields

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

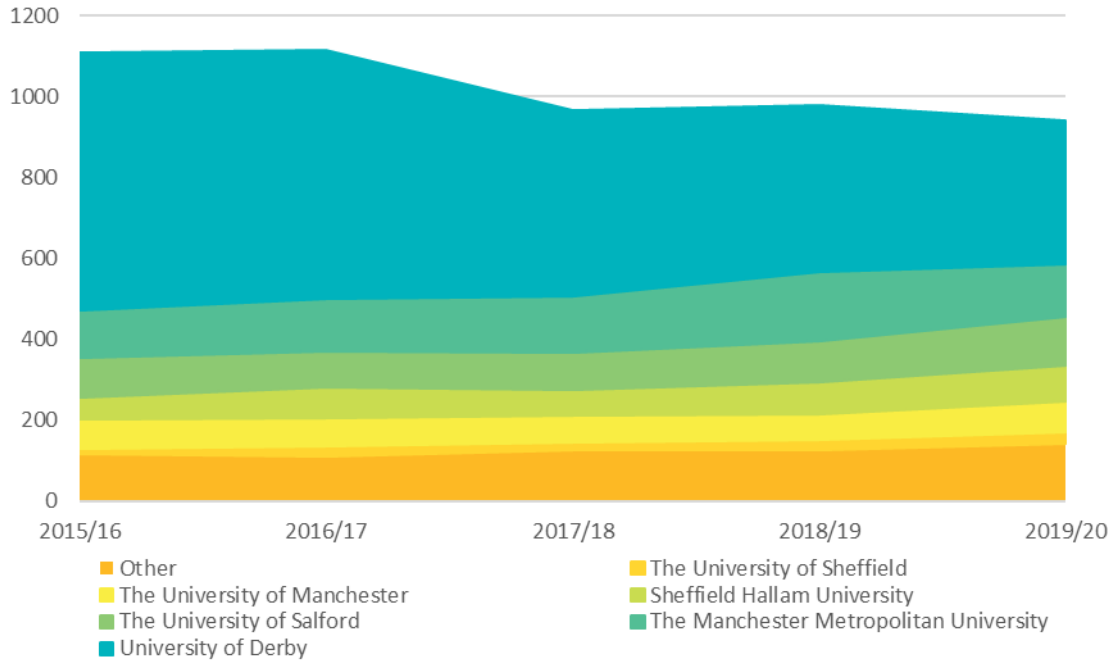
13.31 Using data from the Higher Education Statistics Agency [HESA], Figure 13.5 shows the number of Full-Time Higher Education students with a term-time address in High Peak broken down by HE provider[113]. In 2019/20 there were 940 Higher Education students living in the Borough, having fallen by 170 or 15.3% in the five years from 2015/16. Of the 940 students present in 2019/20, 355 or 37.8% were attending the University of Derby, followed by The Manchester Metropolitan University with 130 students (13.8%), The University of Salford with 120 students (12.8%), Sheffield Hallam University with 90 students (9.6%), The University of Manchester with 75 (8.0%), and The University of Sheffield with 30 students (3.2%). 140 students residing in High Peak (14.9%) were attending other providers.

13.32 The University of Derby currently has a campus at the Devonshire Dome, located in Buxton. University courses focus on outdoor leadership and adventure sports, events management, hospitality management, tourism management, professional culinary arts and spa and wellness management

13.33 The number of University of Derby students residing in the Borough has fallen significantly in recent years, from 640 or 57.6% of the total in 2015/16 to 355 or 37.8% of the total in 2019/20.

[113] In line with HESA data guidelines, all student data has been rounded to the nearest 5.

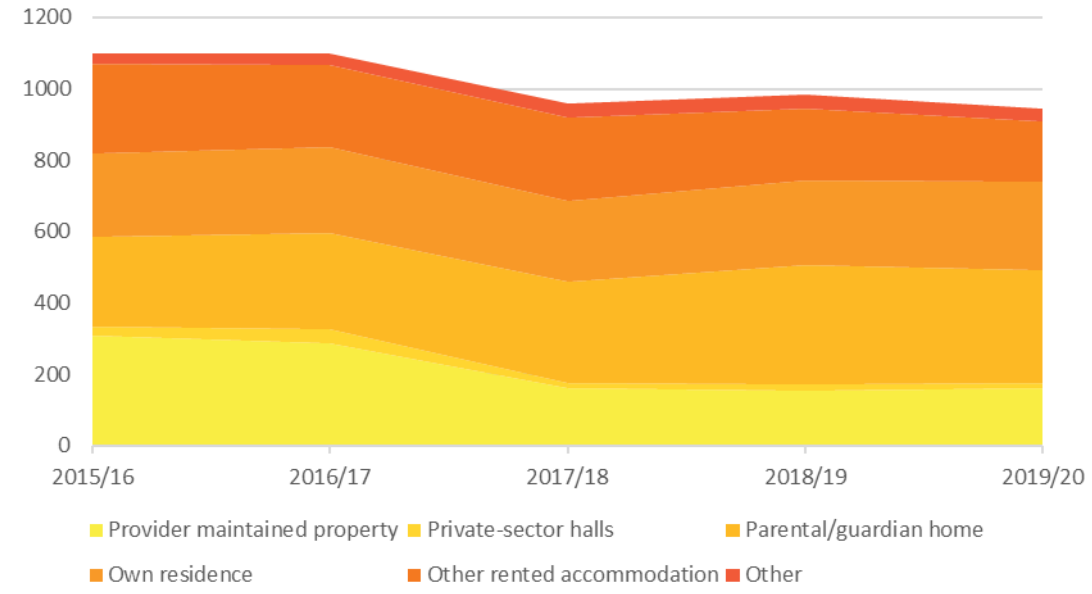
Figure 13.5 Full-Time Students with a Term-Time Address in High Peak by HE Provider, 2015/16 – 2019/20



Source: HESA (2021) / Lichfields Analysis

13.34 Figure 13.6 shows the number of Full-Time Higher Education Students with a term-time address in High Peak broken down by type of term-time accommodation. In 2019/20, 160 students were living in provider-maintained accommodation having fallen from 310 in 2015/16. Similarly, just 15 students were living in private-sector halls in 2019/20, having halved since 2015/16. This means that in 2019/20 a total of 765 students or 81.2% were living in either their parental/guardians' home, their own residence, other rented accommodation, or other accommodation.

Figure 13.6 Full-Time Students with a Term-Time Address in High Peak by Accommodation Type, 2015/16 – 2019/20



Source: HESA (2021) / Lichfields Analysis

13.35 In 2019, the University of Derby confirmed the phasing out of the academic provision at the Buxton campus, completing in 2022, with all courses relocating to Derby.

13.36 The University of Derby has confirmed it is currently developing a strategy on the long-term future of the student accommodation they operate within the Borough.

13.37 On the basis that the University of Derby is phasing out its Buxton Campus, if University of Derby students are excluded from the 2019/20 data for High Peak, just 5 students attending other providers live in provider-maintained properties.

13.38 This means that 580 of 585 or 99.1% of students living in High Peak attending other providers live in either their parental/guardians' home, their own residence, other rented accommodation, or other accommodation. This strongly indicates that without the presence of the University of Derby in the Borough, there is no need for purpose-built student accommodation, or certainly any additional provision. It also suggests that repurposing of existing purpose-built student accommodation within the Borough may be appropriate going forward.

Households and Families with Children

13.39 Section 13.0 reviewed the likely need for different sized housing based on projected household growth; this included households with dependent children. The overall need associated with families is therefore implicit within the recommended range of housing mix set out. However, this section provides some additional information on the current and future needs of households with children.

13.40 Households with children tend live in housing which, on average, has 3 bedrooms. Table 13.1 shows that a relatively small percentage (21%) live in 1 / 2 bedrooms homes, and 8% live in homes with 5 or more bedrooms. The majority live in homes with 3 bedrooms, with 5,177 of High Peak's 11,043 households with children living in such properties, with a further 24% living in 4-bedroomed properties.

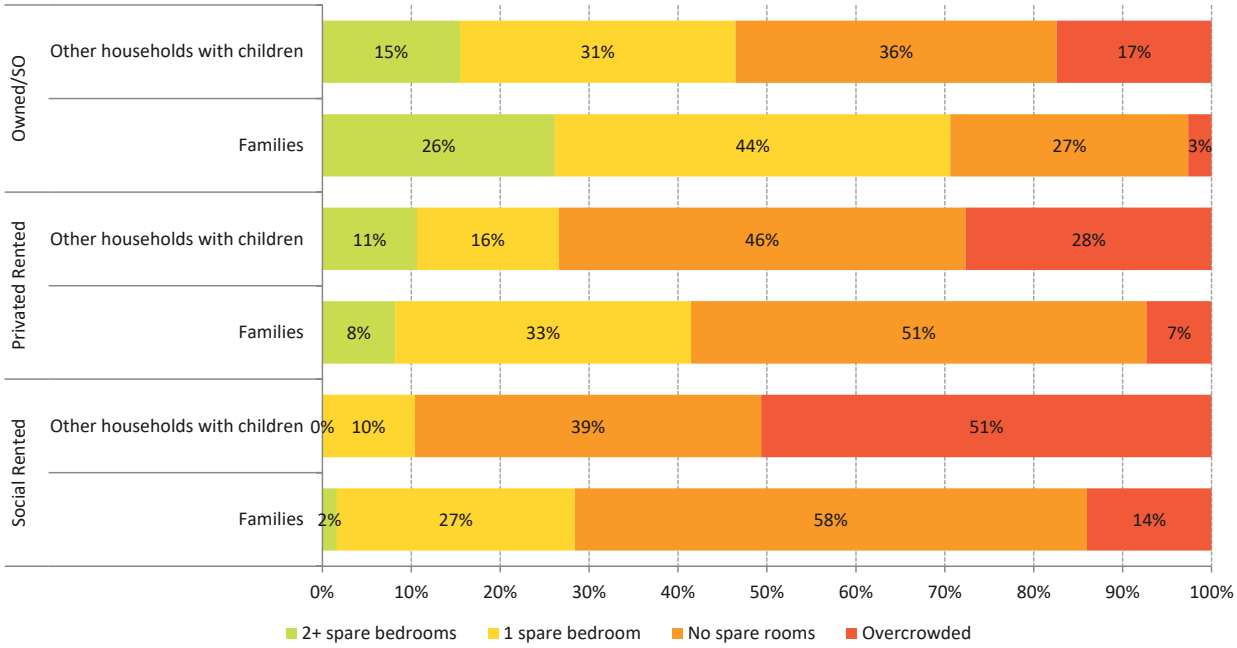
Table 13.1: Households with children by number of bedrooms – High Peak Borough (2011)

	Total	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5+ bedrooms
Households with children	**11,043**	129	2,242	5,177	2,644	851
	~	1.2%	20.3%	46.9%	23.9%	7.7%

Source: Census 2011. Refers to all households

13.41 Existing rates of overcrowding in households with children are lowest in families in the owner-occupied sector – only 3% of households in this group are overcrowded as shown in Figure 13.7, with only 7% of families with children living in PRS accommodation. However, overcrowding rates among other households with children in the social rented sector are much higher, at 51% (although in absolute terms this number is relatively low with 39 out of just 77 households falling into this category). Overcrowding is highest amongst families living in the social rented sector – 14% of families were overcrowded, whilst 58% had no spare bedrooms. By way of contrast, just 2% of families living in the social rented sector had 2 or more bedrooms, compared to 26% of families living in properties that they owned.

Figure 13.7: Overcrowding rates in households with children by tenure – High Peak Borough



Source: Census 2011

13.42 Table 13.2 illustrates what these overcrowding rates mean in terms of the number of households which are overcrowded for each tenure. It shows that the highest number of overcrowded households with children is in the owner-occupied sector, equating to 343 households in total, albeit this is a much lower percentage of the total of households in the sector (3.1%), compared to the Social Rented Sector (307 over-crowded households, but equal to 15.4% of all households living in this form of tenure).

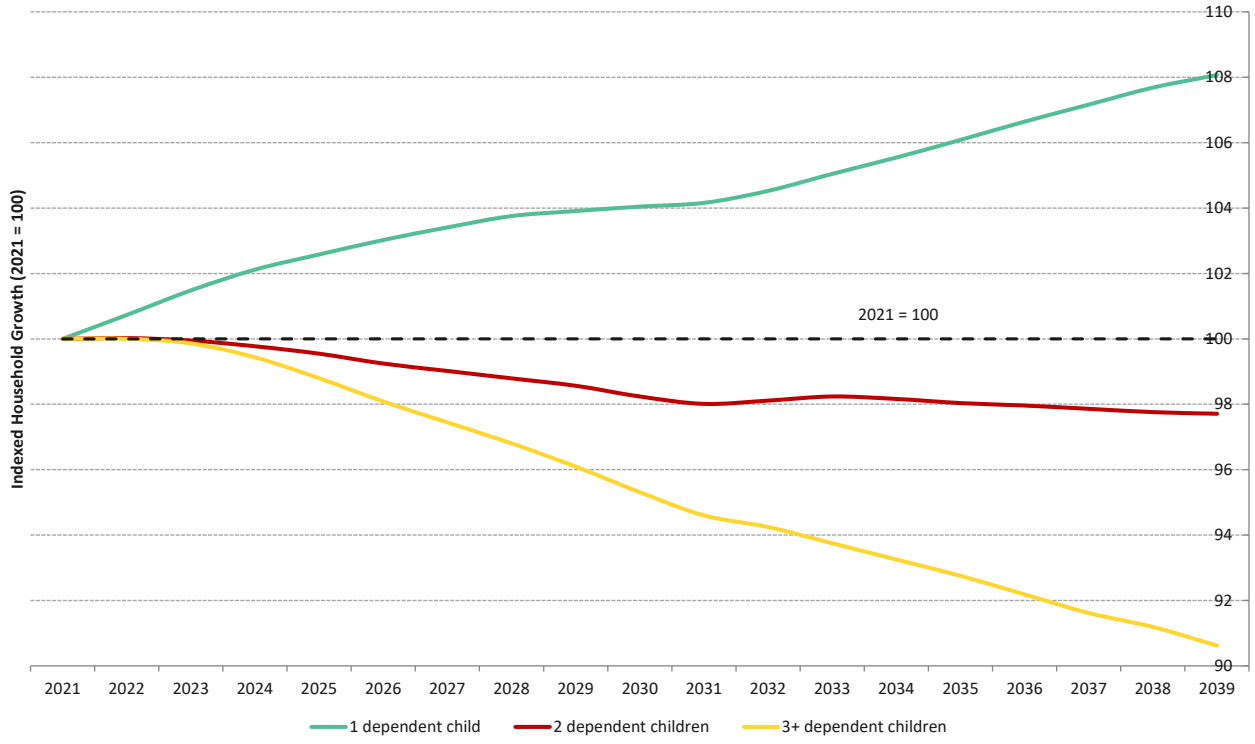
Table 13.2: Overcrowding and Under-occupancy – households with children

		2+ spare bedrooms	1 spare bedroom	No spare rooms	Overcrowded
Social Rented	Families	31	512	1101	268
	Other h'holds with children	0	8	30	39
Private Rented	Families	153	622	957	137
	Other h'holds with children	10	15	43	26
Owned/ SO	Families	2790	4746	2854	279
	Other h'holds with children	57	114	133	64

Source: Census 2011

13.43 The 2014-based SNHP project the number of households with children in High Peak overall to increase marginally, by 2%, from 10,568 in 2021 to 10,764 in 2039. However, this is entirely driven by a modest growth in small families, countered by a decline in households with 2 or more children. As can be seen in Figure 13.8, the number of households with 1 child is projected to grow by 8% (or +419 families). Conversely, the number of families with 2 children is projected to decline by 2% (-91 families) between 2021 and 2039, whilst the number of families with 2 or more children is projected to decline by an even steeper trajectory, at -9% (-132 families) between 2021 and 2039.

Figure 13.8: Projected growth in households with dependent children: High Peak Borough – 2021-2039



Source: Lichfields' analysis, based on 2014-based SNHP

The wider role of family housing in the market

13.44 Beyond the specific needs of families in High Peak identified above, there is widespread evidence to further show the importance of family housing within the wider housing market. The provision of additional housing supply has impacts throughout the housing ladder, as vacated dwellings become homes for other households. This process has been widely studied as one of the possible applications of the "Markov Chain Model".

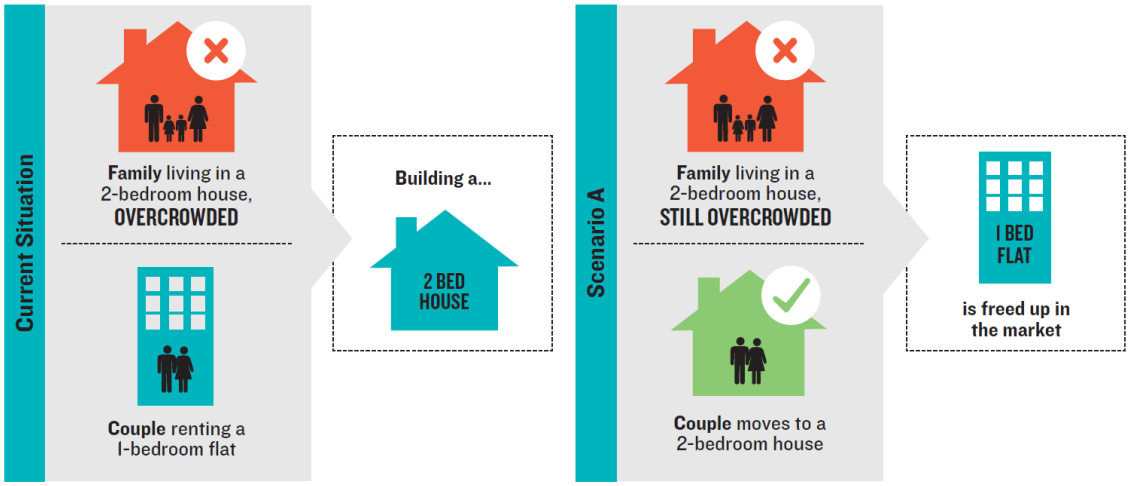
13.45 The Markov Chain Model, and specifically its application to the housing market, suggests that a new vacancy at the top of the housing ladder generates a statistically expected number of subsequent household moves. This is because as a newly-built larger home is occupied, a smaller home is left vacant for a new household (e.g. a family), whose move would in turn free up a home for a smaller/new household. Whilst longitudinal datasets on households' moves are not available in England, analysis on Swedish housing data shows that there were between 3.1 and 4.4 moves per new home built between 2000 and 2002[114], with vacancies created at larger multi-family homes creating the longest vacancy chains. The study also found that vacancies initiated by owner occupier moves generated longer vacancy chains compared to those initiated by renters.

13.46 For the purposes of illustrating, in a simple manner, the potential role of larger housing within a vacancy chain model in the open market, two scenarios have been considered at Figure 13.9 and Figure 13.10. These are both simplified for effect and are not a representation of precise moves within a local market, but represent in broad terms the dynamics at play.

[114] Magnusson Turner, L. (2008). Who Gets What and Why? Vacancy Chains in Stockholm's Housing Market, International Journal of Housing Policy, 8(1), pp. 1-19. http://dx.doi.org/10.1080/14616710701817133

13.47 Figure 13.9 illustrates the potential impact of building a 2-bedroom home in an area where there is already a need/demand for larger housing.

Figure 13.9 Housing ladder outcomes: Scenario A – building a 2-bed house

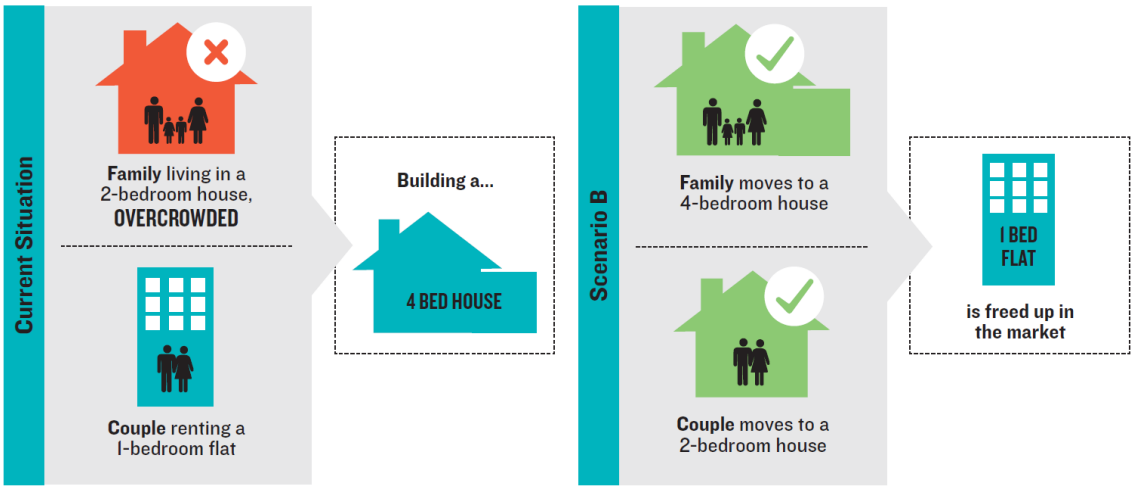


Source: Lichfields

13.48 This scenario indicates that erecting smaller homes will not necessarily meet the needs and demands of the overall population as it only facilitates movement between smaller dwellings in the housing market.

13.49 Figure 13.10 demonstrates the potential impact of building a 4-bedroom home in this same housing market scenario.

Figure 13.10 Housing Ladder outcomes: Scenario B – building a 4-bed house



Source: Lichfields

13.50 Under this scenario, the result is movement up the housing ladder for both households (with the family moving into larger accommodation and the couple moving from a flat into a house). It still results in the release of a smaller dwelling (a flat) back into the market to cater for newly forming/smaller households.

13.51 Ultimately, larger housing provision can help play a two-fold role within meeting the wider needs of household growth across High Peak by:

1 Meeting the **needs** of households, in terms of current overcrowded households who are in need of larger housing – this in turn means that the needs of smaller, newly forming households can be met as smaller housing is freed up further down the ladder; and,

2 Meeting the **demands** of households, in terms of smaller households aspiring to buy/upsize within the market – this again also results in the freeing up of smaller housing further down the ladder.

13.52 Taking account of housing ladder dynamics and the Markov Chain Model, it is clear that the provision of larger homes can play a key role in facilitating movement throughout the local housing market. It can help to address issues of overcrowding and concealed families[115].

13.53 This model could play an important role across High Peak and beyond. In addition, it will help those people that wish to access family-sized homes in the local area (including those with local connections that have been forced to live elsewhere) but that are unable to afford the current high prices, to do so.

Households and Families with Children Summary

13.54 The number of families and other households with children is expected to increase by around 2% in High Peak by 2039, entirely driven by the growth in smaller families with 1 child, whilst larger families with 2 or more children are projected to decline in number. In the owner-occupied sector, the rate of overcrowding amongst families is low (although the absolute number of overcrowded owned occupied properties with families is highest in absolute terms), and families tend to live in homes which are larger than they 'need' in order to have extra space. The estimated overall scale of demand for larger housing across High Peak in meeting the needs of families was discussed in Section 13.0.

13.55 In the social rented sector, the rate of over-crowding among families is significantly higher, and HPBC and PDNPA should consider how more effective use of existing stock and new development can help address this. Waiting list data suggests that the need is predominantly for small units; however, there remains a need for the supply of some larger affordable homes to address existing problems of overcrowding in the market.

The need for specialist accommodation for Older People

13.56 The PPG recognises that the need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing. In mid-2016 there were 1.6 million people aged 85 and over; by mid-2041 this is projected to double to 3.2 million. It states:

"Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems. Therefore, an understanding of how the ageing population affects housing needs is something to be considered from the early stages of plan-making through to decision-taking"[116].

13.57 In line with these national trends, the number of older people living in High Peak Borough is projected to increase by 40% by 2041. This is by far the fastest growth of any age group, as

[115] A concealed family is one living in a multi-family household in addition to the primary family – for example, a young couple living with parents.
[116] PPG: 63-001-20190626

shown in Table 13.3. In the context of ageing both more widely and in the Borough specifically, meeting needs of older people will be a key element of meeting overall needs over the period to 2041 (and beyond).

Table 13.3: Projected population change by broad age group – High Peak Borough

	2021	2041	Change	%
0-15	15,816	15,579	-237	-1.5%
16-44	22,410	22,790	380	+1.7%
45-64	27,242	22,861	-4,381	-16.1%
65+	20,712	29,044	8,333	+40.2%
	92,815	**96,960**	**4,145**	**+4.5%**

Source: Lichfields using PopGroup (2014-based SNPP)

13.58 The specific accommodation needs of older people fall within two different groups:

1 Those in need of communal establishment accommodation (i.e. bedspaces), including residential care homes or specialist nursing homes; and,

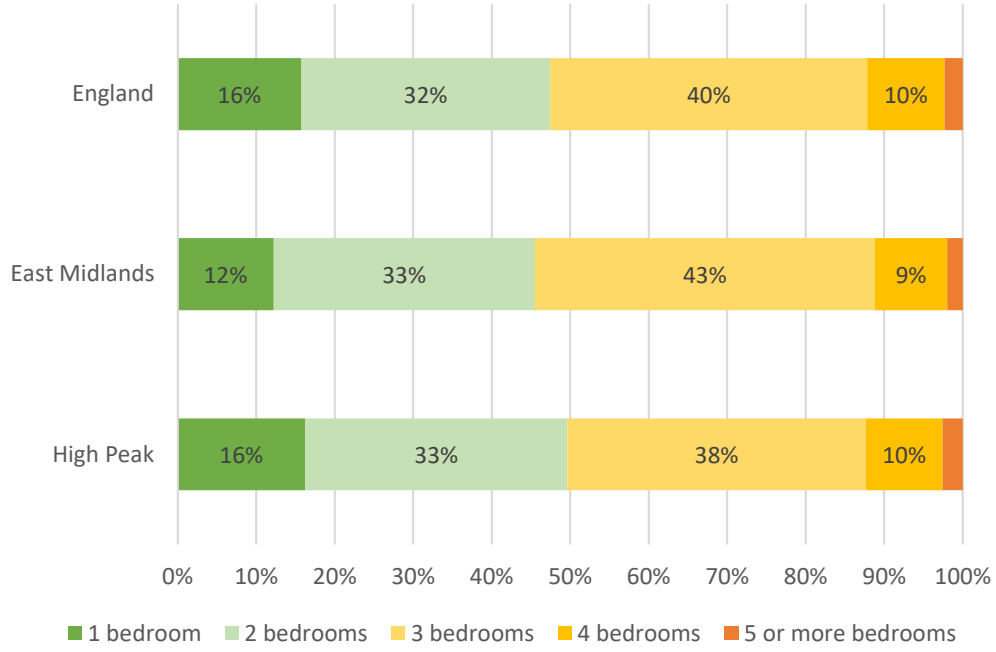
2 Older people living in private housing (and are in the SNHP) who do not require care home facilities but may have specific needs, for example for adaptable and accessible homes, or those living in self-contained units as individual households but where some degree of care is provided (e.g. extra care or sheltered housing).

Occupancy patterns and housing market activity

13.59 As shown in Figure 13.11, elderly households in High Peak typically live in slightly smaller housing compared to the regional average; 50% of all households aged 65 and over in High Peak live in homes with 1 or 2 bedrooms, compared to 46% in the East Midlands and 47% nationally. While the proportion of those living in 1-bedroom homes (the size of home they would 'need' under ONS's occupancy standards) is similar, the disparity is due to a smaller proportion of older households in High Peak living in 3-bedroom homes (38% compared to 40% nationally and 43% across the wider region).

13.60 Importantly, Figure 13.11 shows that for all areas, a high proportion of older households are under-occupying; in High Peak, 50% of households aged 65 and over live in homes with 3 or more bedrooms, compared to 54% in the East Midlands and 53% nationally. This is particularly important given that almost all older households comprise of single people or couples.

Figure 13.11 Occupancy patterns (bedrooms) of all households aged 65 and over – High Peak and Comparator areas



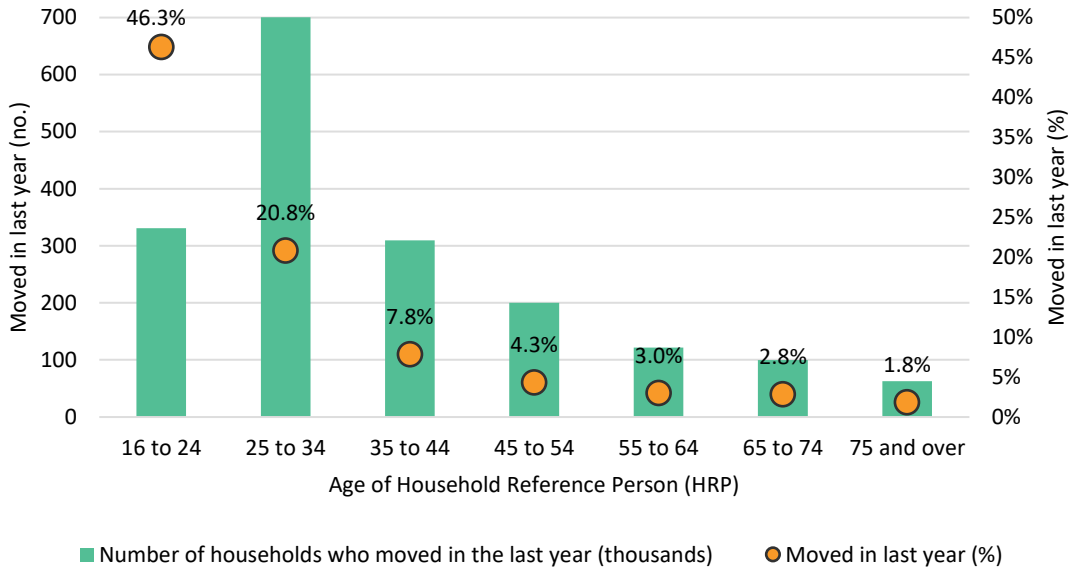
Source: Census 2011 (DC1402EW)

13.61 In addition to being amongst the most significant under-occupiers of housing, older households are amongst the least likely to move. As shown in Figure 13.12, the likelihood of moving home decreases with age. The latest EHS shows that the likelihood of moving each year is 46.3% for those aged 16 to 24, reducing to less than 2% for those aged 75 and over. For those age 65 and over, the rate at which they are likely to move has remained steady over time, at around 1-3%.

13.62 However, there has a nationally recognised shortage in housing targeted specifically at older residents for some time[117], and it is possible that the low proportion of movers amongst older residents reflects the historic lack of housing choice available to older residents, who would prefer to stay in their home (even if it were too difficult to manage) rather than move. It would be reasonable to assume that with a concerted effort nationally to boost the supply of specialist housing catered towards the different needs of elderly residents that we would see elderly households become more active in housing market than they currently are.

[117] For example, see June 2020 report by the Centre for Financial Innovation here

Figure 13.12 Proportion of households who moved in the last year (2019/20) by age of Household Reference Person (HRP)



Source: Lichfields based on the English Housing Survey (EHS) 2019/20 (Table FA4121)

Accommodation for older people and housing supply

13.63 The SNHP (and therefore the LHN which has been derived from them) already remove a given proportion of the older population which are projected to be living in communal establishments (in the case of older people, those living in residential care homes). The projected need for bedspaces in care homes are therefore outside the SNHP and therefore the identified need, expressed in terms of bedspaces, is in addition to the LHN. For the purposes of this HELNA, this accommodation is referred to as 'C2' uses.

13.64 For planning purposes, some forms of housing which provide an element of care could also fall under C2 use, for example some of the numerous accommodation types falling under the term 'extra care housing'. However, as these may provide self-contained units for occupation by households, they are considered part of general housing needs, i.e. C3 for the purposes of assessing housing need in this HELNA. These units meet the needs associated with households, therefore are included within the SNHP (and the LHN). Supply of these types of housing units can therefore be counted as housing supply against the LHN.

13.65 The PPG[118] states that all types of housing provided for older people, including homes (such as sheltered housing or adaptable homes) and communal accommodation (such as nursing homes) can be counted against the housing requirement:

"Plan-making authorities will need to count housing provided for older people against their housing requirement. For residential institutions, to establish the amount of accommodation released in the housing market, authorities should base calculations on the average number of adults living in households, using the published Census data"

13.66 However, the approach of counting non-conventional housing supply against the housing requirement has been clarified in the High Court in '*Exeter City Council v (1) Secretary of State for Communities and Local Government and (2) Waddeton Park Limited and (3) The R B Nelder Trust [2015] EWHC 1663*' referred to as *Exeter*. This judgment dealt with the inclusion of student accommodation as a component of housing supply when it has not been utilised in

[118] PPG: 63-016a-20190626

the formation of an appropriate housing requirement, however the principles of this judgment are just as applicable to bedspaces in nursing homes. The need for such a component of supply to be reflected in the requirement figure is set out in paragraphs 41 to 42 of the judgment, with the relevant conclusion as follows:

"it would be irrational to include student accommodation [or elderly people C2 accommodation] *in housing supply as meeting an adopted housing requirement, where such accommodation does not feature in that requirement."*

13.67 In this context, because the need for bedspaces in care homes does not feature within the LHN for High Peak Borough (i.e. it is in addition to it), the supply of this accommodation would be additional to the LHN housing requirement.

13.68 On the contrary, although Extra Care housing and other types of accommodation which provide self-contained units (which have a kitchen, bathroom and bedroom/s) are sometimes recorded as C2 use, as they are meeting needs associated with households, supply of this accommodation can be counted against the LHN.

13.69 As has been widely recognised, categorizing different types of specialised housing is far from straightforward. Aside from creating ambiguity and confusion around moving for older people themselves and complexity for the planning process, this also acts as a barrier to the creation of rigorous statistics definitions do not necessarily accord with the assumptions within a planning context[119] with the diagram below illustrating the blurred lines between many products:

Figure 13.13 Different residential options for older people

Source: Best and Porteus (2012), as reproduced in Cambridge Centre for Housing and Planning Research (April 2021): *Understanding Supply, demand and investment in the market for investment housing communities in England*

[119] Cambridge Centre for Housing and Planning Research (April 2021): *Understanding Supply, demand and investment in the market for investment housing communities in England*

13.70 The Elderly Accommodation Council National Housing Database (2014) refines this 'long list' down to the following types of specialist accommodation for older people – albeit as expanded upon subsequently these definitions do not necessarily accord with the assumptions within the planning context:

Figure 13.14 Different types of elderly accommodation

Source: Elderly Accommodation Council National Housing Database (2014)

13.71 Many providers simplify this list still further into three categories of specialised housing distinguishing between housing 'without support', 'with support', and 'with care':

- **Housing without support:** age-restricted (and therefore not mainstream housing) but offers no other services.
- **Housing with support:** might have some communal facilities, and dedicated housing managers.
- **Housing with care:** might offer more extensive on-site facilities, including the option of personal care offered by an on-site provider.[120]

13.72 Within the planning system there is no fixed or agreed definition of the different types of housing for older people. The only distinction lies in the difference between Use Class C3 (Residential) and C2 (Residential Institutions).

[120] Cambridge Centre for Housing and Planning Research (April 2021): *Understanding Supply, demand and investment in the market for investment housing communities in England*

13.73 However, there has been an inconsistent treatment of such facilities by appeal Inspectors:

1 In one appeal for retirement apartments for over 55s[121], the Inspector considered the use class to be C3 because they were wholly self-contained and noted that, whilst they were serviced, this is different from care.

2 In a separate case[122], the Inspector considered that assisted living units were C2 because, whilst they were self-contained, they were accessed via communal spaces and residents had access to communal facilities. Occupants had to be over 60 and receive a minimum of two hours care per week, albeit the definition of care was very broad.

3 In two cases relating to extra care provision, both Inspectors concluded these were C2 uses. In the first instance[123] this was because residents were provided with a care package and in the second case[124] because, whilst the units were self-contained, they did not represent independent living.

13.74 Key issues in determining the appropriate Use Class include the levels of care provided and the extent of shared facilities.

13.75 This issue was recently considered in the High Court case of *Rectory Homes v Secretary of State for Housing, Communities and Local Government*[125]. Although the central question of this case – which was dismissed on all grounds – was whether a proposal for 78 open market extra care dwellings and a communal residents centre fell within the scope of the development plan policy that required schemes for 3 or more dwellings to provide affordable housing, it includes a helpful exploration of the Use Class of care facilities and whether they can constitute dwellings.

13.76 It was common ground between Rectory Homes and South Oxfordshire Council that the whole scheme fell within use Class C2. The difference relates to the accommodation could be categorised as comprising "dwellings". Paragraph 26 of the judgement states:

"The essence of the Claimant's case before the Inspector and before this court is that the use of the word "dwellings" in the affordable housing policy… Because it was agreed between the parties that the entirety of the proposed development fell within the C2 Use Class, the Claimant contended that it had to follow that no part of the development could fall within the C3 Use Class and so could not amount to a 'dwelling'."

13.77 The Council *"maintained that residential accommodation could be provided within a C2 development as dwellings, (so long as the use of each such dwelling did not fall within the C3 Use Class)" (paragraph 33)*. The Secretary of State also argued that dwelling should be given its normal meaning in this policy context. In this context, reference was made to the Gravesham and Moore cases[126]:

"*It has become well-established that the terms the terms "dwelling" or "dwelling house" in planning legislation refer to a unit of residential accommodation which provides the facilities needed for day-to-day private domestic existence"* (paragraph 53).

13.78 The judgement notes at paragraph 57 that Class C4 *"use of a dwelling house by no more than 6 residents as a 'house in multiple occupation'"* demonstrates that C3 does not cover all circumstances where a property has the physical characteristics of a dwelling as defined in the Gravesham case. Furthermore, while certain institutions that fall within use class C2 are

[121] Sandhurst Lodge, Wokingham Road, Crowthorne, Berkshire (APP/R0335/W/15/3128812) 7 March 2016.
[122] Balcombes Hill, Goudhurst, Cranbrook, Kent (APP/M2270/W/16/3161379) 14 June 2017.
[123] Stable Field, Kirdford Road, Wisborough Green (APP/L3815/W/17/3180078) 16 March 2018.
[124] Land at West End Farm, Brackley Road, Buckingham (APP/J0405/W/17/3181140) 5 April 2018.
[125] (2020), EWHC2098 (Admin)
[126] Gravesham p. 146; Moore v Secretary of State for the Environment, Transport and the Regions (1998) 77 P & CR 114

unlikely to include dwellings, the first sentence of use class C2 does not require the institution to be a traditional one – it could be an organisation managing a development. The specific exclusion of C3 uses from residential accommodation in the definition of use class C2 implies that properties with the physical characteristics of dwellings can fall within C2:

"Accordingly, a Class C2 development may include accommodation in the form of dwellings, for example flats and bungalows, each of which has facilities appropriate for private, or independent, domestic existence. But their use would only fall within the C2 Use Class if 'care' is provided for an occupant in each dwelling who is in need of such care" (Paragraph 62).

13.79 This is on the basis that "*on a proper interpretation of the Use Classes Order, Class C2 may include residential accommodation in the form of dwellings as part of the primary use, subject to the provision of care and restrictions on occupation…" (Paragraph 90).*

13.80 The specialist accommodation for older people that is to be is included within the proposed development comprises the *A Different Approach* Horizon product. This takes the form of self-contained units, with no communal facilities and no care provision being available to residents. Properties offered on a number of different tenures, including open market sale, shared equity and rent to buy. These will fall within Use Classes C3:

Extra Care and Sheltered Accommodation (C3)

13.81 Collectively, Extra Care and Sheltered Housing specifically targeted at older households are referred to as 'elderly housing' for the purposes of this study. The PPG clarifies what type of evidence plan-makers need to consider when identifying the housing needs of older people:

"*The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector, for example SHOP@ (Strategic Housing for Older People Analysis Tool), which is a tool for forecasting the housing and care needs of older people*"[127].

13.82 DCC produced its updated "*Older People's Housing, Accommodation and Support*" Commissioning Strategy for 2019-35 in August 2020. The Strategy and delivery plan builds on the County Council's *Strategic Vision for Older People's Housing and Accommodation*, which outlines the increasing demand for housing and accommodation that is tailored to meet the needs of older people in Derbyshire. The Strategy considers all types of housing and accommodation from age designated housing and housing with care through to residential and nursing care provision through to 2035.

13.83 The Strategy reports that High Peak had a total of 157 permanent admissions to nursing and residential care for people aged 65 and over between March 2019-2020 (out of 1,243 across the County as a whole, excluding Derby City). This equates to 795.4 permanent admissions to nursing and residential care for people aged 65 and over by local authority area, per 100,000 population, which is the third highest of any district in Derbyshire County behind only Bolsover (842.9 per 10,000) and Chesterfield (806.4 per 10,000)[128].

13.84 The County Council's Locality Analysis for High Peak reported the following:

- High Peak's rural characteristics means that innovative and small-scale initiatives to meet demand are required.

[127] PPG: 63-004-20190626

[128] Derbyshire County Council (August 2020): Older People's Housing, Accommodation and Support" Commissioning Strategy for 2019-35, page 14

- **An additional 386 units of age-designated housing tailored to the needs of older people (increasing from 792 in 2016 to 1,178 in 2035). This falls to 208 units between 2020 and 2035.**
- **According to Table 13.4, there is a need for an additional 222 units of housing with care to 2035.**
- There are six HPBC sheltered housing schemes in the south of the Borough and there is low demand for some units as they include smaller bed sit units.
- Provision is currently concentrated in the Buxton area (for example, DCC, working alongside Housing and Care 21, has opened Thomas Fields Extra Care and Residential Care Home in Buxton), so exploring opportunities in the other main towns within High Peak as well as larger villages would be welcomed.
- The Residential care market is well provided for, and the modelling suggests that fewer beds will be required by 2035. However, an **additional 406 nursing care beds are required** and the development of affordable provision without top-ups would be encouraged in this part of Derbyshire.
- A range of mixed tenure extra care or care ready housing schemes is encouraged as viability is better in High Peak than in some other areas of Derbyshire.
- There is scope for additional extra care housing provision in the key market towns, such as New Mills, Glossop and Chapel-en-le-Frith.
- Affordable Extra Care housing schemes for rent needs to be incorporated into mixed schemes to avoid deterring potential older downsizers from age designated social rented housing.
- There is also a market for private retirement housing in some locations in High Peak.
- There are two nursing homes that have dementia as a specialism and there are four nursing homes currently rated as 'good' by the Care Quality Commission. Opportunities to develop affordable nursing care provision would be encouraged, particularly hybrid approaches incorporating an extra care scheme.
- Nursing provision is focused on the main towns so innovative approaches in smaller Towns and villages would be welcomed.

Table 13.4: Additional Need for Age-Designated Housing Units in High Peak Borough

	2016	2018	2020	2025	2030	2035	Additional need to 2035
Additional need for age-designated housing units	**792***	947	970	1,046	1,109	1,178	**+386**
Additional need for additional housing with care units	n/a	n/a	**98***	202	256	320	**+222**
Additional need for residential care beds	n/a	n/a	**526***	394	361	320	**-206**
Additional need for nursing care beds	n/a	n/a	**235***	532	582	641	**+406**

Source: Derbyshire County Council (August 2020): Older People's Housing, Accommodation and Support" Commissioning Strategy for 2019-35 *Current Baseline provision

13.85 It is understood from discussions with DCC's Adult Social Care and Health Department that it is presently reviewing its older adults accommodation strategy. DCC is potentially combining this with the Council's working age adults accommodation strategy so that DCC has an 'all age' strategy. Expected to report back towards the end of 2022, this Strategy would encompass sheltered housing, extra care provision, residential and nursing care and supported housing. It

will not encompass people with more complex are needs such as those coming out of forensic settings or people with dementia who have complex and challenging behaviours.

13.86 DCC Officers raised the following points for consideration:

- Recent long-term admission figures (July 2021 – June 2022) show that High Peak Borough had 80 admissions to residential or nursing care. The rate per 100,000 in the Borough is 400.4, which is the lowest of all of the eight Derbyshire districts.
- DCC is aware that in common with many other parts of the County, High Peak's population is rapidly ageing (with a 27% increase of over 65s compared to England's 20%).
- Given care workforce concerns, DCC is probably looking at sheltered housing rather than additional Extra Care.
- The areas of highest interest for new schemes would be the Central Sub-Area of High Peak, as Buxton is possibly oversupplied.

13.87 DCC also provides a weekly update to the current care home vacancies across High Peak, taken from the NHS Care Homes Capacity Tracker, which is updated by the care homes themselves. The data for w/c 25th April 2022 indicates that there are 5 Care Homes with Nursing (Registered for Nursing and Residential Care) in High Peak, of which one (The Lodge Nursing Home in Chapel-en-le-Frith) has vacancies. There are 14 Residential Care Homes in the Borough, of which two (Hollin Knowle in Buxton and Welby Croft in Chapel-en-le-Frith) currently have vacancies.

13.88 Alternatively, statistics published in 2022 by the Elderly Accommodation Counsel [EAC][129], which are publicly available and a provide robust and reasonable baseline dataset, demonstrate that the **supply of sheltered and retirement housing in High Peak is currently below the national average**, with 741 units at an average of **85 units per 1,000 residents aged 75+,** compared to the national average of 117 and the regional average of 116. This is shown in Table 13.3 which demonstrates that almost half are located in the town of Buxton and to a lesser extent Glossop, with the Central Area towns such as Chapel-en-le-Frith and Whaley Bridge and particularly the surrounding rural areas in the National Park very significantly under-provided (which aligns with the DCC commentary summarised above). The only retirement housing scheme on the EAC database in the National Park area of High Peak is Caroline Court, a sheltered housing scheme in Hope Valley, offering 30 purpose-built flats for rent for people over the age of 55. The EAC database does not have any nursing homes at all in the National Park area of High Peak.

13.89 In terms of Extra Care housing, High Peak fares much better, with three schemes (two in Buxton and one in Glossop) providing **168 units at an average of 19.2 units per 1,000 residents aged 75 and over**. This is higher than both the regional (11.1) and national (15.7) ratios.[130]

[129] Statistics on specialist housing provision for older people in England – EAC (March 2015)

[130] BY way of comparison, the EAC reported in 2015 that the number of 'housing with support' units per 1,000 residents 75+ was 123.0 in England in 2015 and 130.8 in the East Midlands, whilst the comparable ratios for 'housing with care' was 16.2 units per 1,000 older residents nationally and 13.7 units per 1,000 regionally.

Table 13.5: Supply of elderly accommodation (specialist housing) for High Peak Borough as of 2022

		Population aged 75+ (2020)	Units	Per 1,000
Retirement Homes / Close Care / Sheltered Housing	Buxton	2,132	368	172.6
	Central Area	3,077	141	45.8
	Glossop	2,680	202	75.4
	Rural	853	30	35.2
	High Peak Borough	**8,742**	**741**	**84.8**
Age Exclusive / Sheltered Housing / Retirement Housing	East Midlands*	434,403	50,381	116.0
	England*	4,865,591	567,463	116.6
Assisted Living and Extra Care Housing	Buxton	2,132	123	57.7
	Central Area	3,077	0	0.0
	Glossop	2,680	45	16.8
	Rural	853	0	0.0
	High Peak Borough	**8,742**	**168**	**19.2**
Housing with Care	East Midlands*	434,403	4,837	11.1
	England*	4,865,591	76,156	15.7

Source: Elderly Accommodation Counsel (EAC): National Database of Housing for Older People, April 2022 / *EAC Stats December 2019 including units under construction

13.90 Based on the national ratios, this current supply suggests that there is an existing need for 279 additional sheltered units in High Peak, although there is potentially a moderate over-supply of Extra Care units (of 31 dwellings), resulting in a residual existing need of 247 specialist accommodation for elderly residents in the Borough (see Table 13.6).

Table 13.6 Existing residual need for specialist accommodation for older people in High Peak Borough

Location	Type of accommodation	Existing Need	Current supply	Residual need
High Peak Ratios	Sheltered	741	741	0
	Extra Care	168	168	0
	TOTAL	**909**	**909**	**0**
National Ratios	Sheltered	1,020	741	279
	Extra Care	137	168	-31
	TOTAL	**1,156**	**909**	**247**

Source: Lichfields analysis / 2014-based SNPP / 2020 MYE / 2022 EAC

13.91 Ensuring an adequate provision of elderly accommodation in the right location, such that households can remain in the area they know and maintain their social networks, is critical to ensuring that it can meet the needs of local communities and maximise the opportunities for 'right-sizing' or movement into extra care accommodation. For this reason, it is relevant to review the need for, and supply of such accommodation in the study area and its immediate environs. This is to understand the distribution of need across the local authority area and ensure that the supply of new development reflects the profile of demand.

13.92 Going forward therefore, between 2022-2041, the number of residents aged 75+ living in High Peak Borough is projected to increase by 6,754 (using the 2014-based SNPP). Applying the ratio to the net increase in residents suggests that between 2019 and 2034, the estimated need for elderly C3 housing units would be **between 702 and 893 units** depending on whether the Borough-wide or national rates are used with the mid-point generating a net additional need for

798 specialist care units. These figures do not take account of the current undersupply in sheltered accommodation (or the modest over-supply in Extra Care) provision summarised in Table 13.6 above.

Table 13.7 Specialist accommodation required in High Peak Borough 2022-2041

	Type of specialist accommodation	Rate (units/1,000 people aged 75+)	Units required (2022-2041)
Current Borough-wide rate	Sheltered	84.8	572
	Extra Care	19.2	130
	ALL	-	**702**
National rate	Sheltered	116.6	788
	Extra Care	15.7	106
	ALL	-	**893**
Mid-point	Sheltered	100.7	680
	Extra Care	17.4	118
	ALL	-	**798**

Source: Lichfields analysis / 2014-based SNPP / 2020 MYE / 2022 EAC

13.94 These figures are higher than the additional need for 386 age-designated housing units and the 222 additional housing with care units identified by DCC in Table 13.4 above.

13.95 This analysis therefore highlights that there is currently some significant unmet need for specialist accommodation in High Peak which is not being addressed, with need likely to be strongest in the Central and rural areas of the Borough due to supply being currently concentrated in Buxton and Glossop.

13.96 In considering the definitions of 'sheltered' and 'extra care' accommodation, reference should be made to Figure 13.14 above.

13.97 In summary:

1 Sheltered housing schemes comprise of independent, self-contained units, potentially with some communal facilities. A manager (warden) may be available on the site to arrange maintenance and repairs, but not to offer medical or personal assistance. In some cases ('enhanced sheltered housing'), a 24-hour emergency alarm system would be provided in each property so that residence can seek assistance if required.

2 Extra care and residential care housing offer more support and are designed for people with greater medical or personal care needs. Such facilities would be registered with the Care Quality Commission.

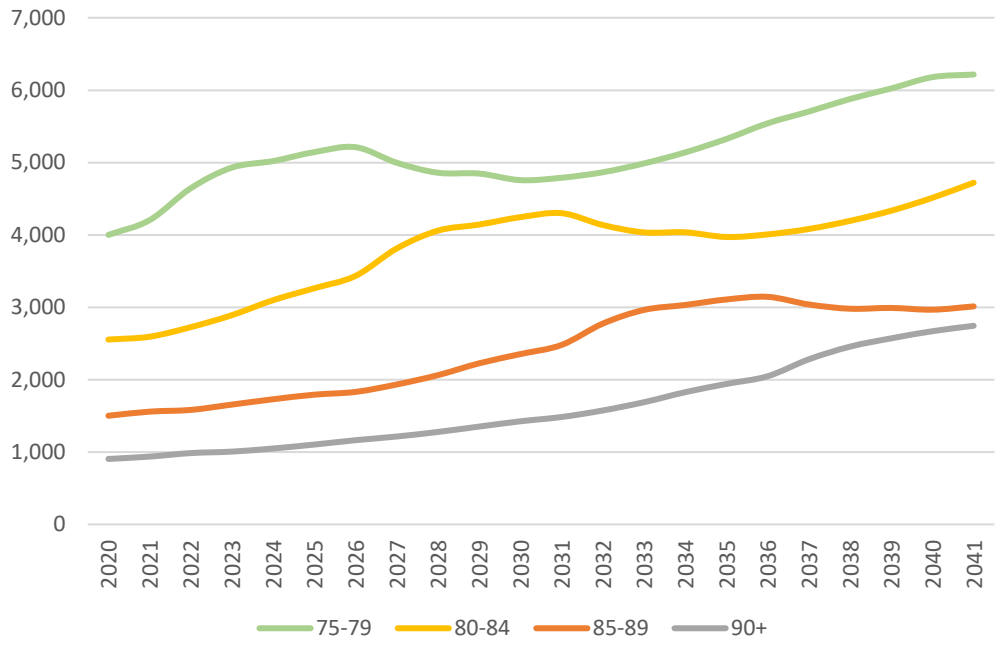
13.98 It is also important to note that demand for such facilities is not necessarily limited to people over the age of 75. Many sheltered housing schemes are available for people over the age of 60 or 65 and so evidence of need set out above may serve to under-estimate the true level of need that exists for such facilities.

13.99 The identified need for C3 specialist accommodation would be included within the LHN because it relates to the need associated with a specific sub-group of households counted in the projections. Provision of this accommodation can therefore count towards the supply of housing measured against the LHN. There is clearly a considerable overlap with Extra Care/sheltered housing and market housing as much of this comes down to personal choice, with residents only downsizing when they really need to.

Care / Nursing Home Beds (C2)

13.100 As noted above, the population over 75 years of age living in High Peak is expected to increase by 6,754 (to 16,697) between 2022 and 2041, as shown in Figure 13.15. Growth is expected to be particularly vertiginous amongst the over 90s, an age group expected to grow by 1,760 residents, or 178%, over the next 19 years.

Figure 13.15: Projected change in population age 75+ in High Peak Borough – 2020-41



Source: Lichfields using PopGroup, incorporating the 2014-based SNPP

13.101 The 2011 Census identified that there were just under 480 people over the age of 75 who were residents in communal establishments in High Peak Borough (this can be taken as a proxy for the stock of care home bedspaces). The majority of these residents were identified as living in care homes (both with and without nursing)[131]. The split of those living in homes with and without nursing was roughly 49:51. The SNHP considers the findings of the Census, and for age 75+ assumes a given proportion of people will be living in communal establishments.

13.102 Revesting statistics published in 2022 by EAC[132] indicates that there are currently 13 residential care homes based in High Peak Borough, of which 5 are located in Buxton, 5 in Glossop, two in New Mills and one in Chapel-en-le Frith. Residential care homes are defined by EAC as a residential setting where a number of older people live, usually in single rooms, and have access to on-site care services. A home registered simply as a care home will provide personal care only – help with washing, dressing and giving medication. Some care homes meet a specific care need, for example dementia or terminal illness.

13.103 Table 13.8 indicates that these 13 residential care homes provide 432 bedspaces in total, across 377 rooms (with a number of shared spaces).

13.104 Similar analysis of EAC 2022 statistics indicates that there are also four dedicated Nursing Homes located in High Peak, of which three are located in Buxton and one in Chapel-en-le-Frith. Nursing homes are homes registered for nursing will provide personal care (help with

[131] A small number were identified as resident in NHS facilities, 'other' facilities or did not state the establishment type, however these are insignificant for the purposes of the assessment.
[132] Statistics on specialist housing provision for older people in England – EAC (March 2015)

washing, dressing and giving medication), and will also have a qualified nurse on duty twenty-four hours a day to carry out nursing tasks. These homes are for people who are physically or mentally frail or people who need regular attention from a nurse.

13.105 Table 13.8 indicates that these four nursing homes provide 185 bedspaces in total, across 169 rooms (with a number of shared spaces). This means that of the 617 residents living in these care/nursing homes, 70% live in care homes without nursing, and the remaining 30% live in care homes with nursing.

Table 13.8: Supply of residential care homes / nursing homes in High Peak Borough as of 2022

	Area	**Population aged 75+ (2020)**	**Beds**	**Rooms**
Residential Care Home	Buxton	2,132	132	113
	Central Area	3,077	94	74
	Glossop	2,680	206	190
	Rural	853	0	0
	High Peak Borough	**8,742**	**432**	**377**
Nursing Home	Buxton	2,132	149	133
	Central Area	3,077	36	36
	Glossop	2,680	0	0
	Rural	853	0	0
	High Peak Borough	**8,742**	**185**	**169**

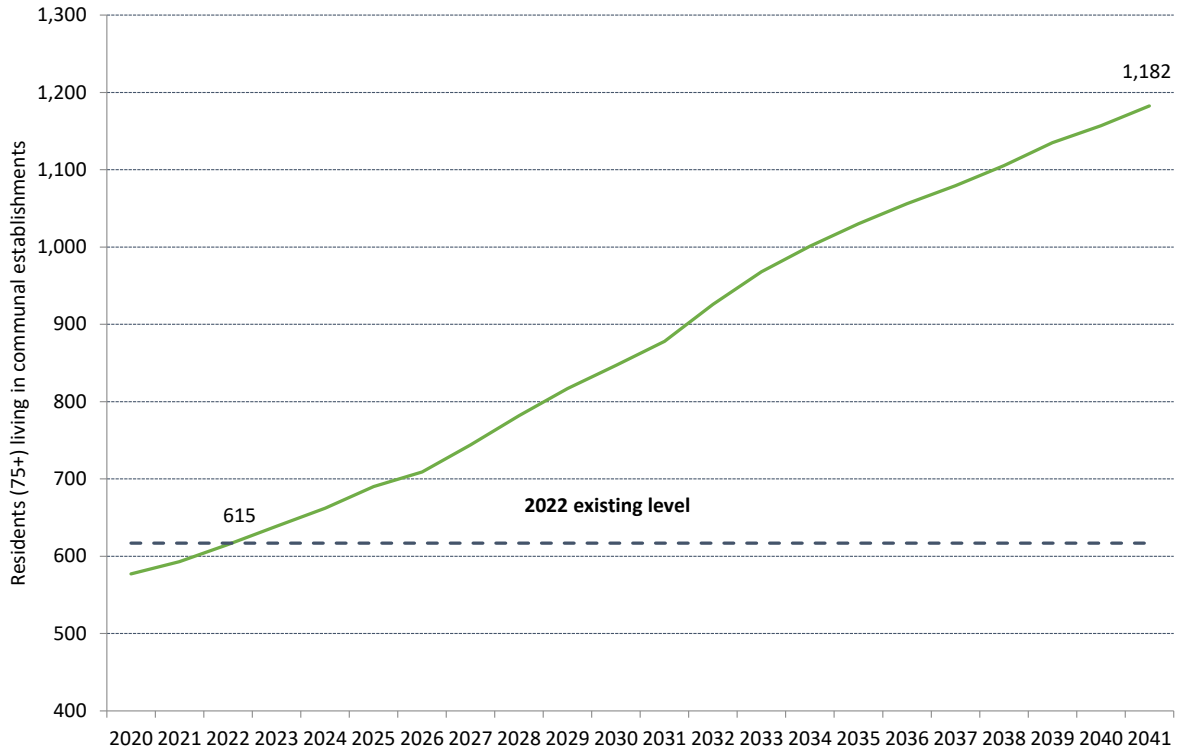
Source: Elderly Accommodation Counsel (EAC): National Database of Housing for Older People, April 2022

13.106 This projected rate of residents living in communal establishments has been applied to the 2014-based SNPP to assess the future need for care home bedspaces; this is shown in Figure 13.16, benchmarked against the EAC data. The 2014-based SNHP estimated that by 2022 there would be a need for 615 communal bedspaces for residents aged 75+, which is an extremely close match with the 617 residential care home/nursing home bedspaces that were occupied for that year as recorded by EAC for the Borough.

13.107 Over the period 2022 to 2041, based on the 2014-based SNHP as modelled in PopGroup, there is projected to be a net increase of **590** residents aged over 75 living in communal establishments. Based on the current split of homes with and without nursing (see Table 13.8) this would suggest a need to 2041 for a net additional:

- **177** bedspaces in care homes with nursing; and,
- **413** bedspaces in care homes without nursing.

Figure 13.16: Change in projected number of communal establishment residents age 75+



Source: Lichfields using PopGroup/DLUHC

Medical and Care Establishments (C2) for under 75s

13.108 According to the 2011 Census, HPBC had 867 residents living in communal establishments, of whom 610 were living in medical and care establishments, 255 were living in 'other establishments (i.e. non-medical establishments, such as large hotels, student halls or prisons) and 2 did not specify the establishment they were living in.

13.109 419 of these communal residents were aged under 75, with the bulk of these living in 'other establishments' (255, or 61%, although the exact type of other establishment is unspecified), and **162** (39%) living in medical and care establishments. As shown in Table 13.9, above the age of 24 the majority of these residents have long-term health problems or disabilities which limit their day-to-day activity to some degree.

Table 13.9: Residents in Medical and Care Establishments with a Long-term health problem or disability – High Peak Borough

	0-15	16-24	25-34	35-49	50-64	65-74	75+	**TOTAL**
All Communal Establishment Residents	14	246	21	41	54	43	448	**867**
Communal residents living in Medical and Care establishments	13	9	14	33	51	42	448	**610**
Proportion	92.9%	3.7%	66.7%	80.5%	94.4%	97.7%	100.0%	**70.4%**

Source: Census 2011

13.110 Applying incidence rates to the projected population by sex and age we can estimate the change in number of people under the age of 75 over the period to 2041 who are likely to require C2

nursing/care home accommodation, as shown Table 13.10. These needs are in addition to the LHN because they relate to people (i.e. bedspaces) in care establishments, and do not relate to those living in private housing.

13.111 This shows that there is likely to be little change in the need for C2 accommodation for groups under 75. Collectively below the age of 75, there is estimated to be **a surplus of 6 spaces**.

13.112 This would bring the total need for care home spaces with and without nursing to **584 bedspaces**, in order to meet the need of those above and below the age of 75 (i.e. 590 – 6).

Table 13.10: Estimated need for C2 nursing / care home accommodation – under 75

	2022	2041	Net Change
0-15	12	12	0
16-24	8	8	0
25-34	16	16	0
35-49	24	26	1
50-64	57	45	-12
65-74	55	60	5
Total	**173**	**167**	**-6**

Source: Lichfields using PopGroup/Census 2011

Adaptable and Accessible Homes

13.113 In addition to the needs of residents living in communal establishment accommodation (C2), there is a need to ensure that suitable provision is made for those living in private housing who do not require care home facilities but may have specific needs, for example for adaptable and accessible homes.

13.114 The PPG[133] states that the provision of appropriate housing for people with disabilities, including specialist and supported housing, is crucial in helping them to live safe and independent lives. Unsuitable or un-adapted housing can have a negative impact on disabled people and their carers. It can lead to mobility problems inside and outside the home, poorer mental health and a lack of employment opportunities:

"Providing suitable housing can enable disabled people to live more independently and safely, with greater choice and control over their lives. Without accessible and adaptable housing, disabled people risk facing discrimination and disadvantage in housing. An ageing population will see the numbers of disabled people continuing to increase and it is important we plan early to meet their needs throughout their lifetime."

13.115 The PPG[134] states that there is a wide range of evidence that can be used to identify the housing needs of people with disabilities including the Census, Department for Work and Pensions on the numbers of Personal Independence Payment (replacing Disability Living Allowance) / Attendance Allowance benefit claimants; and Applications for Disabled Facilities Grant [DFG].

13.116 LPAs have the option to set additional technical requirements exceeding the minimum standards required by Building Regulations in respect of access and water, and an optional nationally described space standard. Where an identified need exists, plans are expected to make use of these optional technical housing standards in the Building Regulations to help bring forward an adequate supply of accessible housing. In doing so planning policies for housing can set out the proportion of new housing that will be delivered to the following standards:

[133] PPG ID: 63-002-20190626
[134] PPG ID: 63-005-20190626

- M4(1) Category 1: Visitable dwellings (the minimum standard that applies where no planning condition is given unless a plan sets a higher minimum requirement);
- M4(2) Category 2: Accessible and adaptable dwellings; and,
- M4(3) Category 3: Wheelchair user dwellings.

13.117 As set out in the Building Regulations[135], optional requirement M4(2) will be met where a new dwelling makes reasonable provision for most people to access the dwelling and incorporates features that make it potentially suitable for a wide range of occupants, including older people, those with reduced mobility and some wheelchair users [page 10].

13.118 Regarding wheelchair user dwellings, the Building Regulations state that that optional requirement M4(3) will be met where "*a new dwelling makes reasonable provision, either at completion or at a point following completion, for a wheelchair user to live in the dwelling or use any associated private outdoor space, parking and communal facilities that may be provided for the use of the occupants*" (page 23).

13.119 Based on their housing needs assessment and other available datasets, the PPG[136] states that it will be for LPAs to set out how they intend to approach demonstrating the need for Requirement M4(2) (accessible and adaptable dwellings), and/or M4(3) (wheelchair user dwellings), of the Building Regulations. There is a wide range of published official statistics and factors which local planning authorities can consider and take into account, including:

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

13.120 Part M4(2) will be of particular relevance to housing older people, and the requirement will be met where:

"*…a new dwelling makes reasonable provision for most people to access the dwelling and incorporates features that make it potentially suitable for a wide range of occupants, including older people, those with reduced mobility and some wheelchair users.*" (Building Regulations 2010 Approved Document M).

13.121 At the time of the 2011 Census, there were 12,101 owner occupiers aged 65 and over in High Peak Borough. Of this number, 20% (2,417) had a long-term health problem or disability [LTHPD] which limited their day-to-day activities a lot and a further 26% (3,149) with a long-term health problem or disability which limited their day-to-day activities a little. This equates to almost half (46%) of all owner-occupiers.

13.122 However, the problem was far more pronounced amongst older residents living in the PRS and particularly social rented accommodation (in relative rather than absolute terms). 60% of all residents aged 65 and over living in PRS accommodation had a long-term health problem or disability which limited their day-to-day activities either a little or a lot, rising to 71.5% for those older residents living in social rented accommodation. **In total, 50.4% of all of High Peak's residents aged 65 and over have a long-term health problem or disability.**

[135] HM Government (2021): The Building Regulations 2010 Access to and use of buildings, Volume 1: Dwellings, 2015 edition incorporating 2016 amendments
[136] PPG ID: 56-007-20150327

13.123 Table 13.11 shows that this figure is slightly lower than both the regional (52.9%) and national (51.5%) figures. However, there is a relatively high level of older residents living in social rented accommodation whose day-to-day activities are limited 'a lot' (42.2%) in High Peak when compared to the regional (41.7%) and national (40.6%) levels.

Table 13.11 Residents age 65+ with a long-term health problem or disability – High Peak and Comparator areas

	High Peak			East Midlands			England		
	All owner-occupiers*	Social Rented	Private Rented	All owner-occupiers*	Social Rented	Private Rented	All owner-occupiers*	Social Rented	Private Rented
All (ages 65+)	12,101	2,136	866	590,419	111,246	42,831	6,508,267	1,347,599	487,142
Day-to-day activities limited a lot	2,417	902	273	130,460	46,416	14,077	1,383,056	547,470	154,593
	19.97%	**42.23%**	**31.52%**	**22.10%**	**41.72%**	**32.87%**	**21.25%**	**40.63%**	**31.73%**
Day-to-day activities limited a little	3,149	626	245	158,587	32,848	11,788	1,693,139	388,467	131,207
	26.02%	**29.31%**	**28.29%**	**26.86%**	**29.53%**	**27.52%**	**26.02%**	**28.83%**	**26.93%**

Source: Lichfields based on 2011 Census (DC3408EW). *For the purposes of the Census this includes owned outright, owned with a mortgage/loan and shared ownership.

13.124 Looking at the number of households (across all tenures) which contain at least 1 person with a LTHPD in High Peak Borough, this is broadly similar across all older households, at around 59-61% (as shown in Table 13.12). This is slightly lower than the regional and national levels.

Table 13.12 Households age 65+ with at least one person with a long-term health problem or disability – High Peak and Comparator areas

	High Peak				East Midlands	England
	All Households	No people in household with a LTHPD	1 or more people with LTHPD	% of households with at least 1 person with LTHPD	% of households with at least 1 person with LTHPD	
Single Person 65+	4,962	2,042	2,920	**58.8%**	**61.4%**	**59.6%**
Couple 65+	3,356	1,321	2,035	**60.6%**	**63.4%**	**61.5%**

Source: Census 2011

13.125 As set out above, older households are expected to make up almost all of the future household growth in High Peak Borough. Single person older households are expected to make up 47% of future growth, whilst the growth in older couples actually exceeds the entire net growth of households in the Borough, with other younger households actually declining by 51.5% to 2039. Applying the assumption (based on Census data) that 59-60% of these households will have at least 1 person with a LTHPD, this would equate to c.60% of all future household growth, as shown in Table 13.13.

Table 13.13 Estimated growth in older households with LTHPD in High Peak Borough to 2039

	As a % of total change 2021-39	Estimated Future households with LTHPD
Single Person 65+	47.2%	**58.8%**
Couple 65+	104.4%	**60.6%**
Others	-51.5%	**-**
Total	100%	**59.6%**

Source: Lichfields based on MHCLG 2014-based Household Projections / Census 2011

13.126 Whilst this would, taken at face value, suggest that there is a significant need for adaptable and accessible homes, the Council should note that:

- In the private sector there is likely to be some degree of overlap between households living with a LTHPD and those living in sheltered or extra care housing. Such forms of assisted living are likely to contribute to meeting the needs of older households who have LTHPDs (whilst not needing to be in C2 accommodation).
- Similarly, in the social rented sector there is likely to be some overlap between the need for adaptable and accessible dwellings for older people and the need for M4(3) wheelchair user dwellings (see below).
- The Census shows that households living with LTHPDs are not equally spread across tenures, with a far greater percentages of older residents in social rented housing living with a LTHPD. In this context, the Council should seek a greater proportion of M4(2) dwellings within affordable housing than in private housing.
- Although older households make up almost all of the (net) household growth in High Peak Borough over the plan period, many of these will be households already living in housing (e.g. the family home) who are unlikely to move during old age. Therefore, new housing which is adaptable and accessible might not directly be meeting these needs, but will nevertheless be an important addition to the housing stock to meet the longer term needs associated with ageing.

13.127 On the basis of the above, with up to c.60% of future household growth potentially needing accessible and adaptable homes, but with some of that need being met through Part M4(3) as below and reflecting that some retirement type products might reduce the relative need for general housing to meet accessible and adaptable standards, **it is recommended that c.50% of new general housing is provided to Part M4(2) standards**. It is important to note that there will be overlap between the need for adaptable and accessible homes and the identified need for elderly housing (i.e. Extra Care and Sheltered Housing).

M4(3) – Wheelchair user dwellings

13.128 The PPG[137] states that:

"Part M of the Building Regulations sets a distinction between wheelchair accessible (a home readily useable by a wheelchair user at the point of completion) and wheelchair adaptable (a home that can be easily adapted to meet the needs of a household including wheelchair users) dwellings.

Local Plan policies for wheelchair accessible homes should be applied only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling."

13.129 In this context, the need for wheelchair accessible homes has only been assessed in reference to the affordable sector.

13.130 Section 5.0 set out information on the housing register in High Peak, including the overall number of households on the waiting list and the mix of housing they require. The waiting list shows that of the 1,173 households on the Waiting List, just 16 include a wheelchair user, equal to only 1.4% of the households which appears very low.

13.131 However, not all households on the Waiting List will need to move due to the need for wheelchair accessibility; similarly, not all people with a LTHPD will need to be in a home which

[137] PPG: ID: 56-009-20150327

is wheelchair accessible. Whilst estimating the specific needs for wheelchair user dwellings is difficult to do accurately, we can make a broad estimate based on the disabling conditions identified of those currently claiming disability living allowance in High Peak.

13.132 Current information on those in High Peak claiming Personal Independent Payments [PIP] has been analysed. This provides residents with help regarding extra living costs if they have both:

- a long-term physical or mental health condition or disability; and,
- difficulty doing certain everyday tasks or getting around because of your condition.

13.133 There are two parts to the PIP:

- a daily living part – if residents need help with everyday tasks; and,
- a mobility part – if residents need help with getting around.

13.134 PIP is replacing the Disability Living Allowance [DLA] for most adults[138] and provides a breakdown of the age of these claimants and the type of condition they have. PIP claims with entitlement statistics show a total for all entitled cases. It presents both the number of people in receipt of PIP and those with entitlement where the payment has been suspended (for example if they are in hospital at a point in time). These have been grouped by mobility as shown in Table 13.14.

13.135 This demonstrates that 77% of all PIP claimants are claiming either for enhanced or standard mobility issues.

Table 13.14: PIP claimants by mobility award– High Peak Borough (January 2022)

	Total	%
Total	**3,763**	**100%**
Mobility Award – Enhanced	1,701	45.2%
Mobility Award – Standard	1,191	31.7%
Mobility Award – Nil	868	23.1%

Source: stat-xplore.dwp.gov.uk/

13.136 On this basis, there is likely to be some overlap with the identified need for adaptable and accessible homes in the social rented sector and wheelchair user dwellings in the social rented sector.

13.137 Regarding all properties, national data is available from research by Habinteg Housing Association and London South Bank University (supported by the then Homes and Communities Agency [HCA] now Homes England) '*Mind the Step: An estimation of housing need among wheelchair users in England*' (2010), which can be drawn upon. The report provides information at a national and regional level, although more weight is given to the national data.

13.138 The report estimated that the number of wheelchair user households in England with unmet housing need was 78,300. Broken down to regional level, it estimated for the East Midlands, the proportion of all households that are wheelchair user households was 3.0%. The report concluded that across England as a whole, around 78,300 wheelchair user households had an unmet need for specially adopted properties, around 13% of the total. This figure falls to 10% for the East Midlands region, the lowest proportion of any of the northern/midlands regions.

13.139 Applying these figures to the SM2 demographic projections for the Borough indicates a current unmet need for 125 wheelchair accessible homes, rising by another 150 by 2041.

[138] Claimants still keep receiving DLA if they are under 16 or they were born on or before 8th April 1948

Table 14.9 Estimate of future wheelchair need across the Borough (2021 to 2041)

	Current Need	Projected Need (2021 to 20410)	**Total**
High Peak Borough	125	150	**275 (14 p.a.)**

Source: Household Projections based on Standard Method /Habinteg Prevalence Rates

13.140 This would equate to circa 5% of identified future housing need based on the SM2 (260 dpa).

13.141 In terms of the split between market and affordable dwellings, data from the 2018/19 EHS shows that 6.5% of housing association tenants are wheelchair users, compared to 2.6% of owner-occupiers and just 1.4% of private renters[139]. This evidence should be considered when formulating Local Plan policies in respect of the proportion of homes in different tenures which should be developed.

13.142 Given the ageing population over the Plan period, on this basis we recommend that **between 5% and 10%** of new affordable homes should meet the M4(3) requirement for wheelchair users, albeit this is likely to overlap with some of the need for adaptable and accessible homes for older people. HPBC and PDNPA should keep the housing waiting list under review, and if possible collect information on whether a household specifically needs a wheelchair accessible dwelling.

Self-build and custom build

13.143 The Government is keen to encourage more people to build their own homes and wants to make this form of housing a mainstream development option. A self or custom-build project is defined as housing built by an individual, a group of individuals, or persons working with or for them, to be occupied by that individual. Such housing can be either market or affordable housing and is intended to help diversify the housing market and increase consumer choice.

13.144 Paragraph 62 of the NPPF requires LPAs to plan for a mix of housing for people wishing to commission or build their own homes, whilst the PPG states that LPAs should consider how the needs of such groups can be addressed within the constraint of the overall need identified:

"*Assessment of local housing need as a whole should be conducted using the standard method in national planning guidance. Within this context, the size, type and tenure of housing needed for different groups should be assessed including people wishing to self-build or custom-build their own homes.*

LPAs should use the demand data from the registers in their area, supported as necessary by additional data from secondary sources (as outlined in the housing and economic development needs guidance), to understand and consider future need for this type of housing in their area. Secondary sources can include data from building plot search websites, enquiries for building plots recorded by local estate agents and surveys of local residents. Demand assessment tools can also be utilised.

Plan-makers will need to make reasonable assumptions using the data on their register to avoid double-counting households.[140]"

13.145 Each council is required to maintain a 'Self-Build and Custom Build Register' for its area, as set out in the section 1 of the Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016), which can include local eligibility tests for the Register[141]. They are also subject to duties under sections 2 and 2A of the Act to have regard to this and to

[139] English Housing Survey 2018-19, Adaptions and accessibility factsheet
[140] PPG ID: 57-011-20210208
[141] PPG ID: 57-001-20170728

give enough suitable development permissions to meet the identified demand. Self and custom-build properties could provide market or affordable housing [NPPF footnote 28].

13.146 In respect of planning for such demand, the PPG therefore sets out that LPAs should use the demand associated with the Register, and other applicable secondary data sources, to understand and consider future need for this type of housing in their area[142]. It goes on to state that this assessment can be supplemented with the use of existing secondary data sources such as building plot search websites, 'Need-a-Plot' information available from the Self Build Portal and entries for building plots from local estate agents[143].

13.147 In the context of High Peak, HPBC initiated its register on 1st April 2016. Demand on the register has generally increased each year as more people request to be added. As of 31st March 2022, the Council had **66 successful entries** on the High Peak Register. Of these, 23 applications for the register were made in the October 2020-October 2021 monitoring period, and a further 9 applications in the five months since then. Whilst most entries request a single plot, three entries requested multiple plots. As a result, the demand for the total number of self/custom-build plots exceeds the number of entries on the register (with a total request for up to **74 plots**, from 66 entries).

13.148 The PDNPA maintains its own Self Build Register. For that part of the National Park that sits within HPBC's administrative area, there are a total of **19 households on the Self Build Register**.

13.149 It should be noted that the Self-Build and Custom Housebuilding Regulations 2016 allows LPAs to set a local connections test to split the Register into two parts. The PDNPA has introduced this additional test. Part 1 of the Register is a list of people/groups who meet the eligibility criteria, and the local connections test and Part 2 of the Register will be a list of those who meet the eligibility criteria. This is to ensure the Authority prioritises housing delivery for those that are demonstrate a local connection in accordable with local planning policy. Of the 19 households on the register, two are eligible to be on Part 1 of the list, with the remaining 17 on part 2 (of whom 15 did not specify a preference).

13.150 As for HPBC's Register, as summarised in Table 13.15, 95% of registered entries expressed a preference to self-build detached properties, of which 15% are for detached bungalows. Unsurprisingly the vast majority of entries therefore relate to the development of larger properties, with 91% expressing a preference to develop a property with at least 3 bedrooms, and 9% expressing a preference to develop a dwelling with more than 5 bedrooms. Most entries requested a stand-alone individual self-build plot.

Table 13.15 Self-Build Property Types and Size

Property Type	Number of entries in the property register	%
Property Type		
Detached house	53	80.3%
Semi-Detached house	1	1.5%
Detached Bungalow	10	15.2%
Other/flexible	2	3.0%
Total	**66**	**100.0%**
Number of bedrooms		
1	0	0.0%

[142] PPG ID:57-011-20210208
[143] PPG ID: 67-003-20190722

2	6	9.1%
3	29	43.9%
4	24	36.4%
5	1	1.5%
5+	6	9.1%
Total	**66**	100.0%

Source: HPBC (March 2022): Self Build Register

13.151 In terms of where in High Peak applicants wished to build, Table 13.16 indicates that the most popular location was the Central Sub-Area in places such as Whaley Bridge, New Mills and Buxworth, with 30% of all entries, followed by Glossop at 17% and Buxton[144] at 11%. 23% of all registered entries either specified multiple areas or smaller settlements across the Borough, whilst the remaining 20% were happy to locate anywhere in High Peak (often with a preference for a rural/semi-rural location).

Table 13.16 Self-Build Property Register Locations

Property Type	**Number of entries in the property register**	**%**
Property Type		
Buxton	7	10.6%
Central Area	20	30.3%
Glossop	11	16.7%
Other areas/ More than one of the above	15	22.7%
Anywhere in High Peak	13	19.7%
Total	**66**	**100.0%**

Source: HPBC (March 2022): Self Build Register

13.152 As set out in the HPBC's latest AMR for 2020/21, the Housing and Planning Act 2016 placed a duty on Councils to grant sufficient development permissions to meet the demand for self-build and custom housebuilding arising in each 'base period' within three years after the end of each base period. However, whilst some residential applications make clear the scheme is for self-/custom-build, it is not a legal requirement to declare this on the application. Further as the legislation defines self-build plots as those capable of accommodating a self-build unit, arguably many generic approvals for single market housing plots may qualify:

"*High Peak Council granted various forms of approval for 30 single residential plots throughout the Borough between 01.04.16 and 30.10.19 (i.e. the start of Base Period 1 to the end of Base Period 4). During Base Period 5 the Council approved 22 separate individual residential planning approvals (discounting 'renewals' or reserved matters of earlier live consents, to avoid double counting).*" [paragraph 6.15]

13.153 As noted by HPBC in its AMR, further consideration needs to be given to regularly updating the Self-Build Register to determine if people have found a plot elsewhere; whether they have built a property in High Peak already; or whether they no longer wish to be on the register. It is important that the Register contains an accurate and up to date picture of the demand for self-build plots as this evidence feeds into a number of HPBC and PDNPA functions including Local Plan review and assessing planning applications (and wider functions including housing

[144] It should be noted that the analysis refers to the 4 sub areas in the Local Plan, ie Buxton sub area and Glossopdale sub area. The Council's AMR refers to 'Buxton area' and 'Glossopdale area', hence an entry under 'Buxton', for example, may have specified a rural location just outside of it.

strategies; regeneration strategies, land disposal plans etc). Notwithstanding this, given the number of entries in the self-build register HPBC (and to a lesser extent the PDNPA, given the lower number of entries on its own self-build register) may wish to consider the provision of self-build plots as a part of its overall housing mix in the Local Plan.

Service Families

13.154 HPBC re-signed the Armed Forces Covenant on 7th March 2019. This is a promise by the nation ensuring that those who serve or who have served in the armed forces, and their families, are treated fairly. In particular, the Covenant sets out 2 key principles:

- Those who serve in the Armed Forces, whether regular or reserve, those who have served in the past, and their families, should not face any disadvantage compared to other citizens in the provision of public and commercial services.
- Special treatment is appropriate in some cases, especially for those who have given most such as the injured or the bereaved.

13.155 By re-signing the Covenant, HPBC signed up to a number of commitments:

- It appointed the Mayor of the Borough as its Armed Forces Champion.
- It is a member of the Derbyshire Armed Forces Covenant Partnership. This group meets regularly to discuss the Covenant and implementing an action plan.
- It promotes the Armed Forces Covenant Fund, which is a National grant scheme totalling £10 million each year.
- It will promote the aims of the Covenant and ensure that HPBC staff who deal with members of the public are aware of these commitments.
- It will support its employees who are members of the Reserve Forces and cadet organisations recognising the need to be flexible with regard to leave for training, supporting any mobilisations and deployment.

13.156 There are currently no military bases in High Peak, whilst the Council Tax Base Statistics for 2021 identifies that there is no armed forces' accommodation in the Borough. Furthermore, the Ministry of Defence's [MOD] Annual Personnel Location Statistics for 2021 indicates that there are currently no military or civilian personnel stationed in the Borough.

13.157 **There is therefore no need to identify any specific requirements for Service Families in the Borough.**

14.0 Conclusions and Recommendations

14.1 This HELNA has been undertaken to identify future growth and local needs across the Borough for the period 2021 to 2041, and to provide the robust and up-to-date evidence upon which the new Local Plan will be developed.

14.2 The approach taken is intended to help identify future employment and housing requirements and ensure that each community in the Borough has access to appropriate jobs and the right type of housing in the right place, as well as improving the local communities' health and wellbeing. This will ensure new B/E use class employment land and housing provision meets local needs and wider growth requirements.

14.3 The Report combines both an assessment of housing needs that identifies the house types, tenures and sizes required in the future, alongside economic needs that assesses the future employment (B/E class) employment land requirements across the Borough.

14.4 The key conclusions of the analysis are summarised below.

Future Employment Needs

14.5 Lichfields undertook a detailed analysis of employment land needs in the Borough, beginning with an overview of the current economic context, supported by discussions with key stakeholders and local commercial agents. Consultees considered that rental levels have remained steady in the Borough in recent years, with commercial space often only appealing to local businesses rather than attracting larger firms into the Borough. The markets in the Borough are depressed with little appetite for additional floorspace and little to no need for additional office floorspace. There continues to be a demand in Buxton and Glossop where small industrial estates serve a stable market. There are also small industrial estates located in the valleys which have steady business with long-standing companies.

14.6 The industrial market within High Peak continues to perform well, mirroring what happens in neighbouring Stockport. Larger industrial properties are increasing in value in terms of square footage values. However, agents suggested that land which has been allocated for commercial or industrial development has not been developed due to a high cost of site mitigation and/ or the high costs associated to building works in the Borough.

14.7 Vacancy rates are typically low, reflecting the demand for sites. It was highlighted that the Borough has a relative scarcity of smaller Industrial sites between 2,000 and 3,000 sq. ft. per unit and that these are the units most in demand (particularly with smaller local industrial firms). Stakeholders also suggested that starter units (up to 1,500 sq. ft.) were also in need. Demand for additional sites was highlighted to be in Buxton and Glossop. Stakeholders suggested that there was little to no demand for larger sheds and that it is mainly local businesses who occupy the sites.

14.8 In contrast to the industrial sectors, there is less focus on office space in the Borough. It was noted that the Borough has never had a strong office market and that only small floorplates[145] are required for small professional offices such as solicitors or local authority.

[145] i.e. the space available for use by commercial tenants within an office building

14.9 This qualitative analysis was supplemented by a quantitate Economic Development Needs Assessment Exercise. In line with the requirements of the PPG, Lichfields modelled a range of scenarios including:

- projections of **demand-led** employment growth using Experian's Local Market Quarterly Forecasts for December 2021 (compared to the pre-Covid 19 March 2020 projection), as well as a comparison with the lower Cambridge Econometrics [CE] projections, with the mid-point between the CE and Experian projections modelled.
- a '**policy on'** projection based on accelerating growth in key growth sectors at a rate over and above the Experian baseline.
- consideration of **past trends** in completions of employment space based on monitoring data collected by the Council, and how these trends might change in the future.
- estimated growth in the **local labour supply** and the jobs and employment space that this could be expected to support. This is based on the PopGroup demographic analysis.

14.10 Making an allowance for losses in the order of around 1.12 ha per annum to translate net projections to gross requirements, as well as making a suitable adjustment for a margin of choice equal to two-years' worth of take up (2.96 ha in total), the demand-led range of total gross land requirements to 2041 results in the following demand projections for the Borough:

1 Econometric demand-led projections: 25.11 ha – 33.50 ha;

2 Labour Supply projections: 24.66 ha – 31.92 ha; and,

3 Past Take Up: 53.91 ha.

Table 14.1 High Peak Borough Gross Employment Land Comparisons 2021-2041

		Offices / R&D (ha)	Light Industrial (ha)	General Industrial (ha)	Warehousing (ha)	**Total (ha)**
1) Experian December 2021 Baseline	Net	0.84	0.93	-3.84	8.17	**6.10**
	+ Flexibility Factor	0.88	0.93	-1.39	8.64	**9.06**
	+ Loss Replacement	**2.56**	**3.74**	**12.73**	**12.51**	**31.54**
2) Experian pre-Covid March 2020 Baseline	Net	0.20	-0.74	-6.43	6.64	**-0.32**
	+ Flexibility Factor	0.24	-0.74	-3.98	7.11	**2.64**
	+ Loss Replacement	**1.92**	**2.06**	**10.15**	**10.99**	**25.11**
3) CE / Experian Midpoint	Net	0.66	0.64	-4.04	7.58	**4.84**
	+ Flexibility Factor	0.70	0.64	-1.58	8.04	**7.79**
	+ Loss Replacement	**2.37**	**3.44**	**12.54**	**11.92**	**30.27**
4) Policy On	Net	1.08	1.11	-2.30	8.17	**8.06**
	+ Flexibility Factor	1.13	1.11	0.15	8.64	**11.02**
	+ Loss Replacement	**2.80**	**3.91**	**14.27**	**12.51**	**33.50**
5) Labour Force under SM2 (260 dpa)	Net	0.84	0.93	-3.84	8.18	**6.11**
	+ Flexibility Factor	0.88	0.93	-1.39	8.64	**9.07**
	+ Loss Replacement	**2.56**	**3.74**	**12.73**	**12.52**	**31.55**
6) 2014-based SNPP MYE	Net	-0.10	-0.37	-4.98	4.67	**-0.78**
	+ Flexibility Factor	-0.06	-0.37	-2.53	5.14	**2.18**
	+ Loss Replacement	**1.61**	**2.44**	**11.59**	**9.01**	**24.66**
7) 2018-based SNPP MYE	Net	0.89	1.02	-3.78	8.35	**6.48**
	+ Flexibility Factor	0.94	1.02	-1.33	8.82	**9.44**
	+ Loss Replacement	**2.61**	**3.82**	**12.79**	**12.69**	**31.92**
8) Past Take Up	Net	0.43	-1.12	24.51	4.65	**28.48**
	+ Flexibility Factor	0.48	-1.12	26.96	5.11	**31.44**

		Offices / R&D (ha)	Light Industrial (ha)	General Industrial (ha)	Warehousing (ha)	**Total (ha)**
	+ Loss Replacement	**2.15**	**1.69**	**41.08**	**8.99**	**53.91**

Source: Lichfields Analysis

14.11 The scenarios range from a low of 24.66 ha (Scenario 6 2014-based SNPP) to the Past Take Up (Scenario 8) figure of 53.91 ha. The other 6 scenarios cluster between 25-34 ha. The Council's 2020 SHELAA (published in 2022) has identified a forward supply of 59.4 ha. This would, theoretically, appear to be of a sufficient scale to meet even the upper end of the range, although there is no guarantee that all the identified source of supply would necessarily come forward for that use. In terms of the distribution of that supply, none of it is located in the National Park area, whilst there is an imbalance with where the sites are located with potentially an over-supply in Buxton and a particular shortfall in and around Glossop.

14.12 The selection of the final employment land requirement will depend upon the preferred level of employment growth for the Borough and the extent to which this aligns with the Council's economic aspirations and housing targets, including the need to reduce net out commuting.

Local Housing Need

14.13 The LHN for the Borough as generated by the standard method in the NPPF and PPG generates a figure of **260 dpa**. This represents the minimum starting point figure and delivering more than 260 dpa is supported through the NPPF and PPG in several ways. Indeed, it is a key part of the Local Plan process to test higher rates of delivery.

14.14 With regards to the National Park, it is acknowledged that special circumstances apply to the National Park regarding the calculation of housing need, with greater weight being given to con conserving and enhancing landscape and scenic beauty. The PPG states that National Parks may continue to identify a housing need figure using a method determined locally, but in doing so will need to consider the best available information on anticipated changes in households as well as local affordability levels[146]. As a result, the scale and extent of development within the National Park should be limited, while development within its setting should be sensitively located and designed to avoid or minimise adverse impacts on the designated areas.

14.15 The HELNA has considered, in alignment with the NPPF and the PPG, whether exceptional circumstances exist to justify an alternative approach for High Peak Borough. It has considered whether the 2014-based SNPP, and more recent MYE, are robust for the Borough. The 2014-based projections represent a reasonable assessment of likely future growth in the context of past trends and likely future change. Headship rates are lower for the Borough than the national average between 2021 and 2039 and therefore the usage of PCU rates to account for suppressed household formation amongst young households during the recession are important to consider when undertaking an assessment of future housing need.

14.16 Even under the most optimistic demographic scenarios, notably the 2018-based SNPP, the level of housing growth generated by the PopGroup modelling does not exceed the SM2 figure of 260 dpa.

14.17 In terms of alignment with the economic growth scenarios, several projections were modelled with job growth ranging from the negative (-493 jobs 2021-2041 based on past trends) to the strongly positive (+3,320 based on the Policy On Scenario). All of the baseline jobs growth forecasts are either comfortably exceeded by, or in the case of the December 2021 Experian baseline, in line with, the levels of job growth that could theoretically be sustained by the 260

[146] 2a-01-20190220

dpa. **This would suggest that the LHN generated by the Government's standard methodology remains appropriate for HPBC to adopt moving forward**.

14.18 **If, however, HPBC decides to pursue a higher level of economic growth and allocates sufficient employment land to support this, in line with the Policy On Scenario for example, then it should also consider increasing the housing target accordingly. The standard methodology is appropriate for PDNPA in so far as it can be used, with other methodologies, to determine need arising within the National Park.**

14.19 The 336 dpa (364 dpa PCU) required to sustain a net job growth of 3,320 based on Scenario I (Policy On) is above the LHN SM2 figure of 260 dpa but the former is still below the current Local Plan target of 350 dpa and is a figure that has been comfortably exceeded in recent years (with net average housing delivery reaching 354 dpa over the past 5 years even allowing for the pandemic). **This could suggest that a higher target pf 336 dpa could be appropriate for HPBC to consider.**

14.20 Furthermore, the PPG suggests an increase in the total housing figures included in a Local Plan may need to be considered by HPBC[147] where it could help deliver the required number of affordable homes. It is for HPBC to consider the evidence contained in this HELNA when identifying a housing requirement which would support the strategy underpinning the emerging plan and whether an uplift beyond the standard method is appropriate. An analysis of the Borough's affordable housing need is set out below.

Affordable Housing Needs

14.21 Lichfields has undertaken a detailed analysis to calculate net affordable housing need. This was done on an annual basis over the whole plan period, and as such it will be necessary to convert the backlog of need into an annual quota based upon the period which this backlog will be addressed. It is a point for any Local Plan's housing trajectory to set out how and when the backlog of affordable housing need will be delivered in the plan period. However, for the purposes of an LHN calculation, an average figure over HPBC's 20-year plan period will still match the total affordable housing need over the plan period (even if this is addressed fully in the first 5 years).

14.22 On the basis of the analysis detailed in Section 10.0 of this report, net annual need based on current data over the period 2021 to 2041 amounts to **between 129 and 189 homes for affordable/social rent** (dependent on the income multiplier used). Strongest levels of affordable housing rental need are identified for Glossop, and the lowest in Buxton and the National Park (although the figure for Buxton is to an extent distorted due to the comparatively high level of affordable housing currently being delivered).

14.23 If the annual supply of social re-lets is increased to take into account the uncertainty regarding internal transfers, then the annual requirement could fall still further, to between 59 and 120 dpa; however, this sensitivity test is questionable as it is highly probable that a very significant proportion of the households in question will transfer to another social housing provider based in High Peak Borough, rather than moving further afield (as typically the distance moved is much lower for social housing tenants than in the private sector).

14.24 The analysis assessed households who want to move towards ownership tenures, but may be unable to, even if their needs are currently being met in the private rented sector. The net

[147] Whilst the Peak District National Park can deliver affordable housing on brownfield market housing sites, the Council's main aim on these sites is to conserve and enhance the landscape and environment. The Council does not allocate market housing sites with the specific intention of helping to deliver affordable housing.

requirement for intermediate housing equates to **81 dpa**. This breaks down to 25 dpa in Buxton; 36 dpa in the Central Area; 9 dpa in Glossop and 11 dpa in the National Park[148]. An identical exercise was undertaken using the 4.5 / 32% dual income multipliers. This resulted in a slightly higher level of need for intermediate housing to purchase, at **99 dpa**, due to the increasing gap between people's ability to afford private rent and market purchase.

14.25 Table 10.21 sets out the overall calculation of High Peak's net annual affordable housing need, combining the need for social/affordable rented properties with affordable home ownership. Overall, it indicates that there is an affordable housing need in the order of **270 dpa** based on single earner income multipliers, falling to **228 dpa** based on (higher) dual earner income multipliers[149]. There is a higher level of need in the Central Area settlements and Glossop, with the latter having a particularly strong need for affordable properties available to rent.

Table 14.2 High Peak Borough Affordable Housing Need Calculation – To Rent and Purchase

	High Peak Borough		Buxton		Central Area		Glossop		National Park	
Stage and step in calculation	25% income	32% income	25%	32%	25%	32%	25%	32%	25%	32%
Net Annual Affordable Housing Need for **Rent**	**189**	**129**	25	12	63	45	88	66	13	7
Net Annual Affordable Housing Need for **Sale**	**81**	**99**	25	27	36	40	9	18	11	14
Overall Net Annual Affordable Housing Need	**270**	**228**	50	39	99	85	97	84	24	21

Source: HPBC, Local Authority Live Tables, CORE Data and Lichfields analysis. Sums may not add due to rounding errors.

14.26 **Total affordable needs are in the range between 228 and 270 affordable homes per annum 2021 to 2041. This is a significant proportion of the locally assessed need based on the standard method (260 dpa) of between 88% and 104%.**

14.27 The PPG is clear that the total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, considering the probable percentage of affordable housing to be delivered by eligible market housing led developments. In High Peak the likely delivery is a notional 30% on major development sites, which is considerably lower than being able to meet affordable needs. Whilst the full affordable locally assessed need equates to between 760 and 900 dpa (228/270 @ 30%), in practice it is extremely unlikely that this level of housing delivery will ever be achieved in High Peak, which has averaged 398 net dpa over the past three years.

14.28 The PPG[150] suggests an increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.

14.29 In line with the approach envisaged by the NPPF, the affordable housing needs are an important component of the overall need for housing and HPBC should seek to use its planning policy to maximise delivery of affordable housing given the scale of need identified. **It is for HPBC to consider the evidence contained in this HELNA when identifying the housing requirement which would support the strategy underpinning the emerging plan and whether an uplift beyond the standard method is appropriate.**

[148] For the intermediate re-sales, the four sub-area supply figures have been calculated on the basis on the size of the existing social housing stock in each sub-area, based on 2011 Census data.
[149] Applying the sensitivity test to intermediate affordability, the overall net annual affordable housing need decreases to **233 dpa** based on single earner income multipliers, and **183 dpa** based on (higher) dual earner income multipliers
[150] 2a-024-20190220

14.30 It is noted that in the case of the PDNPA the situation is somewhat different, as the Government recognises that National Parks are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them.

14.31 In terms of the split between social rent and intermediate housing, the HELNA has identified a need for **65% social rented and 35% intermediate housing (of which 25% should relate to First Homes).**

14.32 It is understood that the PDNPA is not in favour of such a split and prefers a policy of discounted homes with some viability testing on the level of discount given the unique set of circumstances in the National Park.

Local Housing Dynamics

14.33 A range of top-down and bottom-up scenarios have been assessed for the four sub-areas within High Peak to establish the broad range of housing which would be appropriate for each area over the Plan period. Whilst it is for HPBC and PDNPA to consider the evidence contained in this HELNA when identifying a housing requirement for each of the sub-areas, Lichfields' analysis recommended that **a range of between 25%-35% could be appropriate for the Buxton sub-area; between 30% and 40% for both the Central Area and Glossop; and 5% or less for the National Park**.

Housing Needs of Specific Groups

Housing mix and type

14.34 In line with wider trends, the number of older households is expected to grow fastest in the Borough. Based on overall household growth and existing occupancy patterns, the assessment shows that housing need in High Peak Borough is predominantly made up of 2-3 bedroom dwellings. This takes into account the fact that although older households will make up the majority of future household growth, these typically remain in their family home, are the least active in the housing market and tend to occupy housing larger than they 'need'.

14.35 Housing waiting list information shows that most households in need of affordable housing required 1 or 2-bed dwellings; however, the waiting list and Census both show that overcrowding remains a problem. Within the social rented sector, there is likely to be some scope for more efficient use of the existing stock.

Meeting the needs of specific groups

14.36 In High Peak, it is likely that Build to Rent [BtR] schemes could cater for needs in the private rented sector, particularly for those on low to middle incomes who may desire and alternative to traditional rental options (i.e. buy-to-let landlords). Any BtR schemes in the Borough should be modest in scale, and should be broadly weighted more towards meeting the needs of smaller households suited to single person households (although the needs of smaller households with one or more children should not be overlooked). **20% is generally a suitable benchmark** for the level of affordable private rent homes to be provided (and maintained in perpetuity) in any build to rent scheme.

14.37 The number of University of Derby **students** residing in the Borough has fallen significantly in recent years. Without the presence of the University of Derby in the Borough, there is no need for purpose-built student accommodation, or certainly any additional provision. Repurposing of existing purpose-built student accommodation within the Borough may be appropriate going forward.

14.38 The number of **families and other households with children** is expected to increase by around 2% in High Peak by 2039, entirely driven by the growth in smaller families with 1 child, whilst larger families with 2 or more children are projected to decline in number. In the owner-occupied sector, the rate of overcrowding amongst families is low (although the absolute number of overcrowded owned occupied properties with families is highest in absolute terms), and families tend to live in homes which are larger than they 'need' in order to have extra space.

14.39 The number of **older people** living in High Peak Borough is projected to increase by 40% by 2041. This is by far the fastest growth of any age group. In the context of ageing both more widely and in the Borough specifically, meeting needs of older people will be a key element of meeting overall needs over the period to 2041 (and beyond).

14.40 According to Derbyshire County Council data, there is a need for an additional **386** units of age-designated housing tailored to the needs of older people in High Peak Borough, plus a need for an additional 222 units of housing with care to 2035. The Residential care market is well provided for, and the modelling suggests that fewer beds will be required by 2035. However, an **additional 406 nursing care beds are required** and the development of affordable provision without top-ups would be encouraged in this part of Derbyshire. The supply of sheltered and retirement housing in High Peak is currently below the national average.

14.41 Lichfield' own analysis suggests that between 2019 and 2034, the estimated need for elderly C3 housing units would be **between 702 and 893 units** depending on whether the Borough-wide or national rates are used with the mid-point generating a net additional need for 798 specialist care units. These figures are higher than the additional need for 386 age-designated housing units and the 222 additional housing with care units identified by DCC. Over the period 2022 to 2041, Lichfields also projects a net increase of **590** residents aged over 75 living in communal establishments.

14.42 In addition to the needs of residents living in communal establishment accommodation (C2), there is a need to ensure that suitable provision is made for those living in private housing who do not require care home facilities but may have specific needs, for example for adaptable and accessible homes. **It is recommended that c.50% of new general housing is provided to Part M4(2) standards**. It is important to note that there will be overlap between the need for adaptable and accessible homes and the identified need for elderly housing (i.e. Extra Care and Sheltered Housing.

14.43 Given the ageing population over the Plan period, on this basis we recommend that **between 5% and 10%** of new affordable homes should meet the M4(3) requirement for wheelchair users, albeit this is likely to overlap with some of the need for adaptable and accessible homes for older people. HPBC and PDNPA should keep the housing waiting list under review, and if possible collect information on whether a household specifically needs a wheelchair accessible dwelling.

14.44 Finally, with self/custom build, demand on High Peak Borough's register has generally increased each year as more people request to be added. As of 31st March 2022, the Council had **66 successful entries** on the High Peak Register. Of these, 23 applications for the register were made in the October 2020-October 2021 monitoring period, and a further 9 applications in the five months since then. The Peak District National Park Authority maintains its own Self Build Register. For that part of the National Park that sits within High Peak Borough Council's administrative area, there are a total of **19 households** on the Self Build Register**.**

Appendix 1 Experian and CE Data Guides

Data Guide

UK Regional Planning Service
December 2021

Our main subscription website:
https://www.experian.co.uk/business/business-information/market-intelligence/economic-services/

Data Guide

UK Regional Planning Service
December 2021

Contents

Executive summary

This document outlines the current variable coverage in the December 2021 version of the UK Regional Planning Service, and the methodology behind the history and forecast.

Appendix A includes a glossary of terms.
Appendix B includes our definitions of the sectors.

Appendix C has the geography definitions.
Appendix D contains the most common Frequently Asked Questions

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1 Variable Coverage

To avoid implying spurious accuracy, we now round all county and local series to the nearest tenth of a unit. This means that people or job counts are now to the nearest 100 people or jobs and money counts are to the nearest £100,000, and rates are now to the nearest 0.1 percentage points. Forecasts for series with very small levels may appear to be volatile when growth rates are considered. We therefore recommend viewing series with small values in levels not growth rates or considering growth rates over longer intervals than annually. Very small levels have been set to zero as they are essentially statistical artefacts.

Figure 1.1: Variable coverage in the RPS

- √ indicates that the variable is available in both the search query tool and the xls files.
- Xls indicates that the variable is available in the xls but not the search query tool.
- UK monthly forecast indicates that the variable is not produced as part of the RPS but can be found in the monthly UK macro forecast on our website.

Variable	UK	Region	County & Local Authority
PRODUCTION			
GDP	UK monthly forecast		
GDP by component of demand	UK monthly forecast		
Gross Value Added	√	√	√
GVA by sectors	√	√	√
LABOUR MARKET			
Employees by sector	√	√	√
Self-employed by sector	√	√	√
Government Trainees by sector	xls	xls	Upon request
Her Majesties Forces Total	xls	xls	Upon request
FTE Employment by sector	√	√	√
Total ILO Employment – Residence based & Workplace based	√	√	√
ILO Unemployment	√	√	√
Unemployment rate	√	√	√
Labour Force	xls	xls	Upon request
Activity Rate	xls	xls	Upon request
Inactivity Rate	xls	xls	Upon request
DEMOGRAPHICS			
Population: Total, Adult (16+)	√	√	√
Age bands: 0-15, State Working age, State retirement 16-64, 65+	√	√	√
Population by single or 5 year age band	Upon request	Upon request	Upon request
HOUSEHOLDS			
Nominal disposable Income	√	√	√
Real disposable income	√	√	√
Nominal income by component	xls	xls	Upon request
Nominal consumer spending	√	√	√
Real consumer spending	√	√	√
Consumer spending by COICOP category	Upon request	Upon request	
Cost of Living Index	√	√	
House price Index	√	√	Upon request
Hours worked	Upon request	Upon request	Upon request

Please note we are no longer publishing Claimant Count for Regional and Local Areas. This is due to the fact that complete data are no longer available due to the shift to Universal Credit.

2 Historical Endpoints

Figure 1.2: Last historic data point

Variable	UK*	Region	County & Local Authority
Gross Value Added	2021q2	2019q4	2019q4
GVA by sectors	2021q2	2019q4	2019q4
Labour market variables	2021q2	2021q2	All 2019q4 except ILO 2021q2
Income	2020q4	2018q4	2018q4
Consumer spending	2020q4	2020q4	2018q4

The historical endpoint represents the last time-period for which we apply our processes to collect, calculate or derive data, details of which can be found in Chapter 3: Methodology. All time-periods that are in the past but follow the historical endpoint are Experian Economics' estimates.

We have not used any regional data published after November 2021 in producing this update of the RPS. It is possible that between this date and the release of the RPS some new history may have been released and/or revised.

Population

The population data provided are the Office for National Statistics (ONS) 2019 mid-year estimates for 1997-2019. For England, Scotland, and Wales, the 2018-based national and sub-national population projections are used. Further information on population changes is available in section 4.

UK forecast

This forecast is consistent with an Experian Economics' November 2021 macroeconomic forecast which includes the second estimate of GDP for 2021Q2. We explore this further in section 4.

Geographic boundaries

As of December 2021, data is published in accordance with Local Authority District Boundaries (April 2020). With the ONS gradually phasing out the publication of data on the pre-2020 local authority boundaries, it has become increasingly less credible for Experian to publish up-to-date historical data on these definitions. The table below shows those local authorities which no longer exist as individual entities (2nd column) and the name of the new local authority that has been created by their merger.

Region	Disbanded local authorities	Merged to form:
South East:	Aylesbury Vale, Chiltern, South Bucks, Wycombe	Buckinghamshire

3 Methodology

3.1 UK Methodology

The approach for the regional planning service takes the UK variables as exogenous, imposed from the monthly UK forecast.

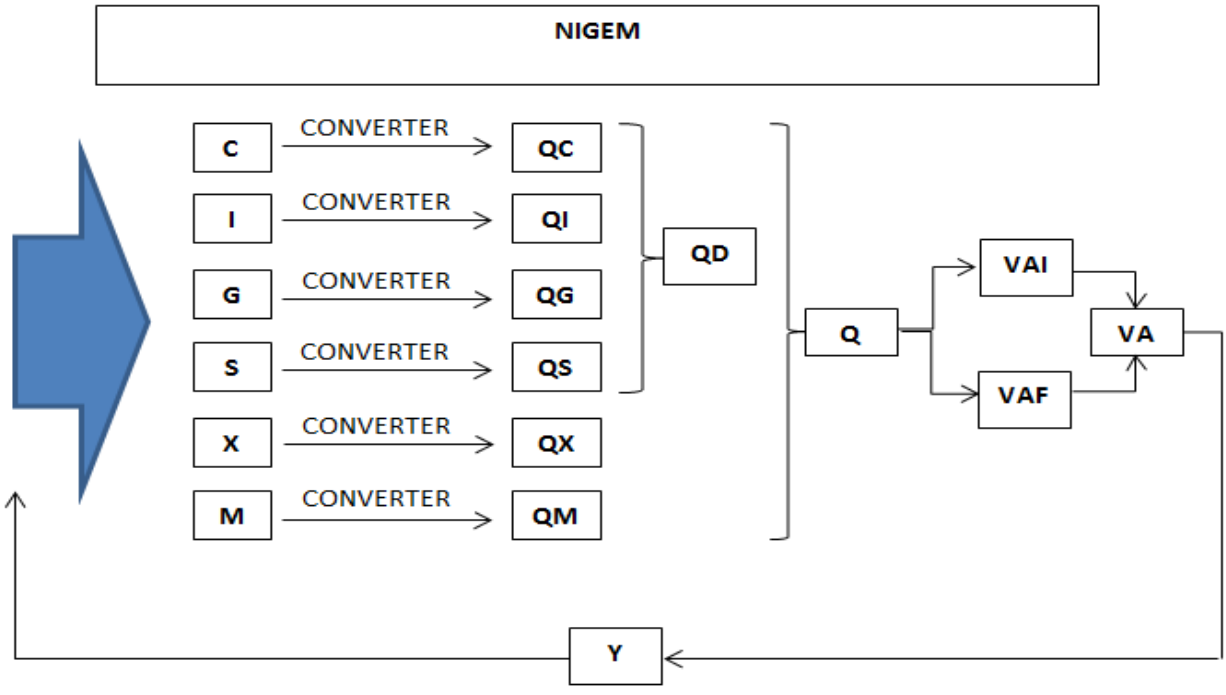
To produce the UK forecast we use a heavily customised version of the National Institute of Social & Economic Research's (NISER) model called NIGEM to provide our core macroeconomic forecast.

NIGEM is a general equilibrium model of the UK and World economy which forecasts, amongst other variables, aggregate GVA, expenditure, income and employment based on the UK National Accounts published by the Office of National Statistics.

To split this core forecast out into industries and sub-sectors we have a Sectoral Model which expands on the forecasts from the core NIGEM model.

We disaggregate total consumption (C), investment (I), government spending (G), stocks (S), exports (X) and imports (M) from NiGEM to a finer level of detail. This provides a highly detailed model of demand (Q) for industry GVA in the UK economy. Using convertors derived from the ONS Supply and Use Tables, we convert demand into intermediate (VAI), and final (VAF) value added for each sector. This provides a comprehensive view of how value added is distributed across sectors. The growth rate of total value added (VA) for each industry determines its GVA (Y) growth rate. GVA is constrained in order to forecast total GVA from NiGEM. This Input-Output based model is iterative and captures intra-industry demand.

The industry GVA forecast is used together with wage forecasts to forecast employment by sector (E).



3.2 Regional methodology

3.2.1 History

All economic history used in the RPS is derived from official statistics published by the UK's Office for National Statistics (ONS). Our approach is to use existing statistics in the form they are published to the greatest extent possible. However, this is subject to the following exceptions:

- where there is a lag between an update of aggregate data and the corresponding disaggregation, the disaggregate data is constrained to match the latest aggregates;
- where ONS data is not published at quarterly frequency (for instance it is only annual data), we use a consistent methodology (described below) to construct quarterly data;
- where ONS data is not published at the geography required or in the detail required, we use a consistent methodology to add the necessary data, ensuring that it constrains to published data at a higher level of geography or detail;
- on occasion, where ONS data is internally inconsistent we apply techniques to remove these inconsistencies.

The most timely and reliable data at the regional level is the workforce jobs series, published on a quarterly frequency by the ONS. There have been revisions to estimates of Workforce Jobs going back several years caused by benchmarking to the latest estimates from the annual Business Register and Employment Survey (BRES), updating seasonal factors and taking on board late information.

Employee jobs, self-employed jobs and government trainees are published at the level of the SIC 2007 Section providing us with 22 sectors.[1] In order to disaggregate this Section-level data to 2-digit sectors from which we can construct the Experian 38 sectors we use official survey data:

- In the case of employee jobs, we use the Annual Business Inquiry (ABI) and Business Register & Employment Survey (BRES). These are annual surveys which are not updated after being published – further the methodology has changed over the lifetime of these surveys. We apply a principled set of rules to derive consistent employee job shares within the sections from the surveys.
- The December 2021 RPS saw the inclusion of the November 2020 BRES, which provides data up to 2019. Pre-2010 we have made a working-owners adjustment, based on an overlapping year published by NOMIS in February 2013, in line with their recommended techniques for dealing with discontinuities.
- In the case of self-employed jobs, we use data from the Labour Force Survey (LFS).

Workforce jobs is the sum of employee jobs, self-employed jobs, government trainees and Her Majesty's Forces (who are assigned at the sector level to Public Administration and Defence).

To estimate full-time equivalent employment (FTE), we use data on hours worked in each sector and region derived from the Annual Survey of Hours and Earnings (ASHE). ASHE is also used to derive wage data for each region and sector.[2] We also use, for this purpose, compensation of employee data from the regional accounts.

Previously, regional gross value-added data (GVA), was only measured on an income basis and published annually in current prices. As of March 2020, we included the ONS balanced estimate of

[1] The ONS has ceased publishing official 2-digit employee jobs data for the regions. The approach we have taken is consistent with the approach recommended by the ONS to derive 2-digit estimates.
[2] We do not routinely publish sector level wage forecasts; however, it is available on request.

GVA, a new measure derived by balancing the income and production approaches to calculating GVA. The data is published in greater detail than the previous income-based estimates - which were only published at a section level - and so map more directly to Experian's 38 sectors.

The latest regional level GVA data available by the ONS is from May 2021, which has been used for the December 2021 run. This dataset includes data up to 2019 and revisions to the historical values. Same as the previous run in September 2021, data is based on 2018 prices which comes from the official ONS statistics rather than out internal rebasing which we applied in the April 2021 run to ensure consistency with the UK level data. Therefore, as there has been no new releases of reginal GVA data, there will be minimal differences in the history between the December and September 2021 run.

The data is then made quarterly using workforce jobs data, before being aggregated to produce a regional total.

Income is published in the regional accounts on an annual basis with a full breakdown of income sources and deductions. Previously official sources included income from Non-Profit Institutions Serving Households (NPISH) in the household income data due to lack of credible information to split these. But more recently, the ONS has improved their data accuracy by providing income data that is 'households' only, which we have used, thereby excluding NPISH from our income estimates, in the March 2019 vintage.

Income sources are:

- compensation of employees: wages and salaries *plus* employers' social contributions
- self-employment income
- Net Property Income: made up of property income received *less* income paid
- transfers from the State (i.e. benefits and pensions)
- other Transfers

Income deductions are:

- taxes
- social contributions
- transfers to others

The sum of income sources *less* income deductions constitute disposable income. To convert this annual data to quarterly jobs we use (depending on the component) employee jobs, self-employee jobs or the UK quarterly pattern. We constrain these quarterly series to the official UK published data. Real disposable income is obtained by deflating disposable income by the consumer price deflator.

Household spending is derived by sharing out UK nominal expenditure using regional shares of expenditure reported in the Living Costs and Food Survey by type of expenditure. Nominal regional spending is deflated by published UK deflators and then aggregated to produce a regional total. This again implicitly creates a regional cost of living measure which we also publish.

Sub-national population projections are obtained from the ONS, based on the 2018 sub-national projections for England, Scotland and Wales. These are spliced onto the 2019 mid-year estimates and constrained to the latest national 2018-based projections.

Our working-age definition incorporates all announced future changes in the state pension age:

- The state pension age for women is rising from 60 to 65, equal with males. Both will then rise, in step, to 67 in our current forecast period.

- Female state retirement age began to increase from 60 in April 2012, reaching 65 by 2018q4.

- From April 2019, both men and women will see their state retirement age rise from 65 to 66, with men reaching 66 by April 2020, and women a few months later in October 2020.

- The move from 66 to 67 is scheduled from April 2026 until April 2028 for both men and women.

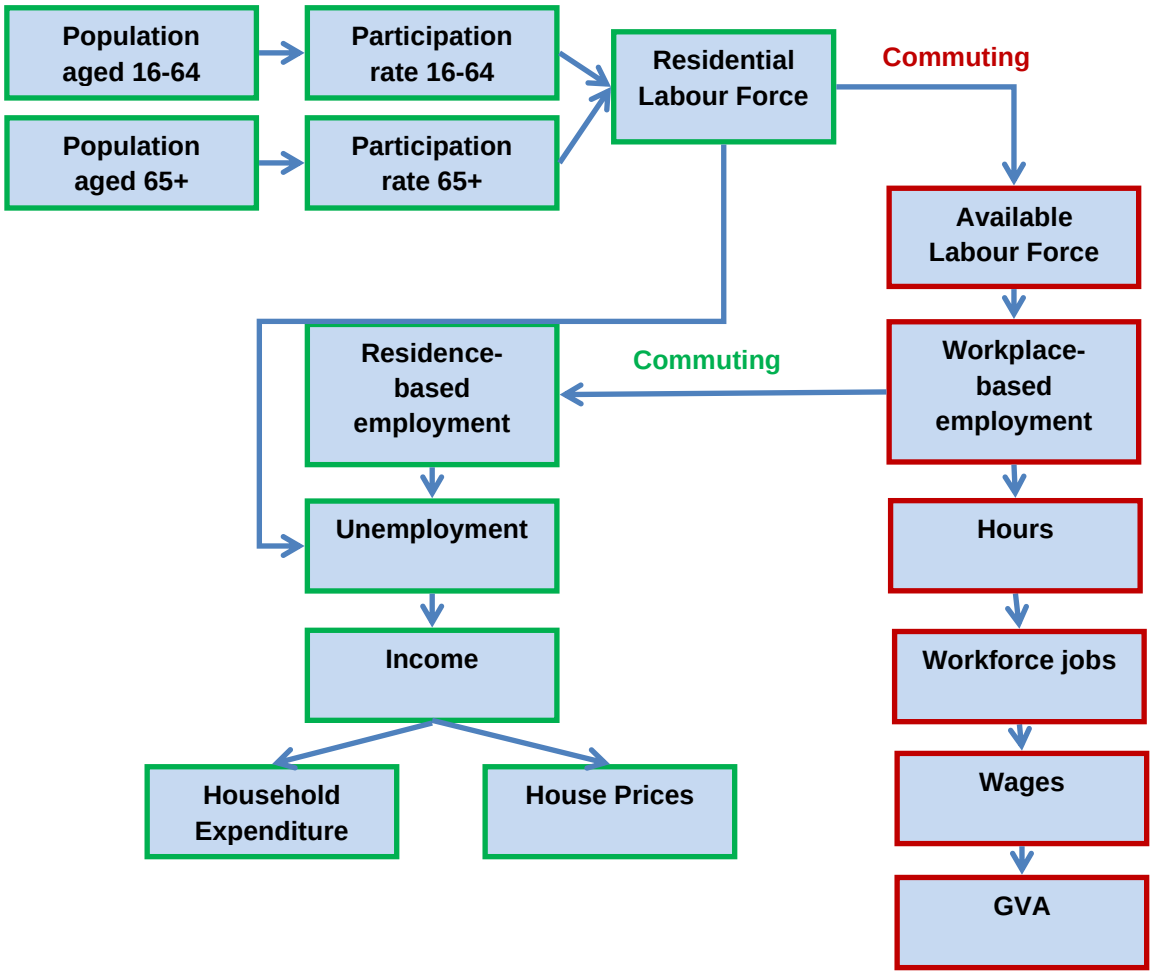
The 2013 Autumn Statement stated that the rise in state pension age to 68 would be moved forward from 2046 to the mid-2030's. However, with no firm date, we have not yet incorporated this into our working age and state retirement age definitions.

Under the current law, the State Pension age is due to increase to 68 between 2044 and 2046. Following a recent review, however, the government announced plans to bring this timetable forward. The State Pension age is now set to increase to 68 between 2037 and 2039. The policy change was announced as of July 2017.

We publish the following breakdown of population: school age (ages 0-15), state working age, state retirement age, adult population (16 and over) and total. Beginning in the March 2015 RPS, we also publish both the population aged 16-64 and 65 and over. Although their respective participation rates are not published, they can be derived. Our overall participation rate is based on a ratio of the total labour force to the entire adult population (not only the working age population).

3.2.2 Forecast

The regional model is sequential. Each variable is dependent only on variables earlier in the sequence and not variables later in the sequence. Variables are either workplace-based (red outlined boxes) or residence-based (green-outlined boxes.) Workplace-based and residence-based variables are linked by commuting relationships derived from the 2011 Census.



The population – split into two age ranges – is taken from the National and Sub-National Population Projections. We forecast participation rates for these age bands separately as they are subject to different trends. The total residential labour force is the sum of the labour force aged 16-64 and 65-plus. The aggregate participation rate is determined by two factors:

- The participation rate of the two age bands; and
- The share of each of the two age bands in the adult population.

The participation rate for those aged 16-64 is expected to remain relatively stable throughout the forecasting period. However, the rate for those aged 65 and over will grow strongly due to factors such as increasing life expectancy and rising state pension ages.

At the UK level, the share of the adult population aged 65 and over is projected to rise sharply over the next twenty years. There is, however, considerable variation at the regional level. Greater London – the youngest region in the UK – is projected to have a stable share. These factors combine to produce substantial variation in the labour force forecasts for different regions.

Commuting flows are used to derive the available labour force for a region. This is:

Workers Resident in the Region – Workers Commuting Out + Workers Commuting In

In the case of Greater London, the South East and the East of England, these flows lead to a substantial difference between the residential labour force and the available labour force. The effect is still present but less pronounced in other regions.

The available labour force is one of the drivers in forecasting workplace-based employment. The other drivers include the industry mix and the performance of industries at the UK level. If industries with a high share in the region are performing well at the UK level, this will benefit the region.

The workplace-based employment is converted back into residence-based employment. This is:

Workplace-based Employment – Workers Living Elsewhere + Residents Working Elsewhere

From this point, residence and workplace-based variables are solved in parallel with residence-based variables dependent on residence-based employment and workplace-based variables dependent on workplace-based employment.
The residential labour force and residence-based employment are used to calculate unemployment. Residential income is driven by employment; and itself drives house price and household expenditure forecasts.
Workplace-based employment drives aggregate hours worked, wages and GVA. These aggregate variables feed into the detailed part of the model, which produces forecasts for each industry:

In each case, we forecast shares of the region within the UK industry. We then share out the UK industry data subject to the constraint of the total that has already been determined and the UK total.

3.3 Local methodology

3.3.1 History

As at the regional level, all local economic history used in the RPS is derived from official statistics published by the ONS. Our approach to using this data is identical to that given above at 3.2.1. However, data at the local level is more likely to be incomplete[1] or inconsistent[2] than is the case at the regional level. For this reason, there is greater call for the application of techniques to construct missing data and to remove inconsistencies than is the case at the regional level.

In all cases, local area data in a particular region is constrained to match the regional total for the same variable. This has two advantages:

- Local data is made consistent with regional data of the same vintage.
- Where local data has been estimated or constructed, the regional data ensure that the estimates together are consistent with more reliable data.

The ONS do not publish a workforce jobs series at the local level. Accordingly, we construct workforce jobs series for each local area using BRES/ABI in the same way that BRES is used at the regional level to disaggregate section estimates. The BRES share for a particular industry of a local area in its parent region is used to disaggregate the regional workforce jobs series for that industry. As BRES is a survey, the figures over time for a particular local area industry combination can be volatile[3]. Further, certain years' results may be withheld to prevent disclosure of confidential data. Accordingly, to obtain sensible data it is necessary for us to smooth out this volatility and to interpolate over the gaps.

At the local level, the most timely and comprehensive data are Annual Population Survey (APS) for residence and workplace-based employment and unemployment data[4]. These data are obtained directly from NOMIS and then constrained to the national numbers.

In September 2015, we re-visited the relationship between local workforce jobs and workplace-based employment. The local workforce jobs (which make use of BRES shares) was benchmarked to the ILO workplace-based employment which itself has first been benchmarked to the Census 2011 point with the pattern in years either side preserved.

As with regional gross value added, the availability of data at the local authority level has been improved with the move to a balanced estimate of GVA. Sub-regional measures of GVA were previously only produced in current prices, at a NUTS2 and NUTS3 level. As of March 2020, the balanced estimate of GVA has been incorporated into the RPS which is now provided at a local authority level, in both current and constant prices.

As with the regional level, we have used the GVA data at the local level that was released in May 2021 for the December 2021 run. Noticeable differences from the previous run in September are not to be expected.

The level of industrial detail of the data varies across sub-regional geographical levels. NUTS2 data has the greatest level of industry disaggregation with a full breakdown of SIC sections. With each

[1] For some local areas, publication of certain data by the ONS is restricted because to do so would effectively disclose individual responses to ONS data-collection surveys (e.g. if there are only one or two firms in a certain industry in a particular locality.)
[2] In some cases, sample sizes in ONS data-collection surveys at the local level are very small. This leads to data of comparatively poor quality and relatively high volatility.
[3] The volatility represents sampling variability rather than actual volatility in the population data.
[4] In line with ONS guidelines, we use the official model-based estimates of local unemployment that are more accurate than survey data which suffers from volatility.

subsequent geographic level, the degree of disaggregation in the official data decreases. In order to provide local area forecasts at the 38-sector level, the data had to be fully disaggregated at each geographical level.

In the case of NUTS3 current prices, the data is disaggregated using the industry shares in the corresponding NUTS2 and then constrained to that parent region. For local authorities that do not constitute fully a NUTS3, disaggregation takes place using local authority workforce jobs data at the industry level. These estimates are then made quarterly using workforce jobs data and aggregated to produce a nominal local authority total.

In the case of Chain Volume Measure GVA; where data is needed to be further disaggregated, implied deflators of the parent geography - NUTS2 in the case of a NUTS3 and NUTS3 in the case of a local authority - are used to deflate the nominal estimates. Due to excessive volatility in the raw GVA data, it is necessary to smooth the local authority estimates and constrain to the parent region. In some cases, this led to some magnitude of difference from the published ONS figures.

The inclusion of these new official statistics has led to noticeable historical revisions across the 38 sector forecasts, however, as is the case at the regional level, the data now provides a more accurate measure of historical activity in each local authority.

In the case of Income (which is households only[1]), official data is also now produced at a local authority level. This data has been incorporated in the RPS as of March 2020 and, as is the case with regional level data, a full breakdown of income is provided. Prior to this, the lowest level of geography for which the data was available was NUTS3 and this supersedes the need to disaggregate the NUTS3 data to a local level.

No estimates of household spending are provided at the local level. Household spending is, therefore, derived by using the share of local disposable income in regional disposable income.

Since June 2016, we have applied a moving average procedure to smooth the Annual Population Survey data which has resulted in revisions to our historical data.

We have not used any local data published after November 2021 in producing this update of the RPS. It is possible that between this date and the release of the RPS some new history may have been released and/or revised.

3.3.2 Forecast

The local authority model is run separately for the local authorities in each region and takes the regional forecast as given. Accordingly, as with local history, local forecasts are constrained to the regional forecasts of the parent region.

Our local model is based on the resolution of demand and supply for labour and it takes into account commuting between local areas within a region and across the regional boundary. The properties of the model are these:

- When unemployment is low, labour supply growth is the key determinant of growth.
- When unemployment is high, growth in demand for labour is the key determinant of growth.
- As unemployment decreases,
    - Labour supply growth becomes relatively more important

[1] i.e. excludes NPISH as of the March 2019 vintage as ONS now provides more accurate income data by ‘households ‘only at regional and local level

    - Growth in demand for labour becomes relatively less important
- An area's workplace employment growth depends on labour supply not only in the area but also
    - Labour supply growth in other local areas in the region from which it has historically drawn inward commuters.
    - Its historic share of incoming workers across the regional boundary.
- An area's residence based employment growth depends on demand for labour not only in the area but also
    - Growth in demand for labour in other local areas in the region to which it has historically supplied commuters.
    - Its historic share of outgoing workers commuting across the regional boundary.
- Workplace based employment drives GVA growth.
- Residence based employment drives Income and, accordingly, spending growth.

The starting point is an estimate of the growth in the participation rate of those aged 16-64 and 65-plus in a local area. These are used to derive labour force growth.

In parallel, demand for labour is estimated. This is done at the industry level by linking job growth[1] in a local area to growth in the same industry at the regional level and then constraining demand for jobs by industry to demand for jobs for the same industry at the regional level. The effect of this is:

- Demand for jobs at the local level is fastest in those industries which are performing best at the regional level.
- Total demand for jobs at the local level depends on its industrial structure. Those local areas which have a more than proportionate share of the best performing industries will perform best overall.

The supply and demand for labour is then resolved in the following way:

- Total demand[2] for jobs for each local area is converted into demand for workers according to the historic ratio between jobs and workers into that local area.
- The inflow and outflow of workers across the regional boundary is shared out between local areas according to their historic commuting patterns leading to an adjustment in
    - The remaining demand for labour for a local area (*inflow*)
    - The remaining available labour for a local area (*outflow*)
- Workplace demands for workers are converted into residence-based demands according to historic commuting patterns.
    - If unemployment is sufficiently high, these demands are satisfied out of the growth in the labour supply and the pool of available (unemployed) workers.
    - If unemployment is sufficiently low, these demands can only be satisfied out of the growth in the labour supply.
    - If unemployment is above its lower bound but not too high, a proportion of demands are satisfied out of the pool of available workers and the rest are satisfied out of the growth in the labour supply.
    - The model makes short-term adjustments in the labour supply in response to demand conditions to reflect the economic reality that
        - When demand is high, the participation rate rises as potential workers are drawn into the labour force by the relatively buoyant conditions;
        - When demand is low, the participation rate declines as disillusioned workers leave the labour force because of the poor job market conditions;
    - The unemployment rate, accordingly, behaves as expected.

[1] Separately for employee jobs, self-employee jobs, government trainee jobs and Her Majesty's Forces.
[2] i.e. all industries and job types aggregated.

- The satisfied residence supply for labour is converted back into workplace demands and workplace-based employment is calculated for each local area. This is then converted back into jobs and used to produce final workforce jobs estimates for each local area.

The consequence of this is that:

- Local areas with high demand may not see all demand satisfied if there is insufficient labour supply available to meet those needs. Job growth will, accordingly, be slower.
- Local areas with high labour supply may not see higher growth in residence employment if there is insufficient demand for labour to use it up.

GVA growth is then forecast based on growth in workplace-based employment according to equations, which link GVA growth to workplace-based employment. Income is forecast by component based on residence-based employment (in the case of compensation for employees or self-employment), unemployment (in the case of benefits) and population in any other case. Spending depends on income by component.

4 Key changes since September 2021 RPS

4.1 UK Economy

The December 2021 RPS forecast is consistent with the Experian November 2021 UK macro forecast, which itself is broadly in line with the September 2021 UK macro forecast. These projections reflect our baseline view. Given the uncertainty surrounding the pandemic and its impact on the economy we also provide a number of scenarios which help illustrate the different channels of impact. For more details on our other scenarios please contact us.

4.1.1 UK outlook

The latest quarterly national accounts (published 11th November 2021) showed that, since the pandemic struck causing the UK economy to suffer a fall of 9.9% in GDP over 2020, the economy has bounced-back modestly throughout 2021. This is despite the spread of new variants and re-introduction of restrictions weighing down on economic recovery. The level of quarterly GDP now at 2.1% below pre-pandemic levels (2019Q4). The release showed that UK GDP increased by 1.3% in 2021Q3, following a 5.5% increase in the second quarter. The third quarter gain was attributable almost entirely to a 2.0% rise in consumer spending as Covid-19 restrictions were eased. The hospitality, arts and recreation sectors were amongst the main beneficiaries of the reopening, along with health, as in-person doctor's appointments recommenced. While GDP growth strengthened through the third quarter, growing by 0.6% in September, this represents a marked slowdown from the early stages of the recovery in March, when the economy grew by 2.4%. Looking forward, the final 0.6% shortfall in output relative to the February 2020 level will likely be the most difficult to recapture. In addition, the upward momentum from the post-Covid bounce in consumer spending is expected to fade, and goods and labour shortages will continue to weigh on activity.

Elsewhere, declines in output in the production and construction sectors (by 0.8% and 1.5%, respectively) underline the difficulties that supply chain disruption is causing for industry, and this is feeding through to higher consumer prices. Inflation jumped to 4.2% in October underpinned by a continued rise in energy prices. Inflationary pressures are also being exacerbated by a struggle to fill staff vacancies, in many sectors, given skills mismatches, and a reduced number of job candidates from the EU. Business investment also disappointed, rising by 0.4%, but remaining well below pre-pandemic levels.

The labour market by contrast has been quite resilient. Following an end to the furlough scheme, unemployment rates remained low, falling by 0.4 percentage points to 4.2% over August to October 2021, and at the same time the UK employment rate rose to 75.5%. The number of job vacancies in September to November 2021 continued to rise to a new record of 1.2 million, an increase of 434,500 from the January to March 2020 level. Nonetheless, on the quarter, the rate of growth in vacancies continued to slow down, with experimental single month vacancy estimates showing their first reduction in vacancy numbers since February 2021. Moreover, early estimates for November 2021 showed that the number of payrolled employees rose by 4.8% compared with November 2020, a rise of 1,353,000 employees, and there were 257,000 more people in payrolled employment in November 2021 compared to the previous month. Estimates for August to October's pay growth have been able to remove upwards base and compositional effects, and continues to look strong, with growth in average total pay sitting at 4.9%. When adjusted for inflation, total and regular pay remained positive at 1.7% and 1%, respectively.

The latest snapshot for the UK economy suggests that output could stage a full return to pre-pandemic levels by the first half 2022, which is slightly later than our previous expectation of 2021Q1. The delay is a result of the third lockdown which took place in January 2021, rising Covid-19 cases as the Delta variant spread to the UK in mid-June, and now the rising uncertainty of the Omicron variant. Despite the UK economy entering a tougher phase of growth, with some of the easy wins from easing of restrictions behind us, we are optimistic in a continued, albeit slower, growth momentum until the booster is rolled out to stop the rise in cases. This will be driven by business investment and consumer spending. The GfK consumer confidence index edged lower to -15 in December 2021 from -14 in the previous month. This is largely due to concerns consumers have over the Omicron variant, the increase in the cost of living from energy price hikes, and the imminent prospect of interest rate rises. Despite a potential slight set back to the economic recovery, we expect a modest growth in the final quarter of 2021 (+1.13%) and in the first quarter of 2022 (+1.01%), with overall growth in 2022 sitting at 5%. In the longer term, we expect the pandemic to cause a small degree of lasting damage to GDP levels as a portion of jobs in some of the most severely impacted sectors are permanently lost.

4.1.2 UK forecast

Our UK macro view is updated monthly and can be found on our website:

https://analyticsondemand.experian.co.uk/discover/economics/uk-economic-forecasts/

The following UK forecasts are from November 2021, consistent with the regional forecast.

December 2021 RPS forecast (2018 prices). Previous forecast, September 2021 RPS (2018 prices) in brackets.

UK	2018	2019	2020	2021	2021-2027	2028-2040
GDP growth	1.3% (1.3%)	1.4% (1.4%)	-9.8% (-9.8%)	6.9% (7.6%)	2.1% (2.3%)	1.8% (1.8%)
Workforce Jobs growth	0.5% (0.5%)	1.5% (1.5%)	-1.8% (-1.7%)	-0.3% (-0.6%)	0.9% (0.9%)	0.5% (0.5%)
Unemployment rate	4.1% (4.1%)	3.8% (3.8%)	4.6% (4.6%)	4.6% (4.9%)	4.2% (4.2%)	4.0% (4%)
Real Income growth	2.4% (2.4%)	1.9% (1.9%)	0.1% (0.1%)	1.1% (2%)	1.9% (2%)	1.9% (1.9%)
Spending Volumes growth	1.4% (1.4%)	1.1% (1.1%)	-10.9% (-10.9%)	3.7% (5.5%)	2.5% (2.7%)	1.8% (1.8%)
House price growth	3.3% (3.3%)	0.9% (0.9%)	3.2% (3.2%)	9.1% (8.7%)	3.4% (3.3%)	4.0% (4%)

While GDP growth strengthened through the third quarter, growing by 0.6% in September 2021, it represented a marked slowdown from the early stages of the recovery in March 2021, when the economy grew by 2.4%. Looking forward, the final 0.6% shortfall in output relative to the February 2020 level will likely be the most difficult to recapture. The upward momentum from the post-Covid bounce in consumer spending is expected to fade, and goods and labour shortages will continue to weigh on activity. Declines in output in the production and construction sectors underline the difficulties that supply chain disruption is causing for industry, and this is feeding through to higher consumer prices. Inflation jumped to 4.2% in October underpinned by a continued rise in energy prices. Inflationary pressures are also being exacerbated by a struggle to fill staff vacancies, in many sectors, given skills mismatches, and a reduced number of job candidates from the EU.

According to the Purchasing Manager's Index (PMI) for the UK, all the major sectors (construction, manufacturing, and services) grew in October 2021, when compared to the previous month. This was a result of stronger global and domestic economic conditions as well as reduced disruption from Brexit, Covid-19, and supply-chain issues. Additionally, looser international travel restrictions helped to increase exports in the services industry. In terms of the PMI index (where >50.0 represents growth), the services sector posted 59.1, the construction sector 54.6, and manufacturing sector 57.8. Despite these positive values, the manufacturing and construction sectors remained constrained by supply chain issues and high material costs. A common thread in all three sectors was a reported shortage of workers, causing rapid increases in operating costs or reductions in output.

Despite concerns around surging inflation and supply chain disruptions, it seems that consumer optimism is proving resilient, which boded well for spending in the Black Friday sales and the Christmas period. For the first time in six months, retail sales increased month-on-month in October 2021, by 0.8%, driven entirely by a 4.2% rise in non-food stores sales. Figures for October are slightly higher than expected, with sale volumes now 5.8% higher than their pre-Covid (February 2020) levels. This was likely the result of early Christmas shopping amidst concerns around shortages, with – for example – clothing stores reporting an increase in sales of 6.2% over the month. Positive retail sales data comes on the back of a rise in the GfK UK consumer confidence index which was up by three points to -14 in November, after three consecutive months of declines. Although this signals an improvement in consumer optimism regarding personal finances, it may only be temporary throughout the holiday season, as rising living costs still linger. With the shadow of Omicron looming in December, it is possible that - despite December being a traditionally strong month for retail sales – this positive momentum will be reversed. Indeed, the GfK Consumer Confidence Index dipped to -15 in December, perhaps indicating that consumers are cutting back on spending in light of the new variant.

The latest Labour Force Survey (LFS) data from the ONS provides us with a promising glimpse into the state of the labour market since the end of the furlough scheme on the 30th September 2021. In the three months to October 2021, the UK employment rate rose to 75.5%, with part-time workers driving this increase following a sharp fall during the pandemic. At the same time, the UK unemployment rate fell to 4.2% - although this hides an increase from 4.0% to 4.3% between September and October - meanwhile inactivity rate increased to 21.1%. More timely data from the ONS showed that the number of payrolled employees increased by 257,000 month-on-month in November, to a total of 29.4 million employees in the UK, and vacancies reached a record high at more than 1.2 million in the three months to November. This reflects the re-opening of the economy and is ahead of the festive season where December is one of the busiest months of the year in terms of consumption. Despite this positivity, data on redundancies could perhaps be artificially low as businesses restructure, struggle to stay afloat and/or take time to work out the notice periods of employees to be made redundant. A second concerning attribute is that economic inactivity has risen among the working age population, which is driven by more long-term sickness.

Over the coming months, our central forecast sees the unemployment rate rise slightly, as a small portion of those that will still on furlough in September begin to show up in the unemployment Data. We

expect a delayed peak in the unemployment rate at around 5% in 2022 Q2. Inflation is projected to jump to around 5% in the spring, with rising petrol and gas prices making particularly large upward contributions. Combined with a cut to the Universal Credit uplift from April next year, this underpins a lacklustre outlook for real income growth, despite the announced end to the public sector pay freeze and a rise in the minimum wage. Against this backdrop it is expected to take until 2022H1 for GDP to return to pre-pandemic levels

Risks

Since our last publication, the furlough scheme has come to an end, the £20 uplift to Universal Credit has been withdrawn, inflation has been ramping up, we've had the Autumn Budget and now an interest rate increase. Meanwhile, labour shortages, supply-chain disruptions continue to rumble on. The UK economy has entered a tougher phase of growth, with some of the easy wins from easing of restrictions behind us. In addition, the uncertainty of the Omicron variant overhangs the UK's economic recovery.

4.2 Regional Forecast

In addition to changes in the UK history which our regional data is constrained to, changes in the regional history can be traced back to the latest quarterly data (September 2021 RPS endpoint in brackets):

- Regional Workforce Jobs 2021 Q2 (2021 Q1)
- ILO Data for 2021 Q2 (2021 Q1)
- Business Register and Employment Survey (BRES) 2019 (2019)
- Annual Survey of Hours and Earnings (ASHE) 2020 (2020)

Also note that the historical processing and forecasting has been reviewed from the ground up and certain parts have been streamlined or automated where appropriate, resulting in minor changes to history for some series – e.g. where a different smoothing or seasonal adjustment technique has been applied, or an outdated fix to the data has been removed.

December 2021 RPS forecast. Previous forecast (September 2021 RPS) in brackets.

Regional forecast 2020-41 average growth	SW	SE	GL	ET	EM	WM	NW	NE	YH	SC	WA	NI
GVA growth	1.5% (1.6%)	1.8% (1.9%)	2.0% (2.1%)	1.8% (1.8%)	1.4% (1.4%)	1.4% (1.4%)	1.3% (1.5%)	1.1% (1.2%)	1.3% (1.4%)	1.2% (1.3%)	1.3% (1.4%)	1.2% (1.3%)
Workforce Jobs growth	0.5% (0.6%)	0.6% (0.6%)	0.8% (0.8%)	0.6% (0.6%)	0.4% (0.4%)	0.3% (0.3%)	0.3% (0.2%)	0.4% (0.4%)	0.4% (0.4%)	0.2% (0.2%)	0.4% (0.3%)	0.2% (0.2%)
Unemployment rate	3.3% (3.4%)	3.0% (3.1%)	5.3% (5.3%)	3.4% (3.4%)	4.1% (4.1%)	4.7% (4.6%)	4.5% (4.5%)	5.2% (5.2%)	4.4% (4.5%)	3.8% (3.8%)	3.9% (3.9%)	3.8% (3.8%)
Real income growth	1.9% (2%)	2.1% (2.3%)	1.9% (2%)	2.1% (2.2%)	1.6% (1.7%)	1.6% (1.6%)	1.6% (1.6%)	1.3% (1.4%)	1.6% (1.7%)	1.5% (1.6%)	1.5% (1.6%)	1.6% (1.6%)
Spending volumes growth	1.4% (1.5%)	1.8% (1.9%)	2.2% (2.3%)	1.6% (1.7%)	1.4% (1.5%)	1.3% (1.4%)	1.3% (1.5%)	1.0% (1.1%)	1.3% (1.4%)	1.1% (1.3%)	1.0% (1.1%)	1.2% (1.3%)
House price growth	4.0% (4%)	4.5% (4.3%)	4.0% (4%)	4.0% (4%)	3.9% (3.9%)	3.8% (3.8%)	4.2% (4.2%)	3.5% (3.6%)	3.3% (3.4%)	3.8% (3.7%)	3.8% (3.9%)	3.7% (3.7%)

4.3 Local Forecast

In addition to revisions at the regional and the UK level to which our local data is constrained, changes to the local history can be traced back to the following new quarterly data (September 2021 RPS endpoint in brackets):

- APS data for 2020 Q4 (2020 Q4)
- Business Register and Employment Survey (BRES) 2019 (2019)
- Annual Survey of Hours and Earnings (ASHE) 2020 (2020)

Same as the September, June and April 2021 run, there have been local boundary changes consistent with the ONS April 2020 boundary changes. Aylesbury Vale, Chiltern, South Bucks and Wycombe have been combined into Buckinghamshire, reducing the number of local authorities from 371 to 368.

Also note that the historical processing and forecasting has been reviewed from the ground up and certain parts have been streamlined or automated where appropriate, resulting in minor changes to history for some series – e.g. where a different smoothing or seasonal adjustment technique has been applied, or an outdated fix to the data has been removed.

For more information about how the history is constructed refer to section 3.2.1 for regions and section 3.3.1 for local authorities.

4.4 Population

Population forecasts for all locals, regions and nations have been updated to include published mid-year estimates between 2017-19, onto which the latest 2018-based population projections are spliced. The ONS have revised population projections downward in the mid-to-long run for all nations. Compared to 2016, the ONS now expects higher net international migration, women to have fewer children due to a fall in total fertility rates, and life expectancy not to increase as much as previously expected.

- The populations of all regions in England are projected to grow by mid-2029; regions in the north of England are projected to grow at a slower rate than those in the south.
- East Midlands is projected to be the fastest growing region; the North East is projected to have the slowest rate of growth.
- Nearly all local authorities are projected to grow by mid-2029; the populations of 43 local authorities are projected to fall.
- North West Leicestershire is projected to be the fastest growing local authority in England; its population is projected to grow by 15.1% between mid-2019 and mid-2029.
- The number of people in older age groups is projected to grow faster than those in younger age groups in all but one local authority, Coventry. By mid-2029, a total of 122 local authorities are projected to have a population where at least one-quarter of the population is aged 65 and over.
- Over the 10 years to mid-2029, London is the region with the fastest increase in population of those aged 65 and over; however, it remains the region with the lowest old age dependency ratio. The South West is projected to have the highest old age dependency ratio by mid-2029.

5 A note from the ONS on volatility

A change in methodology behind the Office for National Statistics (ONS) employment surveys has produced widespread volatility in the historical data, particularly from 2010.

The following is an explanation directly from the ONS, please see section 3 for more information on how we deal with volatility in the official data:

> "A fundamental redevelopment of Workforce Jobs sources, classifications, methods and systems was recently undertaken and is explained clearly in the article 'Revisions to Workforce Jobs' (Barford 2010). One of the key changes highlighted in this article was the replacement of a matched-pairs estimator with a point-in-time ratio estimator, ONS's standard method. This change was aimed at removing the bias caused by the matched-pairs method. A matched-pairs method tends to underestimate change over time, as it excludes the births and deaths of businesses in the sample. In essence, only those businesses sampled in two consecutive periods are used to produce estimates of change. This bias used to cause large revisions when the short-term employment surveys series were benchmarked retrospectively to Business Register Employment Survey (BRES) estimates. BRES is an annual survey which selects a larger sample and also uses a point-in-time ratio estimator. The point-in-time estimator includes all sampled businesses in each and every period, which reduces the bias over-time. The trade-off is an increase in volatility caused by the inclusion of the rotated part of the sample for small and medium sized businesses. Sample rotation spreads the administrative burden; ensuring businesses are selected for a limited number of periods.
>
> Unfortunately, the volatility of regional estimates at an industry level has been far greater than anyone anticipated and in general has been met unfavourably by users, particularly those that are interested in regional data. There are a number of instances, for example, whereby businesses have been 'rotated in' to a particular region and served to distort the level of jobs for a particular industry, usually for a period of 5 quarters, which is the time a rotated business remains in the sample of the STES."

Regional employment is the most timely and only source of quarterly data at this level of geography and is used to derive the quarterly profile of other variables in our regional models. Therefore, this volatility is reflected in output as well as employment. Please see section 3 for more information on how we deal with volatility in the official data.

Appendix A…. Glossary of terms

Glossary of terms

Gross Domestic Product (GDP) Total work done in an economy in a period measured in one of three ways:

- Output Measure: Output of all goods and services less inputs
- Income Measure: Income earned by all parts of the economy
- Demand Measure: Demand for goods and services comprised of
    - Expenditure by Households, NPISH and Government
    - Investment (Gross Fixed Capital Formation) by business and Government
    - Changes in Inventories and Acquisitions less disposals of valuables
    - Exports less imports

GDP is measured in market prices: this means that the prices used to convert output of goods and services into money include taxes and subsidies by the government. Distributors' margins are credited to the industry producing the goods and services not to the distribution industry.

Gross Value Added (GVA) GVA is identical to GDP except that it is measured in basic prices. These prices do not include taxes and subsidies imposed by the government. Distributors' margins are credited to the distribution industry. GVA for an industry is described by either of the following identities:

- GVA is identical to output of the industry less inputs of the industry
- GVA is identical to the sum of
    - Compensation of Employees in the industry
    - Gross Operating Surplus (i.e. profit) earned by capital in the industry

When looking at GVA for an industry, it is important to realise that it only includes the output of that industry (i.e. the value added by that industry.) For example, retailing GVA only includes the value added by retailers (e.g. customer service etc).

GVA in the RPS is measured by the place where the work is done (workplace based) and not where the worker resides.

Current Price / Chain Volume Measure (CVM) Data where the unit of measurement is money are available either in Current Price (or Nominal) terms or CVM (or Real) terms. The distinction is important because the buying power of money changes over time. For current price data, no adjustment is made for this fact. CVM data adjusts all figures in a time series to be consistent with the buying power of money in a given year (the reference year). Current Price data, thus, measures values while CVM data measures volumes. For example, Current Price GDP is the money value of production in a given period while CVM GDP is the amount of production. For years before the reference year, CVM data is not additive (thus the sum of GVA for all sectors will not equal total GVA.) In all other years, CVM data is additive.

Productivity A measure of efficiency calculated by estimating output per unit of input

Workforce Jobs A count of the total number of jobs in the UK, a region or industry. It is comprised of

- Employee Jobs: The number of jobs where the occupant is an employee.
- Self-employee Jobs: The number of jobs where the occupant is self-employed
- Government-Sponsored Trainees: The number of jobs where the occupant is on a government training scheme.
- Her Majesty's Forces: The number of jobs in the armed forces (part of Public Administration & Defence).

Workforce jobs and all its components count jobs and not people. This means that where a person has two or more jobs they are counted once for each job that they have. This can be contrasted with the ILO employment measures. Another consequence of counting jobs is that Workforce Jobs is based on the place of work not the residence of the worker

Full Time Equivalent Employment: Our definition is based on total hours worked and is as follows:

FTE = (HOURS) divided by (37.8*13)

Here a constant yardstick of full-time employment for all industries, regions and industry-region based on thirteen working weeks in a quarter at 37.8 hours a week. 37.8 hours is the average hours worked by a full-time worker in the UK between 1990 and 2009.

ILO Employment The International Labour Organisation (ILO) provides an international standard method of measuring employment. In the UK this is implemented by means of a survey known as the Labour Force Survey (LFS) or Annual Population Survey (APS). It is a people count based on the main job that a person has. Employment comprises:

- Employees: People whose main job is as an employee.
- Self-employed: People whose main job is as a self-employed person.
- Government-Sponsored Trainees: People whose main job is on a government training scheme.
- Unpaid Family Workers: People whose main job is as an unpaid worker in a business owned by their own family.

There are two measures:

- Residence based, which depends on the place of residence of the worker (irrespective of where they work.)
- Workplace based, which depends on the place of work of the worker (irrespective of where they reside.)

The ILO Employment reported is based on the entire population in work ages 16+.

ILO Unemployment The International Labour Organisation (ILO) definition of unemployment covers people who are: out of work, want a job, have actively sought work in the previous four weeks and are available to start work within the next fortnight; or out of work and have accepted a job that they are waiting to start in the next fortnight.
ILO unemployment is only available on a place of residence basis and is based on the entire unemployed population ages 16+.

Labour Force / Economically Active The sum of ILO Unemployment and ILO Employment. That is all people who are in work or who are looking for a work. A person who is in the labour force is said to be Economically Active.

The Labour Force includes the entire Economically Active population ages 16+.

Economically Inactive A person who is not economically active. The principle categories are retirees, students, children, long-term sick or disabled, homemakers and carers. This does not include school-aged people.

Claimant Count Unemployment Measures the number of people who are claiming Jobseekers' Allowance (JSA). This is always less than ILO Unemployment because not everyone who is ILO unemployed is eligible to claim JSA and not all who are eligible claim. Particular important cases are:

- People whose partners work more than 16 hours a week – they cannot claim JSA but may be ILO unemployed.
- People who are past state retirement age – they cannot claim JSA but may be ILO unemployed.

Extra Region In addition to the 9 English regions and the nations of Scotland, Wales and Northern Ireland, the UK's economic boundary includes the continental shelf and UK government operations abroad (i.e. embassies and HMF abroad). The ONS does not assign income or GVA attributable to these sources to any region or nation. Therefore, the sum of regional Income or GVA does not equal the UK. This also impacts on two industries Extraction & Mining and Public Administration & Defence.

School Age Population Population aged 0-15.

Working Age Population Population above the age of 15 but below the current state retirement age for their gender.

Retirement Age Population The population above state retirement age. The precise retirement date depends on date of birth and, for those born before 6th November 1953, on gender. At present, there is a phased equalisation in progress. After 6th November 2018, both men and women will retire at 65. This will rise to 66 between 6th March 2019 and 6th September 2020 and 67 between 6th April 2026 and 6th March 2027. Our forecasts take account of these changes to retirement legislation.

Adult (16+) Population Number of all people aged 16 and above.

Household Consumer Spending The accounts relate to consumption expenditure by UK resident households, either in the UK or the rest of the world. Spending by non-residents in the UK is excluded from the total

Household consumption includes goods and services received by households as income in kind, in lieu of cash, imputed rent for the provision of owner-occupied housing services and consumption of own production

For national accounting purposes, households are individuals or groups of people sharing living accommodation

Household Disposable Income Household disposable income is the total payment to households (from wages, interest, property income and dividends) less taxes, social security, council payments and interest

Cost of living index Regional consumer spending deflator. Gives an indication of how the value of consumer spending has grown in comparison to the volume.

NUTS (Nomenclature des Unités Territoriales Statistiques – Nomeclature of Territorial Units for Statistics) A European Union standard for classifying the subdivisions of member states. In the case of the UK, the English regions and the three nations are classified as NUTS1. The next level – NUTS2 – typically consists of aggregations of local authorities in the same region. The level below that, NUTS3 consists either of single local authorities or a small aggregation of local authorities in the same NUTS2. In Scotland, some local authorities are divided between NUTS3. NUTS4 and NUTS5 also exist but are not used in the RPS.

Appendix B…Sector definitions

Sector definitions

Experian 38-sector	SIC-2007 division	Falls within Experian 12-sector
Agriculture, Forestry & Fishing	01 Crop and animal production, hunting and related service activities	Agriculture, Forestry & Fishing
	02 Forestry and logging	
	03 Fishing and aquaculture	
Extraction & Mining	06 Extraction of crude petroleum and natural gas	Extraction & Mining
	05 Mining of coal and lignite	
	07 Mining of metal ores	
	08 Other mining and quarrying	
	09 Mining support service activities	
Food, Drink & Tobacco	10 Manufacture of food products	Manufacturing
	11 Manufacture of beverages	
	12 Manufacture of tobacco products	
Textiles & Clothing	13 Manufacture of textiles	
	14 Manufacture of wearing apparel	
	15 Manufacture of leather and related products	
Wood & Paper	16 Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	
	17 Manufacture of paper and paper products	
Printing and Reproduction of Recorded Media	18 Printing and reproduction of recorded media	
Fuel Refining	19 Manufacture of coke and refined petroleum products	
Chemicals	20 Manufacture of chemicals and chemical products	
Pharmaceuticals	21 Manufacture of basic pharmaceutical products and pharmaceutical preparations	
Rubber, Plastic and Other Non-Metallic Mineral Products	22 Manufacture of rubber and plastic products	
	23 Manufacture of other non-metallic mineral products	
Metal Products	24 Manufacture of basic metals	
	25 Manufacture of fabricated metal products, except machinery and equipment	
Computer & Electronic Products	26 Manufacture of computer, electronic and optical products	

	27 Manufacture of electrical equipment	
Machinery & Equipment	28 Manufacture of machinery and equipment n.e.c.	
Transport Equipment	29 Manufacture of motor vehicles, trailers and semi-trailers	
	30 Manufacture of other transport equipment	
Other Manufacturing	31 Manufacture of furniture	
	32 Other manufacturing	
	33 Repair and installation of machinery and equipment	
Utilities	35 Electricity, gas, steam and air conditioning supply	Utilities
	36 Water collection, treatment and supply	
	37 Sewerage	
	38 Waste collection, treatment and disposal activities; materials recovery	
	39 Remediation activities and other waste management services. This division includes the provision of remediation services, i.e. the cleanup of contaminated buildings and sites, soil, surface or ground water.	
Construction of Buildings	41 Construction of buildings	Construction
Civil Engineering	42 Civil engineering	
Specialised Construction Activities	43 Specialised construction activities	
Wholesale	45 Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale & Retail
	46 Wholesale trade, except of motor vehicles and motorcycles	
Retail	47 Retail trade, except of motor vehicles and motorcycles	
Land Transport, Storage & Post	49 Land transport and transport via pipelines	Transport & Storage
	52 Warehousing and support activities for transportation	
	53 Postal and courier activities	
Air & Water Transport	50 Water transport	
	51 Air transport	
Accommodation & Food Services	55 Accommodation	Accommodation, Food Services & Recreation
	56 Food and beverage service activities	
Recreation	90 Creative, arts and entertainment activities	
	91 Libraries, archives, museums and other cultural activities	
	92 Gambling and betting activities	
	93 Sports activities and amusement and	

	recreation activities	
Media Activities	58 Publishing activities	Information & communication
	59 Motion picture, video and television programme production, sound recording and music publishing activities	
	60 Programming and broadcasting activities	
Telecoms	61 Telecommunications	
Computing & Information Services	62 Computer programming, consultancy and related activities	
	63 Information service activities	
Finance	64 Financial service activities, except insurance and pension funding	Finance & Insurance
	66 Activities auxiliary to financial services and insurance activities	
Insurance & Pensions	65 Insurance, reinsurance and pension funding, except compulsory social security	
Real Estate	68 Real estate activities	Professional & Other Private Services
Professional Services	69 Legal and accounting activities	
	70 Activities of head offices; management consultancy activities	
	71 Architectural and engineering activities; technical testing and analysis	
	72 Scientific research and development	
	73 Advertising and market research	
	74 Other professional, scientific and technical activities	
	75 Veterinary activities	
Administrative & Supportive Service Activities	77 Rental and leasing activities	
	78 Employment activities	
	79 Travel agency, tour operator and other reservation service and related activities	
	80 Security and investigation activities	
	81 Services to buildings and landscape activities	
	82 Office administrative, office support and other business support activities	
Other Private Services	94 Activities of membership organisations	
	95 Repair of computers and personal and household goods	
	96 Other personal service activities	
	97 Activities of households as employers of domestic personnel	
	98 Undifferentiated goods- and services-producing activities of private households for	

	own use	
Public Administration & Defence	84 Public administration and defence; compulsory social security	Public Services
	99 Activities of extraterritorial organisations and bodies	
Education	85 Education	
Health	86 Human health activities	
Residential Care & Social Work	87 Residential care activities	
	88 Social work activities without accommodation	

Appendix C…Geography definitions

We forecast at the following geographic breakdowns:

- UK
- Regions (12)
- Counties (64)
- Local authorities…post-2020 boundaries (335+33 London boroughs)

Appendix D…FAQ's

- Why does Experian's history for variable x differ from another source / raw survey data?

There are several possible reasons.

  - The first is a vintage mismatch. The ONS frequently revises its economic data in order to take account of new information or improved methodology. The date at which Experian has taken data for the current RPS is given in the body of this guide. Another source may have used earlier or later data.
  - The second relates to data processing. As explained in the body of this guide, it is sometimes necessary at the regional level and (particularly) at the local level to process or construct data. Our approach to doing this is explained in the body of this guide. We apply consistent methodologies to process the data. Other sources may carry this out in different ways. When compared against the raw source, our data may differ because, for example:
    - It has been constrained to other sources.
    - It has been converted into CVM data or quarterly data.
    - It has been made consistent with other data or a later vintage of data.
  - The third relates to raw survey data. Raw survey data is often volatile and does not take into account information outside the survey. Official statistics and our data are constructed from the raw survey data to take into account volatility, sampling issues and all available data sources.

- Why does Experian's job history differ from the *ABI* or *BRES*?
  - The ABI/BRES are surveys taken from a particular year; they are not updated.
  - ABI/BRES is a source for ONS' workforce jobs but it is not the only source.
  - BRES does not include government supported trainees, HM forces jobs and every self-employed small business. As a result, BRES's employment numbers (mainly consisting of total employees and working owners e.g sole traders) would be lower than the ONS's workforce jobs.
  - Experian's workforce job history is designed to be consistent with the latest available ONS workforce jobs estimates, which includes a broad range of jobs (i.e. employee jobs, self-employment jobs, government supported trainees and HM forces).
  - Raw survey is often incomplete and suffers from sampling variability, which does not represent true volatility in the underlying population data. This must be removed to ensure high quality data.

- How often are data updated?
  - We always use the latest available data at the cut-off date for history.
  - New GVA data is available from the ONS
    - At the UK Level, three times a quarter.
    - At the Regional and Local level, annually (normally in December.)
  - New Expenditure data is available from the ONS at the UK level twice a quarter.
  - New LFS Employment data is available from the ONS once a quarter.
  - New Workforce Jobs data is available from the ONS once a quarter.
  - New BRES is published once a year (normally in December.)
  - New Income data is available from the ONS
    - At the UK level, once a quarter.
    - At the Regional and Local level, once a year (normally in April.)
  - Population projections are published once every two years.
  - New mid-year population estimates are published annually.
  - New LCFS is published annually.

- How do revisions to historical data affect your history and forecasts?
  - As explained above, we always take into account the latest historical data.
  - The monthly UK macro forecast is updated after each ONS revision of GDP for a quarter.
  - The RPS is based on a particular UK macro forecast and includes the latest available regional and local data.

- Forecasts are updated to be consistent with the latest historical data. While this will typically only affect the short-to-medium term, there are times when the long-run is necessarily affected. This will usually be when there has been a substantial revision to history.

- How are past growth trends captured in the forecasts?
  - All our models are econometric models.
  - An econometric model is a model estimated on historical data.
  - The coefficients (i.e. interactions) in the model embed historical relationships between variables and historical growth rates in a variable.
  - Where we believe that the forecast relationships may differ from history, we make appropriate adjustments to the forecast. This may be the case, for example, where an area has been substantially redeveloped in recent years.

- How are industry/regional/local developments and policies reflected in forecasts?
  - If past developments and policies are reflected in model inputs (for example population) or in history then they will be automatically captured by the model.

  - Our forecasts are policy-neutral in the sense that in our baseline assumes that sufficient projects, infrastructure, jobs etc. will be provided in order to meet the needs of the population in the long term. Thus although the project may not be explicitly included, an assumption that a project of its nature may have been included in the baseline.
  - It is important to realise that many developments or policies may not be sufficiently large enough to affect growth rates or may be implicitly included in the forecast from a higher level of aggregation.

  - We are able to make appropriate adjustments to the forecast to take into account certain large projects.
  - At the industry level we can take into account announced developments in that industry which are large enough to affect the growth in the industry at the national, regional or local level (as the case may be).
  - At the regional and local, we taken into account announced developments or policies which are large enough to affect growth at the regional or local level. The local model, in particular, has the facility to take into account the impact of additional population or jobs in a particular area.
  - The final forecast will show the net effect of the adjustment, after the effects of population constraints, job cannibalisation, commuting patterns etc.

- How does population relate to the employment forecasts?
  - This is discussed in detail in the methodology section above for the regions and the locals.
  - It is important to remember that employment is forecast on both a residence and workplace basis.
  - Residence based employment depends on local population (labour supply) growth but also on demand for work throughout the region and across the regional boundary.
  - Workplace based employment depends on labour supply throughout the region and across the regional boundary.

- What is working age?
  - The definition of working age used based on the state pension age.
  - As the state pension age for men and women changes in line with announced policy, the working age population will change to take this into account.
  - The key changes to the state pension age that have been announced are:
    - A gradual equality in state pension age for men and women.
    - A gradual rise in state pension age for both men and women to 67 (and 68 after the forecast horizon.)

- What is the participation rate / economic activity rate?
  - The participation rate or economic activity rate is the proportion of the population who are either employed or seeking employment (i.e. unemployed.)

- The participation rate used in our models is based on the entire adult population (16+). This differs from earlier versions of our models which used only the working age population.
- The participation rate is an endogenous variable in all our models. It is not a fixed assumption.

- What assumptions have been made regarding commuting in the local model?
  - Commuting in the local model is based on estimates given by the ONS.
  - These are based on the Census 2011.
  - Commuting assumptions are fixed over the forecast.
  - However, the outcome for commuting may differ from the assumption because (for example) there is insufficient demand or supply for labour to provide as many workers across a particular commuting relationship.

- How is Full-Time Equivalent employment derived?
  - This is based on the total hours worked (please see the glossary.)
  - The relationship between FTEs and hours is fixed by definition.
  - In different industries, the hours worked per job will differ.
  - Historical data for this is taken from ASHE (please see the body of the guide.)
  - The forecast takes into account changing trends in hours per job. This will necessarily alter the relationship between Full-Time Equivalent employment and jobs.

- How does the weighting of different factors change over the forecast period?
  - There is no fixed rule about the changes in this time.
  - The coefficients of the econometric equations are fixed over time
  - However, at the local level population growth becomes more important as unemployment decreases.

Appendix E…About us

Our economic forecasting expertise

Experian's team of 18 economists is a leading provider of global, national, regional, and local economic forecasts and analysis to the commercial and public sectors. Our foresight helps organisations predict the future of their markets, identify new business opportunities, quantify risk, and make informed decisions.

Experian's economics team is part of a 140-strong analytics division, which provides an understanding of consumers, markets, and economies in the UK and around the world, past, present, and future. As part of the Experian group, the analytics division has access to a wealth of research data and innovative software solutions. Its statisticians, econometricians, sociologists, geographers, market researchers and economists carry out extensive research into the underlying drivers of social, economic and market change.

For more information, visit www.experian.co.uk/economics

Experian

Experian is a global leader in providing information, analytical and marketing services to organisations and consumers to help manage the risk and reward of commercial and financial decisions.

Combining its unique information tools and deep understanding of individuals, markets and economies, Experian partners with organisations around the world to establish and strengthen customer relationships and provide their businesses with competitive advantage.

For consumers, Experian delivers critical information that enables them to make financial and purchasing decisions with greater control and confidence.

Clients include organisations from financial services, retail and catalogue, telecommunications, utilities, media, insurance, automotive, leisure, e-commerce, manufacturing, property and government sectors.

Experian Group Limited is listed on the London Stock Exchange (EXPN) and is a constituent of the FTSE 100 index. It has corporate headquarters in Dublin, Ireland, and operational headquarters in Costa Mesa, California and Nottingham, UK. Experian employs around 15,500 people in 36 countries worldwide, supporting clients in more than 65 countries. Annual sales are in excess of $3.8 billion (£1.9 billion/€2.8 billion).

For more information, visit the Group's website on www.experiangroup.com

Appendix 2 Lichfields' PopGroup Modelling Assumptions

Cambridge Econometrics Employment Projections

Methodology and data sources

Cambridge Econometrics (CE) have maintained and developed a highly disaggregated database of employment data by sector (12 broad sectors or more detailed 45 sectors[1]) from 1981 for all unitary authorities and local authority districts in Great Britain.

CE's projections are baseline economic projections based on historical growth in the local area relative to the region or UK (depending on which area it has the strongest relationship with), on a sector-by-sector basis. They assume that those relationships continue into the future. Thus, if a sector in the local area outperformed the sector in the region (or UK) as a whole in the past, then it will be assumed to do so in the future. Similarly, if it underperformed the region (or UK) in the past then it will be assumed to underperform the region (or UK) in the future.

They further assume that economic growth in the local area is not constrained by supply-side factors, such as population and the supply of labour. Therefore, no explicit assumptions for population, activity rates and unemployment rates are made in the projections. They assume that there will be enough labour (either locally or through commuting) with the right skills to fill the jobs. If, in reality, the labour supply is not there to meet projected growth in employment, growth could be slower.

The measure of employment is workplace based jobs, which include full-time, part-time and self-employed. The data on employees in employment by sector, which distinguish full-time and part-time as well as gender for the local area, are taken from the Business Register and Employment Survey (BRES) and the earlier Annual Business Inquiry (ABI). Estimates of self-employment are taken from the Annual Population Survey (APS) from 2004 onwards. For earlier years estimates are generated under the assumption that the ratios of self-employed to employees at local level, by sector and gender, are the same as those at the corresponding regional level. The figures are made consistent with more recently-published estimates of jobs at a regional level (quarterly workforce jobs, June figures) published by ONS, which include people in the armed forces but do not include people on government training schemes.

[1] See appendix for the definitions of CE's detailed and broad sectors in terms of the 2007 Standard Industrial Classification.

Appendix

Table A.1: Definitions of CE's 45 detailed sectors in terms of the 2007 Standard Industrial Classification (SIC2007)

Sector	SIC2007
Agriculture, forestry & fishing	01-03
Mining & quarrying	05-09
Food, drink & tobacco	10-12
Textiles etc	13-15
Wood & paper	16-17
Printing & recording	18
Coke & petroleum	19
Chemicals	20
Pharmaceuticals	21
Non-metallic mineral products	22-23
Metals & metal products	24-25
Electronics	26
Electrical equipment	27
Machinery	28
Motor vehicles	29
Other transport equipment	30
Other manufacturing & repair	31-33
Electricity & gas	35
Water, sewerage & waste	36-39
Construction	41-43
Motor vehicles trade	45
Wholesale trade	46
Retail trade	47
Land transport	49
Water transport	50
Air transport	51
Warehousing & postal	52-53
Accommodation	55
Food & beverage services	56
Media	58-60
IT services	61-63
Financial & insurance	64-66
Real estate	68
Legal & accounting	69
Head offices & management consultancies	70
Architectural & engineering services	71
Other professional services	72-75
Business support services	77-82
Public administration & defence	84
Education	85
Health	86
Residential & social	87-88
Arts	90-91
Recreational services	92-93
Other services	94-96

Table A.2: Definitions of CE's broad sectors in terms of CE's 45 detailed sectors and SIC2007

Broad sector	CE45	SIC2007
Agriculture, forestry & fishing	1	01-03
Mining & quarrying	2	05-09
Manufacturing	3-17	10-33
Electricity, gas & water	18-19	35-39
Construction	20	41-43
Distribution	21-23	45-47
Transport & storage	24-27	49-53
Accommodation & food services	28-29	55-56
Information & communications	30-31	58-63
Financial & business services	32-38	64-82
Government services	39-42	84-88
Other services	43-45	90-96

	2014-based SNPP	SNPP Rebased 2020 MYE	2018-based SNPP	Experian Baseline March 2020	Experian Baseline September 2021	CE/Experian midpoint	Past Trends Job Growth	Policy on Jobs	SM2
Model period	2021-2041, in line with the emerging plan period.								
Base population	2021 population by gender and single year of age as set out in 2014-based SNPP.	2021 population by gender and single year of age projected forward from 2020 mid-year population estimates.	2021 population by gender and single year of age as set out in 2018-based SNPP.	2021 population by gender and single year of age projected forward from 2020 mid-year population estimates.					
Births	Number of births (by gender) inputted from 2014-based SNPP.	Calculated by PopGroup using Total Fertility Rate (TFR) taken from 2014-based SNPP.	Number of births (by gender) inputted from 2018-based SNPP.	Calculated by PopGroup using TFR taken from 2014-based SNPP.					
Deaths	Number of deaths (by age and gender) inputted from 2014-based SNPP.	Calculated by PopGroup using Standard Mortality Rate (SMR) taken from 2014-based SNPP.	Number of deaths (by age and gender) inputted from 2018-based SNPP.	Calculated by PopGroup using SMR taken from 2014-based SNPP.					
Domestic Migration	Number of in and out internal and cross border migrants (by age and gender) inputted from 2014-based SNPP.		Number of in and out internal and cross border migrants (by age and gender) inputted from 2018-based SNPP.	Calculated by PopGroup to achieve population growth required to reflect the stated economic/housing constraints.					
International Migration	Based on number of in and out international migrants (by age and gender) inputted from 2014-based SNPP; PopGroup applied adjustment to reflect population constraint.		Based on number of in and out international migrants (by age and gender) inputted from 2018-based SNPP; PopGroup applied adjustment to reflect	Calculated by PopGroup to achieve population growth required to reflect the stated economic/housing constraints.					

<table>
<tr><td></td><td colspan="2"></td><td>population constraint.</td><td colspan="5"></td></tr>
<tr><td>Household formation rates</td><td colspan="2">2014-based Household formation rates. Alternative scenarios tested to reflect 2014 SNHP household formation rates and partial catch-up scenarios whereby the household formation rate of males and females aged between 15 and 34 increases gradually between 2020 and 2030 to a point whereby it reflects 50% of the difference between the 2014-based SNHP rates and the 2008-based SNHP rate.</td><td>2018-based Household Formation rates. Alternative scenarios tested to reflect 2018 SNHP household formation rates and partial catch-up scenarios.</td><td colspan="4">2014-based Household formation rates. Alternative scenarios tested to reflect 2014 SNHP household formation rates and partial catch-up scenarios whereby the household formation rate of males and females aged between 15 and 34 increases gradually between 2020 and 2030 to a point whereby it reflects 50% of the difference between the 2014-based SNHP rates and the 2008-based SNHP rate.</td><td>Based on 2014-SNHP household formation rates.</td></tr>
<tr><td>Population not in households</td><td colspan="2">Institutional population taken from 2014-based SNHP. Figures provided as absolute numbers for those up to and including the age of 74 and percentages for people over that age. This allows for changes in the elderly population in institutional care where there is a change in the population over the age of 75.</td><td>Institutional population taken from 2018-based SNHP.</td><td colspan="5">Institutional population taken from 2014-based SNHP. Figures provided as absolute numbers for those up to and including the age of 74 and percentages for people over that age. This allows for changes in the elderly population in institutional care where there is a change in the population over the age of 75.</td></tr>
<tr><td>Second home / vacancy rate</td><td colspan="8">Adjustment for second and vacant homes based on an assessment of Council Tax Base data between 2019 and 2021. The average over this period – 3.72% – has been held constant throughout the modelling period.</td></tr>
<tr><td>Economic activity rate</td><td colspan="8">Age and gender specific economic activity rates based on projections that were published by the Office for Budget Responsibility in July 2018 and adjusted to reflect the local baseline rates of economic activity.</td></tr>
<tr><td>Labour Force (LF) ratio</td><td colspan="8">The labour force ratio is worked out using the formula: (A) Number of employed workers living in area less unemployed ÷ (B) Number of workers who work in the area (number of jobs). It therefore implicitly captures both commuting patterns and 'double-jobbing' (where one person may occupy more than one job). Applying the economic activity rates to the base population in 2020 (i.e. the MYE) gives an estimate of the total labour force as at 2020. This is then compared with the total number of jobs (as given by Experian in its December 2021 projection) to create the labour force ratio which is held constant across the period. For High Peak the 10-year average labour force ratio of 1.28 has been held constant in the modelling from 2021 onwards.</td></tr>
<tr><td>Unemployment</td><td colspan="8">The unemployment rate from 2021 is taken from the ONS Annual Population Survey model-based estimate of unemployment. This shows that the Borough's unemployment rate averaged 4.4% in 2021, which is significantly higher than levels seen since 2014. Given the uncertainties facing the economy at the time of writing, this has been gradually changed to the long-term 10-year average of 4.52% seen between 2012 and 2021 and held constant thereafter.</td></tr>
<tr><td rowspan="2">Constraints</td><td rowspan="2">Population constrained to reflect 2014-based SNPP.</td><td rowspan="2">No constraints applied after 2020 MYE.</td><td rowspan="2">Population constrained to reflect 2018-based SNPP.</td><td colspan="5">Jobs constrained to reflect the level of growth identified by each of the forecast models for the period from 2021 to 2041, as summarised below:</td><td rowspan="2">Dwellings constrained to reflect SM2 for High Peak (260 dpa).</td></tr>
<tr><td>+630</td><td>+1,800</td><td>+1,447</td><td>-493</td><td>+ 3,320</td></tr>
</table>